

**EMPLOYEE RESOURCE SYSTEMS, INC.**  
**BUSINESS ASSOCIATE AGREEMENT - AFFILIATE**

This Business Associate Agreement with Security Addendum (“Agreement”) is made and entered into on

**Date:** \_\_\_\_\_, by and between Employee Resource Systems, Inc. (ERS) and

**Name:** \_\_\_\_\_, our Business Associate.

The purpose of this Agreement is to assure the privacy and security of Protected Health Information and Electronic Protected Health Information in accordance with 42 CFR Part 2 and Parts 160, 162 and 164 of Chapter 45 of the Code of Federal Regulations (the "Privacy and Security Rules") issued by the Office of Civil Rights (“OCR”) with the Department of Health and Human Services ("HHS") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the American Recovery and Reinvestment Act ("ARRA") and the HIPAA Omnibus Final Rule 2013 (“Final Rule”).

ERS has entered into a Service Agreement with the Business Associate to provide services that enable ERS to conduct business. In order to provide these services, the Business Associate may require access to Protected Health Information (“PHI”) as defined by HIPAA.

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.

HIPAA requires ERS to obtain assurances from the Business Associate about how it will use and protect PHI. Now, therefore, the parties agree as follows:

**1. Definitions.**

- a. “Business Associate” 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.
- b. “Covered Entity” 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 Employee Resource Systems or ERS
- c. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164 and 42 CFR Part 2.
- d. “Agreement” refers to this Business Associate Agreement.

**2. Obligations and Activities of Business Associate**

Business Associate agrees to:

- (a) Not use or disclose protected health information other than as permitted or required by the Agreement or as required by law;
- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 and 42 CFR Part 2 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement;
- (c) Report to covered entity any use or disclosure of protected health information not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410 and 42 CFR Part 2 and any security incident of which it becomes aware;

Upon discovery of any unauthorized use or disclosures of PHI, the Business Associate shall report to Employee Resource Systems, Inc. without any reasonable delay, any compromise or breach of PHI. Employee Resource Systems, Inc. shall be obligated to conduct a risk assessment to determine the following:

- a. the nature and extent of the PHI involved
- b. the identity of the unauthorized person who gained access to the PHI
- c. whether the PHI was actually acquired or viewed
- d. the extent to which the risk to the PHI has been mitigated.



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Employee Resource Systems must notify OCR, as well as the affected party(ies), of any unsecured PHI breaches within 60 days from the initial discovery.

(d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2) and 42 CFR Part 2, if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information;

(e) Make available protected health information in a designated record set to ERS as necessary to satisfy covered entity's obligations under 45 CFR 164.524 and 42 CFR Part 2;

In the event that any individual asks for access to or a copy of his/her PHI, the Business Associate will notify ERS within two (2) business days of the request and allow ERS to handle this request. To assist ERS in complying with the client's rights provisions of HIPAA, Business Associate shall, at any time during this Agreement, make PHI in its possession available to ERS within five (5) business days of ERS' request. Client is entitled to an electronic copy of his/her PHI, which ERS will provide within thirty (30) days from the date it obtains all PHI from the Business Associate.

(f) Make any amendment(s) to protected health information in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526 and 42 CFR Part 2;

If any individual submits to Business Associate a request to amend her or her own PHI, the Business Associate shall, within two (2) business days, notify ERS of the details of such request and allow ERS to handle this request.

(g) Maintain and make available the information required to provide an accounting of disclosures to ERS as necessary to satisfy ERS' obligations under 45 CFR 164.528 and 42 CFR Part 2. Should the Business Associate receive a request for an accounting of disclosures, the Business Associate will notify ERS of said request within 2 days and allow ERS to handle this accounting of disclosures.

(h) To the extent the business associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164 and 42 CFR Part 2, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s); and

(i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

**3. Permitted Uses and Disclosures by Business Associate**

(a) Business associate may only use or disclose protected health information as necessary to perform the specified services set forth in Service Agreement. BA is not allowed to use de-identified PHI for any reason outside of the specified services as set forth in the Service Agreement.

(b) Business associate may use or disclose protected health information as required by law.

(c) Business Associate agrees to make uses and disclosures and requests for protected health information consistent with Employee Resource Systems' minimum necessary policies and procedures.

(d) Business associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 and 42 CFR Part 2, if done by covered entity except for the specific uses and disclosures set forth below:

(e) Business associate may use protected health information for the proper management and administration of the business associate or to carry out the legal responsibilities of the business associate.



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(f) Business associate may disclose protected health information for the proper management and administration of business associate or to carry out the legal responsibilities of the business associate, provided the disclosures are required by law, or business associate 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 business associate of any instances of which it is aware in which the confidentiality of the information has been breached.

**Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions**

(a) Covered entity shall notify business associate of any limitation(s) in the notice of privacy practices of covered entity under 45 CFR 164.520 and 42 CFR Part 2, to the extent that such limitation may affect business associate's use or disclosure of protected health information.

(b) Covered entity shall notify business associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect business associate's use or disclosure of protected health information.

(c) Covered entity shall notify business associate of any restriction on the use or disclosure of protected health information that covered entity has agreed to or is required to abide by under 45 CFR 164.522 and 42 CFR Part 2, to the extent that such restriction may affect business associate's use or disclosure of protected health information.

**4. Permissible Requests by Covered Entity**

Covered entity shall not request business associate to use or disclose protected health information in any manner that would not be permissible under Subpart E of 45 CFR Part 164 and 42 CFR Part 2 if done by covered entity.

**5. Term and Termination**

(a) Term. The Term of this Agreement shall be effective as of the date this document is signed and shall terminate when the Business Associate is no longer a Clinical Affiliate of ERS or on the date ERS terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.

(b) Termination for Cause. Business associate authorizes termination of this Agreement by ERS, if ERS determines business associate has violated a material term of the Agreement and business associate has not cured the breach or ended the violation within the time specified by covered entity.

(c) Obligations of Business Associate Upon Termination.

Upon termination of this Agreement for any reason, business associate, with respect to protected health information received from ERS, or created, maintained, or received by business associate on behalf of ERS, shall:

1. Retain only that protected health information which is necessary for business associate to continue its proper management and administration or to carry out its legal responsibilities;
2. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 and 42 CFR Part 2 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as business associate retains the protected health information;
3. Not use or disclose the protected health information retained by business associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out at Section 3 related to paragraphs (e) and (f) above under "Permitted Uses and Disclosures By Business Associate".

(d) Survival. The obligations of business associate under this Section shall survive the termination of this Agreement.



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**6. Miscellaneous**

- (a) Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- (b) 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.
- (c) Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- (d) Indemnification. Business associate shall indemnify and hold ERS harmless for any expense, fine, penalty, fee, judgment, defense cost, settlement, attorney fee, and cost resulting from any failure to comply with the requirements of any statute, regulation, or rule promulgated by any state or federal entity identified herein as exist or are amended at any time subsequent to the execution of this agreement. This obligation shall extend to all statutes and regulations identified herein and in addition the Illinois Mental Health and Developmental Disability Confidentiality Act, 42 CFR Part 2, and any other state or federal requirement of confidentiality.

**IN WITNESS WHEREOF, BUSINESS ASSOCIATE AND ERS HAVE CAUSED THIS AGREEMENT TO BE SIGNED AND DELIVERED BY THEIR DULY AUTHORIZED REPRESENTATIVES AS OF THE DATE SET FORTH ABOVE.**

**Business Associate**

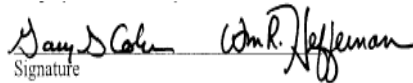
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\_\_\_\_\_  
*Print Name*

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*Title*

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*Date*

**Employee Resource Systems, Inc.**

  
Signature

Gary S. Cohen & William Heffernan

Co-Presidents

