

**BUSINESS ASSOCIATE AGREEMENT**      LF021203-05  
**AS REQUIRED BY THE**  
**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

This "Business Associate Agreement" is effective April 14, 2003, and controls protected health information received or created pursuant to all agreements by and among First Administrators, Inc. ("FAI"), City of Rapid City ("Employer") and City of Rapid City Healthcare Plan the healthcare benefit plan(s) sponsored by Employer as a Group Health Plan ("GHP").

WITNESSETH AS FOLLOWS:

WHEREAS, Employer has established and maintains employee welfare benefit plans as defined by Section 3(1) of the Employee Retirement Income Security Act of 1974 ("ERISA"), or by applicable state law in the case of self-funded governmental entities; and

WHEREAS, benefit programs are offered by GHP (and are sponsored by Employer, for eligible employees and their eligible dependents ("Members")); and

WHEREAS, Employer, has retained FAI to provide certain administrative services with respect to GHP; and

WHEREAS, Employer, GHP and FAI mutually agree that any and all Administrative Services Agreement(s) will incorporate the terms of this Business Associate Agreement to comply with applicable requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations (45 C.F.R. Parts 160-64) and to include additional provisions that Employer, GHP, and FAI desire to have as part of the Administrative Services Agreement(s); and

WHEREAS, Employer, GHP, and FAI agree that the terms of this agreement apply to GHP only with respect to GHP's protected health information;

NOW, THEREFORE, in consideration of these premises and the mutual promises and agreements hereinafter set forth, Employer, GHP, and FAI hereby agree as follows:

**PART 1—FAI'S RESPONSIBILITIES**

**I.      SERVICES PROVIDED BY FAI**

During the continuance of the Administrative Services Agreement(s), FAI shall perform the services provided under the Administrative Services Agreement(s) with respect to benefits provided to Members under Plan.

**II.     PRIVACY OF PROTECTED HEALTH INFORMATION**

**A.      Confidentiality of Claim Information and Other Protected Health Information**

FAI will keep confidential all Claim records and all other Protected Health Information that FAI creates or receives in the performance of its duties under the Administrative Services Agreement(s) and this Business Associate Agreement. Except as permitted or required by this Business Associate Agreement for FAI to perform its duties under the Administrative Services Agreement(s), FAI will not use or disclose such Claim information or other Protected Health Information without the authorization of the Covered Person who is the subject of such information or as required by law.

**B.      Prohibition on Non-Permitted Use or Disclosure**

FAI will neither use nor disclose Members' Protected Health Information (including any Members' Protected Health Information received from a Plan business associate) except (1) as permitted or required by this Business Associate Agreement and the Administrative Services Agreement(s), (2) as permitted in writing by Plan or Employer, (3) as authorized by Members, or (4) as required by law. In no event will FAI use or disclose Members' Protected Health Information except as permitted by the Privacy Rules (45 C.F.R. Parts 160, 164).

**C. Permitted Uses and Disclosures**

FAI will be permitted to use or disclose Members' Protected Health Information only as follows:

**1. Functions and Activities on Plan's Behalf**

FAI will be permitted to use and disclose Members' Protected Health Information (a) for the administration of the group health plans that Plan offers Members, and (b) for the services provided under the Administrative Services Agreement(s), which include Payment activities, Health Care Operations, and Data Aggregation as these terms are defined in 45 Code of Federal Regulations § 164.501.

**2. FAI's Administration**

**a. Protected Health Information Use**

FAI will be permitted to use Members' Protected Health Information as necessary for FAI's proper management and administration or to carry out FAI's legal responsibilities.

**b. Protected Health Information Disclosure**

FAI will be permitted to disclose Members' Protected Health Information as necessary for FAI's proper management and administration or to carry out FAI's legal responsibilities only (i) if the disclosure is required by law, or (ii) if before the disclosure, FAI obtains from the entity to which the disclosure is to be made reasonable assurance, evidenced by written contract, that the entity will (x) hold Members' Protected Health Information in confidence, (y) use or further disclose Members' Protected Health Information only for the purposes for which FAI disclosed it to the entity or as required by law; and (z) notify FAI of any instance of which the entity becomes aware in which the confidentiality of any Members' Protected Health Information was breached.

**3. Minimum Necessary**

FAI will make reasonable efforts to use, disclose, or request only the minimum necessary amount of Members' Protected Health Information to accomplish the intended purpose.

**D. Disclosure to Plan and Plan Business Associates**

Other than disclosures permitted by Section II.C above, FAI will not disclose Members' Protected Health Information to Plan or to a Plan business associate except as directed in writing by Employer (if Employer is performing plan administration functions pursuant to Section VII, below) or Plan. FAI shall be entitled to rely upon requests for disclosures by the individual(s) identified as the Plans' privacy officer or to such other individual(s) as are designated in writing by Plan to FAI as authorized to receive information on behalf of the Plan. Any such individuals may be listed on Exhibit A, attached hereto.

**E. Disclosure to FAI's Subcontractors and Agents**

FAI will require each subcontractor and agent to which FAI is permitted by the Administrative Services Agreement(s) or in writing by Plan to disclose Members' Protected Health Information to provide reasonable assurance, evidenced by written contract, that such other entity will comply with the same privacy and security obligations with respect to Members' Protected Health Information as this Business Associate Agreement applies to FAI.

**F. No Disclosure to Employer**

FAI will not disclose any Members' Protected Health Information to Employer, except as permitted by and in accordance with Section VII or IX below.

**G. Reporting Non-Permitted Use or Disclosure**

FAI will report to Plan any use or disclosure of Members' Protected Health Information not permitted by this Business Associate Agreement or in writing by Plan. FAI will make the report to Plan not more than ten (10) business days after FAI learns of such non-permitted use or disclosure.

**H. Termination for Breach of Privacy Obligations**

Plan will have the right to terminate one or more of the Administrative Services Agreement(s) if FAI has engaged in a pattern of activity or practice that constitutes a material breach or violation of FAI's obligations regarding Protected Health Information under this Business Associate Agreement ("Privacy Breach") and, on notice of such material breach or violation from Plan, fails to take reasonable steps to cure the breach or end the violation.

If FAI fails to cure the Privacy Breach after Plan's notice, Plan may terminate its Administrative Services Agreement by providing FAI written notice of termination, stating the uncured Privacy Breach that provides the basis for the termination and specifying the effective date of the termination.

**I. Disposition of Protected Health Information**

**1. Return or Destruction Upon Termination for Privacy Breach**

Upon termination of an Administrative Services Agreement for any reason, FAI will, if feasible, return to Plan or destroy all Claim records and all other Protected Health Information that FAI created or received for or from Plan pursuant to the terminated Administrative Services Agreement(s). The information FAI will return or destroy includes all Protected Health Information in whatever form or medium (including any electronic medium), and all copies of and any data or compilations derived from such information that allow identification of any Covered Person who is a subject of the information. FAI will complete such return or destruction as promptly as practical, but not later than ninety (90) days after the effective date of the termination of the terminated Administrative Services Agreement(s).

**2. Disposition When Return or Destruction Not Feasible**

Upon termination of an Administrative Services Agreement for any reason, FAI will identify to Plan any Claim records and other Protected Health Information that FAI created or received for or from Plan that cannot feasibly be returned to Plan or destroyed. After termination of an Administrative Services Agreement, FAI will limit its further use or disclosure of the Claim records and other Protected Health Information to those purposes that make their return to Plan or destruction infeasible.

**III. ACCESS, AMENDMENT AND DISCLOSURE ACCOUNTING FOR PROTECTED HEALTH INFORMATION**

**A. Access**

Upon Plan's written or electronic request, FAI will make available for inspection and obtaining copies by Plan, or at Plan's direction by the Covered Person (or the Covered Person's personal representative), any Protected Health Information about the Covered Person created or received for or from Plan in FAI's custody or control, so that Plan may meet its access obligations under 45 Code of Federal Regulations § 164.524.

**B. Amendment**

Upon receipt of written or electronic notice from Plan, FAI will amend or permit Plan access to amend any portion of the Protected Health Information created or received for or from Plan in FAI's custody or control, so that Plan may meet its amendment obligations under 45 Code of Federal Regulations § 164.526.

**C. Disclosure Accounting**

So that Plan may meet its disclosure accounting obligations under 45 Code of Federal Regulations § 164.528, FAI will do the following with respect to Protected Health Information FAI created or received on behalf of account:

**1. Disclosure Tracking**

Starting April 14, 2003, FAI will record each disclosure of Members' Protected Health Information FAI makes to Plan or to a third party that is not excepted from disclosure accounting under Section III.C.2 below.

The information about each disclosure that FAI must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom FAI made the disclosure, (c) a brief description of the Protected Health Information disclosed, and (d) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Members' Protected Health Information that FAI makes for a single purpose to the same person or entity (including Plan), FAI may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.

**2. Exceptions from Disclosure Tracking**

FAI will not be required to record Disclosure Information or otherwise account for disclosures of Members' Protected Health Information that the Administrative Services Agreement(s), this Business Associate Agreement or Plan in writing permits or requires:

- (a) for Treatment activities, Payment activities or Health Care Operations,
- (b) to the Covered Person who is the subject of the Protected Health Information or to that Covered Person's personal representative,
- (c) incident to a use or disclosure otherwise permitted by the Privacy Rules,
- (d) pursuant to an authorization,
- (e) to persons involved in that Covered Person's health care or payment for health care as provided by 45 Code of Federal Regulations § 164.510,
- (f) for notification for disaster relief purposes as provided by 45 Code of Federal Regulations § 164.510,
- (g) as part of a limited data set, as permitted by 45 Code of Federal Regulations § 164.514(e),
- (h) for national security or intelligence purposes, or
- (i) to law enforcement officials or correctional institutions regarding inmates.

**3. Disclosure Tracking Time Periods**

FAI will have available for Plan the Disclosure Information required by Section III.C.1 above for the six (6) years immediately preceding the date of Plan's request for the Disclosure Information (except FAI will not be required to have Disclosure Information for disclosures occurring before April 14, 2003).

**4. Provision of Disclosure Accounting**

Upon Plan's written or electronic request, FAI will make available to Plan, or at Plan's direction to the Covered Person (or the Covered Person's personal representative), the Disclosure Information regarding the Covered Person, so that Plan may meet its disclosure accounting obligations under 45 Code of Federal Regulations § 164.528.

**D. Restriction Requests.**

Employer (if Employer is performing plan administration functions pursuant to Section IX, below) and Plan agree to consult with FAI prior to agreeing to any restriction on the Use or Disclosure of Protected Health Information pursuant to 45 C.F.R. § 164.522(a) that will affect FAI. FAI does not breach this Agreement if it fails to comply

with a restriction to which Employer or Plan agreed without (a) first consulting FAI or (b) notifying FAI of the terms of the restriction.

E. Confidential Communications.

Plan will promptly notify FAI in writing of any obligation pursuant to 45 C.F.R. § 164.522(b) to communicate with a Member about Plan's Protected Health Information by confidential alternative means or alternative location, and will provide FAI with the information that FAI needs to be able to comply with that obligation.

**IV. SAFEGUARDING PROTECTED HEALTH INFORMATION**

FAI will maintain commercially reasonable and appropriate administrative, technical and physical safeguards, as required by Social Security Act § 1173(d) and 45 Code of Federal Regulation § 164.530(c), to protect against reasonably anticipated threats or hazards to, and to ensure, the security or integrity of Protected Health Information, to protect against reasonably anticipated unauthorized use or disclosure of Protected Health Information, and to reasonably safeguard Protected Health Information from any intentional or unintentional use or disclosure in violation of this Business Associate Agreement.

**V. COMPLIANCE WITH STANDARD TRANSACTIONS**

A. ASCA Extension

Plan warrants that, if required by HIPAA, it has filed with HHS prior to October 16, 2002 a compliance plan to qualify for an extension of the compliance date for the Standards for Electronic Transactions (45 C.F.R. Parts 160, 162) under the Administrative Simplification Compliance Act. This Section V will become effective on October 16, 2003.

B. FAI

FAI will comply with each applicable requirement for Standard Transactions established in 45 Code of Federal Regulations Part 162 when conducting all or any part of a Standard Transaction electronically for, on behalf of, or with Plan.

C. FAI's Subcontractors and Agents

FAI will require any of its subcontractors or agents to comply with each applicable requirement for Standard Transactions established in 45 Code of Federal Regulations Part 162 when they conduct all or any part of a Standard Transaction electronically for, on behalf of, or with Plan.

**VI. INSPECTION OF BOOKS AND RECORDS**

FAI will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information created or received for or from Plan available to Plan and to the U.S. Department of Health and Human Services to determine compliance with 45 Code of Federal Regulations Parts 160-64 or this Business Associate Agreement.

**PART 2—EMPLOYER'S RESPONSIBILITIES**

**VII. EMPLOYER'S PERFORMANCE OF PLAN ADMINISTRATION FUNCTIONS**

The following provisions apply to Employer, Plan and Members. Employer will include these provisions in Plan's Plan Document.

A. Employer's Certification

FAI will not disclose Members' Protected Health Information to Employer, unless and until GHP confirms in writing that Employer has provided necessary certification of Plan Document amendment and that FAI is authorized to disclose Members' Protected Health Information to Employer. FAI may rely on GHP's written confirmation, and will have no obligation to verify (1) that GHP's Plan Document has been amended to comply with the requirements of 45 Code of Federal Regulations § 164.504(f)(2) or this Agreement or (2) that Employer is

complying with GHP's Plan Document as amended. In no event will GHP or Employer request that FAI disclose to Employer more than the minimum necessary Protected Health Information for the plan administration functions to be performed by Employer as specified in the amendment to GHP's Plan Document.

**B. GHP's Plan Document Amendment**

Before GHP provides FAI the written confirmation described in Section VII.A above, GHP will ensure (1) that its Plan Document is amended to establish the uses and disclosures of Members' Protected Health Information consistent with the requirements of 45 Code of Federal Regulations Part 164 that Employer will be permitted and required to make for the plan administration functions Employer will perform for GHP, and (2) that Employer agrees to:

1. Neither use nor further disclose Members' Protected Health Information, except as permitted or required by Plan's Plan Document, as amended, or as required by law.
2. Neither use nor disclose Members' Protected Health Information for any employment-related action or decision, or in connection with any other of Employer's employee welfare benefit plans.
3. Ensure adequate separation between and among, Employer, GHP, and FAI by (a) describing those employees or classes of employees or other persons under Employer's control who will be given access to Members' Protected Health Information to perform plan administration functions for Plan, including any employee or other person under Employer's control who will receive Members' Protected Health Information relating to Payment activities, Health Care Operations, or other matters relating to Plan, (b) restricting the access to and use of Members' Protected Health Information by such employees or other persons to the plan administration functions that Employer will perform for GHP, and (c) instituting an effective mechanism for resolving any noncompliance with Plan's Plan Document, as amended, by such employees or other persons.
4. Ensure that any agent or subcontractor to whom Employer provides Members' Protected Health Information agrees to the restrictions and conditions of Plan's Plan Document, as amended, with respect to Members' Protected Health Information.
5. Report to Plan any use or disclosure of Members' Protected Health Information that is inconsistent with the uses and disclosures allowed by Plan's Plan Document, as amended.
6. Make Protected Health Information available to each Covered Person who is the subject of the information in accordance with 45 Code of Federal Regulations § 164.524.
7. Make Members' Protected Health Information available for amendment and, on notice from Plan, amend Members' Protected Health Information in accordance with 45 Code of Federal Regulations § 164.526.
8. Track disclosures it makes of Members' Protected Health Information that are not excepted from disclosure accounting as described in Section III.C.2 above so that it can make available the information required for Plan to provide an accounting of disclosures in accordance with 45 Code of Federal Regulations § 164.528.
9. Make its internal practices, books, and records relating to its use and disclosure of Members' Protected Health Information available to Plan and to the U.S. Department of Health and Human Services to determine compliance with 45 Code of Federal Regulations Parts 160-64.
10. If feasible return to Plan or FAI or destroy all Protected Health Information that Employer created or received for or from Plan or FAI when Employer no longer needs Members' Protected Health Information for the plan administration functions for which disclosure was made. The information Employer will return or destroy includes all Protected Health Information in whatever form or medium (including any electronic medium), and all copies of and any data or compilations derived from such information that allow identification of any Covered Person who is a subject of the information. If it is not feasible to return or destroy all Members' Protected Health Information, Employer will limit the use or disclosure of any Covered Person's Protected Health Information it cannot feasibly return or destroy to those purposes that make the return or destruction of the information infeasible.

**C. Minimum Necessary**

If Employer has provided the certification described in Section VII.A above and Plan permits FAI to disclose Members' Protected Health Information to Employer for plan administration functions, FAI will make reasonable efforts to limit its disclosure of Members' Protected Health Information to Employer to the minimum necessary for Employer to perform the plan administration functions that Employer will perform for Plan. Employer or Plan shall notify FAI in writing of any person(s) who are designated with responsibility to receive Protected Health Information on behalf of Employer. A listing of those initially designated may be provided on Exhibit A, attached hereto.

**VIII. COMPENSATION TO FAI**

For services to Employer, Plan and Members under this Business Associate Agreement, Employer shall pay FAI (a) the Protected Health Information Access Fee of \$25.00 for each request from Plan for access to a Member's Protected Health Information that FAI fulfills pursuant to Section III.A above, plus \$1.00 per page for each requested copy of such Protected Health Information that FAI provides and any postage expense that FAI incurs in delivering such Protected Health Information.

**IX. SUMMARY HEALTH INFORMATION**

Upon Employer's written request for the purpose either (a) to obtain bids for providing insurance coverage for Plan, or (b) to modify, amend or terminate Plan, FAI will provide Summary Health Information regarding the Members in Plan to Employer.

**PART 3—MISCELLANEOUS**

**X. BUSINESS ASSOCIATE AGREEMENT TERM**

This Business Associate Agreement will take effect on the later of April 14, 2003 or the date on which it is executed. The Agreement will continue in full force and effect until all of the Protected Health Information provided by Plan to FAI or created or received by FAI on behalf of Plan is destroyed or returned to Plan, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information as provided in section II.I, above.

**XI. AUTOMATIC AMENDMENT TO CONFORM TO APPLICABLE LAW**

Upon the effective date of any final regulation or amendment to final regulations with respect to Protected Health Information, Standard Transactions, the security of health information or other aspects of the Health Insurance Portability and Accountability Act of 1996 applicable to this Business Associate Agreement or to the Administrative Services Agreement(s), this Business Associate Agreement will automatically amend such that the obligations imposed on Employer, GHP, and FAI remain in compliance with such regulations, unless FAI elects to terminate the Administrative Services Agreement(s) by providing Employer and Plan notice of termination in accordance with the Administrative Services Agreement(s) at least thirty (30) days before the effective date of such final regulation or amendment to final regulations.

**XII. CONFLICTS**

The provisions of this Business Associate Agreement will override and control any conflicting provision of the Administrative Services Agreement(s). All non-conflicting provisions of the Administrative Services Agreement(s) will remain in full force and effect.

**XIII. DEFINITIONS**

The following terms when used in this Business Associate Agreement have the following meanings:

- A. "Claim"** means notification in a form acceptable to FAI that service has been rendered or furnished to a Covered Person.
- B. "Plan Participant"** means the person to whom coverage under Plan has been extended by Employer and to whom FAI has directly or indirectly issued an identification card bearing the Employer Group Number.

For purposes of providing benefits under Plan, Plan Participant does not mean a person who has selected Medicare as primary coverage.

**C. “Covered Person”** means the Plan Participant and the Plan Participant’s legal spouse and/or unmarried dependent children as specified in Plan.

**D. “Data Aggregation”** means the combining of Protected Health Information that FAI creates or receives for or from Plan and for or from other health plans or health care providers for which FAI is acting as a business associate to permit data analyses that relate to the Health Care Operations of Plan and those other health plans or providers. (*See* 45 Code of Federal Regulations § 164.501.)

**E. “Health Care Operations”** mean any of the following activities of a health plan, such as Plan, as relates to the functions that make it a health plan (*see* 45 Code of Federal Regulations § 164.501):

1. Quality Improvement and Control

- a. Conducting quality assessment and improvement activities, including outcome evaluation and development of clinical guidelines (except research or other studies or activities that have as their primary purpose obtaining generalized knowledge);
- b. Conducting population-based activities relating to improving health or reducing health care costs;
- c. Conducting protocol development, case management or care coordination;
- d. Contacting health care providers and enrollees (such as Members) with information about treatment alternatives; and
- e. Conducting other related functions that do not include treatment.

2. Credentialing and Training

- a. Reviewing the competence or qualifications of health care professionals;
- b. Evaluating health care provider performance;
- c. Evaluating Plan performance;
- d. Conducting training programs in which students, trainees or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers;
- e. Conducting training of non-health care professionals; and
- f. Conducting accreditation, certification, licensing or credentialing activities.

3. Insuring Functions

- a. Engaging in underwriting, premium rating, and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits; and
- b. Ceding, securing, or placing a contract of reinsurance of risk relating to claims for health care (including stop-loss insurance and excess of loss insurance), subject to any applicable limitations of 45 Code of Federal Regulations § 164.514(g).

4. Audit and Legal Activities

- a. Conducting or arranging for medical review;
- b. Conducting or arranging for legal services;



- c. Conducting or arranging for audit functions; and
- d. Conducting activities involving fraud and abuse detection or compliance programs.

5. Business Strategy

- a. Engaging in business planning and development;
- b. Conducting cost-management and planning-related analyses related to managing and operating the health plan;
- c. Developing and administering a formulary; and
- d. Developing or improving methods of payment or policies of coverage.

6. Business Management and Administration

- a. Engaging in business management and general administrative activities of the Plan;
- b. Managing activities relating to implementation of and compliance with the requirements for the information privacy, security, transaction standards, and other provisions of 45 Code of Federal Regulation Subtitle A, Subchapter C;
- c. Managing customer service, including provision of data analyses for policy holders, plan sponsors, or other customers (provided that no Protected Health Information is disclosed to the policy holders, plan sponsors, or other customers);
- d. Resolving internal grievances;
- e. Creating de-identified health information (consistent with the requirements of 45 Code of Federal Regulations §§ 164.514(a)-(c)); and
- f. Conducting due diligence in connection with the sale or transfer of assets to a potential successor in interest (provided that the potential successor is or, following completion of the sale or transfer, will be subject to the information privacy, security, transaction standards and other provisions of 45 Code of Federal Regulations Subtitle A, Subchapter C).

7. Wellness and Other Health-Related Marketing

Provided that these activities comply with all applicable procedural requirements of 45 Code of Federal Regulations § 164.514(e):

- a. Communicating with Plan enrollees about health-related products or services;
- b. Communicating with Plan enrollees about health care providers in the health plan's networks;
- c. Communicating with Plan enrollees about the health plan's coverage or benefits;
- d. Communicating with Plan enrollees concerning products or services of nominal value;
- e. Communicating with Plan enrollees face-to-face about any product or service;
- f. Communicating with Plan enrollees by newsletter or similar type of general communication device distributed to a broad cross-section of enrollees or other broad group of individuals; and
- g. Communicating with Plan enrollees based on their health status or condition about products or services that may be beneficial to the health of the type or class of such enrollees.

**F. “Individually Identifiable Health Information”** means information, including demographic information collected from an individual, that (1) is created or received by Plan, health care provider, employer, or health care clearinghouse, (2) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual, and (3) either identifies the individual, or with respect to which there is a reasonable basis to believe that the information can be used to identify the individual. (*See* 45 Code of Federal Regulations § 160.103.)

**G. “Payment”** means any of the following activities of Plan, as relates to a Covered Person (*see* 45 Code of Federal Regulations § 164.501):

1. Obtaining premium payments;
2. Determining or fulfilling responsibility for coverage and provision of benefits under the health plan;
3. Determining an enrollee’s eligibility or coverage;
4. Coordinating benefits, determining cost sharing amounts, adjudicating or subrogating health benefit claims;
5. Adjusting risk amounts due based on enrollee health status or demographic characteristics;
6. Engaging in billing, claims management, issuance of explanations of benefits, collection activities, and related health care data processing;
7. Obtaining payment under a contract of reinsurance (including stop-loss insurance and excess of loss insurance);
8. Reviewing health care services with respect to medical necessity, coverage under a health plan, appropriateness of care, or justification of charges;
9. Conducting utilization review, precertification and preauthorization of services, and concurrent and retrospective review of services; and
10. Disclosure to consumer reporting agencies not more than the demographic data permitted by 45 Code of Federal Regulations § 164.501 (“Payment” ¶ 2(vi)).

**H. “Protected Health Information”** means Individually Identifiable Health Information that is transmitted or maintained electronically, on paper, orally or in any other form or medium.

Education records covered by the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g) and records described in Section 1232g(a)(4)(B)(iv) of Title 20 of the United State Code are excluded from Protected Health Information. (*See* 45 Code of Federal Regulations § 164.501.)

**I. “Summary Health Information”** means information, which may be Individually Identifiable Health Information, (1) that summarizes the claims history, claims expenses, or types of claims experienced by enrollees for whom a plan sponsor has provided health care benefits under a group health plan, and (2) from which the identifiers specified in 45 Code of Federal Regulations § 164.514(b)(2)(i) have been deleted (except that the zip code information described in 45 Code of Federal Regulations § 164.514(b)(2)(i)(B) may be aggregated to the level of a five (5) digit zip code). (*See* 45 Code of Federal Regulations § 164.504(a).)

**J. “Standard Transactions”** mean health care financial or administrative transactions conducted electronically for which standard data elements, code sets and formats have been adopted in 45 Code of Federal Regulations Part 162.

**SIGNATURES**

**First Administrators, Inc:**

\_\_\_\_\_  
(Signature)

By: Joe Dobbs

Title: President & CEO

Date: January 17, 2003

**CITY OF RAPID CITY**

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

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

**CITY OF RAPID CITY HEALTHCARE PLAN**

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

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

**Exhibit A**

**CITY OF RAPID CITY HEALTHCARE PLAN---Representatives**

Privacy Officer: \_\_\_\_\_  
(Please Print)

Other authorized representatives:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**CITY OF RAPID CITY---Representatives**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_