

**CONTRACT FOR  
Ambulance Billing Services**

This Contract, dated \_\_\_\_\_, 2016, is between the **City of Bryan**, a Texas home-rule municipal corporation, (the City) and **Digitech Computer, Inc.** (the Service Provider), whereby the Service Provider agrees to provide the City with certain services as described herein and the City agrees to pay the Service Provider for those services.

**1. Scope of Services**

In consideration of the compensation stated in **paragraph 2**, the SERVICE PROVIDER agrees to provide the City with the services as described in **Exhibit A, RFP # 16-053, Exhibit B – “Digitech Computer, Inc. Response to RFP 16-053” – Proposal to the City of Bryan**, and **Exhibit C – Business Associate Addendum** which is incorporated herein by reference for all purposes, and which services may be more generally described as follows:

***“Ambulance Billing Services”***

**2. Payment**

In consideration of the SERVICE PROVIDER's provision of the services in compliance with all terms and conditions of this Contract, the City shall pay the SERVICE PROVIDER according to the terms set forth in **Exhibit A and Exhibit B**. Except in the event of a duly authorized change order, approved by the City in writing, the total cost of all professional services provided under this Contract may not exceed **\$250,000**.

**3. Time of Performance**

A. All work and services provided under this Contract must be completed as outlined in **Exhibit A, Exhibit B and Exhibit C**.

B. **Time is of the essence of this Contract.** The SERVICE PROVIDER shall be prepared to provide the services in the most expedient and efficient manner possible.

**4. Warranty, Indemnification, Release & Insurance**

A. As an experienced and qualified SERVICE PROVIDER, the SERVICE PROVIDER warrants that the information provided by the SERVICE PROVIDER reflects high professional and industry standards, procedures, and performances. The SERVICE PROVIDER warrants that the performance of all services under this Contract will be pursuant to a high standard of performance in the profession. The SERVICE PROVIDER warrants that the SERVICE PROVIDER will exercise diligence and due care and perform in a good and workmanlike manner all of the services pursuant to this Contract. Approval of the City shall not constitute, or be deemed, a release of the responsibility and liability of the SERVICE PROVIDER, its employees, agents, or associates for the exercise of skill and diligence to promote the accuracy and competency of their services, or any document, nor shall the City's approval be deemed to be the assumption of responsibility by the City for any defect or error in the aforesaid documents prepared by the SERVICE PROVIDER, its employees, associates, agents, or subservice Providers.

B. The SERVICE PROVIDER shall promptly correct any defective services or documents furnished by the SERVICE PROVIDER at no cost to the City. The City's approval, acceptance, use of, or payment for, all or any part of the SERVICE PROVIDER's services hereunder or of the scope of work itself shall in no way alter the SERVICE PROVIDER's obligations or the City's rights hereunder.

C. In all activities or services performed hereunder, the SERVICE PROVIDER is an independent SERVICE PROVIDER and not an agent or employee of the City. The SERVICE PROVIDER and its employees are not the agents, servants, or employees of the City. As an independent SERVICE PROVIDER the SERVICE PROVIDER shall be responsible for the professional services and the final work product contemplated under this Contract. Except for materials furnished by the City, the SERVICE PROVIDER shall supply all materials, equipment, and labor required for the professional services to be provided under this Contract. The SERVICE PROVIDER shall have ultimate control over the execution of the professional services. The SERVICE PROVIDER shall have the sole obligation to employ, direct, control, supervise, manage, discharge, and compensate all of its employees or subservice Providers, and the City shall have no control of or supervision over the employees of the SERVICE PROVIDER or any of the SERVICE PROVIDER's subservice Providers.

D. The SERVICE PROVIDER must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, employees, agents, subservice Providers, licensees, and other persons, as well as their personal property, while in the vicinity of the Project or any of the work being done on or for the Project. It is expressly understood and agreed that the City shall not be liable or responsible for the negligence of the SERVICE PROVIDER, its officers, employees, agents, subservice Providers, invitees, licensees, and other persons.

**E. Responsibility for damage claims (indemnification): SERVICE PROVIDER shall defend, indemnify and save harmless the City and all its officers, agents, and employees from all suits, actions, or claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person or persons or property resulting from the SERVICE PROVIDER's negligent performance of the work, or by or on account of any claims or amounts recovered under the Workmen's Compensation Law or any other law, ordinance, order or decree, and his sureties shall be held until such suit or suits, action or actions, claim or claims for injury or damages as aforesaid shall have been settled and satisfactory evidence to the effect furnished the City. SERVICE PROVIDER shall defend, indemnify and save harmless the City, its officers, agents and employees in accordance with this indemnification clause only for that portion of the damage caused by SERVICE PROVIDER's negligence.**

F. **Release.** The SERVICE PROVIDER releases, relinquishes, and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to, sickness or death of the SERVICE PROVIDER or its employees and any loss of or damage to any property of the SERVICE PROVIDER or its employees that is caused by or alleged to be caused by, arises out of, or is in connection with the SERVICE PROVIDER's negligent performance of the work. Both the City and the SERVICE

PROVIDER expressly intend that this release shall apply regardless of whether said claims, demands, and causes of action are covered, in whole or in part, by insurance.

## **5. SERVICE PROVIDER'S INSURANCE**

The Contractor agrees to maintain the minimum insurance coverage and comply with each condition set forth below during the duration of this contract with the City of Bryan. All parties to this contract hereby agree that the Contractor's coverage will be primary in the event of a loss, regardless of the application of any other insurance or self-insurance.

Contractor must deliver to City of Bryan a certificate(s) of insurance evidencing such policies are in full force and effect within 10 business days of notification of the City of Bryan's intent to award a Contract. No contract shall be effective until the required certificate(s) have been received and approved by the City of Bryan. Failure to meet the insurance requirements and provide the required certificate(s) and any necessary endorsements within 10 business days **may cause the contract to be rejected.**

The City of Bryan reserves the right to review these requirements and to modify insurance coverage and their limits when deemed necessary and prudent.

- A. Workers' Compensation Insurance & Employers Liability Insurance** - Contractor shall maintain Workers' Compensation insurance for statutory limits and Employers Liability insurance with limits not less than \$500,000 each accident for bodily injury by accident or \$500,000 each employee for bodily injury by disease. Contractor shall provide Waiver of Subrogation in favor of the City of Bryan and its agents, officers, officials, and employees.
- B. Commercial General Liability Insurance** - Contractor shall maintain Commercial General Liability (CGL) with a limit of not less than \$1,000,000 per occurrence and an annual aggregate of at least \$2,000,000. CGL shall be written on a standard ISO "occurrence" form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract including the tort liability of another assumed in a business contract. No coverage shall be deleted from the standard policy without notification of individual exclusions and acceptance by the City of Bryan. The City of Bryan and its agents, officers, officials, and employee shall be listed as an additional insured.
- C. Business Automobile Liability Insurance** - Contractor shall maintain Business Automobile Liability insurance with a limit of not less than \$1,000,000 each accident. Business Auto Liability shall be written on a standard ISO version Business Automobile Liability, or its equivalent, providing coverage for all owned, non-owned and hired automobiles. Contractor shall provide Waiver of Subrogation in favor of the City of Bryan and its agents, officers, officials, and employees.
- D. Policy Limits** - Required limits may be satisfied by a combination of primary and umbrella or excess liability policies. Contractor agrees to endorse City of Bryan and its agents, officers, officials, and employees as an additional insured, unless the Certificate states the Umbrella or Excess Liability provides coverage on a pure "True Follow Form" basis.

- E. Deductibles, Coinsurance Penalties & Self-Insured Retention** - Contractor may maintain reasonable and customary deductibles, subject to approval by the City of Bryan. Contractor shall agree to be fully and solely responsible for any costs or expenses as a result of a coverage deductible, coinsurance penalty, or self-insured retention.
- F. Subcontractors** - If the Contractor's insurance does not afford coverage on behalf of any Subcontractor(s) hired by the Contractor, the Subcontractor(s) shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Bryan accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.
- G. Acceptability of Insurers** - Insurance coverage shall be provided by companies admitted to do business in Texas and rated A-:VI or better by AM Best Insurance Rating.
- H. Evidence of Insurance** – A valid certificate of insurance verifying each of the coverages required shall be issued directly to the City of Bryan within 10 business days by the successful Contractor's insurance agent or insurance company after contract award. Endorsements must be submitted with the certificate. No contract shall be effective until the required certificates have been received and approved by the City of Bryan.

Renewal certificates shall be sent a minimum of 10 days prior to coverage expiration.

Upon request, Contractor shall furnish the City of Bryan with certified copies of all insurance policies.

The certificate of insurance and all notices shall be sent to:

City of Bryan  
Risk Management  
PO Box 1000  
Bryan, TX 77805  
Emailed to: [mquiroga@bryantx.gov](mailto:mquiroga@bryantx.gov)

Failure of the City of Bryan to demand evidence of full compliance with these insurance requirements or failure of the City of Bryan to identify a deficiency shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

- I. Notice of Cancellation, Non-renewal, Material Change, Exhaustion of limits** – Contractor must provide minimum 30 days prior written notice to the City of Bryan of policy cancellation, material change, exhaustion of aggregate limits, or intent not to renew insurance coverage. If City of Bryan is notified a required insurance coverage will cancel or non-renew during the contract period, the Contractor shall agree to furnish prior to the expiration of such insurance, a new or revised certificate(s) as proof that equal and like coverage is in effect. The City of Bryan reserves the right to withhold payment to Contractor until coverage is reinstated.

**J. Contractor's Failure to Maintain Insurance** – If the Contractor fails to maintain the required insurance, the City of Bryan shall have the right, but not the obligation, to withhold payment to Contractor until coverage is reinstated or to terminate the Contract.

**K. No Representation of Coverage Adequacy** - The requirements as to types and limits, as well as the City of Bryan's review or acceptance of insurance coverage to be maintained by Contractor, is not intended to nor shall in any manner limit or qualify the liabilities and obligations assumed by the Contractor under the Contract.

## **6. Termination**

A. The City may terminate this Contract at any time upon **thirty (30)-calendar** days written notice. The SERVICE PROVIDER shall be compensated for the services satisfactorily performed prior to the termination date.

B. If, through any cause, the SERVICE PROVIDER fails to fulfill its obligations under this Contract, or if the SERVICE PROVIDER violates any of the agreements of this Contract, the City has the right to terminate this Contract by giving the SERVICE PROVIDER **five (5)** calendar days written notice. The SERVICE PROVIDER will be compensated for the services satisfactorily performed before the termination date.

C. No term or provision of this Contract shall be construed to relieve the SERVICE PROVIDER of liability to the City for damages sustained by the City because of any breach of contract by the SERVICE PROVIDER. The City may withhold payments to the SERVICE PROVIDER for the purpose of setoff until the exact amount of damages due the City from the SERVICE PROVIDER is determined and paid.

## **7. Miscellaneous Terms**

A. This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Brazos County, Texas.

B. Notices shall be mailed to the addresses designated herein or as may be designated in writing by the parties from time to time and shall be deemed received when sent postage prepaid U.S. Mail to the following addresses:

The City of Bryan  
Attn: Fiscal Services  
P.O. Box 1000  
Bryan, Texas 77805

Digitech Computer, Inc.  
Attn: Jane Silverman, Esq., CACO  
480 Bedford Road, Bldg 600 2<sup>nd</sup> Floor  
Chappaqua, NY 10514

C. No waiver by either party hereto of any term or condition of this Contract shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

D. This Contract represents the entire and integrated agreement between the City and the SERVICE PROVIDER and supersedes all prior negotiations, representations, or agreements, either written or oral. This Contract may only be amended by written instrument approved and executed by the parties.

E. This Contract and all rights and obligations contained herein may not be assigned by the SERVICE PROVIDER without the prior written approval of the City.

F. The SERVICE PROVIDER, its agents, employees, and subservice Providers must comply with all applicable federal and state laws, the charter and ordinances of the City of Bryan, and with all applicable rules and regulations promulgated by local, state, and national boards, bureaus, and agencies. The SERVICE PROVIDER must obtain all necessary permits and licenses required in completing the work and providing the services required by this Contract.

G. Reimbursable or other miscellaneous expenses incurred by the SERVICE PROVIDER shall be included in the contract price; additional payment for such expenses will not be considered.

H. The parties acknowledge that they have read, understood, and intend to be bound by the terms and conditions of this Contract.

**CITY OF BRYAN:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Janis Hampton, City Attorney  
Date: \_\_\_\_\_

**CITY OF BRYAN:**

**APPROVED FOR PROCESSING:**

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Jason P. Bienski, Mayor  
Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Mary L. Stratta, City Secretary  
Date: \_\_\_\_\_

**SERVICE PROVIDER:**

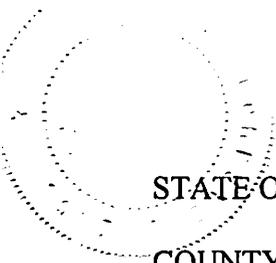
By: \_\_\_\_\_  
*[Handwritten Signature]*

**(Service Provider - Corporate Seal)**

Printed Name: Mark Schiowitz

Title: President & CEO

Date: 10/26/2016

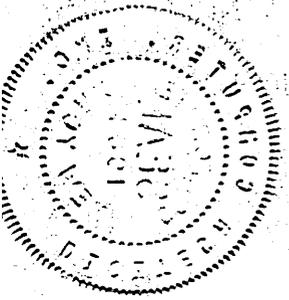


STATE OF NEW YORK            §  
   §    ACKNOWLEDGEMENT  
COUNTY OF WESTCHESTER   §

This instrument was acknowledged before me on the 26<sup>th</sup> day of October, 2016, by  
Mark Schiowitz on behalf of Digital Computer, Inc

Jane Silverman  
Notary Public in and for  
The State of New York

JANE SILVERMAN  
NOTARY PUBLIC-STATE OF NEW YORK  
NO. 02SI6224092  
QUALIFIED IN WESTCHESTER COUNTY  
MY COMMISSION EXPIRES 08-20-2018



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## BUSINESS ASSOCIATE ADDENDUM

**THIS BUSINESS ASSOCIATE ADDENDUM** (“Addendum”), is made and entered into by and between the City of Bryan (“Covered Entity”) and DIGITECH COMPUTER INC. (“Business Associate”). This Addendum shall form a part of all agreements and other engagements as are currently in effect between the parties under which Protected Health Information (“PHI”) (as defined in Article 1 of this Addendum) is provided, created or received by Business Associate from or on behalf of Covered Entity, and shall supersede and replace any business associate agreement or amendment previously entered into between Covered Entity and Business Associate in accordance with the requirements of HIPAA (as defined below) and/or the HITECH Act (as defined below). This Addendum is effective as of the effective date of the Billing Service Agreement (the “*Effective Date*”).

### RECITALS

**WHEREAS**, in connection with the performance of their respective obligations under the terms of the Billing Service Agreement, Covered Entity may disclose certain information to Business Associate, and Business Associate may use and/or disclose certain information, some of which may constitute PHI; and

**WHEREAS**, Covered Entity and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to, or created, utilized or disclosed by, Business Associate pursuant to the Billing Service Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, and its implementing regulations and guidance issued by the Secretary of the U.S. Department of Health and Human Services (the “Secretary”), all as amended from time to time (“HIPAA”), as well as the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, and its implementing regulations and guidance issued by the Secretary, all as amended from time to time (the “HITECH Act”), and other applicable laws;

The parties do hereby agree as follows:

#### Article 1: Definitions

**1.1 Definitions.** For the purposes of this Addendum, the following defined terms shall have the following definitions. All capitalized terms used in this Addendum but not otherwise defined herein shall have the meaning given in HIPAA or the HITECH Act, as applicable.

- (a) “**Breach**” has the meaning given to such term under HIPAA and the HITECH Act, including, but not limited to, at § 13400(1) of the HITECH Act and 45 CFR § 164.402.
- (b) “**Data Aggregation**” has the meaning given to such term under the

Privacy Standards (as defined below), including, but not limited to, at 45 CFR § 164.501.

- (c) **“Designated Record Set”** has the meaning given to such term under the Privacy Standards, including, but not limited to, at 45 CFR § 164.501.
- (d) **“Health Care Operations”** has the meaning given to such term under the Privacy Standards, including, but not limited to, at 45 CFR § 164.501.
- (e) **“Limited Data Set”** has the meaning given to such term under the Privacy Standards, including, but not limited to, at 45 CFR § 164.514.
- (f) **“Privacy Standards”** means the HIPAA Privacy Rule and HIPAA Security Rule codified at 45 CFR Parts 160, 162 and 164.
- (g) **“Protected Health Information” or “PHI”** has the meaning given to such term under HIPAA, the HITECH Act, and the Privacy Standards, including, but not limited to, at 45 CFR § 160.103.
- (h) **“Unsecured Protected Health Information”** has the meaning given to such term under HIPAA and the HITECH Act, including, but not limited to, at § 13402(h) of the HITECH Act and 45 CFR §164.402.

## **Article 2: Duties of Business Associate**

- 2.1 **Compliance with Privacy Provisions.** Business Associate shall only use and disclose PHI in performance of its obligations under the Billing Service Agreement and as permitted or required by law. Business Associate agrees to be in compliance with each applicable requirement of 45 CFR § 164.504(e) and all requirements of the HITECH Act applicable to Business Associate.
- 2.2 **Compliance with Security Provisions.** Business Associate shall: (a) implement and maintain administrative safeguards as required by 45 CFR § 164.308, physical safeguards as required by 45 CFR § 164.310 and technical safeguards as required by 45 CFR § 164.312; (b) implement and document reasonable and appropriate policies and procedures as required by 45 CFR § 164.316; (c) use its best efforts to implement and maintain technologies and methodologies that render PHI unusable, unreadable or indecipherable to unauthorized individuals as specified in the HITECH Act; and (d) be in compliance with all requirements of the HITECH Act related to security and applicable to Business Associate.
- 2.3 **Breach of Unsecured PHI.**
  - (a) With respect to any suspected or actual unauthorized acquisition, access, use or disclosure (“Acquisition”) of Covered Entity’s PHI by Business Associate, its agents or subcontractors, and/or any Acquisition of data in violation of any applicable federal or state law, Business Associate shall

(i) investigate such Acquisition; (ii) determine whether such Acquisition constitutes a reportable Breach under HIPAA, the HITECH Act, and/or applicable federal or state law ; (iii) document and retain its findings under clauses (i) and (ii); and (iv) take any action pertaining to such Acquisition required by applicable federal or state law.

(b) If Business Associate discovers that a Breach has occurred, Business Associate shall notify Covered Entity in writing without unreasonable delay and in no case later than five (5) days after discovery of the Breach. Business Associate's written notice shall include all available information required by 45 CFR § 164.410 and other applicable law. Business Associate's written report shall be promptly supplemented with any new or additional information. Business Associate agrees to cooperate with Covered Entity in meeting Covered Entity's obligations under the HITECH Act and other applicable law with respect to such Breach. Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s) or others as required by the HITECH Act and other applicable law.

**2.4 Permitted Uses of PHI.** Satisfactory performance of its obligations under the Billing Service Agreement by Business Associate may require Business Associate to receive or use PHI obtained from Covered Entity, or created or received by Business Associate on behalf of Covered Entity; provided, however, that Business Associate shall not use PHI other than for the purpose of performing Business Associate's obligations under the Billing Service Agreement (including this Addendum), as permitted or required under the Billing Service Agreement (including this Addendum), or as required by law. Business Associate shall not use PHI in any manner that would constitute a violation of HIPAA if so used by Covered Entity.

**2.5 Permitted Disclosures of PHI.** Business Associate shall not disclose PHI other than for the purpose of performing Business Associate's obligations under the Billing Service Agreement (including this Addendum), as permitted or required under the Billing Service Agreement (including this Addendum), or as required by law. Business Associate shall not disclose PHI in any manner that would constitute a violation of HIPAA if so disclosed by Covered Entity. To the extent that Business Associate discloses PHI to a third party in carrying out its obligations under the Billing Service Agreement, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from such third party that such PHI will be held confidential as provided pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) an agreement from such third party to immediately notify Business Associate of any breaches of confidentiality of the PHI, to the extent the third party has obtained knowledge of such breach.

**2.6 Minimum Necessary.** Business Associate shall limit its use, disclosure or

request of PHI to only the minimum necessary as required by law.

- 2.7 Retention of PHI.** Unless otherwise specified in the Billing Service Agreement, Business Associate shall maintain and retain PHI for the term of the Billing Service Agreement, and make such PHI available to Covered Entity as set forth in this Addendum.
- 2.8 Safeguarding PHI.** Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than as permitted by the Billing Service Agreement and this Addendum. Business Associate will appropriately safeguard electronic PHI in accordance with the standards specified at 45 CFR § 164.314(a). In particular, Business Associate will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity.
- 2.9 Agents and Subcontractors.** Business Associate shall ensure that any agents (including subcontractors) of Business Associate to whom Business Associate provides PHI received from Covered Entity, or PHI created or received by Business Associate on behalf of Covered Entity, agree in writing to the same restrictions and conditions that apply to Business Associate with respect to such PHI, including the requirement to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of PHI. Business Associate shall implement appropriate sanctions against agents and subcontractors that violate such restrictions and conditions, including termination of the agency or subcontractor relationship, if feasible, and shall mitigate the effects of any such violations.
- 2.10 Reporting Unauthorized Use or Disclosure.** Business Associate shall report in writing to Covered Entity any use or disclosure of PHI not provided for under the Billing Service Agreement or this Addendum as soon as possible after Business Associate becomes aware of such an incident but in no case later than five (5) days after the date on which Business Associate becomes aware of any such incident; provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below). "Unsuccessful Security Incidents" will include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI. Business Associate shall take (i) prompt corrective action to cure any deficiencies that caused the unauthorized use or disclosure, and (ii) any corrective action required by applicable federal and state law.
- 2.11 Access to Information.** Within five (5) days of Covered Entity's request, Business Associate shall provide Covered Entity with access to Covered Entity's

PHI maintained by Business Associate or its agents or subcontractors to enable Covered Entity to fulfill its obligations under the Privacy Standards, including, but not limited to, 45 CFR § 164.524.

- 2.12 Availability of PHI for Amendment.** The parties acknowledge that the Privacy Standards permit an individual who is the subject of PHI to request certain amendments of their records. Upon Covered Entity's request for an amendment of PHI or a record about an individual contained in a Designated Record Set, but not later than five (5) days after receipt of such request, Business Associate and its agents or subcontractors shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under the Privacy Standards, including, but not limited to, 45 CFR § 164.526. If any individual requests an amendment of PHI directly from Business Associate or its agents or subcontractors, Business Associate must notify Covered Entity in writing within five (5) days of the request. Covered Entity has the sole authority to deny a request for amendment of PHI received or created under the terms of the Billing Service Agreement and maintained by Business Associate or its agents or subcontractors.
- 2.13 Accounting of Disclosures.** Upon Covered Entity's request, Business Associate, its agents and subcontractors shall make available the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under the Privacy Standards, including, but not limited to, 45 CFR § 164.528. For this purpose, Business Associate shall retain a record of disclosure of PHI for at least six (6) years from the date of disclosure. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by Business Associate and its agents or subcontractors for at least six (6) years prior to the request, but not before the effective date of the Billing Service Agreement. At a minimum, such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of the purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. Where a request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall within five (5) days of a request forward it to Covered Entity in writing. It shall be Covered Entity's responsibility to prepare and deliver any such reply to the requested accounting.
- 2.14 Agreement to Restriction on Disclosure.** If Covered Entity is required to comply with a restriction on the disclosure of PHI pursuant to § 13405 of the HITECH Act, then Covered Entity shall provide written notice to Business Associate of the name of the individual requesting the restriction and the PHI affected thereby. Business Associate shall, upon receipt of such notification, not disclose the identified PHI to any health plan for the purposes of carrying out Payment or Health Care Operations, except as otherwise required by law.

- 2.15 Accounting of Disclosures of Electronic Health Records (“EHR”).** If Business Associate is deemed to use or maintain an EHR on behalf of Covered Entity, then Business Associate shall maintain an accounting of any disclosures made through an EHR for Treatment, Payment and Health Care Operations, as required by law. Upon request by Covered Entity, Business Associate shall provide such accounting to Covered Entity in the time and manner specified by law. Alternatively, if Covered Entity responds to an individual’s request for an accounting of disclosures made through an EHR by providing the requesting individual with a list of all business associates acting on behalf of Covered Entity, then Business Associate shall provide such accounting directly to the requesting individual in the time and manner specified by the HITECH Act.
- 2.16 Access to Electronic Health Records.** If Business Associate is deemed to use or maintain an EHR on behalf of Covered Entity with respect to PHI, then, to the extent an individual has the right to request a copy of the PHI maintained in such EHR pursuant to 45 CFR § 164.524 and makes such a request to Business Associate, Business Associate shall provide such individual with a copy of the PHI in the EHR in an electronic format and, if the individual so chooses, transmit such copy directly to an entity or person designated by the individual. Business Associate may charge a fee, not to exceed Contractor’s labor costs to respond, to the individual for providing the copy of the PHI. The provisions of 45 CFR § 164.524, including the exceptions to the requirement to provide a copy of PHI, shall otherwise apply and Business Associate shall comply therewith as if Business Associate were Covered Entity. At Covered Entity’s request, Business Associate shall provide Covered Entity with a copy of an individual’s PHI maintained in an EHR in an electronic format and in a time and manner designated by Covered Entity in order for Covered Entity to comply with 45 CFR § 164.524, as amended by the HITECH Act.
- 2.17 Remuneration for PHI.** Business Associate agrees that it shall not, directly or indirectly, receive remuneration in exchange for any PHI of Covered Entity except as otherwise permitted by law.
- 2.18 Limitations on Use of PHI for Marketing Purposes.** Business Associate shall not use or disclose PHI for the purpose of making a communication about a product or service that encourages recipients of the communication to purchase or use the product or service, unless such communication: (a) complies with the requirements of subparagraph (i), (ii) or (iii) of paragraph (1) of the definition of marketing contained in 45 CFR § 164.501, and (b) complies with the requirements of subparagraphs (A), (B) or (C) of § 13406(a)(2) of the HITECH Act. Covered Entity shall cooperate with Business Associate to determine if the foregoing requirements are met with respect to any such marketing communication.

- 2.19 Governmental Access to Books and Records.** For purposes of determining Covered Entity's compliance with the HIPAA, Business Associate agrees to make available to the Secretary its internal practices, books, and records relating to the use and disclosure of PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity.
- 2.20 Data Ownership.** Business Associate acknowledges that Business Associate has no ownership rights with respect to the PHI.
- 2.21 Insurance.** Business Associate shall maintain commercial general liability insurance, with commercially reasonable liability limits, that includes coverage for damage to persons or property arising from any breach of the terms of this Addendum.
- 2.22 Audits, Inspection and Enforcement.** Within ten (10) days of a written request by Covered Entity, Business Associate and its agents or subcontractors shall allow Covered Entity to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of PHI pursuant to this Addendum for the purpose of determining whether Business Associate has complied with this Addendum; provided, however, that (i) Business Associate and Covered Entity shall mutually agree in advance upon the scope, timing and location of such an inspection; (ii) Covered Entity shall protect the confidentiality of all confidential and proprietary information of Business Associate to which Covered Entity has access during the course of such inspection; and (iii) Covered Entity shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by Business Associate. Covered Entity and its authorized agents or contractors, may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HITECH Act or this Addendum, to the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligations pursuant to HIPAA or the HITECH Act relating to certification of its security practices. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does Covered Entity's (i) failure to detect or (ii) detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices, constitute acceptance of such practices or a waiver of Covered Entity's enforcement rights under the Billing Service Agreement or this Addendum.
- 2.23 Return of PHI at Termination.** Upon termination of the Billing Service Agreement, Business Associate shall, where feasible, destroy or return to Covered

Entity all PHI received from Covered Entity, or created or received by Business Associate or its agents or subcontractors on behalf of Covered Entity. Where return or destruction is not feasible, the duties of Business Associate under this Addendum shall be extended to protect the PHI retained by Business Associate. Business Associate agrees not to further use or disclose information for which the return or destruction is infeasible. Business Associate shall certify in writing the destruction of the PHI and to the continued protection of PHI that is not feasible to destroy.

- 2.24 Retention of PHI.** Business Associate and its contractors or agents shall retain communications and documents required to be maintained by HIPAA for six (6) years after termination of the Billing Service Agreement.
- 2.25 Business Associate's Performance of Obligations of Covered Entity.** To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under the HIPAA Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity when it carries out such obligation(s).

### **Article 3: Duties of Covered Entity**

- 3.1 Using Appropriate Safeguards.** Covered Entity shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate pursuant to the Billing Service Agreement, in accordance with the standards and requirements of HIPAA.

### **Article 4: Term and Termination**

- 4.1 Term.** The provisions of this Addendum shall become effective on the Effective Date and shall continue in effect until all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in Section 4.2 of this Addendum.
- 4.2 Termination by Covered Entity.**
- (a) A breach by Business Associate of any material provision of this Addendum, as determined by Covered Entity, shall constitute a material breach of the Billing Service Agreement and shall provide grounds for immediate termination of the Billing Service Agreement by Covered Entity.
  - (b) If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under the provisions of this Addendum or another arrangement and does not terminate the Billing Service Agreement

pursuant to Section 4.2(a) of this Addendum, then Business Associate shall take reasonable steps to cure such breach or end such violation, as applicable. If Business Associate's efforts to cure such breach or end such violation are unsuccessful, Covered Entity shall either (i) terminate the Billing Service Agreement, if feasible or (ii) if termination of the Billing Service Agreement is not feasible, Covered Entity shall report Business Associate's breach or violation to the Secretary.

- 4.3 Termination by Business Associate.** If Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under the Billing Service Agreement or this Addendum, then Business Associate shall immediately notify Covered Entity. With respect to such breach or violation, Business Associate shall (i) take reasonable steps to cure such breach or end such violation, if possible; or (ii) if such steps are either not possible or are unsuccessful, upon written notice to Covered Entity, terminate the Billing Service Agreement; or (iii) if such termination is not feasible, report Covered Entity's breach or violation to the Secretary.
- 4.4 Termination by Either Party.** Either party may terminate the Billing Service Agreement, effective immediately, if (i) the other party is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act or other security or privacy laws, or (ii) a finding or stipulation that the other party has violated any standard or requirement of HIPAA, the HITECH Act or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

#### **Article 5: Miscellaneous**

- 5.1 Acknowledgment.** Business Associate recognizes and agrees that it is obligated by law to comply with the applicable provisions of the HITECH Act.
- 5.2 Change in Law.** The parties agree to promptly enter into negotiations concerning the terms of the Billing Service Agreement (including this Addendum), and to negotiate in good faith, if, in either party's business judgment, modification of the Billing Service Agreement (including this Addendum) becomes necessary due to legislative, regulatory, or judicial developments regarding HIPAA or the HITECH Act. Covered Entity may terminate the Billing Service Agreement upon thirty (30) days written notice in the event (i) Business Associate does not promptly enter into negotiations to amend the Billing Service Agreement when requested by Covered Entity pursuant to this § 5.2, or (ii) Business Associate does not enter into an amendment to the Billing Service Agreement providing assurances regarding the safeguarding of PHI that Covered Entity, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HITECH Act.
- 5.3 Disclaimer.** Covered Entity makes no warranty or representation that compliance

by Business Associate with HIPAA, the HITECH Act or this Addendum will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

- 5.4 Assistance in Litigation or Administrative Proceedings.** Business Associate shall make itself, and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under the Billing Service Agreement or this Addendum, available to Covered Entity, at no cost to Covered Entity, to testify as witness, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its members/shareholders, managers/directors, officers or employees based upon a claimed violation of HIPAA or the HITECH Act or other laws relating to security and privacy, except where Business Associate, or its subcontractor, employee or agent is a named adverse party.
- 5.5 No Third-Party Beneficiaries.** Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- 5.6 Interpretation.** Section titles in this Addendum are for convenience only, and shall not be used in interpreting this Addendum. Any ambiguity in this Addendum shall be resolved to permit the parties to comply with the requirements of HIPAA and the HITECH Act. In the event of conflict between the Billing Service Agreement and this Addendum, the provisions of this Addendum shall prevail. Any reference in this Addendum to a section in the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E, the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR part 164, subpart C, or the HITECH Act means the section as in effect or as amended.

[Signature page follows]

The parties hereto have executed this Rider on the day and year first above written on the Billing Service Agreement.

**CITY OF BRYAN**  
(Covered Entity)

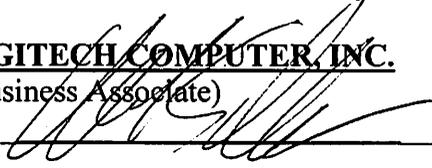
By: \_\_\_\_\_

Name: Jason P. Bienski

Title: Mayor

Date: \_\_\_\_\_

**DIGITECH COMPUTER, INC.**  
(Business Associate)

By:  \_\_\_\_\_

Name: MARK SCHIOWITZ

Title: PRESIDENT AND CEO

Date: 10/26/2016

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Janis Hampton, City Attorney

Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Mary L. Stratta, City Secretary

Date: \_\_\_\_\_