Business Associate Agreement
Between Washington Counties Insurance Fund
and *Pacific County*

This Business Associate Agreement, (the "Agreement"), is entered into between Washington Counties Insurance Fund (the "Covered Entity") and ***Pacific County***, (the "Business Associate").

Recitals

A. Business Associate provides certain administrative services to Covered Entity (the "Services") which sometimes may involve (i) the use and disclosure of Protected Health Information (as defined below) by Business Associate, (ii) the disclosure of PHI by Covered Entity (or another business associate of Covered Entity) to Business Associate, and (iii) the creation, transmission, receipt or maintenance of PHI by Business Associate. Accordingly, Business Associate is subject to the applicable provisions of the privacy regulations (the "HIPAA Privacy Regulations") and the security regulations (the "HIPAA Security Regulations") promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and 45 C.F.R. Part 160 and Part 164 with respect to such Services. This Agreement is intended to document the business associate requirements of the HIPAA Regulations, including the HIPAA Privacy Regulations (at 45 C.F.R. § 164.504(e)), and the HIPAA Security Regulations (at 45 C.F.R. § 164.314(a)).

B. This Agreement will govern the terms and conditions under which Covered Entity may disclose or have disclosed to Business Associate, and Business Associate may create, use, transmit, access, disclose, maintain or receive PHI on behalf of Covered Entity. This Agreement will also govern the terms and conditions under which Covered Entity may disclose or have disclosed to Business Associate, and Business Associate may create, use, transmit, access, disclose, receive, or maintain EPHI on behalf of Covered Entity.

Agreement

1. Definitions. Capitalized terms used in this Agreement, but not otherwise defined in this Agreement, shall have the same meanings as those terms in the HIPAA Regulations. Unless otherwise stated, a reference to a "Section" is to a Section in this Agreement. For purposes of this Agreement, the following terms shall have the following meanings.

1.1 Agent. "Agent" means an agent as used and defined under the HIPAA Regulations and federal common law.

1.2 Breach. "Breach" shall have the same meaning as the term "breach" in 45.C.F.R. § 164.402.

1.3 Designated Record Set. "Designated Record Set" has the meaning assigned to such term in 45 C.F.R. 164.501.

1.4 Discovery. "Discovery" means the first day on which a Breach of Unsecured PHI is known to Business Associate (including any person, other than the individual committing the Breach of Unsecured PHI, who is an employee, officer, or other agent of Business Associate), or should reasonably have been known to Business Associate, to have occurred.

1.5 Electronic Protected Health Information or EPHI. "Electronic Protected Health Information" or "EPHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

1.6 HIPAA Electronic Transactions Regulations. "HIPAA Electronic Transactions Regulations" means the federal regulations found at 45 CFR Part 162.

1.7 HIPAA Regulations. "HIPAA Regulations" means the HIPAA Privacy Regulations, the HIPAA Security Regulations, and the HIPAA Electronic Transactions Regulations.

1.8 Individual. "Individual" shall mean the person who is the subject of PHI as provided in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.9 Individually Identifiable Health Information. "Individually Identifiable Health Information" shall have the same meaning as the term "individually identifiable health information" in 45 C.F.R. § 160.103.

1.10 Protected Health Information or PHI. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

1.11 Required By Law. "Required By Law" shall have the same meaning as the term "Required by law" in 45 C.F.R. § 164.103.

1.12 Secretary. "Secretary" shall mean the Secretary of the federal Department of Health and Human Services or that person's designee.

1.13 Security Incident. "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.

1.14 Standard Transactions. "Standard Transactions" means the electronic health care transactions for which HIPAA standards have been established, as set forth in 45 C.F.R., Parts 160-162.

1.15 Subcontractor. "Subcontractor" shall have the same meaning as the term "Subcontractor" in 45 C.F.R. § 160.103, limited to Subcontractors that create, use, transmit, access, disclose, receive, or maintain PHI of the Covered Entity.

1.16 Unsecured PHI. "Unsecured PHI" shall have the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402, limited to PHI of Covered Entity created, used, transmitted, disclosed, received, or maintained by Business Associate or its Agents or Subcontractors.

2. Permitted Uses and Disclosures by Business Associate.

2.1 General. Except as otherwise specified in this Agreement, Business Associate may use or disclose PHI to perform its obligations for, or on behalf of, Covered Entity, provided that such use or disclosure would not violate the HIPAA Privacy Regulations if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity. Business Associate may disclose PHI to, or receive PHI from, another business associate of the Covered Entity to the extent directed to do so by the Covered Entity. For purposes of this Agreement, the terms "use" or "disclose" include the receipt, creation, transmission, or maintenance of PHI of Covered Entity to the extent allowed by the HIPAA Regulations.

2.2 Other Permitted Uses. Except as otherwise limited by this Agreement, Business Associate may use PHI of Covered Entity that Business Associate receives in its capacity as a business associate of Covered Entity, if necessary:

2.2.1 for the proper management and administration of Business Associate; or

2.2.2 to carry out the legal responsibilities of Business Associate.

2.3 Other Permitted Disclosures. Except as otherwise limited by this Agreement, Business Associate may disclose to a third party PHI it receives or creates in its capacity as a business associate of Covered Entity for the proper management and administration of Business Associate, provided that:

2.3.1 the disclosure is Required By Law; or

2.3.2 Business Associate obtains reasonable assurances from the third party to whom the information is disclosed that (i) the PHI will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the third party, and (ii) the third party notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

2.4 De-Identified Information. Health information that has been de-identified in accordance with the requirements of 45 C.F.R. §§ 164.514 and 164.502(d) and is therefore not PHI ("De-Identified Information") is not subject to the provisions of this Agreement. Covered Entity may disclose PHI to Business Associate to use for the purpose of creating De-Identified Information, whether or not the De-Identified Information is to be used by Covered Entity.

3. Obligations and Activities of Business Associate Regarding PHI.

3.1 Limitations on Uses and Disclosures. Business Associate agrees not to use or further disclose PHI other than as permitted or required by this Agreement or as Required By Law.

3.2 Safeguards. Business Associate will use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.

3.3 Mitigation. Business Associate will mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate, Subcontractor of Business Associate, or Agent of Business Associate in violation of the requirements of this Agreement.

3.4 Reporting. Business Associate will report to Covered Entity any use or disclosure of the PHI by Business Associate. Subcontractor of Business Associate or Agent of Business Associate not provided for by this Agreement of which Business Associate becomes aware, within five business days of such prohibited use or disclosure.

3.5 Agents and Subcontractors. Business Associate will ensure that any Subcontractor of Business Associate using or disclosing PHI of the Covered Entity has executed a Business Associate Agreement containing substantially the same terms as this Business Associate Agreement, including the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. Business Associate will ensure than any Agent to whom Business Associate provides PHI of the Covered has executed an agreement containing substantially the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information. Business Associate will provide, upon written request by Covered Entity, a list of any such Subcontractors of Business Associate and any Agents of Business Associate using or disclosing PHI of Covered Entity. Business Associate will ensure only those who reasonably need to know such PHI in order to perform Services receive such PHI and, in such case, only the minimum amount of such PHI is disclosed as is necessary for such performance.

3.6 Access. Where PHI held by Business Associate is contained in a Designated Record Set, within fifteen (15) days of receiving a written request from Covered Entity, Business Associate will make such PHI available to Covered Entity or, as directed by Covered Entity to an Individual, that is necessary for Covered Entity to respond to Individuals' requests for access to PHI in accordance with 45 C.F.R. § 164.524. If Covered Entity requests an electronic copy of PHI that is maintained electronically in a Designated Record Set in the Business Associate's custody or control, Business Associate will provide such PHI in the electronic format requested by Covered Entity unless it is not readily produced in such format, in which case Business Associate will provide Covered Entity another reasonable electronic format as agreed to by Covered Entity and Individual.

3.7 Amendment of PHI. Where PHI held by Business Associate is contained in a Designated Record Set, within 15 days of receiving a written request from Covered Entity or an

Individual, Business Associate will make any requested amendment(s) or correction(s) to PHI in accordance with 45 C.F.R. § 164.526.

3.8 Disclosure Documentation. Business Associate will document its disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

3.9 Accounting of Disclosures. Within 30 days of receiving a request from Covered Entity, Business Associate will provide to Covered Entity information collected in accordance with Section 3.8 of this Agreement, as necessary to permit Covered Entity to make an accounting of disclosures of PHI about an Individual in accordance with 45 C.F.R. § 164.528.

3.10 Access to Business Associate's Internal Practices. Except to the extent that it violates applicable law to the contrary, Business Associate will make its internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of (a) PHI received from, or created or received by Business Associate on behalf of, Covered Entity; and (b) EPHI created, received, maintained or transmitted by Business Associate on behalf of Covered Entity, available to the Secretary or to Covered Entity, in a time and manner designated by the Secretary or reasonably specified by Covered Entity, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the HIPAA Regulations.

3.11 Breach Notification. Business Associate, following the discovery of a Breach of Unsecured PHI of Covered Entity, shall notify Covered Entity of such breach. Business Associate shall provide such notice without unreasonable delay, and in no case later than five (5) business days after Discovery of the Breach of Unsecured PHI by Business Associate or Discovery of the Breach of Unsecured PHI by a Subcontractor or Agent of Business Associate. Business Associate will require its Subcontractors and Agents to notify Covered Entity of a Discovery of a Breach of Unsecured PHI at the same time its Subcontractors and Agents notify the Business Associate.

3.11.1 Notice to Covered Entity required by this Section 3.11 shall include: (i) to the extent possible, the names of the individual(s) whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used or disclosed during the Breach; (ii) a brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known; (iii) a description of the types of Unsecured PHI that were involved in the Breach; (iv) a brief description of what Business Associate is doing or will be doing to investigate the Breach, to mitigate harm to the individual(s), and to protect against further Breaches; and (v) any other information that Covered Entity determines it needs to include in notifications to the individual(s) under 45 C.F.R. § 164.404(c).

3.11.2 After receipt of notice, from any source, of a Breach involving Unsecured PHI of Covered Entity by Business Associate or Business Associate's Subcontractors or Agents, Covered Entity may in its sole discretion (i) require Business Associate, at Business Associate's sole expense, to use a mutually agreed upon written notice to notify, on Covered Entity's behalf,

the Individual(s) affected by the Breach, in accordance with the notification requirements set forth in 45 C.F.R. § 164.404, without unreasonable delay, but in no case later than sixty (60) days after discovery of the Breach; or (ii) elect to provide notice to the Individual(s) affected by the Breach. Business Associate shall bear all costs for (i) drafting, printing and mailing any required Notices relating to the Breach of Unsecured PHI, (ii) mitigating potential harm to the Individuals, such as providing credit monitoring, and (iii) damages or penalties assessed against the Covered Entity on account of the Breach of Unsecured PHI. Business Associate shall indemnify, hold harmless, and defend the Covered Entity from and against any and all (i) costs (including mailing, labor, administrative costs, vendor charges, and any other reasonable costs), losses, penalties, fines, and liabilities arising from or associated with the Breach of Unsecured PHI by Business Associate or a Subcontractor or Agent of Business Associate, including without limitation the costs of the Covered Entity's actions taken to (a) notify the affected Individual(s) of and to respond to the Breach of Unsecured PHI, (b) mitigate harm to the affected Individual(s), (c) respond to questions or requests for information about the Breach of Unsecured PHI; and (ii) fines, damages or penalties assessed against the Covered Entity on account of the Breach of Unsecured PHI.

3.12 Use and Disclosure of Genetic Information; Sale of PHI. Business Associate shall not use or disclose genetic information of the Covered Entity in violation of 45 C.F.R. §164.502(a)(5) or sell PHI (directly or indirectly receive remuneration in exchange for any PHI) of the Covered Entity in violation of 45 C.F.R. §164.502(a)(5).

3.13 Marketing or Fundraising. Business Associate must obtain the required authorizations or confirm that Covered Entity has obtained the required authorizations for any use or disclosure of PHI for Marketing, as that term is defined in 45 C.F.R. §164.501, or for fundraising communication purposes, as described in 45 C.F.R. §164.514.

3.14 Standard Transactions. If Business Associate conducts any Standard Transactions on behalf of the Covered Entity, Business Associate shall comply with the applicable requirements of 45 C.F.R. Parts 160-162. Business Associate agrees to ensure that any Subcontractor or Agent of Business Associate that conducts Standard Transactions with PHI of the Covered Entity will comply with all of the requirements with the Electronic Transactions Rule that would apply to the Covered Entity if the Covered Entity were conducting the transaction itself.

3.15 Training and Disciplinary Requirements. Business Associate agrees not to disclose PHI of the Covered Entity to any member of its workforce unless Business Associate has advised such person of Business Associate's privacy and security obligations under this Agreement, including the consequences for violation of such obligations. Business Associate shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI of the Covered Entity in violation of this Agreement and applicable law.

4. Obligations of Covered Entity.

4.1 Limited Disclosure Obligations. Covered Entity will limit the PHI provided to Business Associate to only that necessary to the representation of Covered Entity. Prior to the

transmission of PHI to Business Associate, Covered Entity will notify Business Associate of the need to transmit PHI and will arrange with Business Associate for the proper and secure transmission of such PHI.

4.2 Notice of Privacy Practices. Covered Entity will provide Business Associate with the Notice of Privacy Practices that Covered Entity produces in accordance with 45 C.F.R. § 164.520, as well as any changes to that notice.

4.3 Requested Restrictions. Covered Entity shall notify Business Associate, in writing, of any restriction on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, which permits an Individual to request certain restrictions of uses and disclosures, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4.4 Changes in or Revocation of Permission. Covered Entity will notify Business Associate in writing of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes or revocation may affect Business Associate's use or disclosure of PHI.

4.5 Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Regulations and HIPAA Security Regulations if done by Covered Entity, except to the extent that Business Associate will use or disclose PHI for management and administrative activities and legal responsibilities of Business Associate.

5. Security Restrictions on Business Associate.

5.1 General. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by the HIPAA Security Regulations.

5.2 Agents; Subcontractors. Business Associate will ensure that any Agent, including a Subcontractor, to whom Business Associate provides EPHI agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of such EPHI.

5.3 Reporting of Security Incidents. Business Associate shall report to Covered Entity any Security Incident affecting EPHI created, received, maintained or transmitted by Business Associate on behalf of Covered Entity, of which Business Associate becomes aware.

5.4 HIPAA Security Regulations Compliance. Business Associate agrees to comply with Sections 164.306, 164.308, 164.310, 164.312, and 164.316 of title 45, Code of Federal Regulations with respect to all EPHI.

6. Term and Termination.

6.1 Term. This Agreement shall take effect on the Effective Date (as defined below), and shall terminate when all of the PHI disclosed to or maintained by 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 PHI, protections are extended to such information, in accordance with the termination provisions in this Section 6.

6.2 Termination for Cause. If Covered Entity determines that Business Associate has breached a material term of this Agreement, Covered Entity will provide written notice to Business Associate which sets forth Covered Entity's determination that Business Associate breached a material term of this Agreement, and Covered Entity may:

6.2.1 Provide written notice to Business Associate which provides an opportunity for Business Associate to cure the breach or end the violation, as applicable. If Business Associate does not cure the breach or end the violation within the time specified by Covered Entity, then Covered Entity may immediately thereafter terminate this Agreement;

6.2.2 Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

6.2.3 Take other appropriate actions to remedy, correct or mitigate such breach.

6.3 Effect of Termination.

6.3.1 Except as provided in Section 6.3.2 of this Agreement, upon termination of this Agreement, for any reason, Business Associate will return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision also applies to PHI that is in the possession of Subcontractors or Agents of Business Associate. Business Associate will retain no copies of the PHI.

6.3.2 In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate will provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon reasonable determination that return or destruction of PHI is infeasible, Business Associate will extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. Miscellaneous.

7.1 Relationship of Parties. The relationship between Covered Entity and Business Associate will solely be that of independent contractors engaged in the operation of their own respective businesses. Business Associate is not an Agent of Covered Entity. Subcontractors and Agents of Business Associate are not Agents of the Covered Entity.

7.2 Regulatory References. A reference in this Agreement to a section in the HIPAA Regulations means the section as in effect or as amended.

7.3 Amendment. If any new state or federal law, rule, regulation or policy, or any judicial or administrative decision, affecting the use or disclosure of PHI is enacted or issued, including but not limited to any law or regulation affecting compliance with the requirements of the HIPAA Regulations, the parties agree to take such action in a timely manner and as is necessary for Covered Entity and Business Associate to comply with such law, rule, regulation, policy or decision. If the parties are not able to agree on the terms of such an amendment, either party may terminate this Agreement on at least 30 days' prior written notice to the other party.

7.4 Survival. The respective rights and obligations of Business Associate under Section 6.3 of this Agreement ("Effect of Termination") shall survive the termination of this Agreement.

7.5 Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the HIPAA Regulations. The section and paragraph headings of this Agreement are for the convenience of the reader only, and are not intended to act as a limitation of the scope or meaning of the sections and paragraphs themselves.

7.6 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 Business Associate and Covered Entity and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

7.7 Assignment. This Agreement shall not be assigned or otherwise transferred by either party without the prior written consent of the other, which consent shall not be unreasonably withheld, provided that no such consent shall be required for either party's assignment or transfer of this Agreement in connection with a sale or transfer of all or substantially all of the business or assets of the assigning party.

7.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties as to its subject matter and supersedes all prior communications, representations, and agreements, oral or written, of the parties with respect to its subject matter.

7.9 Severability and Waiver. The invalidity of any term or provision of this Agreement will not affect the validity of any other provision. Waiver by any party of strict performance of any provision of this Agreement will not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision of this Agreement.

7.10 Notices. Any notices permitted or required by this Agreement will be addressed as follows or to such other address as either party may provide to the other:

If to Covered Entity:	PO Box 7786, Olympia, WA 98507-7786
If to Business Associate:	300 Memorial Drive, South Bend, WA 98586

7.11 Counterparts. This Agreement may be executed in multiple counterparts, all of which together will constitute one agreement, even though all parties do not sign the same counterpart.

7.12 Supersedes Prior Business Associate Agreements. This Agreement supersedes any other Business Associate Agreement currently in effect among or between the Parties, or affiliates of the Parties, to this Agreement.

7.13 Effective Date. This Agreement will become effective on **September 23, 2013**.

IN WITNESS WHEREOF, the parties hereto have caused this BUSINESS ASSOCIATE AGREEMENT to be duly executed as of the Effective Date.

Washington Counties Insurance Fund	**Pacific County**
By: September 1, 2013	**By:** _____
Name: Jon C. Kaid	**Name:** _____
Title: Executive Director	**Title:** _____
Date: July 18, 2013	**Date:** _____