

14 APR -3 P4:01

**AGREEMENT**  
**(Yamhill County HHS and Willamette Valley Medical Center)**  
**Mental Health Screening, Assessment, and Triage Services**

THIS AGREEMENT ("Agreement") is made the last date set forth adjacent to the signatures of the parties below by and between Yamhill County, a political subdivision of the State of Oregon, acting by and through its Department of Health and Human Services, Family and Youth and Mental Health Program, ("County"), and Willamette Valley Medical Center, LLC, a foreign limited liability company ("WVMC"), located at 2700 SE Stratus Avenue, McMinnville, OR 97128.

**RECITALS:**

A. County, in order to provide adequate services for its indigent and Oregon Health Plan clients, occasionally requires that mental health screening, assessment and triage, case management/consultation services be made available for adults and children who are insured by commercial health plans. County desires to enter into this Agreement with WVMC, pursuant to which County agrees to provide qualified providers that are knowledgeable and experienced in providing mental health screening, assessment and triage services which may include consultation and case management to provide these services at WVMC when an individual with commercial health insurance presents at imminent risk to selves or others due to a mental illness. County has the capacity and qualified providers to provide the services as required under this Agreement.

B. WVMC desires to contract with County for County and its designated subcontractors to provide mental health screening, assessment and triage services as provided under this Agreement. NOW THEREFORE,

**AGREEMENT:** In exchange for the promises and other consideration set forth below, the parties agree as follows:

**Section 1. Effective Date; Initial Term and Renewal.** This Agreement is effective for the initial term from March 1, 2014 through June 30, 2015, ("Initial Term"), unless sooner terminated as provided elsewhere herein. Upon conclusion of the Initial Term of this Agreement, this Agreement will renew automatically on a year-by-year basis, under the same terms and conditions as set forth herein, unless amended or terminated as provided elsewhere herein.

**Section 2. Services; Administrative Support; Facilities.** County shall assign the necessary staff to provide (i) mental health screening and assessment services, and (ii) triage/case management and consultation services to WVMC in accordance with applicable state and County standards, rules regulations and requirements (collectively the "Services"). County shall ensure that all staff providing services under this Agreement maintain current and unrestricted licenses in accordance with Oregon law, if such licensure is required. County shall provide Services at WVMC and be paid for Services provided to individuals with commercial health insurance.

**Section 3. Compensation; Monthly Payments.** County agrees to perform the Services described herein and comply with the terms and conditions of this Agreement. County shall be paid \$311.00 per mental health screening and assessment as described herein. County shall be paid \$68.00 per hour for triage/case management and consultation services.

**Section 4. Payment and Invoicing.** WVMC agrees to pay County upon receipt, review and approval of invoices from County for Services. Invoices shall be submitted to WVMC quarterly or when County desires to be reimbursed (but no more frequently than monthly). County shall follow its usual and customary billing standards and fund accounting procedures as necessary to ensure proper expenditure of and accounting for the funds paid to County under this Agreement.

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**Section 5. Safeguarding Patient Information.** County and WVMC are both responsible for Protected Health Information and each shall ensure adequate systems are in place. County and WVMC shall maintain the confidentiality of County and WVMC patient records as required by applicable state and federal law. Without limiting the generality of the preceding sentence, County and WVMC shall comply with the following confidentiality laws, as applicable: ORS 433.045, 433.075, 433.008, 433.017, 433.092, 433.096, 433.098 and 42 CFR Part 2. County and WVMC shall maintain written policies and procedures related to the disclosure of patient information, and shall make such policies and procedures available to the other party for review and inspection as reasonably requested.

**Section 6. Reporting.** County agrees to prepare and furnish reports and data required by WVMC or the State of Oregon. County agrees to, and does hereby grant WVMC the rights to reproduce, use and disclose for WVMC purposes, all or any part of the reports, data, and technical information furnished to WVMC under the Agreement.

**Section 7. Monitoring and Access.** County agrees that the following shall be open for inspection by WVMC and the State of Oregon and their duly authorized representatives at any reasonable time during business hours: a) Services provided under this Agreement by County; b) facilities used in conjunction with such Services; c) patient records; d) County's policies, procedures and performance data; e) financial records and other similar documents and records of County that pertain, or may pertain, to Services provided by County under this Agreement. Access shall be provided for purposes of making audits, examinations, excerpts, copies or transcriptions. County agrees to retain such records and documents for a period of seven years, or such longer period as may be prescribed for records and documents by the state archivist. In addition, County agrees to permit authorized representatives of WVMC to perform site reviews of all Services delivered by County hereunder.

**Section 8. Termination; No Encumbrance or Expenditure After Notice of Termination.**

A. Either party may terminate the Agreement on thirty days written notice to the other party. Termination shall not excuse liabilities incurred prior to the termination date.

B. In addition, in the event County no longer receives funds adequate to enable it to continue this Agreement, it will provide written notice of termination of this Agreement to WVMC. Upon issuance of notice, this Agreement is terminated. However, any obligations existing at the time of termination will survive termination.

**Section 9. Independent Contractor.** County is engaged under this Agreement as an independent contractor, and will be so deemed for purposes of the following:

A. County will be solely responsible for payment of any federal or state taxes required as a result of this Agreement.

B. This Agreement is not intended to entitle County to any benefits typically granted to WVMC employees.

C. County is an independent contractor for purposes of the Oregon Workers' Compensation law (ORS Chapter 656) and is solely liable for any Workers' Compensation coverage under this Agreement. If County has the assistance of other persons in the performance of this Agreement, County will qualify and remain qualified for the term of this Agreement as a carrier-insured employer or a self-insured employer as provided by ORS 656.403 et. seq.

**Section 10. Delegation and Reports.** County shall not delegate the responsibility for providing Services under this Agreement to any other individual or agency without the written approval of WVMC and shall provide WVMC with periodic reports (upon request by WVMC) with the information requested to be reported by WVMC.

**Section 11. Requirements Imposed by Law.** County and WVMC agree to comply with all applicable local, state and federal regulations and all provisions of federal and state law relating to County or WVMC's performance of Services under this Agreement. County and WVMC certify they shall comply with all applicable Public Contract Laws to including, but not limited to, ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.530, as applicable. ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.530 and Article XI, Section 10, of the Oregon Constitution are incorporated into this Agreement by reference.

**Section 12. Hold Harmless.** Subject to Article XI, Section 10 of the Oregon Constitution, County shall indemnify, defend and save harmless WVMC and their officers and employees from and against any and all claims, suits, actions, losses, damages, liabilities, legal or administrative proceedings, demands, fines, penalties, injuries, expenses or costs, including interest and attorney fees, of any nature whatsoever resulting from, arising out of or relating to the operations of County, including but not limited to the activities of County or its officers, employees, subcontractors or agents under this Agreement

WVMC shall indemnify, defend and save harmless County and their officers and employees from and against any and all claims, suits, actions, losses, damages, liabilities, legal or administrative proceedings, demands, fines, penalties, injuries, expenses or costs, including interest and attorney fees, of any nature whatsoever resulting from, arising out of or relating to the operations of WVMC, including but not limited to the activities of WVMC or its officers, employees, subcontractors or agents under this Agreement.

**Section 13. Insurance.** County, at its expense, agrees to maintain its current forms and levels of insurance coverage for the entire term of this Agreement. such insurance shall have minimums not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate.

**Section 14. Confidentiality.** County and WVMC acknowledges that they or their agents may, in the course of performance under this Agreement, be exposed to or acquire information that is the confidential information of the other party or the other party's clients or patients. Any and all (i) County or WVMC client or patient information, (ii) information provided by County or WVMC and marked confidential, (iii) Protected Health Information or EPHI, including electronic health information accessed by WVMC through County's electronic records system, "Raintree" (if any), or (iv) information identified as confidential in a separate writing, that becomes available to County or WVMC or its agents in the performance of this Agreement shall be deemed to be confidential information of County or WVMC respectively ("Confidential Information"). Any reports or other documents or items, including software, that result from either party's use of the Confidential Information are also deemed Confidential Information. County and WVMC agree to hold Confidential Information in strict confidence, using at least the same degree of care that each party uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose Confidential Information for any purposes whatsoever, except as may be provided elsewhere under this Agreement. County and WVMC agree that, upon termination of this Agreement or at the other party's request, the non-requesting party will turn over to the requesting party all documents, papers and other matter in the non-requesting party's possession that embody Confidential Information.

**Section 15. Settlement of Disputes.** Differences between County and WVMC will be resolved when possible at appropriate management levels, followed by consultation between boards, if necessary.

**Section 16. Subcontracts; Assignment.** County shall not enter into any subcontracts for any of the Services required under this Agreement without WVMC's consent. This Agreement shall not be assigned by County without WVMC's consent. WVMC hereby consents to the subcontracting of all or a portion of these Services to George Fox University.

**Section 16. Renewal.** This Agreement may be renewed at the written mutual option of both parties.

**Section 17. Non-discrimination.** County and WVMC agree that no person shall, on the grounds of race,

color, religion, national origin, sex, marital status, or age, suffer discrimination in the performance of this Agreement when employed by either County or WVMC.

**Section 18. Waiver; Remedies.** County and WVMC acknowledge that any breach, violation, or default by either party of the provisions contained in this Agreement might result in damage to the other party. No failure or delay by either party in exercising any right under this Agreement shall constitute a waiver of that right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity.

**Section 19. Governing Law; Jurisdiction; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to principles of conflicts of law. Any claim, action, suit or proceeding, (collectively "Claim") between County and WVMC that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Yamhill County for the State of Oregon. WVMC, BY EXECUTION OF THIS AGREEMENT HEREBY CONSENTS TO THE PERSONAM JURISDICTION OF SAID COURTS.

**Section 20. Severability.** The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

**Section 21. Counterparts.** This Agreement may be executed by facsimile and in counterparts, which taken together shall form one legal instrument.

**Section 22. Attorney Fees and Costs.** In the event an action, suit or proceeding, including appeal there from, is brought for failure to observe any of the terms of this Agreement, each party shall be solely responsible for its own attorney's fees, expenses, costs and disbursements for said action, suit, proceeding or appeal.

**Section 23. Entire Agreement; Amendments; Successors bound.** This Agreement is the entire agreement between the parties, and no statements, promises, or inducements made by either party or agent of either party that are not contained in this written Agreement shall be valid or binding. No alterations, changes, or additions to this Agreement shall be made except in a written document signed by both parties. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors and assigns.

**Section 24. Business Associate Clause – HIPAA restrictions.** County and WVMC acknowledge that both parties are subject to the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996, (HIPAA), Pub. Law No. 104-191. County and WVMC hereby agrees to the obligations imposed on "CONTRACTOR" and "WVMC" under the Business Associate Amendment attached to this Agreement as Exhibit A.

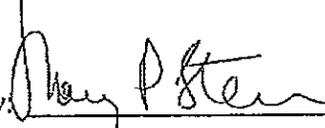
(Signature page follows)

DONE the last date set forth adjacent to the signatures of the parties below.

WILLAMETTE VALLEY MEDICAL CENTER, LLC

YAMHILL COUNTY

By:   
(signature)

By:   
MARY P. STERN, Chair  
Board of Commissioners

Date: 3/10/14

Date: 3/4/14

Rosemary Davis  
(printed name)

By: Maria McDaniel Bellisario by Proxy  
SILAS HALLORAN-STEINER, Director  
Department of Health and Human Services

Interim CEO  
(title)

Date: 3/5/14

Tax ID No: 62-1762552

APPROVED AS TO FORM:

By:   
CHRISTIAN BOENISCH  
County Counsel

Date: 3/4/14

Accepted by Yamhill County  
Board of Commissioners on  
3/6/14 by Board Order  
# 14-128

EXHIBIT A

BUSINESS ASSOCIATE ADDENDUM

**BUSINESS ASSOCIATE AGREEMENT**  
(Capella 130) (Rev. 08/15/13)

This BUSINESS ASSOCIATE AGREEMENT ("Agreement") dated March 3, 2014 (the "Effective Date"), is entered into by and between Willamette Valley Medical Center, LLC ("Facility") and Yamhill County, a political subdivision of the State of Oregon ("Business Associate").

WHEREAS, Facility and Business Associate have entered into, or are entering into, or may subsequently enter into, agreements or other documented arrangements (collectively, the "Business Arrangements") pursuant to which Business Associate may provide services for or on behalf of Facility that require Business Associate to access, create or use health information that is protected by state and/or federal law;

WHEREAS, pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the U.S. Department of Health & Human Services ("HHS") promulgated the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Standards"), at 45 C.F.R. Part 160 and Part 164, Subparts A and E, requiring certain individuals and entities subject to the Privacy Standards (each a "Covered Entity", or collectively, "Covered Entities") to protect the privacy of protected health information as defined at 45 C.F.R. Section 160.103 ("Protected Health Information", or "PHI");

WHEREAS, pursuant to HIPAA, HHS has issued the Security Standards for the Protection of Electronic Protected Health Information (the "Security Standards"), at 45 C.F.R. Part 160 and Part 164, Subparts A and C, for the protection of electronic protected health information as defined at 45 C.F.R. Section 160.103 ("E PHI");

WHEREAS, in order to protect the privacy and security of PHI, including E PHI, created or maintained by or on behalf of the Covered Entity, the Privacy Standards and Security Standards require a Covered Entity to enter into a "business associate agreement" with certain individuals and entities providing services for or on behalf of the Covered Entity if such services require the use or disclosure of PHI or E PHI;

WHEREAS, HIPAA, the Privacy Standards and Security Standards were amended by the Health Information Technology for Economic and Clinical Health Act, included in Division A, Title XIII, Subtitle D of The American Recovery and Reinvestment Act of 2009 ("HITECH Act"), and its implementing regulations, and the parties desire to incorporate such changes as they become effective; and

WHEREAS, Business Associate and Facility desire to enter into this Business Associate Agreement.

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement and the Business Arrangements, and other good and valuable consideration, the sufficiency and receipt of which are hereby severally acknowledged, the parties agree as follows:

1. Business Associate Obligations.

1.1 Business Associate may receive from Facility, or create or receive on behalf of Facility, health information that is protected under applicable state and/or federal law, including without limitation, PHI and E PHI. All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Privacy Standards, Security Standards, the HITECH Act, as applicable, and all references to PHI herein shall be construed to include E PHI. Business Associate agrees not to use or disclose (or permit the use or disclosure of) PHI in a manner that would violate the requirements of the Privacy Standards or Security Standards if the PHI were used or disclosed by Facility in the same manner. Business Associate shall use

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appropriate safeguards to prevent the use or disclosure of PHI other than as expressly permitted under this Agreement.

1.2 Business Associate will comply, where applicable, with the Security Standards with respect to any EPHI that it creates, receives, maintains or transmits on behalf of Facility, including without limitation, implementing Administrative, Physical and Technical Safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of such EPHI. Business Associate shall implement safeguards and policy, procedure, and documentation requirements consistent with the requirements of 45 C.F.R. §§ 164.306, 164.308, 164.310, 164.312, 164.314, and 164.316.

1.3 Any hard drives on any computers or laptops that are used to access, receive, send, or maintain Facility's EPHI must be Encrypted and all communications must be Encrypted if sending EPHI over an open network. Mobile devices or external or removable media, including, without limitation backup tapes, used for sending, receiving, or storing EPHI must be Encrypted and password protected. For the purposes of this section, "Encryption" shall mean any encryption standards that meet the U.S. Department of Health and Human Services Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of the HITECH Act.

1.4 Business Associate shall only request from the Facility, and shall only use and disclose, the minimum amount of PHI necessary to carry out the Business Associate's responsibilities under this Agreement in accordance with the minimum necessary standards at 45 C.F.R. § 164.502(b) and in any guidance issued by the Secretary.

## 2. Reporting Obligations.

2.1 Privacy Breach. Business Associate will report to Facility any use or disclosure of PHI that is not permitted by this Agreement or the Business Arrangement and any Breach of Unsecured PHI within five (5) business days of discovery of the unauthorized use or disclosure or Breach. The Breach report must include identification of each Individual whose Unsecured PHI has been, or is reasonably believed to have been, Breached, and such other information as Facility may require in order to meet its reporting obligations under 45 C.F.R. § 164.404, including, without limitation, a description of the Breach, the date of the Breach and its discovery, types of Unsecured PHI involved and description of the Business Associate's investigation, mitigation and prevention efforts. To the extent any Breach or violation of this Agreement is attributable to a Breach or violation by Business Associate or its Subcontractors and agents, Business Associate shall bear (a) the costs incurred by Facility in complying with its legal obligations relating to such Breach or violation, and (b) in addition to other damages for which Business Associate may be liable, the following expenses incurred by Facility in responding to such Breach: (1) The cost of preparing and distributing notifications to affected Individuals, (2) the cost of providing notice to government agencies, credit bureaus, and/or other required entities, (3) the cost of providing affected Individuals with credit monitoring services for a specific period not to exceed twenty-four (24) months, or longer if required by law, to the extent the incident could lead to a compromise of the data subject's credit or credit standing, (4) call center support for such affected Individuals for a specific period not to exceed thirty (30) days from the date the breach notification is sent to such affected Individuals, and (5) the costs of any other measures required under applicable law.

2.2 Security Incident. Business Associate will report to Facility any Security Incident of which it becomes aware within two (2) business days of discovery of the Security Incident, with such report to include the date of the Security Incident, the scope of the Security Incident, Business Associate's response to the Security Incident and the identification of the party responsible for causing the Security Incident, if known.

3. Mitigation. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of an unauthorized use or disclosure of PHI, a Breach of PHI, or a Security Incident.

4. **Use of PHI.** Except as otherwise permitted herein or Required by Law, Business Associate shall use PHI (i) solely for Facility's benefit and only for the purpose of performing services for Facility as such services are defined in Business Arrangements, and (ii) as necessary for the proper management and administration of the Business Associate or to carry out its legal responsibilities, provided that such uses are permitted under federal and state law. Facility shall retain all rights in the PHI not granted herein. Use, creation and disclosure of de-identified health information by Business Associate are not permitted unless expressly authorized in writing by Facility.
5. **Disclosure of PHI.** Subject to any limitations in this Agreement, Business Associate may disclose PHI to any third party persons or entities as necessary to perform its obligations under the Business Arrangement and as permitted or required by applicable federal or state law. Further, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that (i) such disclosures are Required by Law, or (ii) Business Associate: (a) obtains reasonable assurances from any third party to whom the information is disclosed that it will be held confidential and further used and disclosed only as required by law or for the purpose for which it was disclosed to the third party; (b) requires the third party to agree to immediately notify Business Associate of any instances of which it is aware that PHI is being used or disclosed for a purpose that is not otherwise provided for in this Agreement or for a purpose not expressly permitted by the Privacy Standards; and (c) ensures that all disclosures of PHI by Business Associate and the third party comply with the principle of "minimum necessary use and disclosure," i.e., only the minimum PHI that is necessary to accomplish the intended purpose may be disclosed.
6. **Subcontractors.** If Business Associate discloses PHI received from Facility, or created or received by Business Associate on behalf of Facility, to a Subcontractor, Business Associate shall require such Subcontractor to agree in a writing, which complies with the requirements of 45 C.F.R. § 164.504(e)(2) through (e)(4), that it will comply with the same restrictions and conditions that apply to the Business Associate under this Agreement, including, without limitation ensuring that any Subcontractor to whom Business Associate provides such information agrees to implement reasonable and appropriate safeguards to protect it. Business Associate shall also ensure that any Subcontractor that creates, receives, maintains or transmits EPHI on behalf of Business Associate agrees to comply with the applicable requirements of the Security Standards with respect to such information. To the extent permitted by law, Business Associate shall be fully liable to Facility for any acts, failures or omissions of its Subcontractors in furnishing the services as if they were the Business Associate's own acts, failures or omissions.
7. **Individual Rights Regarding Designated Record Sets.** If Business Associate maintains a Designated Record Set on behalf of Facility, Business Associate shall (i) provide access to, and permit inspection and copying of, PHI by Facility or, as directed by Facility, an Individual who is the subject of the PHI under conditions and limitations required under 45 CFR §164.524, as it may be amended from time to time, and (ii) amend PHI maintained by Business Associate as requested by Facility. Business Associate shall respond to any request from Facility for access by an Individual within five (5) days of such request and shall make any amendment requested by Facility within ten (10) days of such request. The information shall be provided in the form or format requested, if it is readily producible in such form or format, including, if requested by the Individual, an electronic copy of any information maintained in a Designated Record Set electronically, or in summary, if the Individual has agreed in advance to accept the information in summary form. A reasonable, cost-based fee for copying PHI may be charged. Business Associate shall notify Facility within five (5) days of receipt of any request for access or amendment by an Individual. Facility shall determine whether to grant or deny any access or amendment requested by the Individual. Business Associate shall have a process in place for requests for amendments and for appending such requests to the Designated Record Set, as requested by Facility.
8. **Accounting of Disclosures.** Business Associate shall document and make available to Facility or, at the request of Facility, to the Individual, such disclosures of PHI and information related to such disclosures as would be required for Facility to respond to a request by an Individual for an accounting of disclosures in accordance with 45 C.F.R. §164.528 and Section 13405(e) of the HITECH Act, and any regulations issued pursuant thereto. Business Associate shall provide such information necessary to provide an accounting

within thirty (30) days of Facility's request. Such accounting must be provided without cost to the Individual or to Facility if it is the first accounting requested by an Individual within any twelve (12) month period; however, a reasonable, cost-based fee may be charged for subsequent accountings if Business Associate informs the Facility and the Facility informs the Individual in advance of the fee, and the Individual is afforded an opportunity to withdraw or modify the request. Business Associate shall notify Facility within five (5) days of a receipt of any request for an accounting of disclosures by an Individual. Such accounting obligations shall survive termination of this Agreement and shall continue as long as Business Associate maintains PHI.

9. **Withdrawal of Authorization; Restrictions.** If the use or disclosure of PHI in this Agreement is based upon an Individual's specific authorization for the use of his or her PHI, and (i) the Individual revokes such authorization in writing, (ii) the effective date of such authorization has expired, or (iii) the consent or authorization is found to be defective in any manner that renders it invalid, Business Associate agrees, if it has notice of such revocation or invalidity, to cease the use and disclosure of any such Individual's PHI except to the extent it has relied on such use or disclosure, or where an exception under the Privacy Standards expressly applies. Business Associate agrees to comply with any communicated restrictions in the use or disclosure of PHI to which Facility has agreed pursuant to 45 C.F.R. § 164.522, and shall further comply with any Individual's request for restrictions on PHI disclosures that Facility or Business Associate is required by law to honor, including without limitation, requests for restrictions on disclosures to a health plan if the disclosure is for payment or health care operations and pertains solely to a health care item or service for which the Individual has paid his or her health care provider out of pocket in full, unless disclosure is otherwise required by law. Business Associate shall forward any request for restrictions by an Individual to Facility within five (5) days of such request. Facility shall determine whether to grant or deny an Individual's request for restrictions. Business Associate shall ensure that its Subcontractors which receive PHI subject to a restriction, agree to comply with such restriction to the same extent as Business Associate.

10. **Records and Audit.** Business Associate shall make available to the Secretary or its agents, its internal practices, books, and records relating to the use and disclosure of PHI received from, created, or received by Business Associate on behalf of Facility for the purpose of determining Facility's compliance with the Privacy Standards, in a time and manner designated by the Secretary. Except to the extent prohibited by law, Business Associate agrees to notify Facility immediately upon receipt by Business Associate of any and all requests by or on behalf of any and all government authorities served upon Business Associate for PHI.

11. **Confidentiality.** Business Associate shall take any steps reasonably required to (i) protect PHI from unauthorized uses or disclosures, and (ii) maintain the confidentiality and integrity of PHI.

12. **Performance of Covered Entity Obligations.** To the extent Business Associate is to carry out any covered entity obligation of Facility under the Privacy Standards, Business Associate shall agree to comply with the same Privacy Standard requirements that apply to Facility in the performance of such obligation.

13. **State Privacy and Security Laws.** Business Associate shall comply with applicable state privacy or state information security laws to the extent that such state privacy or information security laws are not preempted by HIPAA, the Privacy Standards or the HITECH Act.

14. **Term and Termination.**

14.1 This Agreement shall commence on the Effective Date and shall remain in effect until terminated in accordance with the terms of this section 9, provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under this Agreement prior to the effective date of termination, all of which shall continue in accordance with their terms.

14.2 Facility shall have the right to terminate this Agreement for any reason upon thirty (30) days written notice to Business Associate.

14.3 Facility, at its sole discretion, may immediately terminate this Agreement and shall have no further obligations to Business Associate hereunder if any of the following events shall have occurred and be continuing:

- (i) Business Associate shall fail to observe or perform any material covenant or obligation contained in this Agreement for ten (10) days after written notice thereof has been given to Business Associate by Facility; or
- (ii) A violation by Business Associate of any provision of the Privacy Standards, Security Standards or applicable federal or state privacy law.

14.4 Termination of this Agreement for either of the two reasons set forth in subsection 9.3 above shall be cause for Facility to immediately terminate for cause any Business Arrangement pursuant to which Business Associate is entitled to receive PHI from Facility.

14.5. Upon the termination of all Business Arrangements, either party may terminate this Agreement by providing written notice to the other party.

14.6 Upon termination of this Agreement for any reason, Business Associate agrees as directed by Facility either to return to Facility or to destroy all PHI received from Facility or otherwise through the performance of services for Facility, that is in the possession or control of Business Associate or its agents. In the case of PHI which is not feasible to "return or destroy" as determined by mutual agreement of the parties, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. Business Associate further agrees to comply with other applicable state or federal law, which may require a specific period of retention, redaction, or other treatment of such PHI.

15. **No Warranty.** PHI IS PROVIDED TO BUSINESS ASSOCIATE SOLELY ON AN "AS IS" BASIS. FACILITY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

16. **Ineligible Persons.** Business Associate represents and warrants to Facility that Business Associate (i) is not currently excluded, debarred, or otherwise ineligible to participate in any federal health care program as defined in 42 U.S.C. Section 1320a-7b(f) ("the Federal Healthcare Programs"); (ii) has not been convicted of a criminal offense related to the provision of health care items or services and not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal Healthcare Programs, and (iii) is not under investigation or otherwise aware of any circumstances which may result in Business Associate being excluded from participation in the Federal Healthcare Programs. This shall be an ongoing representation and warranty during the term of this Agreement, and Business Associate shall immediately notify Facility of any change in the status of the representations and warranty set forth in this section. Any breach of this section shall give Facility the right to terminate this Agreement immediately for cause.

17. **Miscellaneous.**

17.1 **Notice.** All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing, shall be effective upon receipt or attempted delivery, and shall be sent by (i) personal delivery; (ii) certified or registered United States mail, return receipt requested; (iii) overnight delivery service with proof of delivery; or (iv) facsimile with return facsimile acknowledging receipt. Notices shall be sent to the addresses below. Neither party shall refuse delivery of any notice hereunder.

FACILITY:

BUSINESS ASSOCIATE:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attention: \_\_\_\_\_  
 Tel. No.: \_\_\_\_\_  
 Fax No.: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attention: \_\_\_\_\_  
 Tel. No.: \_\_\_\_\_  
 Fax No.: \_\_\_\_\_

**Copy to FACILITY COUNSEL:**

**Copy to:**

Capella Healthcare, Inc.  
 501 Corporate Centre Drive, Suite 200  
 Franklin, TN, 37067  
 Attention: Legal Department  
 Tel. No.: 615-764-3015  
 Fax No.: 615-764-3038

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attention: \_\_\_\_\_  
 Tel. No.: \_\_\_\_\_  
 Fax No.: \_\_\_\_\_

17.2 **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

17.3 **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Facility shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Facility, without the prior approval of Business Associate.

17.4 **Severability.** Any provision of this Agreement that is determined to be invalid or unenforceable will be ineffective to the extent of such determination without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions.

17.5 **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Facility relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms of the Business Arrangements or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Business Arrangements are more strict with respect to PHI and comply with the Privacy Standards and/or Security Standards, or the parties specifically otherwise agree in writing. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. No obligation on either party to enter into any transaction is to be implied from the execution or delivery of this Agreement. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

17.6 **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the state in which Facility is located, excluding its conflicts of laws provisions. Jurisdiction and Venue for any dispute relating to this Agreement shall exclusively rest with the state and federal courts in the county in which Facility is located.

17.7 **Equitable Relief.** Business Associate understands and acknowledges that any disclosure or misappropriation of any PHI in violation of this Agreement will cause Facility irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that Facility shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further disclosure or breach and for such other relief as Facility shall deem appropriate. Such right of Facility is to

be in addition to the remedies otherwise available to Facility at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Facility.

17.8 Nature of Agreement. Nothing in this Agreement shall be construed to create (i) a partnership, joint venture or other joint business relationship between the parties or any of their affiliates, or (ii) a relationship of employer and employee between the parties. This Agreement does not express or imply any commitment to purchase or sell goods or services.

17.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart executed by the party against whom enforcement of this Agreement is sought.

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

17.11 Indemnification. Business Associate hereby agrees to defend, indemnify and hold harmless Facility and its directors, officers, employees, agents and owners from and against any and all fines, penalties, damages, liability and costs, including, without limitation attorneys' fees, created by a breach of this Agreement or a violation by Business Associate of HIPAA, the Privacy Standards, the Security Standards or the HITECH Act, without regard to any limitation or exclusion of damages provision otherwise set forth in this Agreement or any agreement involving the Business Arrangement. This obligation will survive termination or expiration of this Agreement and/or any agreement involving the Business Arrangement.

18. Approvals. Neither this Agreement nor any amendment or modification hereto shall be effective or legally binding upon Facility, or any officer, director, employee or agent thereof, unless and until it has been reviewed and approved in writing by a Senior Vice President of Facility's owner and by Facility's Legal Counsel.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

FACILITY:  
Willamette Valley Medical Center, LLC  
By: Rosamari Davis  
Rosamari Davis  
(Print or Type Name)  
Interim CEO  
(Title)  
Date: 3/10/14

BUSINESS ASSOCIATE:  
Yamhill County  
By: Mary Stern  
Mary Stern  
(Print or Type Name)  
Chair, Bd. of Commissioners  
(Title)  
Date: 3/4/14