

NOTICE OF REGULATORY PROVISIONS
to
Agent Agreement

Effective February 17, 2010, the following provisions regarding new Federal regulations set forth in this Amendment are incorporated into the Agent Agreement between Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, (“Company”) and each of its licensed agents (“Agent”), in accordance with Paragraph 7, HIPAA Business Associate Provisions, subsection (g)(2) of the respective Agent Agreement.

1. Paragraph 7(a) is revised to add the following underlined language:

The Agent and Company agree that Agent is a Business Associate of the Company as that term is defined by the Health Insurance Portability and Accountability Act and its implementing regulations (45 C.F.R. Parts 160-164) (“HIPAA” or “Privacy Rule” or Security Rule” or “electronic Transactions Rule”) and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 and the implementing regulations, that are applicable to business associates (“HITECH”). Covered Entity and BA agree to incorporate into the Agreement any regulations issued with respect to the HITECH that relate to the obligations of business associates. Capitalized terms used in this paragraph 7, and not otherwise defined herein, shall have the meanings set forth in HIPAA, which definitions are hereby incorporated by reference. For purposes of this Paragraph 7, Agent means Business Associate (“BA”) and Company means Covered Entity (“CE”) BA recognizes and agrees that it is obligated by law to meet the applicable provisions of the HITECH. CE and BA agree that the terms set forth in this Amendment are specifically incorporated into the Agent Agreement.

2. Paragraph 7 (b)(2) is **revised** to add the following underlined language:

BA Agrees to use appropriate safeguards to prevent Use or Disclosure of the PHI other than as provided for in this Agreement. Effective April 21, 2005, BA agrees to implement administrative, technical and physical measures that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that BA creates, receives, maintains, or transmits on CE’s behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C. BA agrees to implement administrative, technical and physical measures to protect the confidentiality, integrity and availability of Electronic Protected Health Information as required by HIPAA and as required by Section 13401 of HITECH.

3. The following **new** Paragraph 7(b)(12) is added to the Agreement:

BA will report to CE, following discovery and without unreasonable delay, but in no event later than thirty (30) days following discovery, any “Breach” of “Unsecured Protected Health Information” as these terms are defined by HITECH and implementing regulations. BA will cooperate with CE in investigating the Breach and in meeting CE’s obligations under HITECH and any other security breach notification laws. Any report will include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by BA to have been, accessed, acquired, or disclosed during such Breach.

4. Paragraph 7(b)(7) is revised to **add** the following underlined language:

BA agrees to document such Disclosures of Protected Health Information and information related to such disclosures as would be required for CE to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in Accordance with 45 CFR § 164.528 and HITECH.

5. Paragraph 7(b)(8) is revised to **add** the following underlined language:

BA agrees to provide to CE or an Individual, in a time and manner mutually acceptable to the BA and CE, information collected in accordance with Paragraph 7(b)(7) of this Agreement, to permit CE to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528 and HITECH.

6. Paragraph 7(b)(9) is revised to **add** the following underlined language:

BA agrees to provide access at the request of CE, and in the time and manner mutually agreed to by the BA and CE, to Protected Health Information, to either CE or, as directed by CE, to an Individual in order to meet the requirements under CFR § 164.524 and HITECH.

7. Paragraph 7(c) is revised to add the following underlined language.

Permitted Uses and Disclosures by BA. BA may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Company as specified in paragraph 7(c)(1) of this Agreement, provided that such use or disclosure would not violate the Privacy rule if done by CE or the Minimum Necessary policies and procedures of CE and/or Limited Data Set requirements of the Privacy Rule and HITECH.

8. Paragraph 7(g)(1) is revised to **add** the following underlined language:

Regulatory References. A reference in this Agreement to the Privacy Rule or HITECH means the section in effect or as amended.