

DRAFT

RESOLUTION NO. 26-86

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COLUMBUS, NEBRASKA, APPROVING THE MEDICAL COLLECTION SERVICES AGREEMENT AND BUSINESS ASSOCIATE AGREEMENT WITH AUTOMATED COLLECTION SERVICES, INC.; TO AUTHORIZE THE MAYOR TO EXECUTE THE SAME ON BEHALF OF THE CITY; AND TO REPEAL ALL RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH.

WHEREAS, the City desires to enter into a contract with Automated Collection Services, Inc. to perform collection services on delinquent accounts for emergency medical services; and

WHEREAS, copies of the Medical Collection Services Agreement and the Business Associate Agreement are attached hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF CITY OF COLUMBUS, NEBRASKA, that the Medical Collection Services Agreement and the Business Associate Agreement with Automated Collection Services, Inc. are hereby approved and the mayor is authorized, directed, and empowered to execute the same on behalf of the City of Columbus, Nebraska.

This resolution shall repeal all resolutions or portions thereof in conflict herewith.

INTRODUCED BY COUNCIL MEMBER _____

PASSED AND ADOPTED THIS ____ DAY OF _____, 2026.

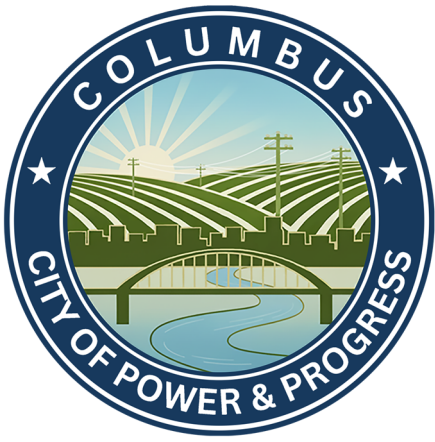
MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



**Accountability – Honesty
Dedication – Integrity – Respect**

City Hall | Finance Department
2500 14th St., Suite 3
Columbus, NE 68601
402-562-4231
www.columbusne.us

MEMORANDUM

DATE: June 30, 2026
TO: Mayor & City Council
FROM: Chris Norquest, Finance Director
RE: Emergency Medical Services Collections Contract

RECOMMENDATION:

I recommend that the City Council approve the proposed Medical Collection Services Agreement ("Agreement") between the City of Columbus ("City") and Automated Collection Services, Inc. ("ACSI").

DISCUSSION:

In December 2025, the City entered into an agreement with Digitech for emergency medical services (EMS) billing. Prior to that transition, EMS billing services were provided by Quick Med Claims, LLC. At the time Digitech was engaged, a collection agency had not yet been selected to receive delinquent patient accounts following Digitech's initial billing and collection efforts.

City staff evaluated multiple collection agencies to provide these services and determined that ACSI offers competitive pricing and maintains an established working relationship with Digitech. Entering into this Agreement will provide a seamless process for the collection of delinquent EMS accounts and assist the City in maximizing the recovery of outstanding receivables.

FISCAL IMPACT:

There is no upfront cost to the City for ACSI's collection services. Under the Agreement, ACSI will retain a commission equal to 17% of gross collections. This commission rate is consistent with industry standards and is payable only from amounts successfully collected.

SIGNATURE

By: Christopher A. Norquest

Concurrence: Betsy Eckhardt

Approved: [Signature]



Medical Collection Services Agreement

This Agreement (“Agreement”) is entered into upon the date of signature of the last party to sign, between Automated Collection Services, Incorporated (hereinafter referred to as “Agency”), located at 304 Northcreek Blvd Goodlettsville, TN 37072 and City of Columbus NE (hereinafter referred to as “Client”) located at PO Box 1677 Columbus NE 68602.

This Agreement shall remain in effect for a period of one year and will automatically renew at the end of each one year term unless notice is given by either party thirty (30) days prior to the expiration of the initial one year period. At any time during this Agreement either party may terminate the Agreement upon thirty (30) days written notice.

Agency fees are based upon a percentage of monies recovered.

1. COMPENSATION

a. Except as otherwise provided in this Section 1, as compensation for the Services, Agency shall receive the following with respect to Accounts subject to this Agreement:

1) Account placed as a First Assignment, Agency shall be entitled to a collection fee equal to SEVENTEEN percent (17 %) of the total amount collected from all sources, except as noted in Section 1(b), during the period the Account is active at Agency, and for a thirty (30) day period following the return of the Account to Client.

2) Accounts placed as a Second Assignment, Agency shall be entitled to a collection fee equal to N/A percent (N/A %) of the total amount collected from all sources, except as noted in Section 1(b), during the period the Account is active at Agency, and for a thirty (30) day period following the return of the Account to Client.



- 3) For Accounts referred that are placed into legal collections, whether through initial placement or by subsequent approval from Client, Agency shall receive N/A percent (N/A %) of the total amount collected from all sources, except as noted in 1(b) or Section 28, from the date of referral or approval by Client. Accounts litigated on behalf of Client shall remain with Agency until paid in full. Client agrees to advance the required fees for filing any litigation and Agency will return these funds to Client from first monies collected and provide records of expenditure of these funds. No account will be litigated without prior written authorization from Client.
 - 4) Agency may retain any accounts in repayment or active litigation status until payments stop or the account is paid in full.
- b. Agency shall receive full compensation for its Services, in accordance with Section 1(a) above, with respect to any payments made by debtors, or by third parties on a debtor's behalf, directly to the Client or to Client's third party billing service, if applicable. Client shall report to Agency all payments received directly from debtors, or from third parties on a debtor's behalf, or received by Client's third party billing service, if applicable, as soon as practically possible, but in any event within thirty (30) days of receipt of any such payments.
- 1) Agency shall receive no compensation with respect to the following, whether paid to Agency, to Client, or directly to a billing service; Refunds or amounts waived resulting from the settlement of an Account.
 - 2) Client agrees that they will not recall any account in repayment or in an active litigation status until payments stop or the account is paid.



2. Accounts sent to the Agency must have supporting documentation sufficient to prove the debt. This includes, for example, an itemized list of charges for services provided, loans or copies of other credit issued and promissory notes, penalties or other charges. Documentation should demonstrate the reason for the charges and reflect any payments or adjustments. This supporting documentation is necessary for agency to meet its duty to respond to disputes and validate charges. Additionally, without such documentation, Agency cannot report the account to the national credit reporting agencies if Agency is authorized to report such accounts.
3. If the consumer requests verification of the charges, debt verification paperwork must be provided within twenty (20) days of request.
4. All monies due to the Client from Agency will be remitted to Client on a monthly basis. Client shall notify Agency immediately when monies are received directly, referred to as direct payment, from an account that has been placed with Agency for collection. Client shall notify Agency within thirty (30) days upon discovery of any monies sent directly to Client. This will be recognized by both Client and Agency as a pay direct. All monies received by Client as a direct payment are subject to the appropriate contingency fee for that debt type and age.
5. Client agrees that all collections are on a “net basis” and that Agency will retain their commission from each payment and remit a net payment to Client.
6. Client agrees to pay all taxes and/or fees associated with any applicable state and federal requirements and to reimburse Agency for any such costs they pay on Client’s behalf.
7. Client agrees not to refer for collection services the following:
 - a. Accounts that are in bankruptcy whether currently in the stay period or



discharged. Client will notify Agency within twenty (20) days of receipt of a Bankruptcy notice involving accounts with Agency.

- b. Accounts where the consumer has alleged fraud or forgery.
 - c. Accounts where the borrower has made a written dispute of the debt.
8. Client agrees that any account(s) placed with Agency will not be placed with any other agency for the purpose of collection during the duration of the Agreement. Any account(s) placed with another agency will have no effect on the terms of this Agreement including any monies collected on accounts placed with another Agency.
9. Client agrees that they will only submit amounts which are legally due or enforceable and if they add collection costs, they will provide a written contract wherein the consumer agreed to pay such costs. Client agrees that the enforceability of such charges is controlled by individual state laws which are inconsistent. Therefore, Client grants to Agency authorization to waive, reduce or cancel such charges to meet the applicable law limitations.
10. From time to time, Client shall provide Agency an electronic data file of Accounts, with pertinent data regarding each such account, which shall operate as a request for initiation of Collection Services under this agreement with respect to the Accounts identified in the file. Client is encouraged to use the electronic format to place accounts, but if that is not possible Accounts may be placed using paper, a computer tape, or other electronic or magnetic medium as shall be mutually agreed upon by the parties, and shall contain all information necessary to enable Agency to perform the Collection Services. Client shall remain the holder of each such Account.
11. Agency is responsible for providing professional collection services in pursuing the collection of monies owed to Client. Agency will perform these services on behalf of the Client in compliance with all applicable state and federal laws or regulations; including for example the Consumer Financial



Protection Bureau (CFPB), Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), Health Information Portability and Accountability Act (HIPAA) and Telephone Consumer Protection Act (TCPA). Agency agrees to be solely responsible for the employment, actions, omissions, control and direction of their employees. Client also agrees to defend, indemnify and hold harmless ACSI and all of their subsidiaries and affiliates, their successors and assigns and respective agents, members, managers, officers, directors, employees and servants from and against any and all liability (including, but not limited to statutory liability), lawsuits, claims, damages, loss, interest, judgments, and expense (including, but not limited to attorneys' fees, costs and disbursements) (collectively "Claims") arising out of or resulting from negligent or intentional failure of Client, related to any consumer account information that Client provides to ACSI in connection with the collection of the placed accounts

12. Agency will collect all amounts submitted to the extent permitted by law. Agency will scrub accounts for those previously discharged in Bankruptcy, or other legal cancelations or exclusions from enforceability including being out of the applicable statute of limitations. These accounts will be returned to client.
13. Agency shall not be held responsible for any damages resulting from Client errors in reporting account information to Agency, or for the submission of Account(s) for collection which are not correct and/or authorized under either state or federal statutes.
14. Agency shall provide to Client, comprehensive reports on all activity including Client summary details of all placements, collections, account status, cancellations, litigation and fees earned.
15. Agency retains the authority to suspend collection action, either temporarily or permanently, on any account placed to Agency.



16. The Client hereby grants Agency a limited Power of Attorney to process checks, credit card transactions, drafts and money orders. This authority includes the power to retain and compute fees, process client balance adjustments on accounts received during the collection efforts.

17. Agency is hereby granted authority to process probate claims.

_____ YES, _____ NO. Client initials _____

18. Client authorizes Agency to report accounts to national credit reporting agencies.

_____ YES, _____ NO. Client initials _____

19. If Client authorizes Agency to report delinquent accounts submitted to Agency for collection to one or all of the national credit reporting agencies, Agency shall report such delinquent accounts in accordance with the provisions of the FCRA, FDCPA and applicable state consumer laws. For all accounts for which Client authorizes Agency to report to the national credit reporting agencies, Client shall provide the statutorily required DATE OF DELINQUENCY which is required for reporting accounts to the credit reporting agencies, as well as the full Social Security Number and Date of Birth of the consumer. The reporting period for medical debt begins to run 180 days after the date of delinquency. Accounts that were paid, or are being paid in full by insurance must be deleted from credit reporting.

20. Agency agrees to comply with the FCRA. Client agrees that Agency acts solely as Client's agent for such purpose, and that Agency shall not be held responsible for any damages, whether direct or indirect or otherwise resulting from Client's failure to report accurate and appropriate information to Agency, or by submission of an account to any credit reporting agency which is not



authorized under either state or federal law.

21. Agency agrees that it will provide responsive information within twenty (20) days of request to enable Agency to respond to consumer credit bureau disputes or provide validation of disputed debt as requested under the applicable consumer laws. Client's failure to provide documentation will result in the disputed account being deleted from the credit bureau and closed back to Client in accordance with the FCRA.

22. Client shall indemnify and hold Agency harmless for any damage or expenses Agency may incur as a result of Agency conducting these credit reporting processes on behalf of Client, except for damage or expenses Agency may incur as a result of Agency's negligence or misconduct with respect to the processing of an account with any credit reporting agency.

23. In the event that no voluntary payments can be arranged, and litigation is necessary to effect the collection of monies owed to Client, Agency shall obtain written authorization from Client before filing suit.

24. If Client authorizes suit as provided above, Client agrees to provide the necessary documentation to litigate an account, including the notarized suit authorization form, supporting contracts and other documents needed to prove the case and if applicable, court costs (filing fees) within twenty (20) days of the request for suit authorization.

25. Client grants authority to file suit after notice to client.

_____ YES, NO. Client initials _____

26. If Client authorizes suit as provided above, Client will advance costs for litigation, such costs will be returned to Client from the first monies recovered from the consumer. Client is not responsible to pay commission fees for



Agency's attorney.

27. Agency agrees to comply with all federal and state statutes, rules, and regulations regarding the confidentiality of the Account Information.
28. Agency shall take all measures necessary to maintain the confidentiality of the Account Information disclosed to it and to maintain the physical security of documents and data storage media containing Account Information.
29. Agency hereby agrees that they shall comply with all reuse, redisclosure, or other customer information handling, processing, security and protection requirements that are specifically required of a non-affiliated third party processor or servicer (or subcontractor) under the Federal Trade Commission's Privacy of Consumer Financial Information; Final Rule (16 CFR 313) implementing Title V of the Gramm-Leach-Bliley Act, Public Law 106-102 (the "GLB Requirements") and other applicable federal and state consumer privacy laws, rules, and regulations.
30. Agency is prohibited from disclosing or using any nonpublic personal information (as defined in the GLB Requirements) disclosed to it by Client, except solely to carry out the purposes for which it was disclosed, including use under an exception contained in Section 313.14 or 313.15, as applicable, of the GLB requirements in the ordinary course of business to carry out those purposes.
31. Agency shall report to Client all known or suspected Security Incidents. "Security Incident" means any unauthorized action by a known or unknown person which, if attempted, threatened, or successfully completed, should reasonably be considered one of the following: an attack, penetration, disclosure of confidential customer or other sensitive information, misuse of system access, unauthorized access or intrusion (hacking), virus intrusion, scan of Agency's systems or networks, or any other activity that could affect



Agency's systems or data, or the confidentiality, integrity or availability of the Client's information received, stored, processed, or maintained by Agency.

32. Agency has the following Data Security commitment responsibilities:

- Agency will implement and maintain an information security program applicable to all facilities, networks, and infrastructure used by Agency to provide services to Client under this Agreement.
- Access to Client data will be restricted to appropriate personnel at Agency.
- Agency will follow reasonable industry standards for the security of the confidential information it receives under this Agreement including among other items, information security policies, security administration, user provisioning, password controls, data encryption, firewall and perimeter controls, intrusion detection, security monitoring, and anti-virus software.
- Agency will retain and dispose of confidential Client data in accordance with its policies and procedures.
- Agency will communicate potential breaches in security and confidentiality to Client in accordance with the Agency's Security Incident Response Policy

33. Client has the following Data Security commitment responsibilities:

- Ensure that any data provided to Agency is submitted in a secure and encrypted format.
- Ensure controls are in place for the prevention and detection of errors or irregularities involving any data provided to Agency and ensure any erroneous information is corrected and resubmitted in a timely manner.
- Ensure appropriate controls for authorizing personnel access to any data or system provided by Agency and notify Agency when personnel no longer require access.
- Ensure appropriate personnel perform a timely review of reports and other output information submitted by Agency and timely written notice is provided to Agency of discrepancies as compared to its own records.
- Ensure appropriate data retention and/or data destruction controls are in



place.

- Client is responsible for communicating in a timely manner any identified breaches in security or confidentiality to Agency by emailing eburgos@acsi.net or by calling (615) 690-1811.

34. All notices, demands, documents or other communications which are required or permitted to be given or served hereunder shall be deemed to have been duly given only when made in writing and delivered in person or by courier or messenger, or deposited for delivery by the United States Postal Service, postage prepaid, first class, express, certified or registered mail, return receipt requested, or by facsimile, addressed to the parties as follows:

If to Client: _____

If to Agency: Automated Collection Services, Inc.
 304 Northcreek Blvd
 Goodlettsville, TN 37072
 Attn: Richard L. Blair

35. Client may terminate this Agreement with a thirty (30) day notice in writing. Client will provide to agency a list of those accounts that are to be closed per Client request, subject to Paragraph 1 (a)(4) above.

36. All Agreements between Agency and Client are incorporated in this Agreement. No changes made by either party shall be accepted as valid, waived or vary the terms expressed herein except by a signed written agreement.



37. In the event that either party to this Agreement brings an action to enforce this Agreement, the prevailing party in such action shall be entitled to its reasonable attorneys' fees and expenses.

For Agency:

By: _____ Date: _____

Printed Name: Richard L. Blair Title: President and C.O.O.

For CLIENT:

By: _____ Date: _____

Printed Name: _____ Title: _____

Business Associate Agreement

This Business Associate Agreement (“Agreement”) is made and entered into by and between Automated Collection Services, Inc. (a Tennessee corporation) (ACSI), and
CITY OF COLUMBUS NE (“Client”).

Recitals

- A. 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. Parts 160 and 164, requiring certain individuals and entities subject to the Privacy Standards (each a “Covered Entity”, or collectively, “Covered Entities”) to protect the privacy of certain individually identifiable health information (“Protected Health Information”, or “PHI”).
- B. Pursuant to HIPAA, HHS has issued the Security Standards (the “Security Standards”), at 45 C.F.R. Parts 160, 162 and 164, for the protection of electronic protected health information (“EPHI”).
- C. In order to protect the privacy and security of PHI, including EPHI, 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 EPHI.
- D. On February 17, 2009, the federal Health Information Technology for Economic and Clinical Health Act was signed into law (the “HITECH Act”), and the HITECH Act imposes certain privacy and security obligations on Covered Entities in addition to the obligations created by the Privacy Standards and Security Standards.
- E. The HITECH Act revises many of the requirements of the Privacy Standards and Security Standards concerning the confidentiality of PHI and EPHI, including extending certain HIPAA and HITECH Act requirements directly to business associates.
- F. The HITECH Act requires that certain of its provisions be included in business associate agreements, and that certain requirements of the Privacy Standards be imposed contractually upon Covered Entities as well as business associates.

Definitions

- A. Catch-all definition. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.
- B. Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Automated Collection Services, Inc.
- C. Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean _____
- D. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR Part 160 and Part 164.

Agreement

In exchange for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, ACSI and Client agree as follows:

- A. The Recitals and Definitions to this Agreement are incorporated herein by this reference. All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Privacy Standards, Security Standards or the HITECH Act, as applicable. All references to PHI in this Agreement shall be deemed to include references to PHI in electronic form or EPHI held by ACSI unless stated otherwise.
- B. ACSI and Client acknowledge that in performing services to Client under a services contract (“Services Agreement”), ACSI may receive from Client or create, use or have access to on behalf of Client, health information that is protected under applicable state and/or federal law, including without limitation, PHI and EPHI regarding individual patients under the care of Client. The types of PHI to which ACSI may have access and which ACSI is permitted to generate on behalf of Client are expected to include, but may not be limited to:
 - a. Demographic and address data;
 - b. Dates;
 - c. Types and costs of medical services provided;
 - d. Other diagnostic and medical information;
 - e. Health plan coverage; and
 - f. Personal financial data relevant to payment for treatment.
- C. ACSI agrees not to use or disclose any PHI received from Client:
 - a. For any reasons other than its performance of its duties as specified in the Services Agreement and its reasonable internal management and administration activities;
 - b. Except as (1) reasonably required for the performance of its duties under the Services Agreement or (2) necessary to perform its reasonable internal management and administration activities;
 - c. Except to clearinghouses, insurance companies and payers, and others in the ordinary course of ACSI providing services under the Services Agreement; and/or
 - d. Except to persons who have entered into a written agreement with ACSI in which such person(s) covenant(s) to maintain the confidentiality of the disclosed information.
- D. ACSI will take reasonable steps to safeguard the confidentiality of PHI obtained, generated, maintained, or transmitted from or on behalf of Client, including but not limited to the following specific steps:
 - a. ACSI will keep Client’s PHI separate from inescure or public information;
 - b. ACSI will keep Client's PHI in a secure location or system with limited access;
 - c. ACSI will only transmit or deliver Client's PHI using a reasonably secure message and delivery system. ACSI and Client agree that the following systems are appropriately secure;
 - i. Sealed envelopes properly addressed and placed in the US mail or other mail delivery/ courier services;
 - ii. Emailed files protected by encryption or a password provided in a separate message;
 - iii. Locked courier packages transported by ACSI's courier service with keys at Client's office and ACSI's Mailroom; and
 - iv. Encrypted electronic files.
- E. ACSI will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of EPHI obtained, generated, maintained or transmitted from or on behalf of Client. ACSI will also implement all of the administrative, physical, and technical security requirements of HIPAA set out in 45 C.F.R.

Subchapter C (Parts 160, 162 and 164). Generally, ACSI will (A) ensure the confidentiality, integrity, and availability of all EPHI that ACSI creates, receives, maintains or transmits; (B) protect against any reasonably anticipated threats or hazards to the security or integrity of such information; (C) protect against any reasonably anticipated uses or disclosures of such information that are not permitted or required by HIPAA; and (D) ensure compliance with these requirements by its workforce. Specifically, ACSI will comply with the security requirements of 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and 164.316 with respect to all EPHI.

- F. ACSI will implement the general requirements set forth in Section 5, and document its security activities with regard to the specific security standards required in 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and 164.316. Each security standard is either “required” by federal law or “addressable.”
- a. When the security standards are “required”, ACSI will implement the specification and document that it has done so; and
 - b. When the security standards are “addressable,” ACSI will assess whether each implementation specification is a reasonable and appropriate safeguard in its environment and whether it is likely to contribute to protecting the Client’s EPHI, and either:
 - i. Implement the specification if ACSI finds it to be reasonable and appropriate; or
 - ii. If ACSI finds that implementing the implementation specification is not reasonable and appropriate, document why it would not be reasonable and appropriate to implement, and then implement an equivalent alternative measure.

Security measures which are implemented to comply with standards and implementation specifications will be reviewed and modified as needed to continue providing reasonable and appropriate protection of EPHI. ACSI will make all such documentation of implementation and maintenance available to Client upon request.

- G. Client agrees that ACSI shall not be deemed to breach any covenant in this Agreement by making any disclosure of PHI to any person or in any manner expressly as directed either orally or in writing by an authorized official of Client and/or the medical professional(s) from whom the PHI originated. ACSI agrees to promptly inform Client in the event that it becomes aware that any PHI received from or generated by or on behalf of Client has been transmitted to a person or in a manner which is not authorized by this Agreement
- H. ACSI agrees to implement reasonable systems for the discovery and prompt reporting of any “breach” of “unsecured PHI” as those terms are defined by 45 C.F.R. §164.402 (hereinafter a “HIPAA Breach”). The parties acknowledge and agree that 45 C.F.R. §164.404, as described in this section, governs the determination of the date of a HIPAA Breach. ACSI will notify Client of a HIPAA Breach discovered by ACSI within a reasonable time after ACSI discovers such HIPAA Breach, but no later than thirty (30) days after ACSI discovers such a HIPAA Breach, unless ACSI is prevented from doing so by 45 C.F.R. §164.412 concerning law enforcement investigations, and comply with the HIPAA Breach notification requirements set forth at 45 C.F.R. §164.400 et seq as required of a Covered Entity. For purposes of reporting a HIPAA Breach to Client, the discovery of a HIPAA Breach shall occur as of the first day on which such HIPAA Breach is known to ACSI or, by exercising reasonable diligence, would have been known to ACSI. ACSI will be considered to have had knowledge of a HIPAA Breach if the HIPAA Breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the HIPAA Breach) who is an employee, officer or other agent of ACSI. In the event that a discovered HIPAA Breach is the result of Client’s error or Client’s failure to comply with any of the terms of the Services Agreement, ACSI shall provide Client with sufficient information to permit Client to comply with the HIPAA Breach notification requirements set forth at 45 C.F.R. §164.400 et seq no later than thirty (30) days following

discovery of such HIPAA Breach,. Specifically, if the following information is known to (or can be reasonably obtained by) ACSI, ACSI will provide Client with:

- a. Contact information for individuals who were or who may have been impacted by the HIPAA Breach (e.g., first and last name, mailing address, street address, phone number, email address)
- b. A brief description of the circumstances of the HIPAA Breach, including the date of the HIPAA Breach and date of discovery;
- c. A description of the types of unsecured PHI involved in the HIPAA Breach (e.g., names, social security number, date of birth, address(es), account numbers of any type, disability codes, diagnostic and/or billing codes and similar information);
- d. A brief description of what ACSI has done or is doing to investigate the HIPAA Breach, mitigate harm to the individual(s) impacted by the HIPAA Breach, and protect against future HIPAA Breaches; and
- e. Appoint a liaison and provide contact information for same so that Client may ask questions or learn additional information concerning the HIPAA Breach.

Following a HIPAA Breach, whether by Client or by ACSI, ACSI will have a continuing duty to inform Client of new information learned by ACSI regarding the HIPAA Breach, including but not limited to the information described in items (a) through (e), above in this Section.

- I. Client expressly acknowledges that once ACSI has informed it of any HIPAA Breach that was a result of Client's error or failure, as in Section H, ACSI shall have no further responsibility with regard to the breach, and Client shall have the sole responsibility thereafter to report such HIPAA Breach and any relevant information pertaining to the breach to affected patients, HHS, and/or the media as required by law. If Client desires ACSI to be primarily responsible for the notification requirements after such HIPAA Breach, Client and ACSI shall negotiate the terms and payment for such performance on a case-by-case basis with regard to each HIPAA Breach.
- J. Client shall have sole responsibility to control and respond to any investigation or audit, including any investigation or audit brought by any enforcement authority, such as the HHS Office of Civil Rights, pursuant to any complaint or allegation of a HIPAA Breach, and ACSI shall, at Client's expense, reasonably cooperate with Client in Client's defense of and response to such an investigation or audit. Client may request that ACSI be primarily responsible to respond to and defend any such investigation or audit, but the terms and compensation to ACSI shall be negotiated on a case-by-case basis with regard to each such investigation and audit. In the event that an investigation is brought as the result of ACSI's error or failure and Client requests that ACSI be primarily responsible to respond to and defend any such investigation or audit, Client may negotiate the terms with ACSI on a case-by-case basis. ACSI will waive compensation for any such response or defense.
- K. ACSI agrees that it will not subcontract or delegate any part of its duties under this Agreement that relate to Client's PHI to any other person or entity, nor assign any part of those duties, except to a person or entity who is aware of and willing to comply with ACSI's security and confidentiality obligations to Client under this Agreement.
 - a. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information.
- L. During the term of this Agreement, ACSI will:
 - a. Retain a permanent, accessible log or record of any disclosures of Client's PHI in accordance with 45 CFR §164.528, as amended by Section 13405(c) of the HITECH Act and any related regulations or guidance issued by HHS in accordance with such provision;
 - b. Direct all patient requests received by ACSI to view or change Client's PHI governed by this Agreement to Client;

- c. Timely make Client's PHI governed by this Agreement available to Client when requested by Client;
 - d. Timely make changes to the copies of Client's PHI governed by this Agreement held by ACSI when requested by Client, in writing, to do so;
 - e. Timely respond to requests from Client for reports regarding ACSI's disclosures of Client's PHI governed by this Agreement, and ACSI's logs and record thereof within thirty (30) days of Client's request or such shorter time as may be required by state or federal law. Such accounting must be provided without cost to the individual or to Client if it is the first accounting requested by an individual within any twelve (12) month period. For subsequent accountings within a twelve (12) month period, ACSI may charge a reasonable fee based upon the ACSI's labor costs in responding to a request for electronic information (or a cost-based fee for the production of non-electronic media copies) so long as ACSI informs the Client and the Client informs the individual in advance of the fee, and the individual is afforded an opportunity to withdraw or modify the request. Such accounting obligations shall survive termination of this Agreement and shall continue as long as ACSI maintains Client's PHI
 - f. Timely respond to lawful inquiries, if any, from HHS regarding ACSI's use and disclosure of Client's PHI under this Agreement;
 - g. To the extent the business associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s);
 - h. Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules;
 - i. Covered entity shall notify business associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect business associate's use or disclosure of protected health information; and
 - j. Covered entity shall notify business associate of any restriction on the use or disclosure of protected health information that covered entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect business associate's use or disclosure of protected health information.
- M. Permitted Uses and Disclosures by Business Associate:
- a. Business associate may only use or disclose protected health information as necessary to perform the services set forth in Service Agreement.
 - b. Business associate may use or disclose protected health information as required by law;
 - c. Business associate agrees to make uses and disclosures and requests for protected health information consistent with covered entity's necessary policies and procedures;
 - d. Business associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by covered entity except for the specific uses and disclosures set forth herein;
 - e. Business associate may use protected health information for the proper management and administration of the business associate or to carry out the legal responsibilities of the business associate;
 - f. Business associate may disclose protected health information for the proper management and administration of business associate or to carry out the legal responsibilities of the business associate, provided the disclosures are required by law, or business associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies business associate of any instances of which it is aware in which the confidentiality of the information has been breached;

- g. Business associate may provide data aggregation services relating to the health care operations of the covered entity.
- N. Term and Termination:
 - a. Term. The Term of this Agreement shall be effective as of 7/01/26 date and shall terminate on N/A date or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.
 - b. Termination for Cause. Business associate authorizes termination of this Agreement by covered entity, if covered entity determines business associate has violated a material term of the Agreement and business associate has not cured the breach or ended the violation within 30 days.
- O. Upon termination of this Agreement, ACSI will either return or destroy all original copies of PHI obtained or generated from or for the benefit of Client, and all information and records that contain any of that PHI, and confirm that it has done so in writing. ACSI is expressly authorized to retain copies of any and all PHI obtained or generated from or for the benefit of Client and all information and records that contain any of that PHI. The provisions of this Section shall survive termination of this Agreement. Obligations of business associate upon termination:
 - a. Upon termination of this Agreement for any reason, business associate shall return to covered entity all protected health information received from covered entity, or created, maintained, or received by business associate on behalf of covered entity that the business associate still maintains in any form. Business associate shall retain no copies of the protected health information;
 - b. Retain only that protected health information which is necessary for business associate to continue its proper management and administration or to carry out its legal responsibilities, until there remains no need for the PHI, and then it shall be destroyed;
 - c. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as business associate retains the protected health information;
 - d. Not use or disclose the protected health information retained by business associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out in Section 13 which applied prior to termination;
 - e. Return to covered entity or, if agreed to by covered entity, destroy the protected health information retained by business associate when it is no longer needed by business associate for its proper management and administration or to carry out its legal responsibilities;
 - f. The obligations of business associate under this Section shall survive the Termination of this Agreement.
- P. In the event that Client discovers or suspects that any PHI obtained or generated from or on behalf of Client by ACSI has been transmitted to a person or in a manner unauthorized by this Agreement, Client agrees to notify ACSI, in writing, of its discovery or suspicions. ACSI agrees to:
 - a. Timely respond in writing to Client's notice and confirm, deny or explain the suspected unauthorized disclosure;
 - b. Take such steps as may be reasonably necessary to avoid such unauthorized disclosure in the future; and
 - c. Inform Client of those steps in writing.
- Q. Notwithstanding anything in this Agreement, or the Services Agreement, to the contrary, ACSI and Client acknowledge and agreed that ACSI may disclose PHI obtained or generated from or for the benefit of Client to the extent required by statute or regulation, or pursuant to subpoena or order of any judicial, legislative or regulatory body with competent jurisdiction. Before making

any disclosures permitted under this Section, ACSI (unless prohibited by law from doing so) will promptly inform Client in writing of the required disclosure; and ACSI shall use reasonable efforts to obtain reasonable assurances from the receiving party that the disclosed information will be kept confidential, except to the extent required by law. ACSI will cooperate with Client to the extent that Client chooses lawfully to seek limitation of the required disclosure.

R. Miscellaneous Provisions.

- a. Governing Law. This Agreement shall be governed by and construed, in accordance with the laws of the state of Tennessee and applicable federal law, without giving effect to any conflicts or choice of laws provisions. Client acknowledges that by entering into this Agreement, and accepting the services provided under this Agreement, Client has transacted business in the state of Tennessee. By transacting business in the state of Tennessee by agreement, Client voluntarily submits and consents to, and waives any defense to the jurisdiction of courts located in Davidson County, state of Tennessee, as to all matters relating to or arising from this Agreement.
- b. Attorney's Fees. If any action is brought by either party to this Agreement against the other party regarding the subject matter of this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief granted, reasonable attorney fees, costs, and expenses of litigation.
- c. Notices. All notices, demands, or consents required or permitted under this Agreement shall be in writing and shall be delivered personally or sent by registered mail, certified mail, return receipt requested, or by a reputable overnight courier service, to the appropriate party at the following addresses:

If to ACSI:
ACSI
304 Northcreek Blvd.
Goodlettsville, TN 37072
Attn: Richard L. Blair.

If to Client:

- d. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, unless it is reasonably assumed that the parties would not have entered into this Agreement without the invalid provisions.
- e. No Assignment. Client agrees that it will not assign this Agreement, or any of Client rights under this Agreement without the prior written consent of ACSI, which may be withheld in ACSI's sole discretion. ACSI may assign this Agreement at any time, including an assignment in connection with a merger, sale of assets, or otherwise.
- f. Waiver. The waiver by either party of, or the failure of either party to take action with respect to, any breach of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition, or subsequent breach of the same, or any other term, covenant or condition contained in this Agreement.
- g. Force Majeure. Nonperformance by either party will be suspended or excused to the extent performance is rendered impossible due to causes beyond such party's reasonable control and without negligent or willful misconduct, including, acts of God, natural

disasters, terrorist acts, war or other hostilities, labor disputes, civil disturbances, governmental acts, orders or regulations, third party nonperformance, or failures or fluctuations in electrical power, heat, light, air conditioning, or telecommunications equipment (“Force Majeure”). Neither party shall be relieved from performing any pending obligations under this Agreement when the existence of Force Majeure has been eliminated.

- h. Entire Agreement. This Agreement contains the entire agreement of the parties relative to the subject matter of this Agreement. This Agreement specifically supersedes any prior written or oral agreement between the parties relating to the subject matter of this Agreement. This Agreement is binding upon, and inures to the benefit of, and is enforceable by ACSI, Client, and their respective legal representatives, assigns and successors in interest. Any amendments or changes to this Agreement will be in writing and will not be effective until executed by Client and ACSI. ACSI and Client acknowledge that they are duly authorized by appropriate corporate action to enter into this Agreement and that this Agreement is being signed by duly authorized agents.
- i. Counterparts. This Agreement may be executed in two or more identical counterparts, each of which will be deemed an original, and all of which together shall constitute one and the same instrument.
- j. Further Assurance. ACSI and Client agree, in good faith, to execute and deliver after the date hereof, without additional consideration, such further assurance, instruments and documents, and to take such further actions as the other may reasonably request in order to fulfill the intent of this Agreement and the relationship for services contemplated hereby.
- k. Relationship of the Parties. Nothing in this Agreement shall be construed to create a partnership, or joint venture, or any other form of association, for tax purposes or otherwise, between ACSI and Client. ACSI is an independent contractor.
- l. No Third-Party Beneficiaries. This Agreement is entered into solely for the benefit of ACSI and Client and is not intended to benefit any third party including any patient of Client or any Individual Client. No third party may claim any right or benefit under or seek to enforce any of the terms and conditions of this Agreement.

Dated effective July 1, 2026

ACSI

By _____ [Print Name]
_____ [Print Title]

CLIENT: _____

By _____ [Print Name]
CHRIS NORQUEST [Print Name]
_____ [Print Title]
Finance Director [Print Title]