

Medstrat, Inc.
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement is effective this _____ day of _____, (the Effective Date) by and between Medstrat Inc. ("Medstrat" or "Business Associate"), a medical device manufacturing, sales and service company located at: 1901 Butterfield Road, Suite 600, Downers Grove, IL 60515, and _____ ("Covered Entity") located at: _____.

Purpose: This Contract, set forth below, identifies and clarifies the relationship and responsibilities of the Business Associate ("Medstrat") and Covered Entity.

Relationship: Medstrat and Covered Entity have entered into one or more agreements, e.g., Purchase of Service ("Underlying Agreement") under which Medstrat receives, accesses, uses, or in some way obtains Protected Health Information ("PHI") from and on behalf of the Covered Entity.

Limitations: Medstrat products access and recall parts of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") defined transaction code sets. However, this is done for patient image acquisition, communication, storage, and display. The products do not receive, process, or transmit any of the transactions regulated by HIPAA (e.g. health plan enrollment/disenrollment, submission/receipt of claims, or payment).

Whereas: It is necessary that Medstrat have access to private and confidential Individually Identifiable Health Information ("IIHI"), or Protected Health Information ("PHI"). Access to this information is required for technical service and support for the Medstrat products in the Underlying Agreement.

Whereas: Medstrat also realizes that it is necessary for our customers to become and remain compliant with the HIPAA in addition to other Federal and State laws.

Therefore, Medstrat agrees to:

1. Implement and maintain appropriate Administrative, Physical, and Technological safeguards to prevent use or disclosure of PHI obtained from or on the behalf of the Covered Entity, in any media, other than as provided for by the Underlying Agreement.
2. Not use or disclose PHI other than as provided for by the Underlying Agreement, or as required by law.
3. Mitigate, to the extent practical, any harmful effect that is known to Medstrat of a use or disclosure of PHI by Medstrat in violation of the requirements of this Agreement.
4. Report to covered Entity, within five (5) business days, any use or disclosure of PHI not provided for by the Underlying Agreement of which it becomes aware.
5. Ensure that any agent, including a subcontractor, to whom it provides PHI received from, or on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Agreement.
6. Make internal practices, books and records, including policies and procedures relating to the use and disclosure of PHI received from, or created or received by Medstrat on behalf of Covered Entity available to the Covered Entity, or to the Secretary Department of Health and Human Services ("DHHS"), for purposes of the Secretary, DDHS determining Covered Entity's compliance with the Privacy Rule.
7. Document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
8. Notify Covered Entity, within 5 business days of all patient requests made to Medstrat for an accounting of disclosures of PHI, and to provide to Covered Entity all information necessary to permit Covered Entity to respond to a request by an individual for such accounting. Medstrat shall not disclose PHI to Covered Entity's patients.
9. De-identify PHI, per HIPAA requirements, prior to aggregation and analysis or any use outside the terms of the Underlying Agreement.
10. Amend or destroy any out-of-date PHI contained in a designated record set, as required by the Covered Entity.
11. Determine and request on the "minimum necessary" PHI required to fulfill the obligations of the Underlying Agreement.
12. Once discovered, promptly notify Covered Entity of any use and disclosure outside those allowed by HIPAA.

Covered Entity Agrees to:

1. Notify Medstrat of any changes or limitation(s) in its "Notice of Privacy Practices" in accordance with 45 CFR § 164.520, to the extent that such change or limitation may affect Medstrat's use or disclosure of PHI.
2. Not request Medstrat use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity.

3. Give to Medstrat any amendments to PHI that are required to be made on behalf of the Covered Entity or patient.

Term and Termination:

- A. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Medstrat, covered Entity shall either:
 1. Provide an opportunity for Medstrat to cure the breach or terminate their Agreement and the Underlying Agreement if Medstrat does not cure the breach within a reasonable time specified by the Covered Entity;
 2. Immediately terminate this Agreement, and if necessary the Underlying Agreement, if Medstrat has breached a material term of this Agreement and cure is not possible; or
 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary, DHHS.
 4. In the event the Underlying Agreement must be terminated, any and all early termination clauses in the Underlying Agreement shall remain in full force and effect.
- B. The term of this Agreement shall be effective as of the date first written above, and shall terminate when all of the PHI provided by Covered Entity to Medstrat, or created or received by Medstrat on behalf of Covered Entity is destroyed, or if it is not feasible to destroy, protections are extended to PHI in accordance with the termination provisions in this Agreement.

Effect of Termination:

- A. Upon termination of this Agreement, for any reason, Medstrat shall destroy all non de-identified PHI received from Covered Entity, or created or received by Medstrat on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Medstrat. Medstrat shall retain no copies of PHI.
- B. In the event that Medstrat determines that destroying the PHI is infeasible, Medstrat shall provide to Covered Entity notification of the conditions that make destruction infeasible and extend the protections of this Agreement to such PHI. Medstrat shall limit further uses and disclosures of such PHI to those purposes that make the destruction infeasible for so long as Medstrat maintains such PHI.

Miscellaneous:

- A. Regulatory References. A reference in this Agreement to the Privacy Rule means 45 CFR Parts 160 and 164, Subparts A and E, in effect or as amended.
- B. Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA and amendments and clarifications to the regulations.
- C. Interpretation. Any ambiguity to this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf effective as of _____.

BUSINESS ASSOCIATE

COVERED ENTITY

Medstrat, Inc.

Name of Company

By: _____
Signature

By: _____
Signature

Print Name: Michael C. Cowden

Print Name: _____

Title: President / CEO

Title: _____

Date: _____

Date: _____