



*1300 Clay Street, Suite 600 - Oakland, CA 94612-1427*

Tuesday, June 2, 2020

Bruce E. Colby,  
Chief Business Officer  
Davis Joint Unified School District  
526 B Street  
Davis, CA 95616

Dear Bruce,

Thank you for the opportunity to continue to serve as Health Benefit Advisors to Davis Joint Unified School District (District) and its Health Benefits Committee.

It has been our honor to have served the District and its Health Benefits Committee since 2016 in all areas related to Health Benefits.

Our original RFP to migrate from CalPERS identified the need for additional district contributions before health plans would consider accepting the District into their competitive health plans. We understand that may be difficult to consider during this budget crisis.

We also understand the recent ACA coverage penalties may have been a result of that contribution issue and have outlined a number of options that may help address the problem even under the current budget situation.

In consideration of the budget crisis, we are keeping our base professional fees steady at \$2.86 per enrolled member per month, or \$3,000, which includes all of the general services outlined in the attached agreement.

While our professional fees have remained constant, over the 5 years, the scope of our support for the District and the Health Benefits Committee has expanded greatly.

These have grown beyond our original scope of RFPs to search for medical, dental & vision plans to keep costs lower. Some of these services have included, but are not limited to, the following:

- Conducting wellness & health benefit workshops, such as the ever-popular Healthy Gourmet Cooking, and Stress Management;
- Developing the DJUSD Health Benefit Summary & Enrollment Guide, with annual updates for medical, dental & vision premium rates for each bargaining unit and Quality of Care grades for Yolo County hospitals and medical groups;

- Negotiating and coordinating the bi-annual onsite PPD/TB Screening Clinic with Sutter Health Davis for staff & faculty in compliance with Section 87408.6 requirements;
- Patient advocacy services to assist the full range of District staff and retirees, from the school yard to the board room, in resolving health benefit crises big and small for themselves and their loved ones.

This year as part of our COVID-19 efforts, we are converting most of our workshops and health benefit committee meetings to online virtual settings, including open enrollment events. This is part of our effort to help meet district and employee needs and still keep within local, state and federal public health guidelines.

We have also included several add-on options that have assisted other districts to reduce costs and improve the value of the health benefits offered to their employees. These options ranging from conducting full Requests for Proposals, to facilitating implementation of CDC guidelines for reopening and testing.

In order to serve the District's most critical needs in a cost-effective manner, these add-on options can be implemented on an as-needed basis.

We thank you for entrusting us with the care of your health benefits and hope our services continue to be helpful to you, all your employees and the community you serve. We look forward to meeting with you to understand how we may better serve your vision for the District.

Please do not hesitate to contact Aja Simpson or me to discuss any aspect of this agreement in more detail.

Sincerely,

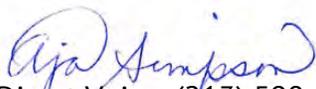


John J. Glynn,  
President

Direct Voice/Fax: 888-900-8688

Email: [John@JGlynn.com](mailto:John@JGlynn.com)

Aja Simpson,  
Wellness & Health Benefits Advisor



Direct Voice: (213) 590-5738

Email: [Aja@JGlynn.com](mailto:Aja@JGlynn.com)

## **Professional Services Agreement For Health Benefit Advisory Services**

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This Professional Services Agreement (the "Agreement") is entered into between Davis Joint Unified School District, an agency of the State of California ("DJUSD"), and J. Glynn & Company, a California Benefit Corporation, (JG&Co) collectively referred to as "The Parties", effective as of June 1, 2020.

- A) DJUSD is a public school district located in Yolo County in the State of California. DJUSD offers its eligible employees and retirees a Health Benefit package consisting of medical, prescription drug, dental, vision and life insurance benefits (Health Benefits). DJUSD seeks the Professional and Educational Services outlined in this Agreement to support its Employee Health Benefit offerings.
- B) JG&Co is a Health Benefit Advisory firm that specializes in the state's public education sector and is committed to working collaboratively with management and labor to reduce costs and improve health care quality without reducing benefits.
- C) This Agreement outlines the terms and scope of the Professional and Educational Services to be provided by JG&Co in support of the Health Benefits offered by DJUSD to its eligible employees and their family members. The Parties agree as follows:

- I. **OBJECTIVITY.** In order to maintain independence and objectivity, JG&Co, nor any of their employees, agents or subcontractors shall receive any form of compensation, commission, overrides or other remuneration from insurance carriers, brokers, sales agents or other similar third parties for any professional services rendered to DJUSD or as a result of services rendered to DJUSD.

### **II. SCOPE OF PROFESSIONAL AND EDUCATIONAL SERVICES**

- A. The professional and educational services to be provided under this Professional Services Agreement are contained in Addendum B of this Agreement. The Parties agree to go forward with the services described in items in Addendum B.
- B. Other Add-On Services. Additional professional services outlined in Appendix I may be selected on an as-needed basis throughout the year with mutual written consent of the Parties.

### **III. CONFIDENTIALITY AND TRANSPARENCY**

- A. All Protected Health Information (PHI) and Personally Identifiable Information (PII) will be maintained in a confidential manner as required under the terms of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the Health Information Technology for Economic and Clinical Health Act ("HITECH

Act") and their implementing regulations (collectively referred to as the "Acts"), as outlined in the HIPAA-HITECH compliant Business Associate Agreement attached as Addendum A to this Agreement, which is hereby incorporated into this Agreement.

- B. JG&Co will serve as the exclusive Business Associate and shall be the only authorized recipient of data for the purposes of this Agreement.
- C. All reporting will exclude any PHI or PII that may be encountered in this engagement. All reporting to DJUSD, its Health Benefits Committee and any related entities, employees, agents or persons, will be aggregated at the Employer Sponsor level in order to maintain the confidentiality required under the Acts.
- D. Opinions and written reports will be prepared in a professional and transparent manner and will be distributed to DJUSD as well as authorized representatives of district bargaining units.
- E. All personnel at JG&Co will keep confidential all information provided by your organization that is not already in the public domain.

#### **IV. COMPENSATION**

- A. Professional Fees. Professional fees for the resources required to complete the services outlined in Addendum B are \$3,000 per month, effectively \$2.86 per member per month.
- B. Additional professional services outlined in Appendix I may be selected on an as-needed basis. Fees for these add-on services will be added to monthly invoices only with advance written authorization.
- C. Additional costs. Additional charges, if any, for costs incurred related to the matter, including but not limited to research data, documents, communications, production and duplication of documents and reasonable travel and lodging for unscheduled meetings shall be invoiced at cost only upon mutual agreement of the Parties to incur such expenses.
- D. Invoices and Payment. Invoices for professional services and related expenses shall be prepared by JG&Co in accordance with the above provisions and submitted for payment by DJUSD in equal advance monthly installments commencing on the effective date of this Agreement. A late payment penalty equal to 1.5 percent per month shall be charged on balances not paid within 30 days of the date of invoice.

#### **V. TERM**

- A. Term. The term of this Agreement commences upon the effective date of this Agreement continuing through June 30, 2021. Should the Parties desire to renew

this Agreement, the terms of such renewal, including Professional Fees, will be negotiated upon renewal.

## **VI. TERMINATION**

- A. Either Party can terminate this Agreement for any reason by giving ninety (90) days advance written notice to the other Party.
- B. Default. DJUSD's non-payment of invoices is a breach of this Agreement that may result in immediate withdrawal of service, and termination of the Agreement with no penalty against JG&Co. In the event of Default, payment for any unpaid portion of the Professional Fees for the then current year of service shall be due and payable within thirty (30) days of the effective date of such Default.
- C. Survivability. The Confidentiality and Transparency provisions of this Agreement shall survive any termination of this Agreement. Except as otherwise outlined in this section VI, the financial responsibilities outlined in the Compensation clauses shall survive for any unpaid professional fees and additional costs incurred through the effective date of the termination.

## **VII. INSURANCE AND TAXES**

- A. JG&Co at their sole cost and expense, shall secure and maintain in full force and effect throughout the term of this Agreement policies of insurance with an insurer or insurers, qualified to do business in the State of California and acceptable to DJUSD which will protect JG&Co and DJUSD from claims which may arise out of or result from JG&Co's actions or inactions relating to the Agreement, whether such actions or inactions be by themselves or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Such insurance coverage shall include:
  - 1) Workers' Compensation. Workers' Compensation as required under California State law; and
  - 2) Commercial General Liability, Employer's Liability, and Auto Liability Insurance (in an amount not less than \$1,000,000.00);
- B. JG&Co shall assume full responsibility for payments of Federal, State, and local taxes or contributions imposed or required under the Social Security, Workers' Compensation and/or income tax laws, or any disability or unemployment law, or retirement contributions of any sort whatsoever, concerning JG&Co or any employee, agent or subcontractor thereof, and shall further indemnify and hold harmless DJUSD from any such payment or liability arising out of or in any manner connected with JG&Co's performance under this Agreement.

## VIII. GENERAL

- A. **Best Efforts.** JG&Co shall use its best commercially reasonable efforts to provide you with quality professional services. It is recognized, however, that we do not predict or guarantee any particular outcome or specific result.
- B. **Governing Law; Venue.** This Agreement shall be governed by and construed to be in accordance with the laws of the State of California applicable to contracts between California residents entered into and to be performed entirely with the State of California. Any action or proceeding arising directly or indirectly from this Agreement shall be litigated in an appropriate state court in the County of Yolo, State of California, or in the United States Federal District Court for the Northern District of California.
- C. **Attorneys' Fees.** If any legal action is necessary to enforce this Agreement, whether in court or arbitration, the prevailing Party shall be entitled to recover its expenses incurred in connection with said dispute, including, but not limited to, expert witness fees, court costs, whether taxable or non-taxable, and reasonable attorneys' fees, in addition to any other relief to which that Party may be entitled.
- D. **Indemnification.** JG&Co agree to indemnify, defend and hold DJUSD, its officers, agents, and employees harmless from any and all claims, losses, actions, damages, expenses or liabilities arising out of the negligent acts or omissions of JG&Co, its officers, agents, or employees by reason of the operation of this Agreement.
- E. **No Third Party Beneficiaries.** Nothing in this Agreement shall confer any right, remedy, obligation or liability whatsoever upon any person or entity other than the Parties hereto, and their respective successors and assigns.
- F. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous oral or written communications pertaining thereto, all of which are merged in this Agreement. In executing this Agreement, neither Party has relied upon any warranty, representation, assurance or inducement that is not expressly set forth herein. No other agreement, statement, or promise not contained in this Agreement shall be valid or binding.
- G. **Severability.** If any court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable, such provision shall be interpreted to the maximum extent to which it is valid and enforceable. The remaining provisions of this Agreement shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
- H. **Execution in Counterparts.** This Agreement may be executed in counterparts, and the Parties may return said execution via mail, e-mail or facsimile. Each counterpart shall be deemed an original, and all of which taken together shall

constitute one and the same Agreement. This Agreement is not binding and effective until it is executed by the Parties herein.

- I. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

JG&Co:

J.Glynn & Company, Inc.  
Attn: President  
1300 Clay Street, Suite 600  
Oakland, CA 94612

DJUSD:

Davis Joint Unified School District  
Asst. Superintendent/Administrative Services  
526 B Street  
Davis, CA 95616

Such notice shall be deemed made when personally delivered or when mailed, forty- eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

For Davis Joint Unified School District

\_\_\_\_\_  
Bruce E. Colby,  
Chief Business Officer  
Date: \_\_\_\_\_

Davis Joint Unified School District  
526 B Street  
Davis, CA 95616

For J. Glynn & Company

  
\_\_\_\_\_  
John J. Glynn,  
President  
Date: June 2, 2020

J.Glynn & Company  
1300 Clay Street, Suite 600  
Oakland, CA 94610

## **Addendum B**

### **Scope of Professional Services**

#### **Scope of Services to be Provided Under This Professional Services Agreement**

- a. Update the DJUSD Health Benefit Summary & Guide and model the financial impact of CalPERS rate increases after CalPERS announces its new rates and any benefit plan and/or health plan partner changes;
- b. Negotiate and coordinate medical provider contracts to provide bi-annual Tuberculosis Purified Protein Derivative (PPD) screening and results documentation for employees required under Section 87408.6;
- c. Staff and manage an Open Enrollment Fair and related activities;
- d. Provide education, evaluation and monitor insurance regulation compliance on State and Federal levels;
- e. Assist the Health Benefits Committee (HBC) in the development of a Wellness Program. This will include employee surveys, development of available no-cost wellness resources, announcements, flyers/posters, access to wellness links, obtaining local gym discounts, and up to six wellness and health benefit workshops, to be determined by the HBC;
- f. Serve when needed as an Employer-Employee Advocate. Provide an effective liaison between DJUSD, CalPERS and its health plan partners, as well as local area hospitals, medical groups and dental practices to resolve differences ranging from simple misunderstandings, to major disputes involving significant out-of-network patient responsibilities;

Appendix I  
Additional Add-On Services

The following professional services may be added on to the scope of general services outlined in the Agreement on an as-needed basis. The District may authorize the addition of these services by signing and dating each option at any time during the term of the Agreement. The work and billing for the option will commence on the date the additional services are authorized.

#	Description of Additional Professional Services	Additional Professional Fees
A.	<p><b>Request For Proposals – Medical Coverage</b> Prepare, issue and evaluate a full Requests for Proposal (RFP) to multiple vendors for medical, vision, dental or other benefit related services for all employee groups.</p>	<p>Time &amp; materials billing  (up to cap of \$15,400 without additional prior approval)</p>
	Authorized Signature:	Date:
B.	<p><b>Preparation of Annual ACA Lookback Reporting</b> Prepare and monitor annual ACA FTE lookback reviews and FTE reporting to avoid expensive A-Penalties or B-Penalties and fines. Support appeals to A-Penalties or B-Penalties imposed.</p>	<p>Time &amp; materials billing  (up to cap of \$4,000 per year without additional prior approval)</p>
	Authorized Signature:	Date:
C.	<p><b>Preparation of Annual IRS Form 1094/1095</b> Preparation of District Payroll and Health Plan Enrollment Data for upload to District vendor for production and distribution of IRS Forms 1094/1095.</p>	<p>Time &amp; materials billing  (up to cap of \$12,000 per year without additional prior approval)</p>
	Authorized Signature:	Date:
D.	<p><b>Eligibility/Pool Audits</b> Conduct stop-and-go eligibility audits of employees &amp; dependents enrolled in Medical, Dental, Vision or other employment benefit options.</p>	<p>Time &amp; materials billing  (up to cap of \$2,000 per audit without additional prior approval)</p>
	Authorized Signature:	Date:
E.	<p><b>Additional Wellness/Health Benefit Workshops</b> Prepare and conduct additional educational workshops in excess of those outlined in Addendum B</p>	<p>\$1,000 per additional workshop</p>
	Authorized Signature:	Date:
F.	<p><b>COVID-19</b> Arrange and facilitate onsite screening for staff, faculty and students for implementation of CDC Guidelines for COVID-19 reopening.</p>	<p>Time &amp; materials billing  (up to cap of \$5,000 without additional prior approval)</p>
	Authorized Signature:	Date:

## Business Associate Agreement

This Business Associate Agreement (Agreement) is by and between **J. Glynn & Company** (the "Business Associate") and **Davis Joint Unified School District** (the "Plan Sponsor"), collectively referred to as the "Parties" effective as of February 12, 2016, (the "Effective Date").

### RECITALS:

- A. The Parties wish to enter into this Agreement to comply with the requirements of (i) the implementing regulations at 45 C.F.R Parts 160, 162, and 164 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") (i.e., the HIPAA Privacy, Security, Breach Notification, and Enforcement Rules ("the Implementing Regulations"), (ii) the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the "HITECH Act"), and (iii) the requirements of the final modifications to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules as issued on January 25, 2013 and effective March 26, 2013 (75 Fed. Reg. 5566 (Jan. 25, 2013)) ("the Final Regulations"), collectively referred to in this Agreement as "HIPAA".
- B. The Plan Sponsor is a "Plan Sponsor" as defined under the terms of HIPAA. The Business Associate is a "Business Associate" of the Plan Sponsor as defined under the terms of HIPAA.
- C. The Parties contemplate potentially entering into a service contract (the "Services Contract") pursuant to which Business Associate would agree to provide certain services to and on behalf of the Plan Sponsor. This Business Associate Agreement is entered into for the limited purpose of the Business Associate's having access to Protected Health Information (PHI) as defined below held by the Plan Sponsor's, as may be necessary to review and assess the Plan Sponsor's related programs and procedures and permit the Business Associate to prepare a proposed service contract for the Plan Sponsor's review and consideration with recommended cost savings services and the terms and conditions for providing such services.
- D. Business Associate may create, receive, use, maintain or disclose certain information on behalf of Plan Sponsor, some of which may constitute Protected Health Information or, in electronic form, Electronic Protected Health Information, (hereinafter singly or collectively referred to as "PHI") as defined by HIPAA.

Now, **Therefore**, for and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### I. DEFINITIONS:

The following terms, when used in this Agreement, shall have the following meaning, provided that the terms set forth below shall be deemed to be modified to reflect and changes made to such terms from time to time as defined in HIPAA and HITECH. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meaning given to them in HIPAA and HITECH.

- 1.1. "Breach" shall mean the unauthorized acquisition, access, use, or disclosure of Protected Health Information (PHI) in a manner not permitted under the Privacy Rule which compromises the security of privacy of the PHI, as further defined in 45 C.F.R. § 164.402.
- 1.2. "Data Aggregation" shall mean, with respect to PHI created or received by Business Associate in its capacity as the Business Associate of Plan Sponsor, the combining of such PHI by Business Associate with the PHI received by Business Associate in its capacity as a business associate of another Plan Sponsor, to permit data analyses that relate to the health care operation of the respective covered entities.
- 1.3. "Designated Record Set" shall mean a group of records maintained by or for Plan Sponsor that is (i) the medical records and billing records about individuals maintained by or for Plan Sponsor; (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 Plan Sponsor to make decisions about individuals. As used in this paragraph, the term "record" means any item, collection, or grouping of information that includes PHI and is maintained, collected, used, or disseminated by or for Plan Sponsor.
- 1.4. "Electronic Media" shall have the meaning given to such term in 45 C.F.R. § 160.103.
- 1.5. "Electronic PHI" shall mean Protected Health Information that is transmitted by Electronic Media or maintained in Electronic Media.

- 1.6. "Individually Identifiable Health Information" shall mean information that is a subset of health information, including demographic information collected from an individual, and is created or received by a health care provider, health plan, employer, or health care clearinghouse; and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (a) identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- 1.7. "Protected Health Information" or "PHI" shall mean Individually Identifiable Health Information that is (i) transmitted by Electronic Media; (ii) maintained in Electronic Media; or (iii) transmitted or maintained in any other form or medium. "Protected Health Information" shall not include Individually Identifiable Health Information contained in: (i) education records covered by the Family Educational Right and Privacy Act, as amended, 20 U.S.C. §1232g or (ii) records described in 20 U.S.C. § 1232g(a)(4)(B)(iv). For instance, Protected Health Information includes information contained in a patient's medical records and billing records.
- 1.8. "Unsecured Protected Health Information" means Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in guidance issued under section 13402(h)(2) of HITECH.

## **II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE.**

- 2.1. Permitted Uses and Disclosures. Business Associate may not use or further disclose PHI received from, or created or received by Business Associate on behalf of, Plan Sponsor other than as permitted or required by this Agreement or as Required By Law.
- 2.2. Safeguards Against Misuse of Information. Business Associate must use appropriate safeguards, and comply with Subpart C of 45 CFR 164 with respect to electronic protected health information, to prevent use or disclosure of PHI received from, or created or received by, Business Associate on behalf of, Plan Sponsor other than as provided for by this Agreement, as provided for in 45 C.F.R. §164.504(e)(2).
- 2.3. Reporting Disclosures of PHI. Business Associate shall report to the Plan Sponsor any use or disclosure of PHI not provided for in this Agreement (including breaches of unsecured protected health information as required at 45 CFR § 164.410, and any Security Incident of which it becomes aware) within two (2) days of becoming aware of any such use or disclosure, as provided for in 45 C.F.R. §164.504(e)(2). Business Associate agrees to have procedures in place for mitigating, to the extent practicable, any harmful effect known to Business Associate and arising from unauthorized uses or disclosures of PHI by Business Associate.
- 2.4. Agreements by Third Parties. Business Associate shall enter into an agreement with any agent or subcontractor to whom Business Associate provides PHI received from, or created or received by Business Associate on behalf of, Plan Sponsor, or who creates or receives PHI on behalf of Business Associate, pursuant to which such agent or contractor agrees to be bound by the same restrictions and conditions of this Agreement that apply to Business Associate with respect to such PHI, as provided for in 45 C.F.R. §164.504(e)(2) and §164.308(b) if applicable.
- 2.5. Availability of PHI for Amendment. Within ten (10) days of receipt of request from Plan Sponsor, Business Associate shall make any amendment to PHI maintained in a Designated Record Set that is requested by Plan Sponsor or take any other measures requested by the Plan Sponsor necessary to meet the Plan Sponsor's obligations under 45 CFR 164.526, or, as directed and agreed to by Plan Sponsor, that is requested by an Individual in order to meet the requirements of 45 C.F.R. §164.526.
- 2.6. Accounting of Disclosures. Within ten (10) days of notice by Plan Sponsor, Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Plan Sponsor to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528. Within such ten (10) day period, Business Associate shall provide to Plan Sponsor or, as directed by Plan Sponsor, to an Individual, information to permit Plan Sponsor to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- 2.7. Performance of Plan Sponsor's Obligation. To the extent Business Associate is to carry out a Plan Sponsor's obligation under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Plan Sponsor in the performance of such obligation.
- 2.8. Availability of Books and Records. Business Associate hereby agrees to make its internal practices,

- books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Plan Sponsor available to the Secretary of Health and Human Services (the "Secretary") for purposes of determining Plan Sponsor's compliance with HIPAA, as provided for in 45 C.F.R. § 164.504(e)(2).
- 2.9. Security Obligations for PHI. Business Associate agrees that it will implement appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI it creates, receives, maintains, or transmits on behalf of Plan Sponsor as required by the Security Rule and 45 C.F.R. § 164.314(a)(2). Further, Business Associate shall ensure that any agent, subcontractor, or other party to whom Business Associate provides PHI agrees to implement reasonable and appropriate safeguards to protect such PHI. Without limiting the foregoing, Business Associate shall: (i) ensure that no Electronic PHI is stored by Business Associate, its employees, agents or subcontracts on any portable device (such as laptops or PDAs); (ii) causing all Electronic PHI to be encrypted when transmitted via the Internet or any other public network; and (iii) segregating server computers hosting any Electronic PHI from client computers on Business Associate's internal data network and ensure that any such servers are not directly accessible from the Internet.
  - 2.10. Notification of Security Incident or Breach. Within two (2) days of Business Associate becoming aware of any Security Incident, Business Associate shall report the incident to Plan Sponsor as provided for in 45 C.F.R. § 164.314(a)(2). Business Associate shall notify Plan Sponsor of a Breach of Unsecured PHI without unreasonable delay and in no case later than two (2) days after the first day on which such Breach is known to the Business Associate or, by exercising reasonable diligence, would have been known to the Business Associate, in accordance with the requirements of 45 C.F.R. § 164.410. Business Associate's notification to Plan Sponsor shall include, to the extent possible, the identification of each individual whose Unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used, or disclosed during the Breach, along with any other available information that the Plan Sponsor is required to include in notification to the individual under 45 C.F.R. § 164.404(c).
  - 2.11. Compliance with Security Rule. Business Associate must comply with the requirements and standards and implement specifications as provided in § 164.306, § 164.308, § 164.310, § 164.312, § 164.314, and § 164.316 and all other HIPAA requirements relating thereto.
  - 2.12. Use and Disclosure of Minimum Necessary PHI. Business Associate, when using or disclosing PHI received from, or created or received by Business Associate on behalf of Plan Sponsor, must limit PHI to the minimum necessary under HIPAA to accomplish the intended purpose of the use, disclosure, or request.
  - 2.13. Indemnification. Business Associate shall indemnify and hold harmless Plan Sponsor, its employees, Plan Sponsor, the Plan Sponsor's employees, agents, officers and members of its governing boards (individually and collectively, the "Indemnitees") from and against any and all liabilities, losses, damages and costs, including attorneys' fees and expenses, arising from a breach of this Agreement by Business Associate, its agents or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the Services Contract.
  - 2.14. Insurance. Business Associate shall obtain and maintain during the term of this Agreement liability insurance covering claims in an amount not less than one million dollars (\$1,000,000) per occurrence.
  - 2.15. Notice of Request for PHI. Business Associate agrees to notify Plan Sponsor within five (5) business days (or such shorter period as may be provided for elsewhere in this Agreement) of Business Associate's receipt of any request or subpoena for PHI. To the extent that Plan Sponsor decides to challenge the validity of such a request, Business Associate shall cooperate fully with Plan Sponsor in such challenge.

### **III. PERMITTED USE AND DISCLOSURE OF PHI BY BUSINESS ASSOCIATE.**

- 3.1. Use or Disclosure to Provide Services. Business Associate may create, receive, use, maintain or disclose PHI as necessary to perform its obligations under the Services Contract in accordance with HIPAA, HITECH, and this Agreement.
- 3.2. Use or Disclosure for Business Associate's Management and Administration and Legal Obligations. Except as otherwise limited by this Agreement or HIPAA, Business Associate may use PHI if necessary for proper management and administration of Business Associate or to fulfill any present or future legal responsibilities of Business Associate provided that such uses are otherwise permitted under state and federal law. Business Associate may disclose PHI to third parties if necessary for the proper management and administration of Business Associate or to fulfill any present or future legal responsibilities of Business Associate, provided that (a) the disclosure is Required By Law, and Business Associate notifies

Plan Sponsor in advance of such disclosure so that Plan Sponsor shall have an opportunity to object to the disclosure and seek appropriate relief, or (b) Business Associate has received from such third party written assurances in the form and manner required by HIPAA that PHI will be held confidentially and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to such third party, and that such third party will notify Business Associate of any instances of which it is aware in which confidentiality of the PHI has been breached as provided in C.F.R. §164.504(e).

- 3.3. De-Identification of PHI. Business Associate may de-identify any PHI received from or created or received on behalf of Plan Sponsor provided that such de-identification complies with the requirements set forth in the Privacy Rule and Business Associate notifies Plan Sponsor prior to creating de-identified health information.
- 3.4. Use or Disclosure to Provide Data Aggregation Services. Except as otherwise limited by this Agreement, Business Associate may use PHI to provide Data Aggregation services relating to the Health Care Operations of Plan Sponsor, but only if such Data Aggregation services are specifically requested in writing by Plan Sponsor.

#### **IV. RESPONSIBILITIES OF PLAN SPONSOR.**

- 4.1. Requests for Uses or Disclosures. Plan Sponsor shall not request Business Associate to use or disclose PHI in any manner that would violate this Agreement, HIPAA, HITECH, or any applicable state or federal law.
- 4.2. Notice of Privacy Practices. Plan Sponsor hereby agrees to provide Business Associate with access to the notice of privacy practices (the "Notice") provided to Individuals (or their personal representatives) who are the subject of the PHI.
- 4.3. Notice of Restrictions. Plan Sponsor shall notify Business Associate of any restrictions to the use and disclosure of PHI that Plan Sponsor has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restrictions affect Business Associate's use or disclosure of PHI.

#### **V. INFORMATION SECURITY, IDENTITY THEFT.**

- 5.1. Security Breach. Business Associate shall notify Plan Sponsor immediately, and no event later than two days after Business Associate becomes aware of a possible security breach under any applicable state law with respect to personal information, including, but not limited to, identity theft. Business Associate agrees that Plan Sponsor shall have sole control of any data security breach notification required by any applicable law. At Plan Sponsor's request, Business Associate shall immediately investigate and remediate any data security breach caused by Business Associate or Business Associate's agents, all at Business Associate's sole expense.
- 5.2. Red Flags Rule. Business Associate agrees to take such action as is necessary to comply with all federal and state laws and reporting requirements regarding identity theft (as defined in 16 C.F.R. §603.2(a)), including but not limited to the regulations set forth under 16 C.F.R. Part 681. Without limiting the generality of the foregoing, Business Associate hereby represents, warrants and covenants to Plan Sponsor that Business Associate has implemented and will maintain reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, including, without limitation, policies and procedures addressing (i) the detection of any relevant Red Flag (as described in 16 CFR 681.2) that may arise in the performance of the Services, (ii) the reporting of such Red Flags to Plan Sponsor, and (iii) the appropriate steps for the prevention and mitigation of identity theft.

#### **VI. TERMINATION.**

- 6.1. Term. This Agreement shall begin on the Effective Date and will continue until the later of (a) termination of the Services Contract or (b) all PHI provided to Business Associate, or created or received by Business Associate on behalf of Plan Sponsor is destroyed or returned to Plan Sponsor. If it is infeasible to return or destroy PHI, protections of this Agreement to PHI are extended and Business Associate agrees to limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 6.2. Termination for Cause. If Plan Sponsor makes the determination that Business Associate has breached a material term of this Agreement, Plan Sponsor may either: (i) terminate this Agreement and any related Service Contract if Business Associate does not cure said breach within the time period specified in Plan Sponsor's notice of breach, (ii) immediately terminate this Agreement and any related Service Contract if Plan Sponsor determines in its sole discretion that a cure is not feasible, or (iii) if neither cure nor

termination is feasible, report the breach to the Secretary.

- 6.3. Return or Destruction of PHI Upon Termination. Upon termination of this Agreement, Business Associate shall return or destroy all PHI received from, or created or received by Business Associate on behalf of, Covered Entity that Business Associate still maintains in any form and retain no copies of such PHI. Notwithstanding the foregoing, to the extent that it is not feasible to return or destroy such PHI, Business Associate shall provide Plan Sponsor notification of the conditions that make return or destruction infeasible, and for all such PHI the terms and provisions of this Agreement shall survive the termination of the Agreement with respect to such PHI, and such PHI shall be used or disclosed solely for such purpose or purposes that made the return or destruction of the information infeasible.

## VII. MISCELLANEOUS.

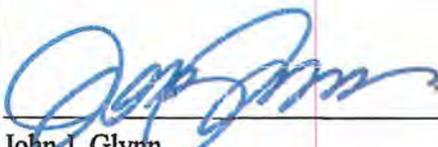
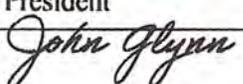
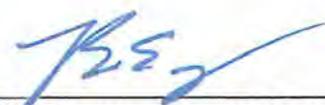
- 7.1. Amendments. The Parties agree to amend this Agreement if necessary to comply with privacy, security, or other applicable legal requirement but if any provision of this Agreement conflicts with HIPAA or HITECH, the conflicting provision shall be automatically amended to so comply. The Parties may modify, waive, or amend provisions of this Agreement only in a writing duly signed by authorized representatives of both Parties. Without limiting the foregoing, Plan Sponsor may terminate this Agreement and the Services Contract upon twenty (20) days' written notice in the event Business Associate does not promptly enter into an amendment that Plan Sponsor, in its sole discretion, deems sufficient to ensure compliance with HIPAA, HITECH, and any other state or federal law or regulation referenced in this Agreement.
- 7.2. References to Statutes or Regulations. References to a statutory or regulatory section shall be a reference to such section as it may be subsequently updated, amended, or modified.
- 7.3. Integration of Terms and Conditions. This Agreement shall be and hereby is incorporated into the provisions of the Services Contract. Any provisions of the Services Contract and other related documents not inconsistent herewith shall also apply to this Agreement as if they were one and the same document. In the event of any inconsistencies between the Services Contract and this Agreement, the terms of this Agreement shall prevail.
- 7.4. Relationship of Parties. Business Associate, in furnishing services pursuant to the Services Contract and other related documents thereunder, is acting as an independent contractor, and Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed, all work to be performed by Business Associate under this Agreement. Business Associate is not an agent of Plan Sponsor, and has no authority to represent Plan Sponsor as to any matters, except as expressly authorized in this Agreement.
- 7.5. Survival. The respective rights and obligations of Business Associate and Plan Sponsor under Sections 2.6, 2.8, 2.10, 2.13, 2.14, 2.15, 5.1, 5.2 and 6.3 of this Agreement shall survive the termination of this Agreement.
- 7.6. Interpretation. This Agreement shall be interpreted as required to implement and comply with HIPAA, HITECH, and their respective implementing regulations and other applicable laws.
- 7.7. Applicable Law. This Agreement shall be construed in accordance with the laws of the state of California, except to the extent federal law applies. All disputes arising under this Agreement shall be resolved by the state and federal courts of the state of California, and both parties agree to the exclusive venue and jurisdiction of such courts.
- 7.8. Severability. If any provisions of this Agreement are unenforceable, invalid or violate applicable law, such provisions shall be deemed stricken and shall not affect the enforceability of any other provisions of this Agreement.
- 7.9. Headings. The headings of sections in this Agreement are for reference only and shall not affect the meaning of this Agreement.
- 7.10. Third Party Rights. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors and assigns of the parties any rights, remedies, obligations, or liabilities whatsoever.
- 7.11. Counterparts, Facsimiles, E-Mails. For the convenience of the Parties, this Agreement may be execute in two or more identical counterparts, all of which together shall constitute one agreement. One or more counterparts of this Agreement may be delivered via facsimile or email, with the intention that they shall have the same effect as an original counterpart.
- 7.12. Injunction. Business Associate acknowledges and agrees that Plan Sponsor will suffer irreparable

damages in the event of Business Associate's breach or threatened breach of this Agreement, and that such damages shall be difficult to quantify. Business Associate acknowledges and agrees that Plan Sponsor may file an action for an injunction to enforce the terms of this Agreement against Business Associate, in addition to any other remedy Plan Sponsor may have.

7.13. Notice. Any notices to be given hereunder to a Party shall be made via certified mail, overnight mail (receipt requested), or express courier to such Party's address given below and/or via facsimile or email to the facsimile numbers and email addresses listed below:

<b>If to Business Associate:</b>  Tina Monaco Privacy Officer J. Glynn & Company 1300 Clay Street, Suite 600 Oakland, CA 94612 Phone/Fax: (888) 307-8780 Email: <a href="mailto:Tina@JGlynn.com">Tina@JGlynn.com</a>	<b>If to Plan Sponsor:</b>  Name: <u>Bruce E. Colby</u> Title: <u>Assoc. Supt. Business Srvs.</u> Davis Joint Unified School District 526 B St, Davis, CA 95616, Estados Unidos Phone/Fax: <u>530-757-5300</u> Email: <u>bcolby@djusd.net</u>
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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date of this Agreement:

<b>By Business Associate:</b>   _____ John J. Glynn, President 	<b>By Plan Sponsor:</b>   _____ Name: <u>Bruce E. Colby</u> Title: <u>Assoc. Supt. Business Srvs.</u>
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