

## BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (this “*Agreement*”) is made and entered into effective the 1<sup>st</sup> day of January, 2026 (the “*Effective Date*”), by and between KOOTENAI COUNTY, an Idaho municipal agency with offices located at 451 Government Way, Coeur d'Alene ID, 83814 (the “*Covered Entity*”) its parent company, affiliates, related entities, and subsidiaries, and PAYER MATRIX, LLC, a Delaware limited liability company, with offices located at 1400 N. Providence Road, Building 2, Suite 5000, Media, PA 19063 (the “*Business Associate*”). Covered Entity and Business Associate are at times referred to herein individually as “*Party*” and collectively as “*Parties*.”

WHEREAS, Covered Entity and Business Associate have an existing relationship under which Covered Entity will make available and/or transfer to Business Associate certain Protected Health Information (defined below), in conjunction with the performance of a function or activity that is being provided by Business Associate to Covered Entity, which is confidential and must be afforded special treatment and protection under the Privacy Rule (defined below) and the Security Rule (defined below), including the amendments to such rules contained in the HITECH Act (defined below).

WHEREAS, Business Associate will create, store, access, receive, maintain, and/or transmit certain Protected Health Information, on behalf of Covered Entity, that can be used or disclosed only in accordance with this Agreement, the Privacy Rule and the Security Rule.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Covered Entity and Business Associate agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Agreement have the same meaning as those ascribed to the terms in the Health Insurance Portability and Accountability Act of 1996 (as amended by the Health Information Technology for Economic and Clinical Health Act, Subtitle D of Title XIII of Division A of the American Recovery and Reinvestment Act of 2009 (the “*HITECH Act*”), and the regulations promulgated thereunder as set forth in the Code of Federal Regulations (“*C.F.R.*”) at Title 45, Part 160, Part 162 and Part 164, and other applicable laws (collectively, “*HIPAA*”). In addition, the following terms shall have the following meanings:

1.1 “*Breach*” means the unauthorized acquisition, access, use or disclosure of Protected Health Information in a manner not permitted by the Privacy Rule which compromises the security or privacy of the Protected Health Information, as described in 45 C.F.R. 164.402.

1.2 “*Business Associate*” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the entity identified as “Business Associate” above and its affiliates.

1.3 “*Covered Entity*” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement shall mean the entity identified as Covered Entity above.

1.4 “*Electronic Health Record*” means an electronic record of health-related

information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

1.5 “**Electronic Protected Health Information**” shall mean individually identifiable health information that is transmitted or maintained by electronic media as described in HIPAA.

1.6 “**HHS**” shall mean the U.S. Department of Health and Human Services.

1.7 “**Individual**” shall mean the person who is the subject of the Protected Health Information, and has the same meaning as the term “individual” is defined in HIPAA, and shall include a personal representative in accordance with 45 C.F.R. 164.502(g).

1.8 “**Privacy Rule**” shall mean the Standards for Privacy of Individually Identifiable Health Information, C.F.R. at Title 45, Parts 160 and 164.

1.9 “**Protected Health Information**” shall have the same meaning as the term “protected health information” as described in HIPAA, limited to the information created or received by Business Associate from, or on behalf of, Covered Entity.

1.10 “**Required By Law**” shall have the same meaning as the term “required by law” in HIPAA.

1.11 “**Secretary**” shall mean the Secretary of HHS or his or her designee.

1.12 “**Security Incident**” shall have the same meaning as the term “Security incident” as defined in 45 C.F.R. 164.304.

1.13 “**Security Rule**” shall mean the Standards for the Security of Electronic Protected Health Information, C.F.R. at Title 45, Parts 160, 162 and 164.

1.14 “**Unsecured Protected Health Information**” has the same meaning as the term “Unsecured protected health information” as defined in Section 13402 of the HITECH Act and 45 C.F.R. 164.402.

## 2. **Permitted Uses and Disclosures by Business Associate.**

2.1 **General Uses and Disclosures.** Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity (the “**Services**”), if such use or disclosure by Business Associate complies with the Privacy Rule’s minimum necessary policies and procedures required of Covered Entity (and/or Business Associate), and if such use or disclosure of Protected Health Information would not violate the Privacy Rule or the Security Rule if done by Covered Entity (and/or Business Associate).

2.2 **Limits On Uses And Disclosures.** Business Associate hereby agrees that it shall be prohibited from using or disclosing Protected Health Information that it creates, stores, accesses, receives, maintains, or transmits on behalf of Covered Entity for any purpose other than

as expressly permitted or required (i) to perform the Services, (ii) by this Agreement or (iii) as Required by Law.

2.3 Disclosure For Management, Administration and Legal Responsibilities. Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate or to carry out Business Associate's legal responsibilities, provided that:

- i. The disclosure is Required by Law; or
- ii. Business Associate obtains reasonable assurances from the person or entity to whom the Protected Health Information is disclosed that: (i) the Protected Health Information will remain confidential and be used or further disclosed only as Required by Law or for the specific purpose for which it was disclosed to the person, and (ii) they will notify Business Associate within thirty (30) days of the date of any Breach with respect to Unsecured Protected Health Information (or any other Security Incident or Breach with respect to Protected Health Information) received from Business Associate.

2.4 Data Aggregation Services. Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide "Data Aggregation Services" (as defined by 45 C.F.R. 164.501) relating to the operations of the Covered Entity as permitted by 42 C.F.R. 164.504(e)(2)(i)(B).

3. **Prohibited Uses and Disclosures.** Business Associate shall not:

- i. Make or cause to be made any marketing communication about a product or service that is prohibited by Section 13406(a) of the HITECH Act;
- ii. Make or cause to be made any written fundraising communication that is prohibited by Section 13406(b) of the HITECH Act;
- iii. Disclose Protected Health Information to a health plan for payment or health care operations (as defined under the Privacy Rule) purposes if Covered Entity has advised Business Associate (or the Individual has notified Business Associate directly) that the Individual, or someone other than the health plan on behalf of the Individual, has (i) requested this special restriction, and (ii) paid out-of-pocket in full for the health care item or service to which the Protected Health Information solely relates, in accordance with Section 13405(a) of the HITECH Act; or
- iv. Directly or indirectly receive remuneration in exchange for Protected Health Information created, stored, accessed, received, maintained, or transmitted in connection with Business Associate's relationship with Covered Entity in accordance with Section 13405(d) of the HITECH Act, except as otherwise permitted by the HITECH Act; provided, however, that this prohibition shall not affect payment by Covered Entity to Business Associate.

4. **Business Associate Obligations.**

4.1 Appropriate Safeguards. Business Associate will establish and maintain

reasonable and appropriate administrative, physical and technical safeguards to:

- i. Prevent the use or disclosure of the Protected Health Information, other than as such use or disclosure is permitted by this Agreement or to perform the Services; and
- ii. Protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that Business Associate creates, stores, accesses, receives, maintains, or transmits on behalf of Covered Entity.

4.2 Security Rule. Business Associate shall comply with the applicable policies and procedures and documentation requirements of the Security Rule set forth in 45 C.F.R. 164.308, 45 C.F.R 164.310, 45 C.F.R 164.312 and 45 C.F.R 164.316 as required by Section 13401(a) of the HITECH Act.

4.3 Reports of Improper Use, Disclosure or Security Incidents. Business Associate hereby agrees that it shall report to Covered Entity, in a reasonable time and manner, any:

- i. Use or disclosure of Protected Health Information not provided for or allowed by this Agreement; and
- ii. Security Incidents that Business Associate becomes aware of that involve the Electronic Protected Health Information covered under this Agreement.

4.4 Subcontractors and Agents. Business Associate will:

- i. Ensure that any agents and subcontractors to whom Business Associate provides Protected Health Information that Business Associate has created, stored, accessed, received, maintained, or transmitted on behalf of Covered Entity, agree to the same restrictions and conditions that apply to Business Associate in this Agreement; and
- ii. Notify Covered Entity in writing of any such agents and subcontractors to whom Business Associate discloses or otherwise provides such Protected Health Information.

4.5 Right of Access to Protected Health Information. Except as otherwise limited in this Agreement, Business Associate hereby agrees to provide, in a reasonable time and manner, access to Protected Health Information in a Designated Record Set (if applicable and as defined in HIPAA) to Covered Entity or, as directed by Covered Entity, to an Individual or Individual's designee in order to meet the requirements under 45 C.F.R. 164.524, at the written request of Covered Entity. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill Covered Entity's obligations under the HITECH Act.

4.6 Amendments to Protected Health Information. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set, if applicable, that Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526, at the request of Covered Entity or an Individual, and in a reasonable time and manner. If any Individual requests an amendment of Protected Health Information directly from Business Associate (or Business

Associate's subcontractors or agents), Business Associate will notify Covered Entity immediately following the request. Any approval or denial of amendment of Protected Health Information maintained by Business Associate (or Business Associate's subcontractors or agents) shall be the responsibility of Covered Entity.

4.7 Access to Books and Records. Except as otherwise limited in this Agreement, Business Associate agrees to make its internal policies, procedures, practices, books and records relating to the use, disclosure and safeguarding of Protected Health Information created, stored, accessed, received, maintained, or transmitted by Business Associate on behalf of Covered Entity, available to the Secretary or Covered Entity, in a reasonable time and manner, for purposes of the Secretary's determining Covered Entity's compliance with the Privacy Rule and the Security Rule.

4.8 Documentation of Disclosures. Business Associate agrees to 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.

4.9 Provide Accounting of Disclosures. Except as otherwise limited in this Agreement, Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time and manner, information collected in accordance with Section 4.8 of this Agreement, 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 and, if applicable, Section 13405(c) of the HITECH Act. In the event that the request for an accounting is delivered directly to Business Associate (or Business Associate's subcontractors or agents), Business Associate shall forward a copy of the request to Covered Entity immediately. It shall be Covered Entity's responsibility to prepare and deliver any such accounting requested.

4.10 Mitigation Procedures. Business Associate agrees to mitigate, to the extent commercially reasonable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

4.11 Notification of Breach. Except as otherwise provided under the HITECH Act, Business Associate agrees to notify Covered Entity immediately following the date of discovery of a Breach of Unsecured Protected Health Information as follows:

i. A Breach shall be deemed discovered by Business Associate when Business Associate actually knows of the Breach or, by exercising reasonable diligence, would have known of the Breach; and

ii. The notification required by this Section 4.11 shall be made in accordance with Section 14 and shall include, to the extent possible, (i) the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, or disclosed during the Breach, (ii) a brief description of what happened, including the date of the Breach and the date of the Business Associate's discovery of the Breach, if known, (iii) a description of the types of Unsecured

Protected Health Information involved in the Breach, (iv) any steps affected Individuals should take to protect themselves from potential harm resulting from the Breach, (v) a brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against further Breaches, and (vi) contact procedures for affected Individuals, which shall include a toll-free telephone number, an e-mail address, web site, and postal address.

5. **Covered Entity Obligations.**

5.1 **Provide Notice.** Covered Entity shall provide Business Associate with the Notice of Privacy Practices that Covered Entity produces in accordance with 45 C.F.R. 164.520, as well as any changes to such notice, in a reasonable time and manner, when such copy of the notice or amended notice is required for compliance with the Privacy Rule.

5.2 **Obtain Authorization.** Covered Entity shall obtain any consent or authorization from Individuals that may be required by applicable federal or state laws and regulations prior to furnishing Business Associate the Protected Health Information.

5.3 **Provide Changes of Authorization or Permission.** Covered Entity shall provide, in writing and in a reasonable time and manner, Business Associate with any changes in, or revocation of, authorization or permission by an Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

5.4 **Provide Restrictions.** Covered Entity shall notify Business Associate, in writing and in a reasonable time and manner, of any restrictions to the use or disclosure of Protected Health Information changing Business Associate's obligations that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522.

5.5 **Permissible Requests by Covered Entity.** Covered Entity shall not request that Business Associate use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule, the Security Rule or this Agreement if done by Covered Entity.

6. **Term.** The term of this Agreement shall commence as of the Effective Date, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity in compliance with Section 9 of this Agreement.

7. **Termination for Cause.**

7.1 **By Covered Entity.** In accordance with Section 13404 of the HITECH Act, if Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Agreement, Covered Entity shall provide written notice of such breach to Business Associate and provide an opportunity for Business Associate to cure the breach or end the violation within 30 business days from the date Business Associate receives the written notice from Covered Entity. If Business Associate does not cure the breach or end the violation within the stated cure period, Covered Entity may

immediately terminate this Agreement and the underlying services agreement. In addition, Covered Entity may terminate this Agreement immediately without opportunity for cure if Covered Entity and Business Associate agree that cure is not reasonably possible or if Covered Entity deems such immediate termination to be appropriate under the circumstances.

7.2 By Business Associate. In accordance with Section 13404 of the HITECH Act, if Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement, Business Associate shall provide written notice of such breach to Covered Entity and provide an opportunity for Covered Entity to cure the breach or end the violation within 30 business days from the date Covered Entity receives the written notice from Business Associate. If Covered Entity does not cure the breach or end the violation within the stated cure period, Business Associate may immediately terminate this Agreement and the underlying services agreement. In addition, Business Associate may terminate this Agreement immediately without opportunity for cure if Business Associate and Covered Entity agree that cure is not reasonably possible or if Business Associate deems such immediate termination to be appropriate under the circumstances.

8. **Special Termination.** In the event that any federal, state or local law or regulation currently existing or hereinafter enacted, or any final or non-appealable construction or interpretation of such law or regulation (whether federal, state or local) or enforcement of such laws or regulations hereinafter occurs that makes performance of this Agreement impossible or illegal, the Parties mutually agree to enter into a modification of this Agreement to make substantial performance of this Agreement possible. However, should the Parties be unable to agree upon an appropriate modification to comply with such requirements following thirty (30) days of good faith negotiations, either Party may give written notice to immediately terminate this Agreement and, in such event, Business Associate shall discontinue services for Covered Entity.

9. **Effect of Termination.**

9.1 Return of Protected Health Information. Except as otherwise limited in this Agreement, and except as provided in Section 9.2 of this Agreement, upon termination of this Agreement for any reason, Business Associate hereby agrees to return all Protected Health Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity or destroy such Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information, except as permitted by Section 9.2 of this Agreement.

9.2 Retention of Protected Health Information. Except as otherwise limited in this Agreement, in the event that Business Associate determines that returning or destroying the Protected Health Information in accordance with Section 9.1 of this Agreement is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction of the Protected Health Information not feasible and shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction not feasible, for as long as Business Associate maintains such Protected Health Information.

10. **Indemnification.** Except as otherwise limited in this Agreement, the parties agree that they shall mutually indemnify and hold harmless each other against any claims, liabilities, damages, and expenses, including reasonable attorneys' fees, incurred in defending or compromising actions brought against them arising out of or related to their or their employees' acts or omissions in connection with their negligent or fraudulent performance of their applicable duties under this Agreement. This indemnity shall be in proportion to the amount of responsibility found attributable to indemnifying party.

11. **Survival of Obligations.** Except as otherwise limited in this Agreement, termination of this Agreement shall not relieve either Party from fulfilling any obligation under this Agreement, including but not limited to, Sections 9 and 10 hereof, or any other agreement between the Parties that, at the time of termination, has already accrued to the other Party or which thereafter may accrue with respect to any act or omission that occurred prior to such termination.

12. **Governing Law.** This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of Delaware, without reference to the conflict of laws principles of any other jurisdiction.

13. **Binding Nature and Assignment.** This Agreement shall be binding on the Parties hereto and their successors and assigns, but neither Party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld.

14. **Notices.**

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered in person, by an overnight express delivery service (e.g., Federal Express) or by registered or certified mail (postage prepaid, return receipt requested) to the other party at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

If to Covered Entity: Kootenai County  
451 Government Way  
Coeur d'Alene ID, 83814  
Attention: Bruce Mattare, Chairman, BOCC

If to Business Associate: Payer Matrix, LLC  
1400 N. Providence Road  
Building 2, Suite 5000  
Media, PA 19063  
Attention: Jennifer Hoefner, RPh., CEO

Any notice or other communication pursuant to this Agreement shall be deemed to have been duly given or made and to have become effective upon the earliest of (a) when delivered in hand to the party to which directed, (b) if sent by first-class mail postage prepaid and properly addressed as set forth above, at the time when received by the addressee, and receipt has been confirmed, (c) if sent by overnight express delivery service, the next succeeding day after being sent, provided that receipt has been acknowledged by such service, or (d) with respect to delivery by certified mail,

return receipt requested, when delivery thereof, properly addressed as set forth above, is made by the U.S. Postal Service.

15. **Cooperation.** Both Business Associate and Covered Entity acknowledge that mutual cooperation and assistance is essential to each Party's performance under this Agreement; therefore, it will be the duty of both Parties to make all good faith efforts to fully cooperate in the execution of this Agreement.

16. **Headings.** The headings of this Agreement are inserted for convenience only and are not to be considered in the interpretation of this Agreement. They shall not in any way limit the scope or modify the substance or context of any sections of this Agreement.

17. **Force Majeure.** Neither Party shall be liable or be deemed in breach of this Agreement for any failure or delay of performance that results, directly or indirectly, from acts of God, civil or military authority, public disturbance, accidents, fires, or any other cause beyond the reasonable control of either Party, and such nonperformance shall not be grounds for termination.

18. **Attorney's Fees.** Except as otherwise limited in this Agreement, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, misrepresentation, or injunctive action, in connection with any of the provisions of this Agreement, each Party shall bear their own legal expenses and the other costs incurred in that action or proceeding.

19. **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule and/or the Security Rule means the section as in effect or as amended, and for which compliance is required.

20. **Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person or entity other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations or liabilities whatsoever.

21. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which alone and all of which together shall constitute one and the same instrument. The signature of a Party set forth on a counterpart hereof and transmitted by facsimile or other electronic transmission (including by email in portable document format (pdf) to the other parties shall be of the same force and effect as if the executing Party had delivered a counterpart bearing an original signature.

22. **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, rule or regulation, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable

provision as may be possible.

23. **Waivers.** The failure of a Party at any time or times to require performance of any provision of this Agreement shall in no manner affect such Party's right at a later time to enforce such provision. No waiver by a Party of any provision or breach of this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver in other any instance.

24. **Relationship.** Business Associate is acting as an independent contractor of Covered Entity with respect to this Agreement. Nothing in this Agreement shall create or be deemed to create the relationship of employer/employee, partners, joint ventures, or principal-agent between the Parties.

25. **Amendment.** Except as otherwise limited in this Agreement, the Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Parties to comply with the requirements of the Privacy Rule, the Security Rule, HIPAA and the HITECH Act. No changes in or additions to this Agreement shall be recognized unless incorporated herein by written amendment by the Parties, such amendment(s) to become effective on the date stipulated in such amendment(s). No discharge of obligations arising under this Agreement shall be valid unless in writing and executed by the Party against whom such discharge is sought to be enforced.

26. **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Parties to comply with the Privacy Rule and the Security Rule.

**IN WITNESS WHEREOF,** Business Associate and Covered Entity have caused this Agreement to be signed and delivered by their duly authorized representatives, effective as of the Effective Date.

**BUSINESS ASSOCIATE:**

**COVERED ENTITY:**

**PAYER MATRIX, LLC**

**KOOTENAI COUNTY**

By: Jennifer Hoefner  
Jennifer Hoefner, RPh., CEO

By: \_\_\_\_\_  
Bruce Mattare, Chairman, BOCC