



## **PRESS RELEASE**

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### **NCHICA Model Business Associate Agreement Helps Covered Entities Comply with New HITECH Provisions**

Research Triangle Park, NC – The North Carolina Healthcare Information and Communications Alliance, Inc. (NCHICA) published a revised model Business Associate Agreement to help covered entities comply with the Health Information Technology for Economic and Clinical Health (HITECH) Act, which is part of the American Recovery and Reinvestment Act of 2009 (ARRA).

ARRA creates a variety of incentives for health care providers to develop and utilize electronic medical records. To secure this electronic protected health information, the HITECH Act makes significant changes to the Health Insurance Portability and Accountability Act (HIPAA) in three broad categories: business associate requirements, breach notification, and penalties. Among the changes, business associates (including software vendors, health information exchanges and regional health information organizations) are now required to be in direct compliance with the HIPAA Security Rule and HIPAA Privacy provisions. Covered entities must notify individuals of any breaches in the use and disclosure of unsecured (or unencrypted) protected health information, and business associates are required to notify their covered entities of any breaches. In addition, breaches that impact 500 or more patients must be reported to the media and to the Secretary of Health and Human Services (HHS) and will be posted on the HHS website. Civil monetary penalties for violations have increased, with a maximum penalty of \$1.5 million. The breach notification requirements became effective on September 23, 2009, and other requirements become effective on February 17, 2010.

NCHICA revised its model Business Associate Agreement (BAA) to incorporate these updated provisions. The BAA, developed by attorneys from NCHICA's Legal Workgroup, is

available free of charge on the NCHICA website and can be easily downloaded and adapted. Also available are materials to help covered entities in communicating with their business associates: a *Notice to Covered Entities under HIPAA Regarding New Requirements under the ARRA HITECH Act*; a *Template for Business Associate Alert and New Breach Notification Requirements*; and a *Summary of Selected ARRA and HITECH Act Provisions Related to Business Associates*.

To download these documents, please visit [www.nchica.org](http://www.nchica.org).

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NCHICA is a nationally recognized nonprofit consortium dedicated to “*improving health and care in North Carolina by accelerating the adoption of information technology and enabling policies.*” [Members](#) include leading organizations in healthcare, research and information technology. For more information, visit [www.nchica.org](http://www.nchica.org).