



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM _____
Finance
DA
Risk Mgt.
HR *n/a*
Grant Mgt.

STAFF REPORT

BOARD MEETING DATE: July 12th, 2016

DATE: June 22nd, 2016
TO: Board of County Commissioners
FROM: Amber Howell, Director, Department of Social Services
775-785-8600 ahowell@washoecounty.us

THROUGH: Kevin Schiller, Assistant County Manager

SUBJECT: Accept a Subgrant Award from the State of Nevada Department of Health and Human Services Division of Public & Behavioral Health retroactive to April 1, 2016 through June 30, 2016 for [\$40,162.00] with no County match required, to support substance use counseling. Authorize the Department to execute the Subgrant Award and direct the Comptroller's Office to make the necessary budget amendment. (All Commission Districts)

SUMMARY

The Department of Social Services is recommending the Board of County Commissioners accept a Subgrant Award to support substance use counseling. The acceptance of this Award is retroactive as the Department received the Subgrant in late May 2016.

Strategic Objective supported by this item: Safe, Secure, and Healthy Communities

PREVIOUS ACTION

No previous action.

BACKGROUND

The objectives of this funding are to provide financial assistance to support projects for the development and implementation of prevention, treatment and rehabilitation activities directed to the diseases of alcohol and drug abuse. This funding will assist the Department

5-F.1.

with carrying out the State's plan for providing comprehensive community mental health services to adults with substance abuse issues, especially for women involved with Child Protective Services and substance abuse.

The intent of this grant is to bring coordination to the local level in partnership with the State, allowing us at a local level to identify the issues and coordinate resources in a timely and effective manner.

GRANT AWARD SUMMARY

Project/Program Name: *Behavioral Health, Prevention & Treatment
Division of Public and Behavioral Health*

Scope of the Project: *Washoe County Social Services will contract with SAPTA certified providers to serve clients referred by the counties, especially for women involved with Child Protective Services due to substance use issues.*

Benefit to Washoe County Residents: *The development and implementation of long-range plans pertaining to the expansion of funding for behavioral health services will allow for issues and concerns to be addressed.*

On-Going Program Support: *Future program funding is anticipated.*

Award Amount: \$40,162.00

Grant Period: April 1st, 2016 – June 30th, 2016

Funding Source: State General Funds

Pass through From: N/A

CFDA Number: N/A

Grant ID Number: None

Match Amount and Type: No matching funds required

Sub-Awards and Contracts: Agreements with service providers are already in place.

FISCAL IMPACT

Should the board authorize acceptance of this grant award, the Department's FY17 adopted budget will be increased in both revenues and expenditures in the following accounts:

Cost Object	G/L Account	Amount
IO 11313	432100-State Grants	\$ 40,162.00
IO 11313	710730 – Sub Abuse Assess	\$ 40,162.00

RECOMMENDATION

It is recommended that the Board accept a Subgrant Award from the State of Nevada Department of Health and Human Services Division of Public & Behavioral Health retroactive to April 1, 2016 through June 30, 2016 for [\$40,162.00] with no County match required, to support substance use counseling. Authorize the Department to execute the Subgrant Award and direct the Comptroller's Office to make the necessary budget amendment.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be "move to accept a Subgrant Award from the State of Nevada Department of Health and Human Services Division of Public & Behavioral Health retroactive to April 1, 2016 through June 30, 2016 for [\$40,162.00] with no County match required, to support substance use counseling. Authorize the Department to execute the Subgrant Award and direct the Comptroller's Office to make the necessary budget amendment."



State of Nevada
 Department of Health and Human Services
Division of Public & Behavioral Health
 (hereinafter referred to as the Division)

HD #: 15462
 Budget
 Account: 3170
 Category: 50
 GL: 8516
 Job Number: MEDMARRG

NOTICE OF SUBGRANT AWARD

Program Name: Behavioral Health, Prevention & Treatment Division of Public and Behavioral Health	Subgrantee Name: Washoe County Social Services Ken Retterath, Director										
Address: 4126 Technology Way, Suite 200 Carson City, NV 89706-2009	Address: P.O. Box 11130 Reno, NV 89502 - 0027										
Subgrant Period: April 1, 2016 through June 30, 2016.	Subgrantee's: EIN: <u>88-6000138</u> Vendor #: <u>T40283400A</u> Dun & Bradstreet: <u>12-859-9425</u>										
Purpose of Award: To enhance client services relating to substance abuse.											
Region(s) to be served: <input type="checkbox"/> Statewide <input checked="" type="checkbox"/> Specific county or counties: <u>Washoe County</u>											
Approved Budget Categories: 1. Personnel \$ _____ 2. Travel \$ _____ 3. Operating \$ _____ 4. Equipment \$ _____ 5. Contractual/Consultant \$ <u>40,162.00</u> 6. Training \$ _____ 7. Other \$ _____ Total Cost: \$ <u>40,162.00</u>	Disbursement of funds will be as follows: Payment will be made upon receipt and acceptance of an invoice and supporting documentation specifically requesting reimbursement for actual expenditures <i>specific to this subgrant</i> . Total reimbursement will not exceed \$40,162.00 during the subgrant period.										
Source of Funds: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 10%;">% Funds:</th> <th style="width: 10%;">CFDA:</th> <th style="width: 10%;">FAIN:</th> <th style="width: 10%;">Federal Grant #:</th> </tr> </thead> <tbody> <tr> <td>1. State General Funds</td> <td style="text-align: center;">100</td> <td style="text-align: center;">n/a</td> <td style="text-align: center;">n/a</td> <td style="text-align: center;">n/a</td> </tr> </tbody> </table>			% Funds:	CFDA:	FAIN:	Federal Grant #:	1. State General Funds	100	n/a	n/a	n/a
	% Funds:	CFDA:	FAIN:	Federal Grant #:							
1. State General Funds	100	n/a	n/a	n/a							
Terms and Conditions: In accepting these grant funds, it is understood that: 1. Expenditures must comply with appropriate state and/or federal regulations; 2. This award is subject to the availability of appropriate funds; and 3. The recipient of these funds agrees to stipulations listed in the incorporated documents.											
Incorporated Documents: - Section A: Assurances; Section B: Description of Services, Scope of Work and Deliverables; Section C: Budget and Financial Reporting Requirements; Section D: Request for Reimbursement; Section E: Audit Information Request; and Section F: DPBH Business Associate Addendum (based on PHI usage)											
Amber Howell Director	<div style="text-align: center;"> <small>Signature</small> </div>										
Martie Washington, Program Manager, BHPT	<div style="text-align: center;"> <small>Date</small> </div>										
Kevin Quint Bureau Chief, BHPT											
for Cody L. Phinney, MPH Administrator, Division of Public & Behavioral Health											

DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD

SECTION E

Audit Information Request

1. Non-Federal entities that **expend** \$750,000.00 or more in total federal awards are required to have a single or program-specific audit conducted for that year, in accordance with 2 CFR § 200.501(a). Within nine (9) months of the close of your organization's fiscal year, you **must** submit a copy of the final audit report to:

Nevada State Division of Public and Behavioral Health
Attn: Contract Unit
4150 Technology Way, Suite 300
Carson City, NV 89706-2009

2. Did your organization expend \$750,000 or more in all federal awards during your organization's most recent fiscal year? YES NO
3. When does your organization's fiscal year end? 6/30/2016
4. What is the official name of your organization? Washoe County
5. How often is your organization audited? Annually
6. When was your last audit performed? September 2015
7. What time period did your last audit cover? Fiscal Year ending 6/30/2015
8. Which accounting firm conducted your last audit? Eide Bailly

[Signature] 5/25/16
Signature Date

Director
Title

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

IN WITNESS WHEREOF, the Business Associate and the Covered Entity have agreed to the terms of the above written agreement as of the effective date set forth below.

Covered Entity

Division of Public and Behavioral Health
4150 Technology Way, Suite 300
Carson City, NV 89706

Phone: (775) 684-5975

Fax: (775) 684-4211

Business Associate

Washoe County - Social Services

Business Name

350 South Center Street

Business Address

Reno, NV 89512

Business City, State and Zip Code

775-337-4540

Business Phone Number

775-337-4495

Business Fax Number



Authorized Signature

Authorized Signature

for Cody L. Phinney, MPH

Print Name

Amber Howell

Print Name

Administrator,
Division of Public and Behavioral Health

Title

Director

Title



Date

Date

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

SECTION C

Budget and Financial Reporting Requirements

Subgrantee, Washoe County Social Services - agrees to adhere to the following budget:

<u>Category</u>	<u>Total cost</u>	<u>Detailed cost</u>	<u>Details of expected expenses</u>
1. Personnel	\$		
		\$	
2. Travel	\$		
		\$	
3. Operating	\$		
		\$	
4. Equipment	\$		
		\$	
5. Contractual Consultant	\$ 40,162.00		
		\$ 40,162.00	The Washoe County Social Services will contract with SAPTA certified providers to serve clients referred by the counties, especially for women involved with Child Protective Services due to substance use issues, on an as needed basis with oversight being provided by the Social Services agency.
6. Training	\$		
		\$	
7. Other	\$		
		\$	
Total Cost	\$ 40,162.00		

- Division of Public and Behavioral Health policy is to allow no more than 10% flexibility, within the approved Scope of Work, unless otherwise authorized. Sub-grantee must notify or obtain written, prior authorization for such modifications.
- Equipment purchased with these funds belongs to the federal program from which this funding was appropriated and shall be returned to the program upon termination of this agreement.
- Travel expenses, per diem, and other related expenses must conform to the procedures and rates allowed for State officers and employees. It is the Policy of the Board of Examiners to restrict contractors/Subgrantees to the same rates and procedures allowed State Employees. The State of Nevada reimburses at rates comparable to the rates established by the US General Services Administration, with some exceptions (State Administrative Manual 0200.0 and 0320.0).

Subgrantee agrees to request reimbursement according to the schedule specified below for the actual expenses incurred related to the Scope of Work during the subgrant period.

- Requests For Reimbursement (RFR's) will be submitted monthly and be accompanied by supporting documentation, including a line item description of expenses incurred;
- The maximum amount available through this sub-grant is \$40,162.00;
- Requests for Reimbursement will be accompanied by supporting documentation, including a line item description of expenses incurred;
- Match amounts should be reported on the RFR; and
- Additional expenditure detail will be provided upon request from the Division.

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

Additionally, the Subgrantee agrees to provide:

- A complete financial accounting of all expenditures to the Division within 30 days of the CLOSE OF THE SUBGRANT PERIOD. Any un-obligated funds shall be returned to the Division at that time, or if not already requested, shall be deducted from the final award.
- In addition to financial reports, the sub-grantee will work with the Division to develop data and outcome measures that will be reported quarterly (January, April, July and October).

The Division agrees:

- The Division reserves the right to hold reimbursement under this subgrant until any delinquent forms, reports, and expenditure documentation are submitted to and accepted by the Division.

Both parties agree:

The site visit/monitoring schedule will be coordinated with the Division.

The Subgrantee will, in the performance of the Scope of Work specified in this subgrant, perform functions and/or activities that could involve confidential information; therefore, the Subgrantee is requested to fill out and sign Section F, which is specific to this subgrant, and will be in effect for the term of this subgrant.

All reports of expenditures and requests for reimbursement processed by the Division are SUBJECT TO AUDIT.

This subgrant agreement may be TERMINATED by either party prior to the date set forth on the Notice of Subgrant Award, provided the termination shall not be effective until 30 days after a party has served written notice upon the other party. This agreement may be terminated by mutual consent of both parties or unilaterally by either party without cause. The parties expressly agree that this Agreement shall be terminated immediately if for any reason the Division, state, and/or federal funding ability to satisfy this Agreement is withdrawn, limited, or impaired.

Financial Reporting Requirements

- A Request for Reimbursement is due on a monthly basis, based on the terms of the subgrant agreement, no later than the 15th of the month.
- Reimbursement is based on actual expenditures incurred during the period being reported.
- Payment will not be processed without all reporting being current.
- Reimbursement may only be claimed for expenditures approved within the Notice of Subgrant Award.

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

SECTION F

Business Associate Addendum

BETWEEN

Nevada Division of Public and Behavioral Health

Hereinafter referred to as the "Covered Entity"

and

Washoe County Social Services

Hereinafter referred to as the "Business Associate"

PURPOSE. In order to comply with the requirements of HIPAA and the HITECH Act, this Addendum is hereby added and made part of the agreement between the Covered Entity and the Business Associate. This Addendum establishes the obligations of the Business Associate and the Covered Entity as well as the permitted uses and disclosures by the Business Associate of protected health information it may possess by reason of the agreement. The Covered Entity and the Business Associate shall protect the privacy and provide for the security of protected health information disclosed to the Business Associate pursuant to the agreement and in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-5 ("the HITECH Act"), and regulation promulgated there under by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.

WHEREAS, the Business Associate will provide certain services to the Covered Entity, and, pursuant to such arrangement, the Business Associate is considered a business associate of the Covered Entity as defined in HIPAA, the HITECH Act, the Privacy Rule and Security Rule; and

WHEREAS, Business Associate may have access to and/or receive from the Covered Entity certain protected health information, in fulfilling its responsibilities under such arrangement; and

WHEREAS, the HIPAA Regulations, the HITECH Act, the Privacy Rule and the Security Rule require the Covered Entity to enter into an agreement containing specific requirements of the Business Associate prior to the disclosure of protected health information, as set forth in, but not limited to, 45 CFR Parts 160 & 164 and Public Law 111-5.

THEREFORE, in consideration of the mutual obligations below and the exchange of information pursuant to this Addendum, and to protect the interests of both Parties, the Parties agree to all provisions of this Addendum.

- I. **DEFINITIONS.** The following terms shall have the meaning ascribed to them in this Section. Other capitalized terms shall have the meaning ascribed to them in the context in which they first appear.
1. **Breach** means the unauthorized acquisition, access, use, or disclosure of protected health information which compromises the security or privacy of the protected health information. The full definition of breach can be found in 42 USC 17921 and 45 CFR 164.402.
 2. **Business Associate** shall mean the name of the organization or entity listed above and shall have the meaning given to the term under the Privacy and Security Rule and the HITECH Act. For full definition refer to 45 CFR 160.103.
 3. **CFR** stands for the Code of Federal Regulations.
 4. **Agreement** shall refer to this Addendum and that particular agreement to which this Addendum is made a part.
 5. **Covered Entity** shall mean the name of the Division listed above and shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to 45 CFR 160.103.
 6. **Designated Record Set** means a group of records that includes protected health information and is maintained by or for a covered entity or the Business Associate that includes, but is not limited to, medical, billing, enrollment, payment, claims adjudication, and case or medical management records. Refer to 45 CFR 164.501 for the complete definition.
 7. **Disclosure** means the release, transfer, provision of, access to, or divulging in any other manner of information outside the entity holding the information as defined in 45 CFR 160.103.

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

8. **Electronic Protected Health Information** means individually identifiable health information transmitted by electronic media or maintained in electronic media as set forth under 45 CFR 160.103.
9. **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. Refer to 42 USC 17921.
10. **Health Care Operations** shall have the meaning given to the term under the Privacy Rule at 45 CFR 164.501.
11. **Individual** means the person who is the subject of protected health information and is defined in 45 CFR 160.103.
12. **Individually Identifiable Health Information** means health information, in any form or medium, including demographic information collected from an individual, that is created or received by a covered entity or a business associate of the covered entity and relates to the past, present, or future care of the individual. Individually identifiable health information is information that identifies the individual directly or there is a reasonable basis to believe the information can be used to identify the individual. Refer to 45 CFR 160.103.
13. **Parties** shall mean the Business Associate and the Covered Entity.
14. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 CFR Parts 160 and 164, Subparts A, D and E.
15. **Protected Health Information** means individually identifiable health information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. Refer to 45 CFR 160.103 for the complete definition.
16. **Required by Law** means a mandate contained in law that compels an entity to make a use or disclosure of protected health information and that is enforceable in a court of law. This includes, but is not limited to: court orders and court-ordered warrants; subpoenas, or summons issued by a court; and statutes or regulations that require the provision of information if payment is sought under a government program providing public benefits. For the complete definition refer to 45 CFR 164.103.
17. **Secretary** shall mean the Secretary of the federal Department of Health and Human Services (HHS) or the Secretary's designee.
18. **Security Rule** shall mean the HIPAA regulation that is codified at 45 CFR Parts 160 and 164 Subparts A and C.
19. **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 the guidance issued in Public Law 111-5. Refer to 42 USC 17932 and 45 CFR 164.402.
20. **USC** stands for the United States Code.

II. OBLIGATIONS OF THE BUSINESS ASSOCIATE.

1. **Access to Protected Health Information.** The Business Associate will provide, as directed by the Covered Entity, an individual or the Covered Entity access to inspect or obtain a copy of protected health information about the Individual that is maintained in a designated record set by the Business Associate or, its agents or subcontractors, in order to meet the requirements of the Privacy Rule, including, but not limited to 45 CFR 164.524 and 164.504(e) (2) (ii) (E). If the Business Associate maintains an electronic health record, the Business Associate or, its agents or subcontractors shall provide such information in electronic format to enable the Covered Entity to fulfill its obligations under the HITECH Act, including, but not limited to 42 USC 17935.
2. **Access to Records.** The Business Associate shall make its internal practices, books and records relating to the use and disclosure of protected health information available to the Covered Entity and to the Secretary for purposes of determining Business Associate's compliance with the Privacy and Security Rule in accordance with 45 CFR 164.504(e)(2)(ii)(H).
3. **Accounting of Disclosures.** Promptly, upon request by the Covered Entity or individual for an accounting of disclosures, the Business Associate and its agents or subcontractors shall make available to the Covered Entity or the individual information required to provide an accounting of disclosures in accordance with 45 CFR 164.528, and the HITECH Act, including, but not limited to 42 USC 17935. The accounting of disclosures, whether electronic or other media, must include the requirements as outlined under 45 CFR 164.528(b).
4. **Agents and Subcontractors.** The Business Associate must ensure all agents and subcontractors to whom it provides protected health information agree in writing to the same restrictions and conditions that apply to the Business Associate with respect to all protected health information accessed, maintained, created, retained, modified, recorded, stored, destroyed, or otherwise held, transmitted, used or disclosed by the agent or subcontractor. The Business Associate must implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation as outlined under 45 CFR 164.530(f) and 164.530(e)(1).
5. **Amendment of Protected Health Information.** The Business Associate will make available protected health information for amendment and incorporate any amendments in the designated record set maintained by the

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

- Business Associate or, its agents or subcontractors, as directed by the Covered Entity or an individual, in order to meet the requirements of the Privacy Rule, including, but not limited to, 45 CFR 164.526.
6. **Audits, Investigations, and Enforcement.** The Business Associate must notify the Covered Entity immediately upon learning the Business Associate has become the subject of an audit, compliance review, or complaint investigation by the Office of Civil Rights or any other federal or state oversight agency. The Business Associate shall provide the Covered Entity with a copy of any protected health information that the Business Associate provides to the Secretary or other federal or state oversight agency concurrently with providing such information to the Secretary or other federal or state oversight agency. The Business Associate and individuals associated with the Business Associate are solely responsible for all civil and criminal penalties assessed as a result of an audit, breach, or violation of HIPAA or HITECH laws or regulations. Reference 42 USC 17937.
 7. **Breach or Other Improper Access, Use or Disclosure Reporting.** The Business Associate must report to the Covered Entity, in writing, any access, use or disclosure of protected health information not permitted by the agreement, Addendum or the Privacy and Security Rules. The Covered Entity must be notified immediately upon discovery or the first day such breach or suspected breach is known to the Business Associate or by exercising reasonable diligence would have been known by the Business Associate in accordance with 45 CFR 164.410, 164.504(e)(2)(ii)(C) and 164.308(b) and 42 USC 17921. The Business Associate must report any improper access, use or disclosure of protected health information by: the Business Associate or its agents or subcontractors. In the event of a breach or suspected breach of protected health information, the report to the Covered Entity must be in writing and include the following: a brief description of the incident; the date of the incident; the date the incident was discovered by the Business Associate; a thorough description of the unsecured protected health information that was involved in the incident; the number of individuals whose protected health information was involved in the incident; and the steps the Business Associate is taking to investigate the incident and to protect against further incidents. The Covered Entity will determine if a breach of unsecured protected health information has occurred and will notify the Business Associate of the determination. If a breach of unsecured protected health information is determined, the Business Associate must take prompt corrective action to cure any such deficiencies and mitigate any significant harm that may have occurred to individual(s) whose information was disclosed inappropriately.
 8. **Breach Notification Requirements.** If the Covered Entity determines a breach of unsecured protected health information by the Business Associate has occurred, the Business Associate will be responsible for notifying the individuals whose unsecured protected health information was breached in accordance with 42 USC 17932 and 45 CFR 164.404 through 164.406. The Business Associate must provide evidence to the Covered Entity that appropriate notifications to individuals and/or media, when necessary, as specified in 45 CFR 164.404 and 45 CFR 164.406 has occurred. The Business Associate is responsible for all costs associated with notification to individuals, the media or others as well as costs associated with mitigating future breaches. The Business Associate must notify the Secretary of all breaches in accordance with 45 CFR 164.408 and must provide the Covered Entity with a copy of all notifications made to the Secretary.
 9. **Breach Pattern or Practice by Covered Entity.** Pursuant to 42 USC 17934, if the Business Associate knows of a pattern of activity or practice of the Covered Entity that constitutes a material breach or violation of the Covered Entity's obligations under the Contract or Addendum, the Business Associate must immediately report the problem to the Secretary.
 10. **Data Ownership.** The Business Associate acknowledges that the Business Associate or its agents or subcontractors have no ownership rights with respect to the protected health information it accesses, maintains, creates, retains, modifies, records, stores, destroys, or otherwise holds, transmits, uses or discloses.
 11. **Litigation or Administrative Proceedings.** The Business Associate shall make itself, any subcontractors, employees, or agents assisting the Business Associate in the performance of its obligations under the agreement or Addendum, available to the Covered Entity, at no cost to the Covered Entity, to testify as witnesses, or otherwise, in the event litigation or administrative proceedings are commenced against the Covered Entity, its administrators or workforce members upon a claimed violation of HIPAA, the Privacy and Security Rule, the HITECH Act, or other laws relating to security and privacy.
 12. **Minimum Necessary.** The Business Associate and its agents and subcontractors shall request, use and disclose only the minimum amount of protected health information necessary to accomplish the purpose of the request, use or disclosure in accordance with 42 USC 17935 and 45 CFR 164.514(d)(3).
 13. **Policies and Procedures.** The Business Associate must adopt written privacy and security policies and procedures and documentation standards to meet the requirements of HIPAA and the HITECH Act as described in 45 CFR 164.316 and 42 USC 17931.
 14. **Privacy and Security Officer(s).** The Business Associate must appoint Privacy and Security Officer(s) whose responsibilities shall include: monitoring the Privacy and Security compliance of the Business Associate; development and implementation of the Business Associate's HIPAA Privacy and Security policies and procedures; establishment of Privacy and Security training programs; and development and implementation of an incident risk assessment and response plan in the event the Business Associate sustains a breach or suspected breach of protected health information.

**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
NOTICE OF SUBGRANT AWARD**

15. **Safeguards.** The Business Associate must implement safeguards as necessary to protect the confidentiality, integrity, and availability of the protected health information the Business Associate accesses, maintains, creates, retains, modifies, records, stores, destroys, or otherwise holds, transmits, uses or discloses on behalf of the Covered Entity. Safeguards must include administrative safeguards (e.g., risk analysis and designation of security official), physical safeguards (e.g., facility access controls and workstation security), and technical safeguards (e.g., access controls and audit controls) to the confidentiality, integrity and availability of the protected health information, in accordance with 45 CFR 164.308, 164.310, 164.312, 164.316 and 164.504(e)(2)(ii)(B). Sections 164.308, 164.310 and 164.312 of the CFR apply to the Business Associate of the Covered Entity in the same manner that such sections apply to the Covered Entity. Technical safeguards must meet the standards set forth by the guidelines of the National Institute of Standards and Technology (NIST). The Business Associate agrees to only use, or disclose protected health information as provided for by the agreement and Addendum and to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate, of a use or disclosure, in violation of the requirements of this Addendum as outlined under 45 CFR 164.530(e)(2)(f).
16. **Training.** The Business Associate must train all members of its workforce on the policies and procedures associated with safeguarding protected health information. This includes, at a minimum, training that covers the technical, physical and administrative safeguards needed to prevent inappropriate uses or disclosures of protected health information; training to prevent any intentional or unintentional use or disclosure that is a violation of HIPAA regulations at 45 CFR 160 and 164 and Public Law 111-5; and training that emphasizes the criminal and civil penalties related to HIPAA breaches or inappropriate uses or disclosures of protected health information. Workforce training of new employees must be completed within 30 days of the date of hire and all employees must be trained at least annually. The Business Associate must maintain written records for a period of six years. These records must document each employee that received training and the date the training was provided or received.
17. **Use and Disclosure of Protected Health Information.** The Business Associate must not use or further disclose protected health information other than as permitted or required by the agreement or as required by law. The Business Associate must not use or further disclose protected health information in a manner that would violate the requirements of the HIPAA Privacy and Security Rule and the HITECH Act.

III. **PERMITTED AND PROHIBITED USES AND DISCLOSURES BY THE BUSINESS ASSOCIATE.** The Business Associate agrees to these general use and disclosure provisions:

1. **Permitted Uses and Disclosures:**

- a. Except as otherwise limited in this Addendum, the Business Associate may use or disclose protected health information to perform functions, activities, or services for, or on behalf of, the Covered Entity as specified in the agreement, provided that such use or disclosure would not violate the HIPAA Privacy and Security Rule or the HITECH Act, if done by the Covered Entity in accordance with 45 CFR 164.504(e) (2) (i) and 42 USC 17935 and 17936.
- b. Except as otherwise limited by this Addendum, the Business Associate may use or disclose protected health information received by the Business Associate in its capacity as a Business Associate of the Covered Entity, as necessary, for the proper management and administration of the Business Associate, to carry out the legal responsibilities of the Business Associate, as required by law or for data aggregation purposes in accordance with 45 CFR 164.504(e)(2)(A), 164.504(e)(4)(i)(A), and 164.504(e)(2)(i)(B).
- c. Except as otherwise limited in this Addendum, if the Business Associate discloses protected health information to a third party, the Business Associate must obtain, prior to making any such disclosure, reasonable written assurances from the third party that such protected health information will be held confidential pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to the third party. The written agreement from the third party must include requirements to immediately notify the Business Associate of any breaches of confidentiality of protected health information to the extent it has obtained knowledge of such breach. Refer to 45 CFR 164.502 and 164.504 and 42 USC 17934.
- d. The Business Associate may use or disclose protected health information to report violations of law to appropriate federal and state authorities, consistent with 45 CFR 164.502(j)(1).

2. **Prohibited Uses and Disclosures:**

- a. Except as otherwise limited in this Addendum, the Business Associate shall not disclose protected health information to a health plan for payment or health care operations purposes if the patient has required this special restriction, and has paid out of pocket in full for the health care item or service to which the protected health information relates in accordance with 42 USC 17935.
- b. The Business Associate shall not directly or indirectly receive remuneration in exchange for any protected health information, as specified by 42 USC 17935, unless the Covered Entity obtained a valid authorization,