



Rental Housing Bridge Subsidy Program Agreement  
CLOSE-OUT VERSION  
Effective 10/1/2015 - 6/30/2016

This Agreement is made October 1, 2015, among Health Choice Integrated Care, LLC, 1300 S. Yale Street, Flagstaff, Arizona 86001, and Gila County dba Gila County Public Housing Authority (“PHA”). PHA administers the County Housing Authority and the Housing Choice Voucher Program (HCVP).

In addition, because HCIC cannot provide direct clinical care under ARS 36-3410, it must arrange for clinical services with independent clinics and providers (“RBHA Subcontracted Providers.”) Recitations herein, including “RBHA Subcontracted Provider Scope of Services” do not make RBHA Subcontracted Providers parties to, or third-party beneficiaries of, this agreement, but recite the contractual expectations HCIC intends to hold such providers to under existing agreements with its provider network.

**I. INTRODUCTION.**

HCIC has selected PHA to assist in the administration of the Bridge Subsidy Program (BSP) which was a pilot initiative of the Arizona Department of Health Services Division of Behavioral Health Services (ADHS/DBHS), in partnership with the Arizona Department of Housing, designed to expand permanent supportive housing (PSH) opportunities for individuals with serious mental illness who meet eligibility requirements, are enrolled with HCIC and receiving services from a RBHA Subcontracted Provider, and transitioning from homelessness, substandard living conditions or residential care (“Participants”).<sup>1</sup> Homelessness, substandard living conditions and residential care are as defined by ADHS/DBHS. HCIC will provide PHA with funding as set forth in this Agreement to provide rental subsidy resources on behalf of HCIC Participants dependent on the availability of funding from the State of Arizona for this program.

The extended duration of the program shall be for a period ending June 30, 2016, with anticipated renewals/extensions through 12/31/2017. The Bridge Subsidy for each Participant shall extend for the earlier of (i) the participant’s voluntary withdrawal or for-cause termination from the program as provided herein; (ii) cessation of available funding, (iii) December 31, 2017, or (iv) three (3) years from the date of their enrollment in the BSP or the date permanent housing becomes available for the Participant, but no more than five (5) years of enrollment as a

---

<sup>1</sup> ADHS/DBHS means the Arizona Department of Health Services, Division of Behavioral Health Services, or any other governmental authority provided by law or contract with the authority to oversee HCIC in its implementation of this agreement. For the avoidance of doubt, any reference herein that refers to ADHS/DBHS confers like authority on any governmental authority of the State of Arizona to the extent required by law or by HCIC’s agreements with the State of Arizona and any of its subdivisions.

recipient of the BSP, whether under this or a prior Agreement with HCIC or another Regional Behavioral Health Authority.

HCIC has received approval of its Housing Plan from ADHS/DBHS to use funds to provide rental assistance to Participants as part of an overall effort to create supportive housing in the geographic areas it serves. HCIC will be relying on the expertise of PHA to administer key components of the Bridge Subsidy Program.

**Due to Arizona legislative action (HB 2488 as it amended ARS 41-3955.01), this program is scheduled to sunset on 12/31/2017 and as such, the purpose of this agreement is to ensure an agreement is in place until that time. Available funding is provided herein until the end of the fiscal year ending June 30, 2016, at which time it is anticipated that the agreement will be extended through 12/31/2017. This funding is not anticipated to provide for any new entrants into the program and as such, funding under this agreement will be used to provide rental assistance only to existing beneficiaries as they have existed under agreements with prior Regional Behavioral Health Authorities (RBHAs). There shall be no waitlist, and persons who exit the program will not be replaced with new beneficiaries.<sup>2</sup>**

## **II. PHA SCOPE OF SERVICES**

Until the sunset date of the program on 12/31/2017, PHA will undertake the following activities as the Subsidy Administrator and for part of the administration of the Bridge Subsidy Program, to manage tenant-based rental subsidies, including funding, for Participants until a permanent rental subsidy through the Section 8 Housing Choice Voucher Program is secured, to ensure monthly payments are made to persons leasing to Participants, and that rent limits and tenant eligibility and rent calculations are performed, and to administer the tenant-based rental assistance with rules and procedures that mirror the Section 8 Housing Choice Voucher Program and rules governing the ADHS/DBHS Bridge Subsidy Program, including those established in this Agreement, and including, but not limited to the “ADHS/DBHS Bridge Subsidy Program Policies and Procedures Manual,” which is incorporated herein by reference.

1. **Waiting list.** PHA will require that all BSP participants apply to the PHA Section 8 Waiting List as a part of the client’s self-sufficiency case plan. PHA has adopted a disabled preference for which the program participants would qualify.
2. PHA will establish and maintain relations with potential local landlords, owners and property managers. It is expected that PHA will assist RBHA Subcontracted Providers when needed with arranging site visits to rental units.
3. **BSP/Section 8 HCV Eligibility.** PHA will determine Participants’ eligibility using Section 8 Housing Choice Voucher Program (HCVP) regulations. PHA will be responsible for conducting Tenant Income Certification for Participants and determining income and background eligibility for BSP rental assistance. PHA will calculate Participant payment of rent under current leases and re-certifications.

---

<sup>2</sup> If there is a surplus from prior years under agreements with a predecessor RBHA, the terms of the prior RBHA contract govern the disposition of such funds unless the prior RBHA assigns its rights to HCIC, which may or may not occur dependent on state approval. By accepting this agreement, PHA expressly consents to such assignment if it occurs, and waives any contrary language contained in agreements with former RBHAs.

4. Lease Arrangements. PHA will provide the appropriate Housing Program Contract modified to reflect the terms of the Bridge Subsidy Program to the lessors chosen to participate in the Program and will ensure all required lease documents are executed in compliance with standard PHA procedures. The BSP Housing Program Contract will include a provision that requires the lessor to accept a HCV to replace the Bridge Subsidy as soon as it becomes available. PHA will perform calculations to determine the appropriate amount of rental subsidy payment to be made on behalf of the Participant. When HCV are made available to the Participant, PHA will prepare and execute the appropriate documents to transition the lease arrangements from the Bridge Subsidy Program to HCV.
5. Housing Quality Standards Inspections. PHA will perform Housing Quality Standards (HQS) Inspection on those units selected by Participants to assure compliance with the requirements of the HCV Program. PHA shall maintain copies of inspection reports at their office for the length of the term of this Agreement. PHA will inform lessors of any issues raised by the inspection and will provide a follow-up inspection(s) if needed to ensure compliance with HQS. PHA will perform yearly inspections of units to confirm continued compliance during the term of the Bridge Subsidy Program.
6. Subsidy Payments to Lessors. PHA will issue checks or electronic transfers to the lessors providing rental units to Participants in accordance with BSP Housing Program Contract. Checks or electronic transfers will be issued using funds in the established Bridge Subsidy account. Payments to lessors will be documented in a manner approved by HCIC. PHA will notify HCIC if problems develop with lessors that result in subsidy payments being delayed or terminated.
7. Bridge Subsidy Account. PHA will establish an account for funds distributed by HCIC pursuant to this Agreement. PHA will establish a separate fund number in order to receive the funds being provided by HCIC. The fund will be established in compliance with HCIC and ADHS/DBHS requirements. The Funds shall not be commingled with other PHA funding sources. PHA shall provide HCIC with monthly reports on the status of the funds in a format required by HCIC and consistent with ADHS/DBHS requirements. The account shall be used specifically and solely for the activities associated with the administration of the Bridge Subsidy Program and shall be limited to the following:
  - a. Payment of rental subsidies on behalf of Participants as authorized by HCIC and the ADHS/DBHS Bridge Subsidy Program.
  - b. Payment to PHA for approved administrative fees, not to exceed eight percent (8%) of funds disbursed by HCIC to PHA in any one fiscal year. Disposition of programmatic income and administrative fees shall be as provided in the attached budget schedule.
  - c. Bank fees approved by HCIC.

Where a lease or occupancy agreement calls for first and/or last month's rent or other security/utility deposit, and the Participant does not have the means to pay, deposit assistance/move-in expense in whole or in part, PHA may pay directly to the lessor on a one-time basis a sum up to a maximum of \$ 1,400 per Participant for deposit

assistance/move-in expense.. Any remaining deposit funds remaining after the lease or program terminates are paid back to PHA.

8 Issues of Concern Related to Tenancy of Participants. PHA will inform RBHA Subcontracted Provider when it becomes aware of issues that may affect the tenancy of a Participant so that RBHA Subcontracted Provider can work to resolve the issues on behalf of the Participant. RBHA Subcontracted Provider will work with PHA to help ensure the continuation of the tenancy.

9. Documents for Transition to Housing Choice Vouchers. PHA will provide and execute all required documents to enroll the Participant into the HCV Program in a timely manner once HCV resources are available. RBHA Subcontracted Provider will be available to assist PHA as needed to ensure the Participant provides required documentation and proper lease and Housing Program Contract documents are executed.

10. Reports and Meetings PHA will provide HCIC with monthly reports tracking the distribution of the Funds provided by HCIC, including the payment of rental subsidies and any administrative fees paid to PHA. PHA will also provide an annual financial report as to all funds received and disbursed as well as cash on hand. PHA will provide any and all information needed to respond to requests of HCIC or ADHS/DBHS auditors to document the Bridge Subsidy Program.

11. Records Inspection and Audit PHA will maintain individual housing case files on Participants in accordance with federal and state regulations concerning confidential information included in the case file. HCIC or any designee of HCIC shall have the right to inspect and audit the records and facilities of the PHA as follows. PHA shall permit the HCIC, or its designee, as the needs of the same shall require, to inspect, at reasonable times, any and all facilities, programs and records, financial or otherwise, of PHA used and/or compiled in connection with the Bridge Subsidy Program (Program). PHA shall maintain such reports, documents, records and books of accounts as shall be required by HCIC, and from time to time allow HCIC rights of access, audit and inspection of any activity performed in whole or in part with funds provided to PHA pursuant to this Agreement. Audits or inspection may include financial and compliance, automated and other data processing operations to assure data is safeguarded, accurate, timely, complete and reliable, and annual program audits and reviews. PHA shall, at all times, use standard accounting practices and procedures acceptable to the HCIC in the maintenance of any and all financial and account records. Such records shall be kept for a minimum of six (6) years after the program year in which the last of the funds were administered to PHA pursuant to this Agreement and any renewal or extension thereof, during which such time the HCIC or their designees shall maintain the right to access, inspect and audit the same.

### **III. HCIC SCOPE OF SERVICES**

HCIC will undertake the following activities in cooperation with PHA and RBHA Subcontracted Provider as part of the administration of the Bridge Subsidy Program. HCIC will manage overall program coordination and funding. HCIC is responsible for overseeing operations of the BSP and report activities to ADHS/DBHS and the Arizona Department of Housing, in addition to the following:

1. Leadership and Supervision. HCIC will provide guidance and advice for implementation and assessment of the BSP program to all parties.
2. Selection and referrals. Because the BSP program is in a close-out phase, no new tenants are to be selected, no waitlists are to be maintained, and no new tenants will be admitted to the program.
3. Participant approvals. The parties understand that existing BSP tenants were approved under arrangements with prior RBHAs, and documentation of such approvals shall be made available upon request. No new approvals are to be made.
4. Coordination and monitoring. HCIC will coordinate and monitor the provision of services with RBHA Subcontracted Provider and other local service providers to ensure Participant receives quality, appropriate, community-based services in accordance with the ADHS/DBHS approved plan.
5. Reporting. HCIC will report information as required by ADHS/DBHS and ADOH.
6. Funds. HCIC will pay PHA in accordance with the attached schedule and any subsequent addendums. In no event shall HCIC be liable to PHA for amounts in excess of or spent in noncompliance with state requirements.
7. Other Program Payments. Any remaining deposit funds are paid back to HCIC. HCIC, in its discretion, and in accordance with BSP rules, may award transfer bonus payments to PHA when a Participant is transferred from BSP to Section 8 or other program or to independence.

#### **IV. RBHA SUBCONTRACTED PROVIDER SCOPE OF SERVICES**

HCIC will instruct its Subcontracted Providers to undertake the following activities in cooperation with PHA, HCIC and the recipient of services as its part in the Bridge Subsidy Program, ensure that Participants receive the support and rehabilitation services needed to help them maintain independent living and move forward on their path to recovery.<sup>3</sup>

1. Individual Service Plan (ISP). RBHA Subcontracted Provider will ensure an appropriate Individual Service Plan is developed and in place for the duration of the BSP. The ISP will include or reference agreement by the Participant to abide by the terms of the BSP. The Participant's medical chart will contain an up-to-date crisis plan.
2. Supportive Services. RBHA Subcontracted Provider will provide or arrange for necessary support and rehabilitation services through HCIC-contracted providers, including independent living skills training and vocational services, to ensure that the

---

<sup>3</sup> Pursuant to ADHS/DBHS Policy 112, incorporated by reference herein, leases cannot contain provisions not normally found in leases to persons who do not have psychiatric disabilities. Accordingly, nothing in this section is to be construed to allow treatment compliance as a lease obligation. The services provided by this section are thus conditioned upon the service being an HCIC covered service under Medicaid or other funding and upon a tenant or guardian's acceptance of them.

Participant is engaged in meaningful community activities, obtaining employment and volunteer activities, able to maintain independent living, maintaining housing, and realizing their path to recovery. These services may also include tenancy stabilization services and assistance for Participant in maintaining appropriate utility accounts associated with rental units including accounts for heat, hot water, telephone and electricity as applicable.

## V. OTHER TERMS AND CONDITIONS

1. Participant Terminating Events. A Participant may, in PHA discretion after consultation with HCIC, be terminated from the BSP program, in the following cases:

a. For failure to meet the eligibility requirements or no longer qualifying for participation.

b. After three (3) years from the date of their enrollment in the BSP or the date permanent housing becomes available for the Participant, but no more than five (5) years of enrollment as a recipient of the BSP.

c. For the following reasons after efforts are taken by RBHA Subcontracted Provider and HCIC to confirm the Participant's actions and mutually resolve the problem, and inability to resolve the concern(s) with the Participant:

i. Abandonment of the rental unit.

ii. Breach of the Participant's agreement to abide by the terms of the BSP and HCV program rules or repeated breach of lease terms.<sup>4</sup>

iv. Loss of contact with PHA following Participant move out of unit prior to the end of lease term and failure to locate another acceptable unit within 30 days.

v. For personal actions (including criminal) that result in the Participant's ineligibility for participation or termination, including but not limited to 1) physical violence or threatening behavior directed at staff, Participants or other tenants; 2) damage or destruction to property.

vi. Other grounds established by HCIC and ADHS/DBHS Bridge Subsidy Program rules.

2. Nondiscrimination. The BSP program does not discriminate on the bases of race, color, religion, gender, sexual preference or disability. The parties shall comply with local, state and federal laws regarding fair housing and nondiscrimination.

---

<sup>4</sup> Termination from the BSP is distinct from termination from Supported Housing services provided by RBHA Subcontracted Providers, which are governed by other law and policy including but not limited to AAC R9-21 and R9-34. Termination from the BSP is also distinct from termination of tenancy, which is governed by Arizona Residential Landlord and Tenant law.

3. Confidentiality. PHA shall keep confidential the names, identities, records and information contained therein, and in particular individually identifiable health information, whether oral or recorded in any form or medium, of the individuals who are receiving or who have received services funded by HCIC, except as disclosure is permitted by Federal and State laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA) and its regulations. PHA shall implement the necessary administrative, physical and technical safeguards necessary to maintain the confidentiality of such information. PHA shall report immediately any breach of confidentiality to the designated Privacy Officer for HCIC. A breach of an individual's confidentiality shall constitute a material breach of this Agreement and shall provide grounds for immediate termination of this Agreement. The parties agree not to share Participant information with anyone outside the BSP except as may be required by law or as allowed for coordination of care with other agencies. Participants must be asked to sign consent form(s) at least annually to allow sharing information among the parties and other agencies as necessary. HIPAA compliant authorization is required prior to disclosure of personal health information except when otherwise allowed by state and federal law.

4. Term of Agreement. This Agreement will be in effect from October 1, 2015 until June 30, 2016, or until available funding is exhausted, whichever comes first. In no event shall HCIC be liable for amounts exceeding state-approved allocations. It is anticipated, but in no way guaranteed, that the agreement will be funded and extended as far as December 31, 2017, pursuant to the amendment provisions herein.

5. Termination. Any party wishing to terminate the Agreement for cause must provide a written intent to terminate notice to the party in breach or default. The notice will provide thirty (30) days for the party in breach or default to respond to the notice with an acceptable plan to cure cause for termination. Upon termination of this Agreement, HCIC shall pay PHA all fees on account of services therefore rendered by PHA and PHA shall return all unexpended funds to HCIC. In addition, this contract may be terminate pursuant to the provisions of A.R.S. § 38-511.

6. Immigration Law Compliance Warranty: As required by A.R.S. § 41-4401, each party hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Each party further warrants that after hiring an employee, it verifies the employment eligibility of the employee through the e-verify program. If either party uses any subcontractors in performance of the Agreement, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the e-verify program. A breach of this warranty shall be deemed a material breach of the Agreement subject to penalties up to and including termination of this Agreement. A party shall not be deemed in material breach if it and its subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the e-verify requirements contained in A.R.S. § 23-214(A). Each party retains the legal right to inspect the papers of the other party and its subcontractors engaged in performance of this Agreement to ensure that the other party and its subcontractors are complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable

times. If state law is amended, the parties may modify this paragraph consistent with state law.

7. Notice. Notice hereunder shall be sufficiently given if delivered by hand or if mailed, by certified mail, return receipt requested, effective upon mailing, to:

HCIC  
Attention: Chief Executive Officer  
1300 S. Yale Street  
Flagstaff, Arizona 86001

PHA

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Amendments: This Agreement may be amended by HCIC in writing. If not specifically rejected in accordance with Notice procedures herein, amendments become effective 30 days following dispatch in accordance with the Notice procedures herein. PHA may not amend this agreement without affirmative written consent of HCIC.

8. Assignment. This Agreement may be assigned pursuant to the Notice and Amendment procedures herein. Unless otherwise specified in the assignment amendment, assignment also operates to release the assignor from all claims related to this Agreement, known and unknown, at law and in equity that then exist or which may exist in the future, except as to breaches caused by the assignor.

9. Indemnification. Each party agrees to indemnify, defend and hold harmless the other party(s) and the State of Arizona, its departments and employees, from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with the indemnifying party's negligence or intentional act. Each party agrees to procure and maintain for the duration of the Agreement insurance or self-insurance against claims for injuries to persons or damages to property which may arise from or in connection with its performance of the Agreement hereunder and the results of that work by the party, its agents, representatives or employees. This obligation survives the termination or assignment of this agreement.

10. Incorporation by Reference. ADHS/DBHS' rules applicable to the Bridge Subsidy Program, HCIC's Subcontract with ADHS/DBHS, and HCIC's Subcontracted Provider Contract with RBHA Subcontracted Provider, are incorporated herein by reference, applicable as if fully set out at length herein, and supersede the provisions of this Agreement to the extent of any conflict.

11. Jurisdiction & Venue. This Agreement shall be governed by and interpreted according to the laws of the state of Arizona. Venue for any legal actions will be Coconino County.

12. Entire Agreement. This Agreement, its schedules, and any documents referenced or incorporated represents the full understanding and agreement among the parties.

Remainder of page blank. Signature page follows.

IN WITNESS WHEREOF, the parties have executed this Bridge Subsidy Program Agreement, Close-out Version, and effective October 1, 2015.

**FOR HCIC**

  
\_\_\_\_\_  
Signature

11/11/15  
\_\_\_\_\_  
Date

Simon Nav  
\_\_\_\_\_  
Printed Name

CEO  
\_\_\_\_\_  
Title

**FOR PHA**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

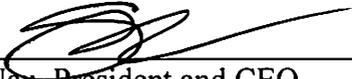
**BRIDGE SUBSIDY HOUSING PROGRAM AGREEMENT  
ATTACHMENT A**

In addition to the terms contained in the Bridge Subsidy Housing Program Agreement, dated October 1, 2015 between Health Choice Integrated Care (HCIC) and Gila County Community Public Housing Authority, by this Addendum, agree to the terms outlined below during the period that this Agreement is in effect. If there is any conflict between the terms in the Agreement and the terms in this Addendum, the terms contained in this Addendum shall be controlling.

1. Total funding for this program will be approximately \$27,090 for FY2016 (beginning October 1, 2015 and ending June 30, 2016), with monthly reimbursement distributions to include 8% administrative costs based on eligible monthly program expenditures. HCIC reserves the right to adjust these funds based upon funding or eligibility changes on the Federal or State level.
2. All other terms and conditions contained in the Bridge Subsidy Housing Program Agreement, dated October 1, 2015 will remain the same and HCIC and MCCSD will continue to work together in good faith.

\_\_\_\_\_  
Chairman, Board of Supervisors  
Gila County

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Shawn Nau, President and CEO  
Health Choice Integrated Care

11/11/16  
\_\_\_\_\_  
Date

**HIPAA BUSINESS ASSOCIATE AGREEMENT/QUALIFIED SERVICE ORGNIZATION  
AGREEMENT/ADDENDUM**

This Business Associate Agreement effective on the last date signed below, is entered into by and between the Arizona Board of Regents for and on behalf of Gila County dba Gila County PHA ("Business Associate") and Health Choice Integrated Care, LLC. ("Covered Entity.")

**Recitals**

- A. The purpose of this Agreement is to comply with the Standards for Privacy of Individually Identifiable Health Information (protected health information) published on December 28, 2000 by the Secretary of the U.S. Department of Health and Human Services (HHS) to amend 45 C.F.R. Part 160 and Part 164 (the Privacy Regulation) and the Standards for Security of Individually Identifiable Health Information (electronic protected health information) published on February 20, 2003 by the Secretary of the U.S. Department of Health and Human Services (HHS) to amend 45 C.F.R. Part 160 , Part 162 and Part 164 (the Security Privacy Regulation) under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
  
- B. If the parties have a prior contract/engagement letter (the Contract) under which the Business Associate regularly uses and/or discloses protected health information in its performance of services for COVERED ENTITY, this Agreement amends that Contract. Or if the Contract is entered into at the same time as this Agreement, this is an Addendum to the Contract being entered into between the parties.
  
- C. This Agreement sets forth the terms and conditions pursuant to which protected health information or electronic protected health information (PHI/EPHI) that is provided by, or created or received by, the Business Associate from or on behalf of COVERED ENTITY will be handled. References to "Electronic Protected Health Information" (EPHI) means Protected Health Information (PHI) which is transmitted by Electronic Media (as defined in the HIPAA Security and Privacy Rule) or maintained in Electronic Media. When the term PHI is used in this agreement it includes EPHI as appropriate.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter addressed, the parties agree as follows:

**1. Services.**

The Business Associate provides services for COVERED ENTITY that involve the use and/or disclosure of protected health information which services are described in the Contract. Except as otherwise specified herein, the Business Associate may make any and all uses of protected health information necessary to perform its obligations as set forth in the Contract between the parties. The Business Associate may disclose protected health information for the purposes authorized by this Agreement only (i) to its employees, subcontractors and agents, in accordance with Section 2(d), or (ii) as directed by COVERED ENTITY. The Business Associate may use the protected health information, if necessary, for the proper management and administration of the Business Associate; or to carry out the legal responsibilities of the Business Associate. Additionally the Business Associate may disclose the protected health information if the disclosure is required by law.

## 2. Responsibilities of Business Associate.

With regard to its use and/or disclosure of protected health information, the Business Associate hereby agrees to do the following:

- a. Use and/or disclose the protected health information only as permitted or required by this Agreement or as otherwise required by law;
- b. Use commercially reasonable efforts to maintain the security of the protected health information and to prevent unauthorized use and/or disclosure of such protected health information. In addition, for EPHI, implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that it creates, receives, maintains, or transmits on behalf of COVERED ENTITY and, further ensure that any agent, including a subcontractor to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect the information;
- c. Report to the designated privacy officer/security officer of COVERED ENTITY, in writing, any use and/or disclosure of the PHI/EPHI that is not permitted or required by this Agreement of which the Business Associate becomes aware within ten (10) business days of the Business Associate's discovery of such unauthorized use and/or disclosure;
- d. Require all of its employees, representatives, subcontractors or agents that receive or use or have access to protected health information under this Agreement to adhere to the same restrictions and conditions on the use and/or disclosure of protected health information that apply herein;
- e. Upon their request make available all records, books, agreements, policies and procedures relating to the use and/or disclosure of protected health information to the Secretary of Health and Human Services (HHS) for purposes of determining COVERED ENTITY's compliance with the Privacy Regulation, subject to attorney-client or other applicable legal privileges;
- f. Within thirty (30) days of receiving a written request from COVERED ENTITY, provide to COVERED ENTITY such information as is requested by COVERED ENTITY to permit COVERED ENTITY to respond to a request by the subject member for access, amendment and/or accounting purposes of the disclosures of the member's protected health information in accordance with 45 C.F.R. §§ 164.524, 164.526 and 164.528, 164.314;
- g. When possible the Business Associate will, within thirty (30) days of termination of this Agreement, return to COVERED ENTITY or destroy, as requested by COVERED ENTITY, any/all protected health information obtained pursuant to this Contract in the Business Associate's possession retaining no copies, electronic or otherwise in accordance with 45 C.F.R. §§ 164.524, 164.526 and 164.528, 164.314.

If it is not feasible for the Business Associate to return or destroy any information obtained pursuant to the Contract because of various ethical responsibilities and/or current state and

federal requirements relating to Business Associates line of business, at the conclusion or termination of this agreement any protected health information in the possession of the Business Associate will continue to be protected as provided in this Agreement and will only be used or disclosed to meet the Business Associate's ethical responsibilities and any state and federal requirements. Such disclosure will be reported as noted in section 2(c).

## 2.1 QUALIFIED SERVICE ORGANIZATION

- a. The Business Associate is also a qualified service organization and acknowledges that in receiving, storing, processing, or otherwise dealing with any patient records from the program, it is fully bound by the regulations of 42 CFR Part 2 ("The Regulations") including but not limited to the prohibition on re-disclosure.
- b. If necessary, the Business Associate will resist in judicial proceedings any efforts to obtain access to patient records except as permitted by The Regulations.
- c. Information disclosed to Business Associate without a release has been disclosed to Business Associate from records protected by federal confidentiality rules (42 C.F.R. Part 2). The federal rules prohibit Business Associate from making any further disclosure of this information unless further disclosure is expressly permitted by the written consent of the person to whom it pertains or as otherwise permitted by 42 C.F.R. Part 2. A general authorization for the release of medical or other information is NOT sufficient for this purpose. The federal rules restrict any use of the information to criminally investigate or prosecute any alcohol or drug abuse patient.

## 3. Responsibilities of COVERED ENTITY.

With regard to the use and/or disclosure of protected health information by the Business Associate, COVERED ENTITY hereby agrees:

- a. To inform the Business Associate of any changes in the form of notice of privacy practices that COVERED ENTITY provides to members pursuant to 45 C.F.R. §164.520 and provide a copy of the notice currently in use upon request of the Business Associate; and
- b. To inform the Business Associate of any changes in, or withdrawal of, the authorization provided to COVERED ENTITY by members whose protected health information may be used or disclosed by the Business Associate under this Agreement pursuant to 45 C.F.R. §164.506 and §164.508; and
- c. To notify the Business Associate, in writing and in a timely manner, of any restrictions on the use and/or disclosure of protected health information agreed to by COVERED ENTITY as provided in 45 C.F.R. §164.522.

## 4. Mutual Representation and Warranty

Each party represents and warrants to the other party that all of its employees, agents, representatives and members of its work force, whose services may be used to fulfill obligations under this Agreement, are or shall be appropriately informed of the terms of this Agreement and are under legal obligation to fully comply with all provisions of this Agreement.

5. Term and Termination.

Term. This agreement shall become effective on the date indicated in the first paragraph and shall continue in effect until all obligations of the parties have been met, unless terminated as provided herein or by mutual agreement of the parties.

Termination. As provided under 45 C.F.R. §164.504(e)(2)(iii), COVERED ENTITY may immediately terminate this Agreement and any related Contract if it determines that the Business Associate has breached a material provision of the Agreement. Alternatively, COVERED ENTITY may choose to: (i) provide the Business Associate with written notice of the existence of an alleged material breach; and (ii) afford the Business Associate an opportunity to cure said breach upon mutually agreeable terms. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of this Agreement. If termination is not feasible, COVERED ENTITY shall report the breach to the Secretary of HHS. This Agreement will automatically terminate without any further action of the parties upon the termination or expiration of the Contract.

6. Survival.

The respective rights and obligations of the Business Associate and COVERED ENTITY under the provisions of Section 2(g) and 8 shall survive the termination of this Agreement indefinitely.

7. Amendment.

This Agreement may not be modified or amended, except in writing as agreed to by each party.

8. No Third Party Beneficiaries.

Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties hereto any rights, remedies, obligations, or liabilities whatsoever.

9. Notices.

Notice. Notice hereunder shall be sufficiently given if delivered by hand or if mailed, by certified mail, return receipt requested, effective upon mailing, to:

HCIC  
Attention: Chief Executive Officer  
1300 S. Yale Street  
Flagstaff, Arizona 86001

Business Associate

\_\_\_\_\_  
\_\_\_\_\_

REMAINDER OF PAGE BLANK, SIGNATURE PAGE FOLLOWS

This Business Associate Agreement/Qualified Service Organization Agreement Executed by the parties hereto:

Business Associate \_\_\_\_\_ Date \_\_\_\_\_  
By:

COVERED ENTITY  \_\_\_\_\_ Date 11/11/16  
By: Seamus NAW

REMAINDER OF PAGE INTENTIONALLY BLANK