BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement, effective _________________, 2011 ("Effective Date"), is entered into by _________________________________ (the "Business Associate"), and LIFEBRIDGE HEALTH, Inc. ("LifeBridge").

Background

A. LifeBridge is a health system with several subsidiaries, including Sinai Hospital of Baltimore, Inc., Northwest Hospital Center, Inc., Levindale Hebrew Geriatric Center and Hospital, Inc., Courtland Gardens Nursing & Rehabilitation Center, Inc., Sinai Rehabilitation, Inc., and LifeBridge Health and Fitness, LLC.

B. LifeBridge and one or more of its subsidiaries has entered into one or more agreements with the Business Associate. The LifeBridge component(s) which entered into the agreement(s) is/are referred to herein as the “Covered Entity”, and each such agreement is called a "Service Agreement".

C. Both parties are committed to complying with the standards contained in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the federal Privacy Rule concerning the use and disclosure of Protected Health Information, as well as the Health Information Technology for Economic and Clinical Health Act ("HITECH").

THEREFORE, the parties agree as follows:

1. PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

1.1 Business Activities of the Business Associate. Except as otherwise specified herein, the Business Associate may use Protected Health Information only in a manner that is in compliance with each applicable requirement of 45 C.F.R. § 164.504(e) and necessary to perform its obligations under a Service Agreement. Unless otherwise limited herein, the Business Associate may:

   a. use Protected Health Information to carry out its normal business activities or fulfill any of its legal responsibilities, so long as such use is permitted under state and federal confidentiality laws; and

   b. disclose Protected Health Information to carry out its normal business activities or fulfill any of its legal responsibilities, so long as (i) the disclosures are required by law, (ii) the disclosures are made in accordance with directions given by the Covered Entity, or (iii) the Business Associate has received from the third party written assurances that the third party will abide by the same requirements regarding the Protected Health Information as are applicable to the Business Associate itself.

1.2 Additional Activities of Business Associate. Except as otherwise limited in this Business Associate Agreement, the Business Associate may use Protected Health Information to provide data aggregation services to the Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
2. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PROTECTED HEALTH INFORMATION

2.1 Responsibilities of the Business Associate. With regard to Protected Health Information provided to it by the Covered Entity, or received by it on behalf of the Covered Entity, the Business Associate agrees --

a. to use and disclose the Protected Health Information only as permitted by this Business Associate Agreement, by a Service Agreement, or by law;

b. to exercise reasonable diligence to discover and report to the designated privacy officer of the Covered Entity, in writing, any use and/or disclosure of the Protected Health Information or Electronic Protected Health Information that is not permitted by this Business Associate Agreement or that may constitute a “breach” (as defined by HITECH) within two business days of the Business Associate's discovery of such unauthorized use or disclosure. The Business Associate should not delay notice to the Covered Entity to gather information, but should, if necessary, provide the Covered Entity with immediately known information and supplement the information as additional information is gathered. The information to be reported to the Covered Entity’s privacy officer includes, to the extent possible: a brief description of what happened, including the date of the potential breach and its discovery; the identity of each individual whose unsecured Protected Health Information or Electronic Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, used, or disclosed; a description of the Protected Health Information that may have been breached; and any other available information that may be useful or necessary for sending the notifications required by HITECH or state law to those potentially affected. The information will be provided to the privacy officer even if it becomes available after HITECH or state law required notifications have been sent to affected individuals or after the applicable notice period has elapsed;

c. to establish procedures for mitigating, to the greatest extent possible, any deleterious effects from any improper use or disclosure of the Protected Health Information;

d. to use commercially reasonable efforts to maintain the security of the Protected Health Information and to prevent its unauthorized use or disclosure;

e. if a breach occurs, to work with the Covered Entity to determine which party is in the best position to provide required notices to affected individuals;

f. if it allows any subcontractor or agent to use, or have access to, the Protected Health Information, to require the subcontractor or agent to agree, in writing, to abide by the same requirements regarding the Protected Health Information as apply to the Business Associate itself, including not but limited to, implementing reasonable and appropriate safeguards to protect Electronic Protected Health Information, if applicable;

g. to comply with 45 C.F.R. § 164.530(b), (d), (e), (g), (h), (i) and (j) by, among other things: designating a privacy official who is responsible for the development and implementation of policies and procedures regarding the privacy and security of Protected Health Information and Electronic Protected Health Information and for receiving complaints connected thereto; developing and adopting such policies and procedures; training all members of its workforce on the policies and procedures as necessary to carry out their functions; and
applying appropriate sanctions against members of its workforce who fail to comply with the privacy policies and procedures;

h. to make available all records, books, agreements, policies, and procedures relating to the use or disclosure of Protected Health Information to the Secretary of the U.S. Department of Health and Human Services (the “Secretary”), in the time and manner designated by the Secretary, to enable the Secretary to determine whether the Covered Entity and the Business Associate have complied with all applicable law relating to the privacy and security of Protected Health Information, subject to attorney-client and other applicable legal privileges;

i. if the Covered Entity so requests in writing, to make available to the Covered Entity within 10 days, during normal business hours at the Business Associate’s offices, all records, books, agreements, policies, and procedures relating to the use or disclosure of Protected Health Information, to enable the Covered Entity to determine whether the Business Associate has complied with the terms of this Business Associate Agreement;

j. within five days of receiving a written request from the Covered Entity, to provide to the Covered Entity such information the Covered Entity may need to respond to a request by an individual for an accounting of the disclosures of the individual's Protected Health Information in accordance with 45 C.F.R. § 164.528; if the Business Associate is acting on behalf of the Covered Entity with respect to Electronic Protected Health Information, the Business Associate shall provide an accounting of disclosures made by the Business Associate, as may be required of business associates by the HITECH Act, upon a request made by an individual directly to the Business Associate.

k. subject to Section 3.3 below, to return to the Covered Entity or to destroy, within 180 days of the termination of this Business Associate Agreement, all Protected Health Information in its possession (including all backup tapes) and not to retain any copies of such information;

l. to disclose to its subcontractors, agents, and other third parties only the minimum Protected Health Information necessary for the performance of a specific function referred to in the Services Agreement or this Business Associate Agreement; and

m. to make any amendments to the Protected Health Information that the Covered Entity directs pursuant to 45 C.F.R. § 164.526, and to make such changes in the time and manner designated by Covered Entity.

2.2 Responsibilities of the Covered Entity. With regard to Protected Health Information provided by it, or on its behalf, to the Business Associate, the Covered Entity hereby agrees:

a. to notify the Business Associate of any provision in its notice of privacy practices (the "Notice") that the Covered Entity provides pursuant to 45 C.F.R. §164.520 that may affect the Business Associate's use or disclosure of Protected Health Information;

b. in the event of a breach of Protected Health Information, to work with the Business Associate to determine which party is in the best position to provide the required notices to affected individuals, ensure that required notices are sent, and maintain evidence of the sending of such notices;
c. to notify the Business Associate of any changes in, or revocation of, the consent or authorization provided to the Covered Entity by individuals pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent such changes may affect the Business Associate’s use or disclosure of Protected Health Information;

d. to notify the Business Associate, in writing and in a timely manner, of any arrangements involving the Covered Entity under 45 C.F.R. part 160 and 164 that may affect the Business Associate’s use or disclosure of Protected Health Information; and

e. not to request the Business Associate to use or disclose Protected Health Information in any manner that would be prohibited under the Privacy Rule if done by the Covered Entity itself.

3. **TERM AND TERMINATION**

3.1 **Term.** The Term of this Business Associate Agreement shall begin as of the Effective Date, and shall terminate when all of the Protected Health Information provided by the Covered Entity to the Business Associate, or created or received by the Business Associate on behalf of the Covered Entity, is destroyed or returned to Covered Entity, or, if it is not feasible for the Business Associate to return or destroy Protected Health Information, until protection has been extended to such information in accordance with Section 3.3.

3.2 **Termination for Cause.** If the Covered Entity or the Business Associate becomes aware of a material breach by the other (the “Breaching Party”) of this Business Associate Agreement, the Covered Entity or the Business Associate (as applicable) may immediately terminate this Business Associate Agreement and any Service Agreement that involves the use or disclosure of Protected Health Information by providing written notice to the Breaching Party. Alternatively, the Covered Entity or the Business Associate (as applicable) may provide an opportunity, of up to 60 days, for the Breaching Party to cure the breach or end the violation. Nothing contained in this Section 3.2 shall be deemed to require the Covered Entity or the Business Associate (as applicable) to terminate this Business Associate Agreement or any applicable Service Agreement, if termination is not feasible for the Covered Entity or the Business Associate (as applicable). The Covered Entity or the Business Associate (as applicable) shall have the right to report any breach by the Breaching Party of this Business Associate Agreement to the Secretary as provided for under 45 C.F.R. §164.504(e)(1)(ii).

3.3 **Effect of Termination.** Upon termination of this Business Associate Agreement for any reason, the Business Associate shall return or destroy all Protected Health Information received from the Covered Entity, or created or received by the Business Associate on behalf of the Covered Entity. This provision shall also apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. The Business Associate shall not retain any copies of the Protected Health Information. If the Business Associate determines that returning or destroying the Protected Health Information is not feasible, the Business Associate shall inform the Covered Entity of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is not feasible, the Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information, for so long as Business Associate maintains such Protected Health Information.
4. MISCELLANEOUS

4.1 Definitions; Regulatory References. A term used, but not specifically defined, in this Business Associate Agreement will have the meaning given that term in the Privacy Rule or HITECH. "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information contained at 45 C.F.R. Part 160 and Part 164, Subparts A and E. A reference to a provision of the Privacy Rule includes any future amendments to or substitutes for that provision. "HITECH" means Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, the associated regulations, and any future amendments or substitutes.

4.2 Conflicts with and Effect on Service Agreement(s). If a Service Agreement conflicts with any of the terms of this Agreement, the terms of this Agreement shall govern. Otherwise, all terms and conditions of the Service Agreement(s) remain in effect.

4.3 Survival. The rights and obligations of the parties under Section 2.1 and Section 3.3 with respect to Protected Health Information retained following the termination of this Agreement shall continue after the termination of this Agreement for so long as such information is retained.

4.4 Interpretation. Any ambiguity in this Agreement shall be interpreted in a manner that permits the parties to comply with the Privacy Rule.

4.5 Amendments; Waiver. Except as set forth in this Section 4.5, this Agreement may not be modified, nor shall any provision of this Agreement be waived, except by means of a written document signed by an authorized representative of both parties. The parties acknowledge the importance of complying with the requirements of the Privacy Rule, HIPAA and HITECH, and agree that this Agreement shall be deemed automatically amended to the extent necessary to comply with such legal requirements. A waiver with respect to one event shall not constitute a waiver with respect to any subsequent event.

4.6 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts. Facsimile copies hereof shall have the same effect as originals.

IN WITNESS WHEREOF, the parties have executed this Agreement.

LIFEBRIDGE HEALTH, INC.

By: ______________________________
Name: Neil M. Meltzer
Title: President & COO
Date: ______________________________

By: ______________________________
Name: _____________________________
Title: ______________________________
Date: ______________________________

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