



PYA, P.C.  
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2220 Sutherland Avenue  
Knoxville, TN 37919  
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February 1, 2024

Mr. Carson VanZant  
Chairperson of the Board  
Mangum Regional Memorial Hospital  
1 Wickersham Dr.  
Mangum, OK 73554

Dear Mr. VanZant:

PYA, P.C. (PYA) is pleased to submit this engagement letter (Engagement Letter) to Cohesive Healthcare Management & Consulting (CHMC) specifically related Medicare cost reports preparation (Services) for Mangum Regional Medical Center (MRMC).

## OUR UNDERSTANDING OF YOUR NEEDS

PYA understands that MRMC and CHMC are evaluating proposals to assist MRMC with fulfilling its cost reporting requirements on a go-forward basis.

## OUR APPROACH TO SERVING YOU

### STEP 1: DATA ACCESS AND REPRESENTATION

To initiate the project, we will meet with CHMC and MRMC to finalize the specific scope and establish information and communication protocols. Specific action items include, but are not limited to:

- Establish secure protocol for transfer of requested information in both directions.
- Obtain “access” to download PS&R information and upload completed costs reports in MCRéF system.
- Obtain the prior year workpapers from CHMC and MRMC (preferably in Excel format).
- Develop current year information requests based on work paper review.
- Validate current year information for cost reporting sufficiency as basis for completing a compliant cost report for electronic submission to the MAC.

### STEP 2: COMPARATIVE ANALYSIS

We will use comparative analysis and other tools to complete the current year cost reports. PYA will also identify and discuss any key reimbursement issues impacting the current year and prior year cost reports with CHMC and MRMC’s personnel. PYA will not and is not expected to

perform detailed or analytical procedures necessary to verify information derived from source documents such as the general ledger, statistical summaries, or PS&R reports to ensure compliance or accuracy of individual accounting or billing transactions.

PYA will perform high level analytics on key reimbursement drivers including:

- Prior audit adjustments and identified non-allowable costs for impact on current year reporting and results.
- Settlement Data characteristics including charge matching and payment reconciliations.

### STEP 3: DELIVERABLES AND TIMELINE

From the information provided by CHMC and MRMC, PYA will prepare automated CMS Forms 2552-10 and a comprehensive set of workpapers supporting amounts included in the filed cost reports. After discussion with CHMC and MRMC management and internal cost report acceptance, final deliverables will include ECR files and electronic copies of the Medicare and Medicaid cost reports. As MRMC operates on a fiscal year (FY) ending December 31, 2024, the Medicare and Medicaid cost reports are required to be filed no later than May 31, 2024. Once PYA is engaged to complete the cost reports, the estimated timeline to complete the FY 2023 Medicare cost report would be:

### PROPOSED PROJECT TIMELINE

Engagement Step	Current Due Date
Upload prior year work papers	Week of April 1, 2024
Prepare and deliver request for information	Week of April 8, 2024
Weekly progress meetings	Beginning April 15, 2024
Upload current year work papers	On-going beginning April 22, 2024
Field work (cost report preparation)	Week of April 29, 2024
Draft cost report to MRMC	Week of May 13, 2024
<b>Cost Report Due Date</b>	<b>May 31, 2024</b>

### WHY PYA?

#### DECISION CRITERIA

**1. *The firm's knowledge and experience with Medicare Cost Report preparation:***

The PYA professional staff assigned to CHMC and MRMC work exclusively with health care organizations like MRMC and spend virtually 100% of their time on cost reporting and reimbursement analysis. We routinely serve critical access hospitals and other types of rural providers including several of approximately the same size and organizational structure as MRMC. The team has worked with several different Medicare Administrative Contractors and brings that depth to serving MRMC.

**2. *The competency and experience of the staff assigned to the engagements:***

The reimbursement services will be led by **Casey Wilburn** as the Project Manager. Casey will serve as the primary point of contact for these reimbursement services. Casey brings 27 years of healthcare experience with 20 years of reimbursement experience developed through extensive work in consulting and within provider settings. Casey will also oversee the production and engagement deliverables. For MRMC's benefit, all deliverables go through a thorough quality assurance process which will be performed by **Emily Wetsel**, Director of Reimbursement Services.

**3. *The ability to provide year-round support related to cost report audits:***

PYA will plan our audit response immediately upon receiving communication from MRMC regarding scheduled audit activity. We also plan to "get ahead" of any potential audit issues through a comprehensive review of the prior cost report work papers. The combination of effective communication and scoping will have us well-positioned to serve MRMC as needed.

**4. *The ability of the firm to meet the required deadlines:***

Upon selection, we will meet with CHMC's and MRMC's team to plan the engagement, agree upon a specific timeline, review prior year work papers, and finalize a customized request for information. We will establish weekly status calls with the appropriate team members. We have standardized processes for workpaper preparation as well as a comprehensive review process and we will build in appropriate time so that CHMC and MRMC will have adequate time for its own internal review. A proposed engagement timeline is included in this engagement letter.

An important consideration of any collaborative process, such as these reimbursement services, will be how the organizations involved will be aligned. PYA's values of helping clients and creating long term relationships are described below:

- **Quality:** PYA focuses on quality through a comprehensive team-based review process that leverages the significant experience of our reimbursement professionals in all phases of the deliverables and client communications.
- **Customer Service:** PYA focuses on customer service by using a single point of contact approach to timely address all client needs. The single point of contact is fully supported by a dedicated team of professionals focused on anticipating client needs and providing timely and effective communication.

**Access to Resources:** CHMC and MRMC will always benefit from PYA's ability to introduce new ideas by leveraging information developed through our professional relationships such as AHLA<sup>1</sup> and HFMA<sup>2</sup> and more importantly, the breadth and depth of our significant client relationships across a variety of health care organizations and

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<sup>1</sup> AHLA – American Health Law Association.

<sup>2</sup> HFMA – Healthcare Financial Management Association.

situations. Also, our clients benefit from frequent industry updates and insights through webinars and timely email communications. Additionally, MRMC will benefit from

- **PYA's Center for Rural Health Advancement**<sup>3</sup> a dedicated program to help rural providers transform their operations by delivering a full range of practical, rural-specific solutions focused on long-term sustainability.
- **Information Excellence:** PYA's client relationship experience begins with discussions to fully understand your operations and objectives. The client information obtained to complete agreed upon deliverables is based on a customized request consistent with your specific needs. We collaborate on an engagement timeline to meet your objectives, allowing for enough time for any internal review processes or formal presentations prior to established regulatory due dates.
- **Financial Strength:** PYA has been serving clients since 1983 and has survived and thrived through stewardship of our resources and providing guidance to the clients we serve directed towards their own stewardship objectives. When many firms are reducing their focus on "traditional reimbursement" services, PYA continues to invest in these areas because there is still a significant need for these core services. We will serve CHMC and MRMC based on the foundation created through decades of service and by identifying appropriate opportunities to protect MRMC's financial position.
- **Employee Engagement:** PYA consistently scores very high in employee engagement surveys. Our colleagues are engaged because there is a culture of inclusion and collaboration, and this is evidenced in the way we serve clients. We are very committed to delivering high quality and high value reimbursement services. This is supported by the over 30 years of combined dedicated reimbursement knowledge that your team will bring forth to serve MRMC.

## VALUE ADD RESOURCES

PYA understands the importance of selecting a reimbursement partner to not only prepare and support the cost report filings, but to provide other value-added services. For example, we have included a sample analytics report prepared from MRMC's most recently filed cost reports. Mangum Regional Memorial Hospital Critical Access Dashboard Analysis (attached as ***Appendix A***) illustrates MRMC's Medicare margin which compares the actual reimbursement received to the related Medicare defined cost of providing care. **We will update these analyses upon completion of the fiscal year (FY) 2023 cost report as part of our standardized deliverable package.**

Other key elements of the overall reimbursement environment include high impact reimbursement areas such as cost analysis, uncompensated care, Medicare bad debts and the hospital's relationship with the HRSA 340B program. **These areas will be given special attention throughout our engagement processes.**

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<sup>3</sup> <https://www.pyapc.com/pya-center-for-rural-health-advancement/>.

Finally, we are often concurrently engaged with our cost reporting clients to provide audit and assurance services as well. We typically experience synergies that benefit our clients when this occurs. For instance, our reimbursement team is often able to use the audited working trial balance and other workpapers gathered through the audit process. **This usually saves our client's valuable time as the sharing of information minimizes questions and information requests that may distract from their daily obligations.**

## PROJECT TEAM

PYA will assign an experienced, dedicated team to serve MRMC and CHMC.



### **Emily Wetsel – Director of Reimbursement Services, Engagement Director**

Emily has more than 13 years of experience fully devoted to the healthcare industry. She has dedicated most of her career to helping numerous organizations navigate through the ever-changing world of healthcare reimbursement. She is seasoned in preparing and reviewing reimbursement cost reports and has conducted healthcare consulting projects for clients throughout the country. Emily is highly skilled in Medicare and Medicaid compliance reimbursement, with her Medicaid expertise ranging across a number of states including North Carolina, South Carolina, Virginia, Illinois, Georgia, and Tennessee. Emily's in-depth reimbursement knowledge, coupled with her broad healthcare consulting and financial audit experience, helps PYA clients achieve quality results while complying with Medicare and Medicaid regulations.



### **Casey S. Wilburn – Manager, Project Manager/Primary Point of Contact**

Casey assists acute care hospitals, skilled nursing facilities, and clinics with reviews, cost reporting, and Certificate of Need preparation. He has significant experience in analyzing Medicare reimbursement regulations and in providing litigation support for Medicare and Medicaid compensation. Casey earned a Bachelor of Arts from the University of Dayton and a Master of Healthcare Administration from Xavier University. He is a member of the Healthcare Financial Management Association.

## PROPOSED FEES

PYA appreciates the opportunity to develop a long term and collaborative relationship with MRMC while also supporting the value CHMC brings to its facilities. We are confident that you will experience the value that our Firm will bring to your organization.

Service	Estimated Fees
FY 2023 Medicare Cost Report	\$19,000 - \$22,000 (Not to exceed \$22,000)
FY 2024 Medicare Cost Report	To be determined but expected to range from \$19,600 - \$22,700

PYA will discuss with CHMC and MRMC the fee structures for the following cost report years.

The fees and terms reflected in this engagement letter are based on the premise that all information and analysis requested from CHMC and MRMC will be completed and available in a timely

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manner. We will be relying upon CHMC and MRMC personnel to prepare the supporting workpapers used in this engagement. Additionally, if analytical or informational schedules requested by PYA from CHMC and MRMC's financial staff are not complete or available in a timely manner, thus inadvertently expanding the scope of PYA's responsibilities, our fees may be increased to reflect the additional time associated with completing these tasks.

Should the scope of our services change or be expanded during the course of this engagement, we will contact the designated representative to discuss the nature of the change of services, the potential impact on professional fees, and to seek appropriate authorization before proceeding.

## CONCLUSION

We look forward to assisting CHMC and MRMC with these important initiatives. If you agree with the terms set forth in this Engagement Letter and accompanying general business terms (collectively, the Agreement), please indicate your acknowledgement by signing and returning an executed copy of this letter. If you have any questions or require additional information, please contact Emily Wetsel at [ewetsel@pyapc.com](mailto:ewetsel@pyapc.com) or at (704) 317-4753.

Respectfully,

***[SIGNATURE REQUIRED]***

PYA, P.C.

Sent via email only: [dboyd@chmcok.com](mailto:dboyd@chmcok.com)

### **Acknowledged and Accepted on Behalf of Mangum Regional Medical Center:**

By: \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please Print)

Date: \_\_\_\_\_



## APPENDIX A: CRITICAL ACCESS DASHBOARD ANALYSIS

MANGUM REGIONAL MEDICAL CENTER				
Provider Number L 37-1330				
Critical Access Hospital Dashboard Report				
FYE	12/31/2020	12/31/2021	12/31/2022	Trend Line
Beds	18	18	18	
SB SNF	37Z330	37Z330	37Z330	
HB RHC	378541	378541	378541	
HB RHC 2	373487	373487		
Patient Days Acute Medicare	351	412	326	
Patient Days Acute Total	533	684	548	
Patient Days Acute Util %	65.85%	60.23%	59.49%	
Patient Days SB SNF Medicare	3,150	3,029	2,859	
Patient Days SB SNF Total	3,516	3,300	3,062	
Patient Days SB SNF Util %	89.59%	91.79%	93.37%	
Discharges Acute Medicare	109	141	110	
Discharges Acute Total	166	207	160	
Discharges ALOS Medicare	3.22	2.92	2.96	
Discharges ALOS Total	3.21	3.30	3.43	
Cost Reimb Inpatient	1,047,247	1,359,526	1,254,406	
Cost Reimb Swing Bed SNF	9,006,286	9,729,376	10,458,185	
Cost Reimb Outpatient	1,356,842	1,090,909	1,091,460	
Cost Reimb Total	11,410,375	12,179,811	12,804,051	
Charges Inpatient	1,447,910	1,599,600	1,056,247	
Charges Swing Bed SNF	11,235,273	10,108,008	7,566,080	
Charges SNF	963,779	990,225	612,782	
Charges Outpatient	2,517,552	2,581,842	2,434,132	
Charges Total	16,164,514	15,279,675	11,669,241	
% Inpatient	72.33%	84.99%	118.76%	
% Swing Bed SNF	80.16%	96.25%	138.22%	
% Outpatient	53.90%	42.25%	44.84%	
% Total	70.59%	79.71%	109.72%	
Net WS A Expense	15,067,408	15,993,029	17,021,827	
Medicare Cost %	75.73%	76.16%	75.22%	
Medicare Service Total Inpatient	1,047,247	1,359,526	1,254,406	
Medicare Service Total Swing Bed SNF	9,006,286	9,729,376	10,458,185	
Medicare Service Total Outpatient	1,356,842	1,090,909	1,091,460	
Medicare Service Total RHC	148,040	147,239	135,759	
Medicare Service Total Total Medicare Reimbursement	11,558,415	12,327,050	12,939,810	
Medicare Service % Inpatient %	9.06%	11.03%	9.69%	
Medicare Service % Swing Bed SNF %	77.92%	78.93%	80.82%	
Medicare Service % Outpatient %	11.74%	8.85%	8.43%	
Medicare Service % RHC %	1.28%	1.19%	1.05%	
Gross Patient Revenue	22,212,788	21,963,767	18,121,249	
Less: Contractual Allowances	10,250,795	6,437,531	2,823,629	
Net Patient Revenue	11,961,993	15,526,236	15,297,620	
Operating Expense	15,702,749	16,665,175	17,812,164	
Net Operating Gain(Loss)	(3,740,756)	(1,138,939)	(2,514,544)	
Add: Other Income	716,804	3,774,777	900,203	
Net Income(Loss)	(3,023,952)	2,635,838	(1,614,341)	
Copyright 2023 Health Financial Systems - Version 1.8.52.0				



Except to the extent eventually determined to have resulted from PYA, P.C.'s (PYA) fraudulent behavior or willful misconduct: (1) PYA's maximum liability to Mangum Regional Memorial Hospital (MRMC) for any reason relating to the Report, this Agreement, and the Services under this Agreement shall be limited to the fees paid to PYA pursuant to this Agreement, and (2) MRMC will indemnify and hold harmless PYA and its personnel from any claims, liabilities, costs, and expenses arising for any reason relating to the Report, this Agreement, and the Services under this Agreement.

This Agreement reflects the entire agreement between MRMC and PYA relating to the Services and subject matters covered by this Agreement. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of MRMC and PYA contained in this Agreement shall survive the completion or termination of this arrangement.

Any controversy or claim arising out of or relating to the Services and Report covered by this Agreement or hereafter provided by us to MRMC shall be submitted first to voluntary mediation, and if mediation is not successful, then to binding arbitration. Judgment on any arbitration award may be entered in any court having proper jurisdiction.

The aforementioned timeline and fees will expire at the end of 30 days from the date of this Engagement Letter if PYA does not receive a signature of acceptance. PYA will be happy to revisit this Agreement with you if a delay in acceptance is anticipated, but the terms of this Engagement Letter are outlined with specific start dates, PYA staffing, and fees that would need to be reconsidered after 30 days. Furthermore, fees for any additional services that may be required on MRMC's behalf such as consulting services, meeting with or responding to third parties (i.e., subpoenas), or explaining our report to any regulatory body or in any investigation to a judge, jury, or any other trier of fact as convened in any judicial matter will be billed in addition to the professional fees outlined herein and at our then standard hourly rates.

Following commencement of work on this engagement, fees and expenses will be billed to you on a periodic basis and are due upon receipt. PYA may stop work at any time in the event of any unpaid balance. If, for any reason, this engagement is terminated prior to its completion, then our fees shall not be less than the amount of time incurred as of that time at our normal billing rates, plus any out of pocket expenses incurred as of that date.

MRMC understands that PYA will not be making management decisions or performing in a management role. MRMC is responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee the Services PYA provides; and for evaluating the adequacy of those Services.





## APPENDIX B: GENERAL BUSINESS TERMS

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In conjunction with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), PYA requires a business associate agreement (BAA) to be on file prior to the receipt of any protected health information (PHI). For this purpose, PHI has the meaning set forth in HIPAA, the American Recovery and Reinvestment Act of 2009, and their implementing regulations set forth at 45 C.F.R. Parts 160 and 164. If we do not have a BAA with you updated for the HIPAA Final Omnibus Rule published January 25, 2013 and PHI is involved, we have enclosed our standard BAA that will govern transactions involving PHI until superseded by another signed agreement.

PYA reserves the right to use its name in association with MRMC in any marketing and/or promotional content distributed by PYA both privately and publicly. Such promotions may include tombstones, testimonials, case studies and other materials that positively associate and reflect the relationship between MRMC and PYA. PYA hereby agrees not to use its name in association with MRMC in any way that might reflect either organization negatively.



## BUSINESS ASSOCIATE AGREEMENT

### PYA as Business Associate to Client

THIS BUSINESS ASSOCIATE AGREEMENT (the “**Agreement**”) is made and entered into between PYA, P.C. (“**PYA**”), and Mangum Regional Memorial Hospital (“**Client**”).

Client is a Covered Entity (or is a Business Associate to one or more Covered Entities) pursuant to the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder from time to time by the United States Department of Health and Human Services (collectively, and together with the Health Information Technology for Economic and Clinical Health Act, all as amended from time to time, “**HIPAA**”).

Client has engaged or may engage PYA to perform certain services (the “**Services**”) pursuant to one or more engagement letters or other agreements between the parties (each, whether written or oral, a “**Services Agreement**”). In the course of providing the Services, Client may make available to PYA or have PYA obtain or create on its behalf information that may be deemed Protected Health Information subject to the provisions of HIPAA.

In order to comply with the applicable provisions of HIPAA, the parties agree as follows:

#### **1. Definitions.**

1.1 Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed in HIPAA (whether or not such terms are capitalized therein).

1.2 “**Effective Date**” means the date indicated on the signature page of this Agreement or, if later, the first date upon which PYA creates, receives, maintains, or transmits PHI (as defined below).

1.3 “**Electronic PHI**” means PHI that is transmitted or maintained in electronic media.

1.4 “**PHI**” means Protected Health Information created, received, maintained, or transmitted by PYA for or on behalf of Client.

1.5 “**Secretary**” means the Secretary of the Department of Health and Human Services or designee.

**2. Permitted Uses and Disclosures.** PYA may use or disclose PHI only as permitted or required by this Agreement and only for the following purposes:

(i) as necessary to perform the Services;

(ii) to carry out its legal responsibilities or for the proper business management and administration of PYA, provided that with respect to any such disclosure either: (a) the disclosure is Required by Law; or (b) PYA obtains agreement from the person to whom the PHI is to be disclosed that such person will hold the PHI in confidence and will not use or further disclose such PHI except as Required by Law and for the purpose(s) for which it was disclosed by PYA to such person, and that such person will notify PYA of any instances of which it is aware in which the confidentiality of the PHI has been breached;

(iii) to provide Data Aggregation services relating to the Health Care Operations of Client, but only to the extent, if any, expressly provided in the Services Agreement;

(iv) to de-identify PHI in accordance with the standards set forth under HIPAA, but only to the extent, if any, expressly provided in the Services Agreement; and

(v) as Required By Law.

#### **3. Prohibited Uses and Disclosures.**

3.1 Subject to Client’s compliance with its obligations set forth in Section 14 as applicable, PYA shall not use or further disclose PHI in a manner that would violate HIPAA if done by Client.

3.2 If Client notifies PYA in writing that Client has agreed to be bound by additional restrictions on the uses or disclosures of PHI pursuant to Section 14, PYA shall be bound by such additional restrictions and shall not use or disclose PHI in violation of such additional restrictions.

3.3 PYA shall not sell PHI or use or disclose PHI for purposes of marketing or fundraising in violation of HIPAA.

3.4 Nothing in this Agreement shall be construed to require PYA to use or disclose PHI without a written authorization from an Individual who is the subject thereof, or written authorization from any other person, where such authorization would be required under federal or state law for such use or disclosure.

**4. Subcontractors.** Any disclosure to a Subcontractor of PYA shall be pursuant to a written agreement between PYA and such Subcontractor containing substantially the same restrictions and conditions that apply to PYA as are set forth in this Agreement.

**5. Minimum Necessary.** PYA shall request, access, use, and disclose, and Client shall provide PYA with, only the minimum amount of PHI necessary to perform the Services to the extent practicable.

**6. Certain Privacy Rule Compliance.** To the extent that PYA agrees to carry out one or more of Client's obligations under Subpart E of Part 164 of HIPAA (generally known as the HIPAA Privacy Rule), PYA shall comply with such requirements that apply to Covered Entity in the performance of such obligations.

**7. Safeguards.** PYA shall use appropriate safeguards in compliance with Subpart C of Part 164 of HIPAA (generally known as the HIPAA Security Rule), to prevent use or

disclosure of PHI other than as provided for in this Agreement.

## **8. Breach Investigation and Reporting.**

8.1 PYA shall notify Client of any use or disclosure by PYA or its Subcontractors that is not permitted by this Agreement, including Breaches of Unsecured PHI, without unreasonable delay but in no case later than ten (10) days of discovery by PYA. If PYA determines that a Breach of Unsecured PHI has occurred, PYA shall provide a written report to Client without unreasonable delay and no later than thirty (30) days after discovery of the Breach, setting forth the date of discovery thereof, the identities of affected Individuals (or, if such identities are unknown at that time, the classes of such Individuals), a general description of the nature of the incident, and such other information as is required pursuant to HIPAA or reasonably requested by Client. PYA shall supplement such notice with information not available at the time of the initial notification as promptly thereafter as the information becomes available to PYA. Notwithstanding the foregoing, PYA shall not be required to disclose information that would result in a waiver of privilege.

**9. Security Incident Reporting.** PYA shall report to Client in writing any Security Incident involving Electronic PHI within 30 days of PYA's discovery thereof. The parties acknowledge and agree that this section constitutes notice by PYA to Client of the ongoing occurrence of events that are trivial, routine, do not constitute a material threat to the security of PHI, and do not result in unauthorized access to or use or disclosure of PHI (such as typical pings and port scans), for which no additional notice to Client shall be required.

**10. Mitigation.** PYA shall mitigate, to the extent practicable, any harmful effect known to PYA of any use or disclosure of PHI in violation of this Agreement.

**11. Access and Amendment.** With respect to an Individual as to whom PYA maintains PHI, PYA shall notify Client promptly upon receipt of a request from such an Individual for access to or a copy of such Individual's PHI or to amend such Individual's PHI. To the extent permitted under HIPAA, and except as otherwise required upon the order of a court of competent jurisdiction, (i) PYA shall direct such Individual to make such request of Client and (ii) PYA shall not consent to such access, deliver such copy, or comply with such request except as directed by Client. With respect to PHI maintained by PYA in a Designated Record Set, to the extent required by HIPAA, PYA shall (i) make available PHI to Individuals or Client, as reasonably requested by Client in writing and in accordance with HIPAA, and (ii) upon receipt of written notice from Client, promptly amend any portion of the PHI so that Client may meet its amendment obligations under HIPAA.

**12. Accounting for Disclosures.** PYA shall document all disclosures of PHI by PYA and information related to such disclosures as would be required for Client to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA. PYA shall maintain such information for the applicable period set forth in HIPAA. PYA shall deliver such information to Client or, upon Client's request, to the Individual, in the time and manner reasonably

designated by Client, in order for Client to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA. The obligations set forth in this section shall survive the expiration or any termination of this Agreement and shall continue, as to a given instance of a disclosure, until the earlier of (i) the passing of the time required for such information to be maintained pursuant to HIPAA or (ii) the delivery to Client of all such information in a form and medium reasonably satisfactory to Client and the return or destruction of all PHI as provided in this Agreement.

**13. Audit.** If PYA receives a request, made on behalf of the Secretary, that PYA make its internal practices, books, and records relating to the use or disclosure of PHI available to the Secretary for the purposes of determining Client's or PYA's compliance with HIPAA, PYA promptly shall notify Client of such request and, unless enjoined from doing so by order of a court of competent jurisdiction in response to a challenge raised by Client or PYA (which challenge PYA shall not be obligated to raise), PYA shall comply with such request to the extent required of it by applicable law. Nothing in this Agreement shall waive any attorney-client privilege or other privilege applicable to either party.

**14. Obligations of Client.** Client shall notify PYA in writing promptly after discovery or receiving notice of (i) any limitation in Client's Notice of Privacy Practices to the extent that such limitation may affect PYA's use or disclosure of PHI, (ii) any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such change may affect PYA's use or disclosure of PHI, and (iii) any restriction on the use or disclosure of PHI to which Client has agreed in accordance with HIPAA, to the extent that such restriction may affect PYA's use or disclosure of PHI. Client shall obtain any authorization or consents as may be required by HIPAA or other applicable law for any of the uses or disclosures of PHI necessary for PYA to provide to the Services.

**15. Term and Termination.** This Agreement shall become effective on the Effective Date and shall continue in effect until the earlier to occur of (i) the expiration or termination of all Services Agreements or (ii) termination pursuant to this section. Either party may terminate this Agreement effective immediately if it determines that the other party has breached a material provision of this Agreement and failed to cure such breach within 30 days of being notified by the other party of the breach in writing. If the non-breaching party reasonably determines that cure is not possible, such party may terminate this Agreement effective immediately upon written notice to other party.

**16. Effect of Termination.** Upon termination of this Agreement, subject to any applicable provisions of the Services Agreement, PYA shall return to Client or destroy all PHI that PYA maintains in any form and retain no copies of such PHI or, if return or destruction is not feasible (including without limitation if PYA is required by applicable law to retain any such PHI for a time following termination), extend the protections of this Agreement to the PHI and limit its further use or disclosure to those purposes that make the return or destruction of the PHI infeasible. The parties acknowledge that

accountant-client considerations may make it infeasible to return or destroy the PHI and that PYA will take such steps as it determines are reasonably appropriate to fulfilling its legal and ethical obligations with respect to the Services while safeguarding any retained PHI from impermissible use and/or disclosure. The requirements of this section shall survive termination or expiration of this Agreement and shall be in force as long as any PHI remains in the custody or control of PYA.

## **17. Miscellaneous.**

17.1 Notices. Except as otherwise provided in this Agreement, notices and reports given under this Agreement shall be in writing and sent to PYA at **Attn: Compliance Officer, PYA, 2220 Sutherland Avenue, Knoxville, Tennessee 37919**, and to Client at the address shown on the signature page hereof. Such notices shall be deemed delivered (i) when personally delivered, (ii) on the third business day after deposit, properly addressed and postage pre-paid, when sent by certified or registered U.S. mail to the address provided herein, or (iii) on the next business day when sent with next-business-day instruction by recognized overnight document delivery service to the address provided herein.

17.2 Nature of Relationship. PYA shall perform all services hereunder as an independent contractor to Client, and nothing contained herein shall be deemed to create any agency or other relationship between the parties or any of their affiliates. Neither party shall have the right, power, or authority under this Agreement to create any duty or obligation on behalf of the other party.

17.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State that govern the Services Agreement, without regard to conflict of law principles that would result in the application of any law other than the law of such State, and venue for any dispute under this Agreement shall be the same as the venue for a dispute under the Services Agreement.

17.4 Waiver. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of, any right or remedy as to subsequent events.

17.5 Severability. If any one or more of the provisions of this Agreement should be ruled wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction, then (i) the validity and enforceability of all provisions of this Agreement not ruled to be invalid or unenforceable will be unaffected; (ii) the effect of the ruling will be limited to the jurisdiction of the court or other government body making the ruling; (iii) the provision(s) held wholly or partly invalid or unenforceable would be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the parties' intent as manifested herein; and (iv) if the ruling, and/or the controlling principle of law or equity leading to the ruling, subsequently is overruled, modified, or amended by legislative, judicial or administrative action, then the provision(s) in question as originally set forth in this Agreement will be deemed valid and enforceable to the maximum extent permitted

by the new controlling principle of law or equity.

17.6 Entire Agreement. This Agreement, together with each Services Agreement, constitutes the entire agreement between the parties concerning the subject matter hereof. No prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties with reference thereto will be of any force or effect. Each party represents and warrants that, in entering into and performing its obligations under this Agreement, it does not and will not rely on any promise, inducement, or representation allegedly made by or on behalf of the other party with respect to the subject matter hereof, nor on any course of dealing or custom and usage in the trade, except as such promise, inducement, or representation may be expressly set forth herein. In the event that a provision of this Agreement is contrary to a provision of the Services Agreement, the provision of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of the Services Agreement, and shall be considered an amendment of and supplement to the Services Agreement.

17.7 Amendments. This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the parties. The parties will negotiate in good faith in the event an amendment is necessary subsequent to the enactment of any law or regulation affecting the use or disclosure of PHI.

17.8 No Third-Party Beneficiaries. No provision of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever, and any implication to the contrary is expressly disclaimed by each party.

17.9 Headings; Interpretation. The headings of the sections used in this Agreement are included for convenience only and are not to be used in construing or interpreting this Agreement. In the event of a conflict between the provisions of this Agreement and any provisions of the Services Agreement, the provisions of this Agreement shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of HIPAA, as amended, or its interpretation by any court or regulatory agency with authority over either party hereto, HIPAA (interpreted by such court or agency, if applicable) shall control. Where provisions of this Agreement are different from those mandated under HIPAA, but are nonetheless permitted by such rules as interpreted by relevant courts or agencies, the provisions of this Agreement shall control.

17.10 Counterparts. This Agreement may be executed in separate counterparts, each of which so executed and delivered shall constitute an original, but all such counterparts constitute one and the same instrument. Manually-executed counterparts may be delivered in faxed or scanned electronic form, each of which (whether originally executed or such a faxed or scanned electronic document) shall be deemed an original, and all of which together shall constitute one and the same instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart hereof signed by each of the parties.

IN WITNESS WHEREOF, PYA and Client have caused this Agreement to be executed and delivered by their duly authorized representatives.

**PYA:**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CLIENT:**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
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