

STATE OF NORTH CAROLINA  
GUILFORD COUNTY

AGREEMENT FOR HEALTH CARE SERVICES

THIS AGREEMENT FOR HEALTH CARE SERVICES is made and entered into this 1st day of February, 2017, covering the period February 1, 2017 through June 30, 2018, by and between **GUILFORD COUNTY**, hereinafter referred to as the "**COUNTY**," on behalf of its' GUILFORD COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES, hereinafter referred to as "PUBLIC HEALTH," and **TRIAD MEDICAL GROUP, PA**, hereinafter referred to as the "**PROVIDER**." The COUNTY and PROVIDER shall be collectively referred to as "the Parties."

*WITNESSETH:*

WHEREAS: The Parties have a mutual interest and deem it advantageous to provide medical, health education, and social support services in the catchment area of Southeast Greensboro; and,

WHEREAS: The Parties desire that PROVIDER assume full operational authority over the clinical services at the Evans-Blount Community Health Center, which PROVIDER will operate as a primary and preventive care and behavioral health site to specifically serve residents of Southeast Greensboro; and,

WHEREAS: PROVIDER will provide primary, preventive and behavior health services as more fully described in this Agreement, understanding that all patients will not have access to Medical Insurance. The clinic is expected to provide care even to patients who pay for their services on an approved "sliding fee scale" based on their income. The PROVIDER is NOT expected or encouraged to provide ANY free services; and,

WHEREAS: PROVIDER will staff the Medical Office at the Evans-Blount Community Health Center exclusively with staff employed by or contracted to PROVIDER, and will have autonomous authority over the Medical Office's clinical staff and clinical operations at Evans-Blount Community Health Center;

THEREFORE, in consideration of mutual commitments and subject to the conditions contained herein, the Parties hereby agree to the following:

**I. The COUNTY agrees to:**

- A. Secure, maintain, and provide PROVIDER with access and use of, premises located at 2031 Martin Luther King, Jr. Drive, Greensboro, NC 27406, for continuous operations of the Evans-Blount Community Health Center (the "Premises"), as set forth in a separate Lease Agreement. The COUNTY agrees that the Evans-Blount Community Health Center will have clearly distinguishable space within the Premises, and will be clearly identified as an *Adult Primary Care Health Clinic*.
- B. Directly cover the costs associated with lease of the Premises and the associated costs for utilities, insurance, and initial basic facility equipment, such as cabinetry, exam room furniture, and waiting room furniture as set forth in a separate Lease Agreement.
- C. The COUNTY will inform in writing all existing Evans-Blount Community Health Center patients of the transition of clinical services.

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- D. As Funding and Resources permit, the COUNTY will market and advertise the availability of the Medical Office at Evans-Blount Community Health Center, to the target catchment area initially and periodically throughout the term of this Agreement. The content of all such marketing and advertisement materials may be approved by PROVIDER prior to circulation.
- E. Provide clinic patients with access to any mandated or essential public health services and programs Public Health deems necessary that are not provided directly by PROVIDER.
- F. Participate in the Evans-Blount Community Health Center Governing Board meetings or such other official planning and maintenance meetings that may be required, as determined by the Parties. The Governing Board Committee's scope and duties are defined in Exhibit A, attached hereto and incorporated herein by reference.
- G. Provide and service the burglar alarm system in the Premises. PROVIDER may change systems at its expense, and shall at the time cover all cost associated with maintaining the new system.
- H. PROVIDER will cover all phone system costs.
- I. Ensure that neither the execution, delivery and performance of this Agreement nor the performance of the transactions contemplated herein will (i) constitute a breach or violation of COUNTY's state and local legal requirements or obligations; (ii) conflict with or constitute (with or without the passage of time or the giving of notice) a breach of, or default under, any debt instrument to which COUNTY is a party or give any person the right to accelerate any material indebtedness or terminate any material right; (iii) constitute (with or without the passage of time or giving of notice) a default under or breach of any other material agreement, instrument or obligation to which COUNTY is a party or by which it or its assets are bound; or (iv) result in a violation of any law, regulation, administrative or judicial order applicable to COUNTY, or to its business or assets.
- J. Hold PROVIDER harmless for any premises liability claims, alleged or proven, relating to incidents at the Evans-Blount Community Health Center prior to its transfer to PROVIDER's operational authority. COUNTY further agrees that PROVIDER will not assume any debts, accounts payable, contractual obligations, or liabilities of COUNTY associated with the operation of the Evans-Blount Community Health Center prior to its transfer to PROVIDER's operational authority.
- K. Designate a contact person for communication and coordination with PROVIDER to maintain an interchange of information between the COUNTY and the PROVIDER
- L. Periodically, as the PROVIDER needs arises, assist PROVIDER with funding and /or recruitment of other clinical staff.

**II. The PROVIDER agrees to:**

- A. Operate Evans-Blount Community Health Center as a primary and preventive care site within its Medical Home concept, consistent with the Plan of Operation attached hereto as Exhibit B, and incorporated herein by reference. All patients receiving services from health care professional(s) at the Medical Office of the Evans-Blount Community Health Center will be registered as patients of PROVIDER. PROVIDER is solely responsible for billing and collecting all payments from third party payors, and, as applicable, patients, for the services it provides at the Evans-Blount Community Health Center.
- B. Operate the Evans-Blount Community Health Center in accordance with PROVIDER's policies, procedures and protocols.
- C. Designate a contact person for communication and coordination with Public Health to maintain an interchange of information between the COUNTY and the PROVIDER.
- D. Secure all necessary medical and other health-related licenses and certifications to operate the Evans-Blount Community Health Center.
- E. Employ and/or contract all clinical staff providing services on PROVIDER's behalf at the Evans-Blount Community Health Center. PROVIDER will ensure that the clinical staff are appropriately qualified, and will have sole oversight authority over their provision of clinical care.
- F. Provide the COUNTY with basic patient demographic data as needed for local, state, or federal public health reports, subject to compliance with Health Insurance Portability and Accountability Act ("HIPAA") and its implementing regulations set forth at 45 CFR Part 160, Part 162, and Part 164, as amended from time to time, and other Federal and State patient privacy laws.
- G. Hold Health Department and COUNTY harmless for any medical malpractice claims alleged or proven against PROVIDER or its clinical staff relating to incidents at the Evans-Blount Community Health Center.
- H. Obtain sufficient medical and liability insurance with limits of at least \$1 million per Incident. \$3 million aggregate for the operation of the Evans-Blount Community Health Center, or in lieu of such coverage, provide evidence of Federal Tort Claims Act coverage for itself and its staff. Upon request, PROVIDER will provide COUNTY with proof of malpractice insurance coverage and/or FTCA deeming, as applicable.
- I. Fully comply with all applicable Federal, State and local laws and regulations including, but not limited to, HIPAA and all laws, rules, policies, and other terms applicable to PROVIDER's designation as a medical office in the state of NC.
- J. Bill for, collect, and receive all revenues generated by the Evans-Blount Community Health Center including health insurance, Medicare, Medicaid and any other authorized third-party payer. **All accounts receivable generated by such billings shall belong to the PROVIDER.**

PROVIDER may also receive payment for services in accordance with its schedule of charges and schedule of discounts and attached hereto as Exhibit C, and incorporated herein by reference.

### **III. Cooperative Agreements:**

- A. All goods and/or services shall be provided in a competent, professional and workmanlike manner acceptable to the COUNTY.
- B. Neither Party shall discriminate according to age, sex, race, religion, national origin or handicap, in compliance with the Title VI and Section 504 of the Civil Rights Act.
- C. Unless an individual is employed by COUNTY and leased to PROVIDER via a Lease of Capacity Agreement, the clinical staff providing services on PROVIDER's behalf at the Evans-Blount Community Health Center are not in any way employees of the COUNTY and thus are not entitled to any employee benefits from the COUNTY, including Workers' Compensation.
- D. The Parties agree that PROVIDER may operate the Evans-Blount Community Health Center under a 'doing business as' name.
- E. Enter into a HIPAA Business Associate Addendum as set forth in Exhibit D, attached hereto and incorporated herein by reference with the PROVIDER should COUNTY perform any function or activity on behalf of PROVIDER involving the use of disclosure of individually identifiable health information of PROVIDER's patients, pursuant to 45 C.F.R. § 160.103.
- F. If the PROVIDER should undergo merger, acquisition, or bankruptcy, PROVIDER will immediately notify COUNTY in writing of these changes. Further, PROVIDER will submit the name and address of the assuming PROVIDER's registered agent for service of process and/or all notices required under this Agreement. This Agreement may not be assumed or otherwise transferred to another party by the PROVIDER without the express written consent of the COUNTY, which said consent will be evidenced by acceptance memo or letter from the Public Health Director, or designee, to the original PROVIDER under the Agreement and the assuming provider.
- G. If any provision of this Agreement is held unenforceable, then such provision will be modified to reflect the Parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.
- H. Nothing in this Agreement restricts, or is intended to restrict, PROVIDER's ability, if it chooses, to enter into agreements with other providers or suppliers of comparable goods, items, or services, or with other donors.
- I. All health and health-related professionals employed by or under contract with the Parties shall retain sole and complete discretion, subject to any valid restriction(s) imposed by participation in a managed care plan, to refer patients to any and all provider(s) that best meet the requirements of such patients. All such patients shall be advised that, subject to any valid restriction(s) imposed by participation in a managed care plan, said patients may request referral to any provider(s) they choose.

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- J. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- K. This Agreement or any portion hereof, may be amended or modified in writing at any time as mutually agreed by both Parties. Such amendments or notices must be made in writing and executed by both Parties.
- L. The term of this Agreement is for one (1) year. Sixty (60) days prior to the expiration of the term, PROVIDER will be given the option to renew the Agreement for an additional one (1) year term upon mutual written agreement of both Parties. It is the desire of the Parties that, during the term of this Agreement, it will be an ongoing Contract, continuing from year to year (crossing the COUNTY's fiscal years) without the necessity of re-execution, subject to continued appropriation by the GUILFORD COUNTY Board of Commissioners or other funding source, pursuant to N.C.G.S. Chapter §153A-13.
- M. **Termination:**
- (i) This Agreement may be terminated without cause upon either Party's thirty (30) day, prior written notice to the other Party or at any time upon the Parties' mutual agreement.
  - (ii) Either Party may terminate this Agreement immediately upon written notice to the other Party in the following circumstances: if either Party becomes debarred, excluded or otherwise prohibited from participating in Medicare or Medicaid or is convicted of a criminal offense related to any such government program.
  - (iii) Either Party may terminate this Agreement upon written notice to the other Party if either Party materially breaches this Agreement. The notice must set forth, in reasonable detail, the nature of the claimed breach of this Agreement. The termination is subject to cure within thirty (30) days of receiving written notice of the alleged breach from the non-breaching Party. This cure period shall be shortened if a shorter period is needed to protect patients' health or safety or if required by DHHS, the North Carolina Department of Health and Human Services, Joint Commission, or any other entity by which PROVIDER must be licensed or accredited in order to conduct regular operations.
- N. This Agreement, including Exhibits A, B, C, D, and E which are attached hereto and incorporated herein by reference, represents the entire Agreement between the Parties.
- O. Inclusions of titles of paragraphs or section headings, capitalization of certain words or phrases and/or bold face typestyle of certain words or phrases in this Contract are for convenience purposes only and shall not be used to interpret or construe the provisions of this Agreement. The terms "Contract" and "Agreement" have the same meaning and may be used interchangeably throughout this document. The terms "Attachment," "Exhibit," and "Addendum" have the same meaning and may be used interchangeably throughout this document.

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- P. The Parties agree that this Contract is subject to the jurisdiction and laws of the State of North Carolina. The PROVIDER will comply with bid restrictions, if any, and applicable laws, including N.C.G.S. §143-129(j) regarding E-verify as set forth in the Affidavit, Exhibit E, attached hereto and incorporated herein by reference. Any controversies arising out of this Contract shall be governed by and construed in accordance with the laws of the State of North Carolina.
- Q. The Agreement is not intended to benefit, and shall not be construed to benefit, any person or entities other than the Parties hereto or to create any third-party beneficiary right for any other person or entity.
- R. This Agreement shall not be assigned by any Party, by operation of law or otherwise, without the other Parties' prior written consent. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the Parties named herein and their respective successors and assigns.
- S. If PROVIDER should undergo merger, acquisition, bankruptcy or any change in their ownership or their name for any reason, PROVIDER must immediately notify GUILFORD COUNTY in writing of these changes and provide the COUNTY with legal documentation supporting these changes, such as an Assumption Agreement, Bill of Sale, Articles of Incorporation, Articles of Amendment, sales contract, merger documents, etc. Further, PROVIDER will submit the name and address of the assuming PROVIDER'S registered agent for service of process and/or all notices required under this Contract.
- T. PROVIDER and COUNTY shall remain separate and independent entities. None of the provisions of this Agreement are intended to create, nor shall be deemed or construed to create, any relationship between PROVIDER and COUNTY other than that of independent contractors. To the extent permitted by the North Carolina law and without waiving sovereign immunity, the Parties agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses and attorney fees resulting from, or attributable to any and all of their individual acts or omissions to the extent allowable by law.
- U. If it shall be determined or asserted that this Agreement is a Contract between a PROVIDER and a subcontractor within the meaning of Section 1861(v)(1)(I) of the Social Security Act or any rules, regulation, or judicial or administrative interpretations or decisions promulgated or made pursuant to that Section, then the Parties hereby agree that: (i) until the expiration of four (4) years after the furnishing of any service pursuant to this Agreement, each shall make available, upon written request of the Secretary of the Department of Health and Human Services (the "Secretary"), or upon written request of the Comptroller General, or any of their duly authorized representatives, this Agreement and any books, documents, and records that are necessary to certify the nature and extent of the costs incurred by either Party with respect to this Agreement and the services provided pursuant to it, and (ii) if either Party carries out any of the duties of this Agreement through a subcontract with a value or cost of \$10,000 or more over a twelve (12) month period with a related organization, that subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of any services pursuant to the subcontract, the related organization shall make available, upon written request of the Secretary, or upon request of the Comptroller General, or any of their duly authorized representatives, the subcontract, and any books, documents, and records of

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such organization as are necessary to verify the nature and extent of the costs incurred with respect to the subcontract and the services provided pursuant to it.

- V. Any and all notices, designations, consents, offers, acceptances or other communications required to be given under this Agreement shall be in writing via registered mail, return receipt requested. Notices shall be addressed to the individuals identified below or as may hereafter be designated by notice in writing.
- W. All notices pursuant to this Agreement shall be in writing and delivered personally or mailed by certified mail, registered mail, postage prepaid, with return receipt requested, at the addresses appearing below. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of three (3) days after mailing.

If to COUNTY:

Marty Lawing, Guilford County Manager  
301 West Market Street  
Greensboro, NC 27401

If to PUBLIC HEALTH:

Merle Green, Health Director  
Guilford County Department of  
Health and Human Services  
1203 Maple Street  
Greensboro NC 27405  
or P. O. Box 3427  
Greensboro, NC 27402  
336-641-3288

If to PROVIDER:

Richard Pavelock, MD, CEO  
Triad Medical Group  
c/o 2031-E Martin Luther King, Jr. Drive  
Greensboro, NC 27406  
336-790-9787

The foregoing addresses may be changed and/or additional persons may be added thereto by notifying the other Party hereto in writing and in the manner herein set forth.

- X. Each signatory to this Agreement represents and warrants that he or she possesses all necessary capacity and authority to act for, sign, and bind the respective entity on whose behalf he or she is signing.

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- Y. Neither Party shall be liable to the other Party for any failure or delay caused by events beyond such Party's control and not due to its own negligence, provided that such Party uses commercially reasonable efforts to resume performance as soon as reasonably practicable. The non-performing Party shall notify the other Party of the force majeure event within twenty-four (24) hours of the onset thereof. In the event that a force majeure event precludes PROVIDER from performing services and/or providing goods for a period of then (10) consecutive business days, the COUNTY shall have the right to (a) procure replacement goods and/or service from an alternative source and/or (b) terminate the Contract or portions (s) of Contract upon written notice to the PROVIDER.
- Z. Iran Divestment Act of 2015. Whereas, N.C.G.S. §147-86.59 requires that a State agency or political subdivision of the State must require persons attempting to contract therewith, including contract renewals or assumptions, to certify that the persons or the assignees are not identified on the list created by State Treasurer pursuant to N.C.G.S. §147-86.58. Effective as of the date of this Contract, and in accordance with N.C.G.S. Chapter 147, Article 6E entitled "Iran Divestment Act," each Party hereby certifies that it is not identified on the Final Divestment List created by the State Treasurer, which list of persons the Treasurer has determined engage in investment activities in Iran, including any subcontractors of either Party.
- AA. This Contract, including the Exhibits and/or Attachments, if any, sets forth the entire Agreement between the Parties. All prior conversations or writings between the Parties hereto or their representatives are merged within and extinguished. This Contract shall not be modified except by a writing subscribed to by all the Parties.

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(This Contract continues on the following pages.)



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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective administrative officers.

**GUILFORD COUNTY**

ATTEST:

\_\_\_\_\_  
Marty K. Lawing,  
Guilford County Manager

Date

\_\_\_\_\_  
Robin Keller  
Guilford County Clerk to Board

Date

(COUNTY SEAL)

**TRIAD MEDICAL GROUP**

ATTEST/WITNESS:

\_\_\_\_\_  
Richard Pavelock, MD  
CEO

Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name & Title:

This instrument has been preaudited in the manner  
required under the Local Government Budget and  
Fiscal Control Act.

\_\_\_\_\_  
N. Reid Baker  
Guilford County Finance Director

Date

## **EXHIBIT A**

### **Evans-Blount Community Health Center Governing Board Responsibilities**

The public-private partnership built between Guilford County Government and the clinical services partnering entity will be important to the success of the health center. The Governing Board has oversight responsibilities. General guidelines are listed below:

- 1. Assess and Monitor Needs of Target Population** – The governing board shall oversee the organization's progress in meeting its mission and goals and should expect to see a periodic update of a written needs assessment document prior to engaging in the strategic planning effort.
- 2. Receive information regarding Health Center Program Grant Applications** –The governing board should expect to receive information regarding pending grant applications and/or grants that have been applied for or received.
- 3. Provide feedback on the Sliding Fee Discount Program** – The governing board should be made aware of policies for financial management practices including a system to assure eligibility for services and criteria for partial payment schedules.
- 4. Receive information regarding the Center's Annual Budget** – The governing gathers information aimed at assuring that the health center has a realistic plan for achieving the organization's annual program and financial goals and to measure and evaluate the organization's progress in achieving these goals.
- 5. Review Independent Financial Audit** – The governing board has a right to expect an annual financial audit of the Center, and the Board may expect that the Clinical Services Management resolves audit findings promptly.
- 6. Monitor Financial Performance Using Financial Statement Data provided by the Clinical Services Partner** – It is expected that the Board will act to assure financial accountability, effective oversight, and financial viability of the health center.
- 7. Request a Quality Assurance/Quality Improvement (QA/QI) Program** – The governing board should expect a QA/QI plan each year and should expect proof that that the plan is being implemented effectively.
- 8. Assist with planning for Services Provided and Hours of Operation** – It is expected that the governing board members will have an awareness of the health care needs of the community, and will understand the scope of services needed, and will consult with the clinical manager and County on the provision of these services.

## **EXHIBIT B**

### **EVANS-BLOUNT COMMUNITY HEALTH CENTER COMMUNITY HEALTH CENTER PLAN OF OPERATION**

**Mission:** To provide adult patients in the South Greensboro Community (hereinafter the “Community”) with access to quality and cost effective primary and preventive care services.

This stated mission is necessary to alleviate and/ or address the following characteristics and deficiencies in the Community, all of which have been documented by the GUILFORD COUNTY Health Department:

- Lack of access to medical care
- An above average incidence of negative health outcomes
- High incidence of chronic illness
- High utilization of emergency services
- A large indigent and medically underserved population

To achieve this stated mission, Triad Medical Group will assume operational authority over the Evans-Blount Community Health Center where it will provide comprehensive primary, preventive health care, behavioral health and related services (including, but not limited to, ancillary and enabling services) to Southeast Greensboro residents and other clients.

#### **Health Care Services Provided at the Evans-Blount Community Health Center:**

Triad Medical Group, PA, through its employed and/or contracted providers, shall provide, or arrange for the provision of, various primary, preventive, and ancillary services at the Evans-Blount Community Health Center in accordance with its NC Board of Medicine approved scope of project, including but not limited to the following:

- Primary care services for acute and chronic conditions
- CLIA Waived Diagnostic laboratory services
- Adult Immunizations
- Disease screening services for adults
- Preventative health services for male and female adults
- Medication Assistance Program
- Specialty referrals
- Case management services for adults with chronic conditions; and
- Behavioral Health Services

#### **Anticipated Hours of Operation:**

Monday – Friday 8:00 a.m. to 5:00 p.m.

Saturday – To Be Announced

Sunday - Closed

**EXHIBIT C**

**Guidelines for Self-Pay Rates**

**2017 POVERTY GUIDELINES**

2017 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA			
Persons in family/household		Poverty guideline	
For families/households with more than 8 persons, add \$4,160 for each additional person.			
2013 HHS Poverty Guidelines			
Persons in Family	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$11,880	\$14,840	\$13,670
2	16,020	20,020	18,430
3	20,160	25,200	23,190
4	24,300	30,380	27,950
5	28,440	35,560	32,710
6	32,580	40,740	37,470
7	36,730	45,920	42,230
8	40,890	51,120	47,010
For each additional person, add	4,160	5,200	4,780

**SOURCE:** *Federal Register*, <https://www.federalregister.gov/documents/2016>

## **EXHIBIT D**

This Business Associate Addendum, is hereby entered into and effective as of the date of the Health Care Agreement entered into by and between the Parties, **GUILFORD COUNTY**, on behalf of it's **GUILFORD COUNTY DEPARTMENT OF PUBLIC HEALTH**, hereinafter referred to as the "Covered Entity," and **TRIAD MEDICAL GROUP, PA**, hereinafter referred to as the "Business Associate," and also collectively referred to as "the Parties."

### **Definitions**

Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in 45 CFR 160.103 and 164.501.

- A. Individual.** "Individual" shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- B. Privacy Rule.** "Privacy Rule" shall mean the standards for privacy of individual identifiable health information at 45 CFR part 160 and part 164, subparts A and E.
- C. Protected Health Information.** "Protected Health Information" shall have the same meaning, as the term "protected health information" is 45 CFR 164.501, limited to the information created or received by the Business Associate from or on behalf of the Covered Entity.
- D. Required by Law.** "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR 164.501.
- E. Secretary.** "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- F. Data Aggregation.** "Data Aggregation" shall mean, with respect to Protected Health Information created or received by the Business Associate in its capacity as the business associate of the Covered Entity, the combining of such Protected Health Information by the Business Associate with the Protected Health Information received by the Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.
- G. Designated Record Set.** "Designated Record Set" shall mean a group of records maintained by or for the Covered Entity that is (i) the medical records and billing records about individuals maintained by or for the Covered Entity, (ii) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (iii) used, in whole or in part, by or for the Covered Entity to make decisions about individuals. As used herein the term

“Record” means any item, collection, or grouping of information that includes Protected Health Information and is maintained, collected, used, or disseminated by or for the Covered Entity.

- H. Electronic Media.** “Electronic Media” shall mean the mode of electronic transmissions. It includes the Internet, extranet (using Internet technology to link a business with information only accessible to collaborating parties), leased lines, dial-up lines, private networks and those transmissions that are physically moved from one location to another using magnetic tape, disk or compact disk media.

### ***Recitals***

- A.** The U.S. Department of Health and Human Services has issued regulations on “Privacy Standards for Individually Identifiable Health Information,” implementing the Health Insurance Portability and Accountability Act of 1996 (the “Privacy Standards”).
- B.** Covered Entity is a service provider. The U.S. Department of Health and Human Services has issued final regulations, pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), governing the privacy of Individually Identifiable Health Information obtained, created or maintained by certain entities, including health care providers.
- C.** Business Associate either 1) performs certain functions for, or on behalf of the Covered Entity involving the disclosure of Protected Covered Entity Health Information (“PHI”) by the Covered Entity to Business Associate, or the creation or receipt of PHI by Business Associate on behalf of the Covered Entity; or 2) provides legal, actuarial, accounting, consulting, data aggregation, management, accreditation, administrative or financial services for the Covered Entity involving the disclosure of Protected Health Information (“PHI”) by the Covered Entity or another business associate of the Covered Entity.
- D.** The parties of this Addendum agree to enter into this agreement to protect PHI, and to amend any agreements between them, whether oral or written, with the execution of this Addendum.

In consideration of the mutual promises and agreements below and in order to comply with all legal requirements for the protection of this information, the parties agree as follows:

### **General Provisions**

- A. Effect.** This Addendum supplements, modifies and amends any and all agreements, whether oral or written, between the parties involving the disclosure of PHI by the Covered Entity to Business Associate, or the creation or receipt of PHI by Business Associate on behalf of the Covered Entity. The terms and provisions of the

Addendum shall supercede any other conflicting or inconsistent terms and provisions in any agreements between the parties, including all exhibits or other attachments thereto and all documents incorporated therein by reference. Without limitation of the foregoing, any limitation or exclusion of damages provisions shall not be applicable to this Addendum.

- B. Amendment.** Business Associate and the Covered Entity agree to amend this Addendum to the extent necessary to allow either party to comply with the Privacy Standards, the Standards for Electronic Transactions (45 CFR Parts 160 and 162) and the Security Standards (45 CFR Part 142) (collectively, the “Standards”) promulgated or to be promulgated by the Secretary or other regulations or statutes. Business Associate agrees that it will fully comply with all such Standards and that it will agree to amend this Addendum to incorporate any material required by the Standards.

### **Obligations of Business Associate**

- A. Use and Disclosure of Protected Health Information.** Business Associate may use and disclose Protected Health Information only as required to satisfy its obligations under the Agreement(s), as permitted herein, or required by law, but shall not otherwise use or disclose any Protected Health Information. Business Associate shall not, and shall ensure that its directors, officers, employees, contractors and agents do not, use or disclose Protected Health Information received from the Covered Entity in any manner that would constitute a violation of the Privacy Standards if so used or disclosed by the Covered Entity, except that Business Associate may use or disclose Protected Health Information (i) for Business Associate's proper management and administrative services, (ii) to carry out the legal responsibilities of Business Associate or (iii) to provide data aggregation services relating to the health care operations of the Covered Entity if required under the Agreement(s). Business Associate hereby acknowledges that, as between Business Associate and the Covered Entity, all Protected Health Information shall be and remain the sole property of the Covered Entity, including any and all forms thereof developed by Business Associate in the course of its fulfillment of its obligations pursuant to this Addendum. Business Associate further represents that, to the extent Business Associate requests that the Covered Entity disclose Protected Health Information to Business Associate, such a request is only for the minimum necessary Protected Health Information for the accomplishment of Business Associate's purpose.
- B. Safeguards Against Misuse of Information.** Business Associate agrees that it will use all appropriate safeguards to prevent the use or disclosure of Protected Health Information other than pursuant to the terms and conditions of this Addendum.
- C. Reporting of Disclosures of Protected Health Information.** Business Associate shall, within thirty (30) days of becoming aware of any use or disclosure of Protected Health Information in violation of this Addendum by Business Associate, its officers, directors, employees, contractors or agents or by a third party to which Business

Associate disclosed Protected Health Information, report any such disclosure to the Covered Entity.

- D. Agreements by Third Parties.** Business Associate shall obtain and maintain an agreement with each agent or subcontractor that has or will have access to Protected Health Information, which is received from, or created or received by Business Associate on behalf of the Covered Entity, pursuant to which agreement such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to Business Associate pursuant to this Addendum with respect to such Protected Health Information.
- E. Access to Information.** Within five (5) business days of a request by the Covered Entity for access to Protected Health Information about an individual contained in a Designated Record Set, Business Associate shall make available to the Covered Entity such Protected Health Information for so long as such information is maintained in the Designated Record Set. In the event any individual requests access to Protected Health Information directly from Business Associate, Business Associate shall within five (5) business days forward such request to the Covered Entity. Any denials of access to the Protected Health Information requested shall be the responsibility of the Covered Entity. **[Not necessary if Business Associate does not have Protected Health Information in a Designated Record Set.]**
- F. Availability of Protected Health Information for Amendment.** Within ten (10) days of receipt of a request from the Covered Entity for the amendment of an individual's Protected Health Information or a record regarding an individual contained in a Designated Record Set (for so long as the Protected Health Information is maintained in the Designated Record Set), Business Associate shall provide such information to the Covered Entity for amendment and incorporate any such amendments in the Protected Health Information as required by 45 C.F.R. §164.526. **[Not necessary if Business Associate does not have Protected Health Information in a Designated Record Set.]**
- G. Accounting of Disclosures.** Within ten (10) days of notice by the Covered Entity to Business Associate that it has received a request for an accounting of disclosures of Protected Health Information, other than related to the treatment of the patient, the processing of payments related to such treatment, or the operation of a Covered Entity or its Business Associate and not relating to disclosures made earlier than six (6) years prior to the date on which the accounting was requested, Business Associate shall make available to the Covered Entity such information as is in Business Associate's possession and is required for the Covered Entity to make the accounting required by 45 C.F.R. §164.528. At a minimum, Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the Protected Health Information, and if known, the address of such entity or person, (iii) a brief description of the Protected Health Information disclosed, and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event



the request for an accounting is delivered directly to Business Associate, Business Associate shall within two (2) days forward such request to the Covered Entity. Business Associate hereby agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.

- H. 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 received from, or created or received by Business Associate on behalf of, the Covered Entity available to the Secretary for purposes of determining the Covered Entity's and Business Associate's compliance with the Privacy Standards.
- I. Indemnification.** Business Associate hereby agrees to indemnify and hold the Covered Entity harmless from and against any and all liability and costs, including attorneys' fees, created by a breach of this Addendum by Business Associate, its agents or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the Agreement(s) only to the extent permitted by NC Tort Claims Act without waiving sovereign immunity.
- J. Insurance.** Business Associate shall obtain and maintain during the term of this Addendum liability insurance covering claims based on a violation of the Standards or any applicable state law or regulation concerning the privacy of patient information and claims based on its obligations pursuant to this Addendum in an amount not less than \$1,000,000 per claim. Such insurance shall be in the form of occurrence-based coverage and shall name the Covered Entity as an additional named insured. A copy of such policy or a certificate evidencing the policy shall be provided to the Covered Entity upon written request.
- K. Notice of Request for Data.** Business Associate agrees to notify the Covered Entity within five (5) business days of Business Associate's receipt of any request or subpoena for Protected Health Information. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to cooperate fully with the Covered Entity in such challenge.
- L. Injunction.** Business Associate hereby agrees that the Covered Entity will suffer irreparable damage upon Business Associate's breach of this Addendum and that such damages shall be difficult to quantify. Business Associate hereby agrees that the Covered Entity may file an action for an injunction to enforce the terms of this Addendum against Business Associate, in addition to any other remedy the Covered Entity may have.

## **Term and Termination**

- A. Term.** This Addendum shall become effective on the Effective Date and, unless otherwise terminated as provided herein, shall have a term that shall run concurrently with that of the last expiration date or termination of the Agreement(s).

- B. Termination Upon Breach of Provisions Applicable to Protected Health Information.** Any other provision of the Agreement(s) notwithstanding, this Addendum and the Agreement(s) may be terminated by the Covered Entity upon five (5) business days written notice to Business Associate in the event that the Business Associate breaches any provision contained in this Addendum and such breach is not cured within such five (5) business day period; provided, however, that in the event that termination of this Addendum and the Agreement(s) is not feasible, in the Covered Entity's sole discretion, Business Associate hereby acknowledges that the Covered Entity shall have the right to report the breach to the Secretary, notwithstanding any other provision of this Addendum or any Agreement(s) to the contrary.
- C. Return or Destruction of Protected Health Information upon Termination.** Upon termination of this Addendum, Business Associate shall either return or destroy all Protected Health Information received from the Covered Entity or created or received by Business Associate on behalf of the Covered Entity and which Business Associate still maintains in any form. Business Associate shall not retain any copies of such Protected Health Information. Notwithstanding the foregoing, to the extent that the Covered Entity agrees that it is not feasible to return or destroy such Protected Health Information, the terms and provisions of this Addendum shall survive such termination and such Protected Health Information shall be used or disclosed solely for such purpose or purposes which prevented the return or destruction of such Protected Health Information.
- D. The Covered Entity's Right of Cure.** At the expense of Business Associate, the Covered Entity shall have the right to cure any breach of Business Associate's obligations under this Addendum. The Covered Entity shall give Business Associate notice of its election to cure any such breach and Business Associate shall cooperate fully in the efforts by the Covered Entity to cure Business Associate's breach. All requests for payment for such services of the Covered Entity shall be paid within thirty (30) days except that Business Associate shall have five (5) business days as noted in Section B to cure such breach. Covered Entity may cure breach upon expiration of the 5<sup>th</sup> business day.
- E. Transition Assistance.** Following the termination of this Addendum and the Agreement(s) for any reason, Business Associate agrees to provide transition services for the benefit of the Covered Entity, including the continued provision of its services required under the Agreement(s) until notified by the Covered Entity that the alternative provider of services is able to take over the provision of such services and the transfer of the Protected Health Information and other data held by the Business Associate related to its services under the Agreement(s).

Intending to be legally bound, the Parties hereto have caused this Business Associate Addendum to be executed by their duly authorized representatives.

COVERED ENTITY:

**GUILFORD COUNTY, on behalf of the  
GUILFORD COUNTY DEPARTMENT OF  
HEALTH AND HUMAN SERVICES, PUBLIC  
HEALTH DIVISION**

**BUSINESS ASSOCIATE:**

**TRIAD MEDICAL GROUP**

Marty K. Lawing  
Guilford County Manager

---

Richard Pavelock, MD
Date

ATTEST:

WITNESS/ATTEST:

Robin Keller	Date
Guilford County Clerk to Board	

Date \_\_\_\_\_

(COUNTY SEAL)

Printed Name &amp; Title:

(CORPORATE SEAL)

STATE OF NORTH CAROLINA  
COUNTY OF GUILFORD

**EXHIBIT E**  
**E-VERIFY AFFIDAVIT**

\*\*\*\*\*

I, \_\_\_\_\_ (the individual attesting below), being duly authorized by and on behalf of  
**TRIAD MEDICAL GROUP**, (the entity bidding on project hereinafter "Employer") after first being duly sworn  
hereby swears or affirms as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).
3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. Mark "Yes" or "No":
  - a. YES \_\_\_\_\_; or,
  - b. NO \_\_\_\_\_
4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer.  
This \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Signature of Affiant  
Print or Type Name: \_\_\_\_\_

State of North Carolina County of Guilford

Signed and sworn to (or affirmed) before me, this the \_\_\_\_\_  
day of \_\_\_\_\_, 2017.

My Commission Expires:

\_\_\_\_\_  
Notary Public

(Affix Official/Notarial Seal)