

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT



AMBULANCE BILLING AND COLLECTION SERVICES – RFP 2022-03
MIKE CUMMINS – FINANCE DIRECTOR
JEREMY A. YOUNG – FIRE CHIEF



**For Ambulance Billing and Collection Services
for Frederick-Firestone Fire Protection District
a Colorado Special District**

The Frederick-Firestone Fire Protection District (District) is soliciting a request for proposal (RFP) for ongoing ambulance billing and collection services to be provided for the District. This is a Guaranteed Maximum Price (GMP) public works project. The District is conducting a Qualifications Based Selection process to retain a reputable ambulance billing and collection agency for the aforementioned services. The qualified vendor will enable the District to significantly enhance the quality of billing and collection services, minimize District staff time for billing components, and maximize returns on collections. The services provided by the selected vendor will include preparation of final bidding and specification documents, preparation, and submittal of a final quote for all services to be provided by the vendor, any necessary consultation meetings, supplies, setup and installation of required hardware or software.

Sealed proposals responsive to this Request for Proposals ("RFP") must be submitted by providing the information requested in this RFP by **4:00 pm MDT on Thursday, August 25, 2022**, to:

**RFP 2022-03 – Ambulance Billing Services
Frederick-Firestone Fire Protection District
8426 Kosmerl Place
Frederick, Colorado 80504
Attn: Mike Cummins – Finance Director**

During the quote preparation process, all communication, correspondence, questions, or requests for clarification shall be directed to Finance Director Cummins by email (mcummins@fffd.us). General questions may be communicated by phone; however, specific requests for clarifications must be e-mailed. Failure to comply with this requirement may result in disqualification.

Submitting vendors shall hand-deliver, or ship via US Mail, FedEx, UPS, or other such commercial carrier service. Mail or hand-deliver two (2) hard copies of the proposal to the above stated address. Mailed proposals must be received by the District by the above stated submittal deadline for acceptance.

A proposal may be withdrawn at any time before the deadline for submitting proposals by notifying the District by writing of the intent to withdrawal. The notice must be signed by the representative of the vendor who submitted the quote. The vendor may thereafter submit a new or modified quote, provided it is received at the District no later than the deadline. Modification

offered in any other manner, oral or written, will not be considered. Quotes cannot be changed after the submission deadline unless the District requests clarification.

If a vendor discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP, the vendor must immediately provide the District with written notice of the problem and request that the RFP be clarified or modified. Without disclosing the source of the request, the District may modify the RFP before the proposal submission deadline by issuing an addendum to all potential bidders to whom the RFP was sent.

If, before the proposal submission deadline, a vendor knows of or should have known of an error in the RFP but fails to notify the District of the error, the vendor shall submit a proposal at its own risk, and if, awarded the project, shall not be entitled to additional compensation or time by reason of the error or its later correction.

All materials submitted in response to this RFP will become the property of the District. All proposals submitted to the District shall constitute public records within the meaning of the Colorado Public (Open) Records Act (CORA) and may be subject to inspection and disclosure to the public in accordance with CORA. A vendor that desires any aspect of its proposal to remain confidential must specifically identify the confidential portion of the proposal and the grounds for claiming confidentiality. Further, the confidential portion must be easily segregated from the rest of the proposal.

This RFP is a solicitation for quotes and proposals and not an offer to contract, until the District makes its final decision. The District reserves the right to accept or reject any or all proposals. The District further reserves the right to issue clarifications and other directives concerning this RFP, to require clarification or further information with respect to any proposal, and to determine the final terms of any contract for services. All costs incurred by a vendor for proposal preparation, interviews and contract negotiations are the sole responsibility of the proposing vendor. All prices and services submitted in the quote shall be binding and valid for 90-days after the closing date.

All bids shall be less all taxes and discounts, and shall, in every way, be the total net price in which the vendor will expect Frederick-Firestone Fire Protection District to pay the awarded bid. The Board of Directors reserves the right to reject any or all bids and waive any formalities.

SECTION A - BACKGROUND INFORMATION

The District currently provides fire suppression, community risk reduction, emergency medical care and advanced life support transport, and administrative services from four (4) fire stations and one (1) administrative building. The District serves a 36-square mile area in the Town of Frederick, the Town of Firestone, and unincorporated areas of Southwest Weld County, Colorado. The District provides all-hazard response to over 35,000 residents of the Carbon Valley Area.

1. The Districts audited Ambulance Billing, Collections, and Write-Offs for the 2021 Audit is as follows:
 - EMS Charges
 - Payments
 - Write-Offs
 - Contractual Adjustments

2. The District's current Ambulance Billing Service is provided by EMS Billing Management, LLC out of Missouri.
3. The District's current Collection Services is provided by Professional Finance Company, Inc. out of Greeley, Colorado.
4. The District utilizes Image Trend Software for all EMS Patient Care Reporting and Fire Incidents and shall continue to do so.
5. The District anticipates the start of the contract to be January 2023.
6. The District does accept credit card payments through Heartland Financial Services which is also located on the District's website www.fffd.us
7. The District does not do any medical coding.
8. The District's Ambulance Fee Schedule:

| Service Type | Resident | Non-Resident |
|--|-------------------|---------------------|
| Loaded Mile | \$10.00 | \$10.00 |
| BLS Emergency Transport | \$600.00 | \$1,100.00 |
| BLS Non-Emergency Transport | \$600.00 | \$1,100.00 |
| BLS Helicopter Assist | \$150.00 | \$300.00 |
| ALS Emergency Transport | \$1,000.00 | \$1,500.00 |
| ALS Non-Emergency Transport | \$1,000.00 | \$1,500.00 |
| ALS Helicopter Assist | \$150.00 | \$300.00 |
| ALS-2 Transport | \$1,250.00 | \$1,750.00 |
| Treatment/No Transport | \$150.00 | \$300.00 |
| No Treatment/No Transport | \$0.00 | \$0.00 |
| Stand-By Event (Hourly, per Crew) | \$123.38 | \$123.38 |
| Convenience Fees – Electronic Payments | 2% or \$5.00 flat | 2% or \$5.00 flat |
| Police Blood Draw | \$33.20 | \$33.20 |

9. The District's average mileage per transport is 10 miles.
10. The District does not charge for non-transports.
11. The District does not have any contracts with any medical insurance companies.

SECTION B – SCHEDULE FOR PROJECT SERVICES

- July 18 RFP is released
- July 18 – August 12 Vendor questions submitted.
- August 25 Bids are submitted
- August 25 – October 3 Bid Compliance Evaluation
- October 10 Successful vendor selected by Board of Directors
- October 11 Successful vendor notified
- October 17 – January 1 Potential transition period

SECTION C - PROPOSAL SUBMITTAL REQUIREMENTS

PROJECT MISSION

The goals and objectives of this Project are as follows:

To hire a Contractor (Vendor) that will provide professional billing and collection services and improve the billing and collections practices of the District.

PROJECT SPECIFICATIONS

The summary of Project requirements includes:

1. Contractor shall provide the ability to enter all required data to bill emergency and non-emergency transports electronically or on paper.
2. Contractor shall provide the ability to electronically bill Medicare, State Medicaid, Private Insurance, Auto Insurance, Worker's Compensation, Veterans Administration and all and any other insurances, with correct and current forms. Bills that are not paid will be forwarded to collections for unpaid balances.
3. Billing Process. Contractor shall provide:
 - A. The ability to electronically bill directly to any 5010 payer.
 - B. The ability to update banking information with all insurance carriers to ensure proper payments are processed within the District's bank accounts.
 - C. The option to transmit bills electronically or on paper the required forms including, but not limited to: CMS-1500, paper invoices/statements, collections letters, etc. This can be done either direct or through a clearinghouse.
 - D. The ability to customize invoices, statements, 1500's, and letters.
 - E. The ability to access resident versus non-resident for billing purposes.
 - F. Access to image trend billing software.
4. Cash Posting. Contractor shall provide:
 - A. The ability to post cash, write-offs, and adjustments to District's financial account.
 - B. The ability to write off tickets to bad debt in a group with flexible designated criteria.
 - C. The ability to search within cash posting program/function for a ticket or patient with flexible search criteria and find open tickets. As a minimum, a search should be by patient name, Date of Service, and current balance.
 - D. The ability to document receipt number when posting payments.

5. Patient Account Management. Contractor shall provide:
 - A. The ability to write off accounts to collections and zero the balance and sent the accounts to collections in the format including, but not limited to: CSV files, Text files, Excel files, printed, or other electronic forms.
 - B. The ability to flag accounts to go to bad debt that does not meet the predefined criteria.
 - C. The ability to mark accounts to not be included in the list or be billed.
 - D. The ability to review a group of calls or patients on the screen without running reports.
 - E. The ability to work from an electronic list generated by the software, based on criteria of the end user.

6. Reports and Forms. Contractor shall provide:
 - A. The ability to customize forms such as invoices, 1500s, statements, collections letters and other letters.
 - B. A billing system offering extensive reporting capabilities, including canned and custom reports.
 - C. The ability to expand reports grouping and sorting options for detail and summary portions.
 - D. The ability to get management and accounting reports as a standard set and the ability to modify them without additional costs.
 - E. The ability to export all reports to a file, including, but not limited to CSV and Excel.
 - F. The ability to automatically print periodic reports and forms (i.e., daily, month-end, KPI) at user defined time period.
 - G. The ability to add custom fields for reporting without programming.
 - H. The ability to easily separate payor type by defined insurance payor that allows payor type and amounts to be easily accessible and viewed without the need for manual sorting and grouping.
 - I. The ability to save parameters once a report is written and ability to go back to it in the future and not have to re-create.
 - J. The ability to create custom reports using a report editor.

SECTION D - CONTRACTOR REQUIREMENTS

Should your proposal be accepted, your company shall furnish the following:

- A. Contractor shall provide all equipment, materials, and qualified personnel, to successfully complete this Project in a timely and professional manner.
- B. Contractor shall provide adequate and continued software training pertaining to report writing and financial software used for billing processes.
- C. Contractor shall provide North American based customer support and customer service call center to payors as well as to the customers of the District.
- D. Contractor shall be responsible for securing all required licenses and permits, to the extent necessary.
- E. Contractor shall provide all services needed to meet the requirements of the project's specifications.
- F. Contractor shall agree to provide a provision to allow the District to discontinue services with contractor at any time, with a 90-day notice.
- G. Contractor shall be required to execute the District's standard professional services business agreements.
- H. Contractor shall be required to furnish an SOC report to the District annually.

INSURANCE-LIABILITY, WORKER'S COMPENSATION

- A. Contractor agrees to procure and maintain, at its own cost, a policy, or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by Contractor pursuant to this Agreement. At a minimum, Contractor shall procure and maintain, and shall cause any subcontractor to procure and maintain, the insurance coverages listed below, with forms and insurers acceptable to the District.
 - 1) Worker's Compensation insurance to cover obligations imposed by applicable law for any employee engaged in the performance of work under this Agreement.
 - 2) Commercial General Liability insurance with minimum combined single limits of one million dollars (\$1,000,000) each occurrence and one million dollars (\$1,000,000) general aggregate. The policy shall be applicable to all premises and operations, and shall include coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall contain a severability of interest's provision, and shall include the District and the District's officers, employees, and contractors as additional insureds. No additional insured endorsement shall contain any exclusion for bodily injury or property damage arising from completed operations.
 - 3) Professional liability insurance with minimum limits of one million dollars (\$1,000,000) each claim and one million dollars (\$1,000,000) general aggregate.

- B. Such insurance shall be in addition to any other insurance requirements imposed by any federal or state law. The coverages afforded under the policies shall not be canceled, terminated, or materially changed without at least thirty (30) days prior written notice to the District. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage. Any insurance carried by the District, its officers, its employees, or its contractors shall be excess and not contributory insurance to that provided by Contractor. Contractor shall be solely responsible for any deductible losses under any policy.
- C. Contractor shall provide to the District a certificate of insurance as evidence that the required policies are in full force and effect. The certificate shall identify this Agreement.

PROJECT TIMELINE

This timetable is subject to change by the District for any unforeseen reasons.

Request for Proposals Sent Out July 18, 2022

Deadline for Proposal Submission August 25, 2022

SECTION E – EXPECTATIONS

The District will enter into a one (1) year agreement with four (4) one (1) year automatic renewal option, based on the proposal determined to be the most beneficial to the District considering a variety of factors. The District reserves the right to reject any or all proposals, without obligation to the District in anyway.

SELECTION CRITERIA

Proposals will be evaluated based upon the information submitted. Consideration will also be given to performance projections as well as cost. The following criteria will be the primary considerations for selecting a proposal:

1. Submission of all proposals in the correct format as outlined within this RFP, by the stated deadline of August 25, 2022.
2. The perceived effectiveness of the proposal's solution for the District's stated mission.
3. The perceived ability for the Contractor to deliver the solutions set forth in their proposal within the allotted time frame.
4. The Contractor's past performance and successes in similar projects. Including the contractor's previous three-year history of billing collection rates for this type of account.
5. Overall cost of the proposal and ability to free up time and space for the District's Staff.

PROPOSAL FORMAT

The District requires you include the following information in your proposal:

1. **Contractor Summary and Capabilities.**
Include a brief history of your company including your past experience with similar projects. Also include the company owners' names or those persons authorized to sign on behalf of your business.

2. **Methodology.**

Please use this section to outline specifically your proposed method for achieving the goals of the Project. This should include a detailed timeline of milestones for completing the Project.

3. **Expected Results.**

Use this section to summarize the expected results of your methodology listed above.

4. **Expense Summary.**

Give a summary of the total costs for your proposal. You may also include a brief explanation of the contributing costs to the total cost and potential cost over the five (5) year contract price.

5. **Licensing, Permits and Bonding.**

If applicable, include the details of your licenses, permits and bonds for the services you are proposing. Contractors must have a certificate of good standing issued by the Colorado Secretary of State to conduct business. The contractor must attach a copy of their certificate.

6. **References.**

Provide a minimum of three (3) references for past projects similar in scope. Please include contact information for each of the references listed.

7. **Proposal Delivery.**

Regardless of delivery method, all proposals must be received by the District at 8426 Kosmerl Place, Frederick, Colorado 80504 by 4:00 p.m. MST, August 25, 2022.

Proposals may be hand-delivered, or shipped via US Mail, FedEx, UPS, or other such commercial carrier service. Fax or email submittals **will not be accepted** for this project.

SECTION F - STATEMENT OF PURPOSE

“To provide billing and collection services for “Frederick-Firestone Fire Protection District – Ambulance Service” at a “per incident rate”

BACKGROUND INFORMATION

Frederick-Firestone Fire Protection District Ambulance provides emergency medical response to citizens, businesses, and visitors, as well as automatic aid and mutual aid with neighboring Fire and Emergency Medical Service providers. Average call volume is approximately 2800 emergency incidents and 1300 ambulance transports per year.

SCOPE OF WORK

- To provide electronic data entry, billing services, and collection services of all submitted ambulance transports and other fee related services involving emergency medical.
- To provide reports on billing and collection progress as requested and on an as needed basis.
- To provide professional customer service to all clients and handle all collection activity in a professional manner representing the District’s core values.

TERM OF CONTRACT

The contract shall be for (1) one year commencing on or before January 1, 2023

Requirements for proposal preparation to include:

- Proposals will be accepted until 4:00 P.M., Thursday, August 25, 2022
- There will NOT be a formal public proposal opening on August 25, 2022.
- All proposals will be opened, tabulated, and evaluated by District Finance Staff and then provided to the Fire Chief and Board of Directors of the Frederick-Firestone Fire Protection District.
- The Board of Directors reserves the right to reject any or all proposals and to waive any formalities.
- All proposers must be able to comply and acknowledge the enclosed Professional Services Agreement (Exhibit A) that will be required at the time of the award.

For any questions regarding this process, please submit questions to mcummins@fffd.us

“EXHIBIT A”

BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (this “*Agreement*”) is made as of _____ (Date), by and between _____ (“*Covered Entity*”) and _____ (“*Business Associate*”).

RECITALS:

A. Covered Entity and Business Associate have entered into an arrangement or arrangements pursuant to which Business Associate provides certain services for and on behalf of Covered Entity (the “*Arrangement*”);

B. Under the Health Insurance Portability and Accountability Act of 1996 (“*HIPAA*”) and its implementing regulations which include the Standards for the Privacy of Individually Identifiable Health Information (the “*Privacy Rule*”) (45 C.F.R. Parts 160 and 164) and the Security Standards for the Protection of Electronic Protected Health Information (the “*Security Rule*”) (45 C.F.R. Parts 160 and 164), as amended by applicable provisions of the Health Information Technology for Economic and Clinical Health Act (Title XIII, Subtitle D) and its implementing regulations (the “*HITECH Act*”) as amended by the Final HIPAA regulations at 78 Final Register 5566 (January 25, 2013) (“*Final Omnibus Rule*”) (collectively, the “*HIPAA Rules*”), Covered Entity and Business Associate must enter into a business associate agreement to enable Business Associate to carry out its obligations under the Arrangement since Covered Entity discloses, or will disclose, to Business Associate, and/or Business Associate creates and receives, or will create and receive, on behalf of Covered Entity Individually Identifiable Health Information, as such term is defined in 45 C.F.R. 160.103; and

C. Covered Entity and Business Associate desire to enter into this Agreement in order to enable Covered Entity to satisfy its obligations under the HIPAA Rules.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. DEFINITIONS.

Capitalized terms used in this Agreement and not otherwise defined herein shall have that meaning given to them in the HIPAA Rules.

II. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION BY BUSINESS ASSOCIATE.

2.1 Confidentiality. Business Associate shall hold Protected Health Information confidentially, and shall not Use or Disclose it other than as permitted or required by this Agreement or as Required by Law. Business Associate may not use or disclose Protected Health

Information in a manner that would violate the requirements of the HIPAA Rules, if done by the Covered Entity, except for the purposes specified under 45 C.F.R. § 164.504(e)(2)(i)(A) or (B) if such uses or disclosures are permitted by the Arrangement.

2.2 Use or Disclosure to Provide Services Under the Arrangement. Business Associate may Use and Disclose Protected Health Information as necessary to perform its obligations under the Arrangement; provided, however, that Business Associate shall not, and shall ensure that its directors, officers, employees, contractors and agents (the “*Representatives*”) do not, Use or Disclose Protected Health Information in any manner that would violate the Privacy Rule, as amended from time to time, if done by Covered Entity.

2.3 Use or Disclosure for Business Associate’ Management and Administration. Notwithstanding Section 2.2 above, Business Associate may Use or Disclose Protected Health Information for its proper management and administration provided that, before Disclosing Protected Health Information to a third party for Business Associate’ proper management and administration, Business Associate must obtain reasonable assurances from the third party that: (i) the Protected Health Information will be held confidentially and subject to the same restrictions and conditions that apply to Business Associate under this Agreement and will only be Used or Disclosed as Required by Law or for the purposes for which it was Disclosed to the third party; and (ii) the third party will immediately notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information Disclosed to it has been breached.

2.4 Use or Disclosure to Provide Data Aggregation Services. Business Associate may Use or Disclose Protected Health Information to provide Data Aggregation services relating to the Health Care Operations of Covered Entity.

2.5 De-Identification of Protected Health Information. Business Associate may de-identify any and all Protected Health Information provided that the de-identification conforms to the requirements of the Privacy Rule. The parties acknowledge and agree that de-identified data does not constitute Protected Health Information and is not subject to the terms of this Agreement.

III. RESPONSIBILITIES OF BUSINESS ASSOCIATE.

3.1 Safeguards Against Misuse of Information. Business Associate agrees that it will implement appropriate

safeguards and comply with the Security Rule to prevent the Use or Disclosure of Protected Health Information other than pursuant to the terms and conditions of this Agreement.

3.2 Reporting Disclosures of Protected Health Information. Business Associate shall, within five (5) business days of becoming aware of a Disclosure of Protected Health Information in violation of this Agreement by Business Associate or its Representatives, report such Disclosure to Covered Entity. Business Associate agrees to have procedures in place for mitigating, to the extent practicable, any harmful effect known to Business Associate and arising from such Use or Disclosure.

3.3 Agreements by Third Parties. In accordance with 45 C.F.R. § 164.502(e)(1)(ii), Business Associate shall enter into an agreement with any agent or Subcontractor that will have access to Protected Health Information pursuant to which such agent or subcontractor agrees to be bound by the same or substantially similar restrictions, terms, and conditions of this Agreement that apply to Business Associate with respect to such Protected Health Information.

3.4 Access to Information. Business Associate shall provide access, at the request of Covered Entity or an Individual, to Protected Health Information maintained by Business Associate in a Designated Record Set(s), to Covered Entity, or as directed by Covered Entity, to an Individual in order to meet the requirements of 45 C.F.R. § 164.524, including, without limitation with respect to an Individual's request for an electronic copy of PHI. Business Associate shall use commercially reasonable efforts to provide such access within fifteen (15) business days of receiving such request.

3.5 Availability of Protected Health Information for Amendment. Business Associate shall make any amendment to Protected Health Information maintained in a Designated Record Set by Business Associate that is requested by Covered Entity, or as directed by Covered Entity, that is requested by an Individual. Business Associate shall use its best efforts to make such amendments within twenty (20) business days of receiving such request.

3.6 Accounting of Disclosures. Business Associate shall document such Disclosures of Protected Health Information 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 Protected Health Information in accordance with 45 C.F.R. § 164.528.

Business Associate shall provide to Covered Entity or, as directed by Covered Entity, to an Individual, information collected in accordance with the preceding paragraph to permit Covered Entity to respond to a request by an Individual for an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R.

§ 164.528. Business Associate shall use commercially reasonable efforts to provide such information within twenty (20) days of receiving such written request.

3.7 Uses and Disclosures Required by Law. Except to the extent prohibited by law, Business Associate shall immediately notify Covered Entity upon its receipt of a request for Use or Disclosure of Protected Health Information with which Business Associate believes it is Required by Law to comply. Business Associate shall provide Covered Entity with a copy of such request, shall consult and cooperate with Covered Entity concerning the proper response to such request and shall provide Covered Entity with a copy of any information Disclosed pursuant to such request.

3.8 Availability of Books and Records. Business Associate hereby agrees to make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of Health and Human Services (the "**Secretary**") for purposes of determining Covered Entity's or Business Associate's compliance with the HIPAA Rules. Notwithstanding the foregoing, nothing herein shall be deemed to require Business Associate to waive any attorney-client, accountant-client, or other legal privilege.

3.9 Security Obligations for Electronic Protected Health Information. Business Associate shall, in accordance with the Security Rule, implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information it creates, receives, maintains, or transmits on behalf of Covered Entity. Further, Business Associate shall ensure that any agent, Subcontractor, or other party to whom Business Associate provides Electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect such Electronic Protected Health Information. Business Associate shall comply, where applicable, with 45 C.F.R. Subpart C of the Security Rule. If Business Associate becomes aware of any Successful Security Incidents, Business Associate shall report the same in writing to Covered Entity within five (5) business days of such Successful Security Incident, and Business Associate agrees to reasonably mitigate, to the extent practicable, any harmful effect resulting from such Successful Security Incidents. Business Associate shall report to Covered Entity any Unsuccessful Security Incidents of which it becomes aware within sixty (60) calendar days of such Unsuccessful Security Incident. If the definition of "Security Incident" is amended under the Security Rule to remove the requirement for reporting "unsuccessful" attempts to use, disclose, modify or destroy Electronic Protected Health Information, then this Section shall be amended so that the provisions relating to "Unsuccessful Security Incidents" no longer apply as of the effective date of such change to the law.

For the purposes of this Agreement, “Successful Security Incidents” mean Security Incidents that result in unauthorized access, use, disclosure, modification or destruction of Electronic Protected Health Information and “Unsuccessful Security Incidents” mean Security Incidents that do not result in unauthorized access, use, disclosure, modification or destruction of Electronic Protected Health Information.

In the event that Business Associate has Knowledge or a Reasonable Belief that a Breach of Unsecured Protected Health Information of Covered Entity has occurred or may have occurred, Business Associate shall promptly (but in no event more than five (5) business days after obtaining Knowledge of the Breach or Reasonable Belief that a Breach has occurred) notify Covered Entity of the identification of each Individual who has been or is reasonably believed to have been affected by the Breach, along with any other information that Covered Entity as a Covered Entity will be required to include its notification of the Individual under the HITECH Act or its implementing regulations, including, without limitation, a description of the breach, the date of the breach and its discovery, types of Unsecured PHI involved and description of the Business Associate investigation, mitigation and prevention efforts.

3.10 Agreed to Restrictions. Business Associate shall abide by any restrictions, of which Business Associate is aware, relating to the Disclosure of Protected Health Information which Covered Entity has agreed upon pursuant to the HIPAA Rules.

3.11 Covered Entity Instructions. In addition, to the extent that Covered Entity instructs Business Associate to take or not to take certain actions in connection with PHI, and as a result of Business Associate complying with such instructions Business Associate incurs losses, fines, penalties or damages in connection with a third party claim, then Covered Entity shall indemnify and hold Business Associate and its affiliates and their respective directors, officers, employees and agents, including permitted Subcontractors, harmless from any such losses, fines, penalties or liabilities, including reasonable attorneys’ fees.

3.12 Minimum Necessary. Business Associate shall request, use and/or disclose only the minimum amount of PHI necessary to accomplish the purpose of the applicable request, use and/or disclosure.

IV. RESPONSIBILITIES OF COVERED ENTITY.

4.1 Requests for Uses or Disclosures. Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would violate this Agreement or the HIPAA Rules.

4.2 Notice of Privacy Practices. Covered Entity hereby agrees to provide, to the extent required by 45 C.F.R. § 164.520 (or any successor provision of the Privacy Rule), a notice of privacy practices (the “*Notice*”) to Individuals

(or their personal representatives) who are the subject of the Protected Health Information, which Notice shall be sufficiently broad so as to permit the Uses and Disclosures of Protected Health Information by Business Associate contemplated by this Agreement and the Arrangement. Covered Entity shall not amend such Notice unless the amended Notice is sufficiently broad so as to permit the Uses and Disclosures of Protected Health Information contemplated by this Agreement and the Arrangement.

4.3 Written Permission. Covered Entity hereby agrees to ensure that it obtains Individuals’ permission or the permission of Individuals’ personal representatives, to the extent required under the Privacy Rule and in the form required by the Privacy Rule, for Business Associate’ Uses and Disclosures of Protected Health Information contemplated by this Agreement and the Arrangement and to inform Business Associate of any changes in, or withdrawal of, such written permission provided to Covered Entity by Individuals or their personal representatives, including without limitation revocations of authorizations pursuant to 45 C.F.R. § 164.508.

4.4 Other Arrangements. Covered Entity hereby agrees to promptly notify Business Associate, in writing and in a timely manner, of any arrangements permitted or required of Covered Entity under the Privacy Rule that may impact in any manner the Use or Disclosure of Protected Health Information by Business Associate under this Agreement or the Arrangement, including without limitation restrictions on the Use or Disclosure of Protected Health Information agreed to by Covered Entity, as provided for in 45 C.F.R. § 164.522 as amended by the HITECH ACT.

4.5 Compliance with HIPAA. To the extent required and at such time as required under applicable law, Covered Entity agrees to comply with HIPAA, the Privacy Rule, Security Rule and HITECH Act.

V. TERMINATION.

5.1 Term. This Agreement shall become effective on the date on which Covered Entity and Business Associate entered into the Arrangement and, unless otherwise terminated as provided herein, shall expire upon the expiration or termination of the Arrangement.

5.2 Termination by Either Party. The Arrangement may be terminated by either party, subject to the delivery of the written notice and the expiration of the cure period as may be provided in the Arrangement, in the event that a party breaches any material term of this Agreement.

5.3 Return or Destruction of Protected Health Information Upon Termination. Upon termination of the Arrangement, Business Associate shall, at the option of Covered Entity, either return or destroy all Protected Health Information and Electronic Protected Health Information which Business Associate still maintains in

any form. Business Associate shall not retain any non-archival copies of such Protected Health Information or Electronic Protected Health Information. Notwithstanding the foregoing, to the extent that it is not feasible, in Business Associate's reasonable discretion, to return or destroy such Protected Health Information and Electronic Protected Health Information (and including data retained for archival purposes), the terms and provisions of this Agreement shall survive the termination of the Arrangement with respect to such Protected Health Information and Electronic Protected Health Information, and such Protected Health Information and Electronic Protected Health Information shall be used or disclosed solely for such purpose or purposes which prevented its return or destruction.

VI. MODIFICATIONS TO COMPLY WITH STANDARDS.

In the event that additional standards are promulgated under the HIPAA Rules, or any existing standards are amended, the parties agree to enter into a mutually acceptable amendment to this Agreement to enable Covered Entity to satisfy its obligations under such additional or amended standard(s).

VII. MISCELLANEOUS.

7.1 The parties agree and acknowledge that, as between Covered Entity and Business Associate, Covered Entity is the owner of the Protected Health Information and Electronic Protected Health Information. Nothing in this Agreement shall be construed to create (i) an agency relationship under federal common law, a partnership, joint venture or other joint business relationship between the parties or any of their affiliates, or (ii) a relationship of employer and employee between the parties.

7.2 In the event that a provision of this Agreement conflicts with a provision of the Arrangement, the provision of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of the Arrangement.

7.3 This Agreement may be amended only by written agreement between the parties. This Agreement shall be interpreted by and construed in accordance with the laws of the State of Colorado. The headings of sections in this

Agreement are for reference only and shall not affect the meaning of this Agreement.

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

7.5 Any ambiguity in this Agreement shall be resolved to permit the applicable party to comply with HIPAA, Privacy Rule, Security Rule, and the HITECH Act. The parties acknowledge that the HITECH Act requires the Secretary to promulgate regulations and interpretative guidance that is not available at the time of executing this Agreement. In the event a party determines in good faith that any such regulation or guidance adopted or amended after the execution of this Agreement shall cause any paragraph or provision of this Agreement to be invalid, void or in any manner unlawful or subject either party to penalty, then the parties agree modify and amend this Agreement in a manner that would eliminate any such risk.

7.6 Any notices required or permitted to be given pursuant to this Agreement shall be given in accordance with the terms of the Arrangement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

Frederick-Firestone Fire Protection District

By: _____
Title: _____

Business Associate or Contractor

By: _____
Title: _____