

New York City Services & Evaluations
500 Bi-County Blvd – Suite 450
Farmingdale, NY 11735
718-264-1640
212-752-1316
Fax: 631-420-8636



Long Island Services & Evaluations
Sensory Gym &
Speech Language Center
299 Hallock Avenue
Port Jeff Station, NY 11776
631-473-4284
Fax: 631-331-2204

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made effective on _____, 20____ by and between NEW YORK THERAPY PLACEMENT SERVICES, INC. (the “Agency”), with offices located at 500 Bi-County Blvd., Suite 450, Farmingdale, NY 11735, and at 299 Hallock Avenue, Port Jefferson Station, NY 11768 and _____ (“Contractor”).

The parties agree as follows:

RELATIONSHIP OF THE PARTIES:

1. In the performance of the Contractor’s services under this Agreement, Contractor shall always act and perform as an independent contractor of the Agency. The Parties do not intend to establish any employment, joint venture, or partnership relationship, either expressly or by implication, between Agency and Contractor. Neither Party is in any way the agent of the other, nor is either Party authorized or empowered to assume any obligation of any kind, implied or expressed, on behalf of the other Party, without the express written consent of the other.

2. The Contractor Authorizes the Agency to provide to any Client to which he/she may be referred any information submitted to the Agency by the Contractor or any information related to eligibility or security clearance necessary to perform the services.

3. This Agreement in no way implies that the Agency will deal exclusively with the Contractor, or the Contractor will deal exclusively with the Agency. This Agreement does not constitute guarantee of successful referrals, and this Agreement does not impose any obligation on the Agency to offer more than one referral to the Contractor or for Contractor to accept any referral.

THE AGENCY’S DUTIES AND OBLIGATIONS:

4. The Agency will advance payment to the Contractor of his/her fees for the approved services.

5. The Agency will offer Contractor a referral to a Client that requires his/her services. All such referrals are preliminary only. Both the Client and Contractor must agree to the referral. Contractor and the Client are both free to refuse the referral, or to end the referral at any time without penalty from the Agency. If an initial referral is unsuccessful, the Agency may offer additional referrals to the Contractor. If a successful referral is made while this agreement is in effect that referral will be subject to the terms of this Agreement.

THE CONTRACTOR'S DUTIES AND OBLIGATIONS:

6. The Contractor named above represents and warrants to the Agency that he/she is duly licensed and registered as a _____ under the laws of the State of New York.

7. The Contractor shall be solely responsible, without any payment or reimbursement from Agency, for all his/her own business and related expenses incurred by Contractor in the performance of his/her duties under this Agreement, including without limitation, any expense of licensing, professional duties, subscriptions to professional publications, and the like.

8. In rendering Services, the Contractor agrees to comply with the laws, rules and regulations of the State of New York, the rules and regulations of all such applicable agencies and all other applicable professional standards and practice guidelines that apply to the practice of his/her profession. As required by law, the Agency has instituted a corporate compliance plan that complies with and incorporates the applicable laws, rules, regulations, and standards. The contractor also agrees to abide by this corporate compliance plan. Also required by law, the Agency has implemented a Business Associates Agreement for Independent Contractor ("BAA"). ("Exhibit A"). As required by law, Independent Contractor must execute the BAA to provide services.

9. The Contractor agrees to keep all medical and educational information confidential. The Contractor shall comply with all of the requirements of state and federal law regarding confidentiality of individually identifiable health information, including but not limited to such requirements as may be imposed from time to time pursuant to the standards for Privacy of Individually Identifiable Health Information published by the U.S. Department of Health and Human Services at 45 C.F.R. Part 160 and Part 164, Subpart E, under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Contractor also agrees to comply with the Family Educational Rights and Privacy Act, 20 U.S.C. § 12342(g) and corresponding Federal Regulations, 34 C.F.R. Part 99, *et seq.*

10. The Contractor shall devise an appropriate schedule of hours for Services that is mutually satisfactory to the Contractor and the Client.

11. Contractor has the right to perform the services required by this Agreement at any place or location and at such times as Contractor may determine or as agreed upon with the families they serve or as specified in an authorization for service provided by the Client, school district, insurance carrier or other applicable entity issuing such authorization for service. The Agency will not determine the days or hours worked by the Contractor.

12. In the event a temporary or permanent replacement is necessary, the Contractor may suggest a replacement.

13. Contractor shall procure and maintain, at his/her own expense, a professional liability insurance policy with limits of coverage of no less than One Million Dollars (\$2 Million Dollars if working in Suffolk County) for each loss and Three Million Dollars in the aggregate.

The policy shall not be cancelled without thirty (30) days' prior written notice to the Agency. This policy shall be subject to approval for adequacy or protection and written evidence of the same must be submitted before any referral is made.

14. The Contractor agrees to indemnify and hold the Agency harmless from any loss, claim, cost, damage, or expense, including attorney's fees and costs, which the Agency may sustain or incur as a result of any claims or actions brought against the Agency which arise from Contractor's negligence or the Contractor's acts or omissions.

15. To the extent he/she is required to do so by law, the Contractor represents that he/she will be responsible for his/her medical, disability and Worker's Compensation insurance.

16. It is expressly agreed by Contractor and Agency that Contractor shall not be required to devote his/her entire professional time and efforts to fulfilling his/her requirements under this Agreement and that, during the term provided herein, Contractor shall be entitled to engage in his/her profession as an employee or independent contractor of any other entity.

17. Contractor also represents that he/she is in an independently established business and provides his/her services to the public. Contractor also represents that he/she currently provides services to other clients.

18. Neither Contractor nor Contractor's employees or contract personnel shall receive any training from Agency in the professional skills necessary to perform the services required by this Agreement. Contractor, however, may be required to complete trainings required by either the Client or a governmental agency, to maintain compliance with governmental rules and regulations.

19. If full payment is not made to the Agency the Contractor will be required to refund any payment for services made by the Agency.

LIMITS ON AGENCY'S RIGHTS AND RESPONSIBILITIES:

20. It is agreed that the Contractor is an independent contractor rendering individual professional services. As such, the Agency's rights and responsibilities under the Agreement are limited as follows:

- a. The Agency shall be under no obligation to provide Worker's Compensation, disability, health, surgical or other insurance or to provide unemployment benefits for the Contractor or to withhold, deduct or pay income or Social Security taxes for the Contractor.
- b. Contractor understands that neither Contractor nor Contractor's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of Agency.
- c. The Contractor shall always be solely liable for his/her own debts, expenses and obligations, including the payment of all required withholding social

security and other taxes.

- d. The Agency will not exercise supervision or control of any kind in the provision of Contractor's services to any Client.
- e. The Agency does not set or amend the Contractor's scheduled hours of work. The Contractor and the Client shall mutually establish the times the Contractor provides services.
- f. All terms and conditions of the relationship between Contractor and any Client are to be decided solely by Contractor and the Client. This includes notice periods, scheduling of vacation or other gaps in service, dress requirement, reporting requirements and nature of supervision.
- g. Contractor agrees that the Agency bears no liability whatsoever for any decision by any Client to alter or terminate the relationship between the Client and Contractor.

COMPENSATION AND BILLING

21. The value or the services provided by the Contractor are mutually agreed to by the Agency and Contractor. The agreed upon compensation shall be a fee-for-service and will be paid on a "per session" or "per evaluation basis" and shall include all tasks required to perform, document and bill for the services, as required by applicable governmental rules and regulations, government agency and/or Client contract. Such tasks include but are not limited to completion of billing forms, service forms, reports, IEP pages, session notes, consultations with parents/teachers, attendance at student meetings, and entry of any such information into an electronic system. Contractor will submit completed documents and billing forms to the Agency for billing and collection services. Proper completion and submission of documents and billing is required to receive payment for the services.

22. The Contractor will bear the full risk of loss for any portion of his/her fees that are not paid by the client in the event of any billing dispute, the Contractor may request the Agency's assistance in resolving the dispute. However, the Contractor has the ultimate responsibility for resolving such disputes.

DURATION:

23. The Agreement shall continue indefinitely, but either Party may terminate this Agreement upon thirty (30) days written notice for any reason at any time. This Agreement will not terminate during times that Contractor is not performing services, unless written notice of termination is provided by a Party.

GENERAL PROVISIONS:

24. This Agreement embodies the entire agreement of the parties and supersedes all prior agreements or understandings relating to the subject matter hereof, written or oral, and may not be modified or amended at any time during the term of this Agreement, except by mutual consent in writing, duly executed by the responsible person(s) of both parties.

25. Should any part of this agreement, for any reason, be declared invalid, such decision shall not affect the validity of any remaining parts of this Agreement. Such remaining parts shall remain in full force as if this Agreement has been executed with the invalid part eliminated.

26. The Contractor shall not have any right or power to enter into any agreement or commitment on behalf of the Agency. The Contractor shall not assign any of his/her rights or obligations hereunder.

27. All disputes under this Agreement shall be submitted to the American Arbitration Association in accordance with its commercial arbitration rules and one arbitrator shall be selected to hear such disputes. The parties agree that each party should be responsible for their own costs, arbitration fees, and attorneys' fees.

28. This Agreement shall be governed by the internal laws of the State of New York.

29. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail or other electronic medium shall have the same force and effect as an original signature.

IN WITNESS WHEREOF, each party has executed this Agreement on this _____
day of _____.

NEW YORK THERAPY PLACEMENT
SERVICES, INC.

Signature: John F. Johnson

Title: Director of Operations

500 Bi-County Blvd., Suite 450
Farmingdale, NY 11735

And

299 Hallock Avenue
Port Jefferson Station, NY 11776

Contractor Name (indicate corporate, or
partnership or other status)

Signature: _____

Title: _____

Business Address and Telephone

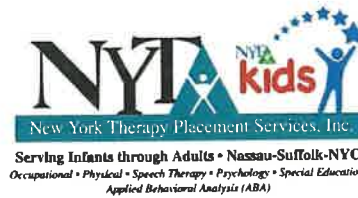
Street

City, State, Zip

Telephone

Social Security No. or Employer I.D. Number

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EXHIBIT A
BUSINESS ASSOCIATES AGREEMENT
FOR INDEPENDENT CONTRACTOR

This Business Agreement (“Agreement”) is entered into this _____ day of _____
20____ between New York Therapy Placement Services, Inc. (NYTPS) and _____
_____ (“Contractor”).

RECITALS

NYTPS provides healthcare services with a principal place of business at 299 Hallock Ave,
Port Jefferson Station, NY 11776.

NYTPS, as a Covered Entity under the Health Information Portability and Accountability
Act of 1996 (“HIPAA”) is required to enter this Agreement to obtain satisfactory assurances that
Contractor, a Business Associate under HIPAA, will appropriately safeguard all Protected Health
Information (“PHI”) as defined herein, disclosed, created, maintained, or received by Contractor
on behalf of NYTPS.

NYTPS desires to engage the Contractor to perform certain functions for, or on behalf of,
NYTPS involving the disclosure of PHI by NYTPS to the Contractor, or the creation, maintenance,
or use of PHI by Contractor on behalf of NYTPS and Contractor desires to perform such functions.

In consideration of the mutual promises below and the exchange of information pursuant
to this agreement and to comply with all legal requirements for the protection of this information,
the parties therefore agree as follows:

Article I - Definitions of Terms

1.01. “Agreement” means this Business Associate Agreement.

1.02. “Business Associate” shall have the meaning given to such term in 45 C.F.R.
§ 160.103.

1.03. “C.F.R.” shall mean the Code of Federal Regulations.

1.04. "Covered Entity" shall have the meaning given to such term in 45 C.F.R. § 160.103, and about the party to this agreement, shall mean New York Therapy Placement Services, Inc. (NYTPS)

1.05. "Designated Record Set" shall have the meaning given to such term in 45 C.F.R. § 164.501.

1.06. "Electronic Protected Health Information or Electronic PHI" shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. § 160.103, as applied to the information that Business Associate creates, receives, maintains or transmits from or on behalf of Physician Practice.

1.07. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. Parts 160 and 164.

1.08. "Individual" shall have the same meaning given to such term in 45 C.F.R. § 160.103 and shall include a person who qualifies as the individual's personal representative in accordance with 45 C.F.R. § 164.502(g).

1.09. "Privacy Rule" shall mean the Privacy Standards at 45 C.F.R. Part 164, Subpart E.

1.10. "Protected Health Information" ("PHI") shall have the meaning given to such term in 45 C.F.R. § 160.103.

1.11. "Required By Law" shall have the same meaning given to such term in 45 C.F.R. § 164.103.

1.12. "Secretary" shall mean the Secretary of Health and Human Services ("HHS") or his or her designee as provided in 45 C.F.R. § 160.103.

1.13. "Security Incident" shall have the same meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. § 164.304.

1.14. "Security Rule" shall mean the Security Standards at 45 C.F.R. Part 164, Subparts A and C.

Article II - Obligations and Activities of Contractor

2.01. Protected Health Information. Contractor agrees and acknowledges that any individual's Protected Health Information that comes within the Contractor's custody, exposure, possession or knowledge or is created, maintained, retained, transmitted, derived, developed, compiled, prepared or used by the Contractor in the course of or in connection with the performance of services under this Agreement, is confidential and shall remain the exclusive property of NYTPS and shall be used, disclosed, transmitted and/or maintained solely in accordance with this Agreement and as Required By Law. Contractor agrees to comply with its obligations as a Business Associate and acknowledges that it is subject to and agrees to comply with HIPAA and all applicable guidance and regulations issued by the Secretary to implement HIPAA and all other applicable law.

2.02. Use of Protected Health Information. The Contractor shall not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required By Law.

2.03. Forwarding Requests for Disclosure from Government to NYTPS. Contractor shall forward all requests for the disclosure of Protected Health Information from a law enforcement or government official, or pursuant to a subpoena, other legal request or court or administrative order, to NYTPS as soon as possible before making the requested disclosure, but no later than five (5) business days following its receipt of such request or order.

2.04. Assisting NYTPS Respond to Requests for Disclosure from Government. Contractor shall provide to NYTPS all Protected Health Information necessary to respond to a request for the disclosure of Protected Health Information by a law enforcement or government official, or pursuant to a subpoena, other legal request, or court or administrative order as soon as possible, but no later than two (2) business days following its receipt of such written request from Physician Practice.

2.05. Restrictions on Use and/or Disclosure of Protected Health Information. Contractor shall comply with all granted restrictions on the use and/or disclosure of Protected Health Information, pursuant to 45 C.F.R. § 164.522(a), upon notice from NYTPS. Contractor shall forward to NYTPS any requests for restriction on the use and/or disclosure of Protected Health Information within five (5) business days of receipt.

2.06. Requests for Confidential Communication of Protected Health Information. Contractor shall comply with all granted requests for confidential communication of Protected Health Information, pursuant to 45 C.F.R. § 164.522(b), upon notice from NYTPS. Contractor shall forward to NYTPS any requests for confidential communication of Protected Health Information within ten (10) business days of receipt.

2.07. Appropriate Safeguards. Contractor shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of NYTPS, as required by the Security Rule. **All PHI that is saved to any portable device must be password protected.**

2.08. Duty to Mitigate. Contractor shall take immediate steps to mitigate, to the extent practicable or as reasonably directed by NYTPS, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement, the Privacy Rule or the Security Rule, such as obtaining the recipient's satisfactory assurances that the information will not be further used or disclosed (through a confidentiality agreement or similar means) or will be destroyed.

2.09. Reporting of Unauthorized Uses or Disclosures. Contractor shall report to NYTPS any use or disclosure of the Protected Health Information not provided for by this Agreement, the Privacy Rule or the Security Rule, including breaches of unsecured Protected Health Information, as required at 45 C.F.R. § 164.410, and any security incident of which it becomes aware, as soon as possible, but no later than five (5) business days after discovery. If the Contractor reports any

prohibited use or disclosure of protected health information or a potential breach of unsecured Protected Health Information to NYTPS, such report will include at least the following, provided that the absence of any information will not be cause for the Contractor to delay report:

2.09.01. Identify the nature of the breach, including a brief description of what happened, including the date of any breach and the date of the discovery of any breach;

2.09.02. Identify the types of Protected Health Information that were in the breach (such as whether full name, Social Security number, date of birth, home address, account number, diagnosis, or other information were involved);

2.09.03. Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;

2.09.04. Identify what corrective or investigational action Contractor took or will take to prevent further non-permitted uses or disclosures, to mitigate harmful effects, and to protect against any further breaches;

2.09.05. Identify what steps the individuals who were subject to a breach should take to protect themselves; and

2.09.06. Provide such other information, including a written report and risk assessment under 45 CFR 164.402, as NYTPS may reasonably request.

2.10. Subcontractors, Consultants, Agents and Other Third Parties. Contractor shall in accordance with 45 C.F.R. §§ 164.502(e)(1)(ii) and 164.308(b)(2) ensure that any subcontractor, consultant, agent, or other third party that creates, receives, maintains, or transmits Protected Health Information on behalf of Contractor agrees to the same restrictions, conditions, and requirements that apply to Contractor with regard to its creation, use, and disclosure of Protected Health Information. Contractor shall, upon request from NYTPS, provide NYTPS with a list of all such third parties. Contractor shall ensure that any subcontractor, consultant, agent, or other third party to whom it provides Electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect such information. Contractor must terminate its agreement with any subcontractor, consultant, agent or other third party, and obtain all Protected Health Information provided to such subcontractor, consultant, agent or other third party, if Contractor becomes aware that the subcontractor, consultant, agent or other third party has breached its contractual duties relating to HIPAA or this agreement. If any subcontractor, consultant, agent, or other third party of Contractor are not subject to the jurisdiction or laws of the United States, or if any use or disclosure of Protected Health Information in performing services under the Agreement will be outside of the jurisdiction of the United States, such entities must agree by written contract with the Contractor to be subject to the jurisdiction of the Secretary, the laws and the courts of the United States, and waive any available jurisdictional defenses as they pertain to the parties' obligations under this Agreement, the Privacy Rule or the Security Rule.

2.11. Books and Records. Contractor shall make internal practices, books, and records relating to Protected Health Information received from, or created or received by Contractor, on behalf of NYTPS, available to NYTPS, or at the request of NYTPS to the Secretary, for purposes of the Secretary determining NYTPS' compliance with the Privacy Rule.

2.12. Documenting Disclosures. Contractor shall document such disclosures of Protected Health Information and information related to such disclosures as would be required for NYTPS to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

2.13. Accounting for Disclosures. Contractor shall provide to NYTPS, upon request and in the time and manner required by 45 C.F.R. § 164.528(c)(1), an accounting of disclosures of an Individual's Protected Health Information, collected in accordance with Section 2.11 of this Agreement, to permit NYTPS to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

2.14. Minimum Necessary. Contractor acknowledges that it shall request from NYTPS and so disclose to its affiliates, subsidiaries, agents, subcontractors or other third parties, only the minimum Protected Health Information necessary to perform or fulfill a specific function required or permitted hereunder. Contractor agrees to comply with the guidance, issued by the Secretary in 45 C.F.R. § 164.502(b), and to only request, use or disclose the minimum amount of Protected Health Information as described in such guidance.

2.15. Independent Contractor. The relationship of the Contractor with NYTPS shall be one of independent contractor, and not an employee or agent of NYTPS.

2.16. Securing Protected Health Information. Contractor will comply with Section II.B of the April 27, 2009 HHS guidance (74 Fed. Reg. 19006 at 19009-19010) setting forth the technologies and methodologies for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals such that breach notification is not required. Contractor shall insure that any subcontractor, consultant, agent, vendor, or other third party to whom it provides Protected Health Information will implement, in a reasonable and appropriate manner, the technologies and methodologies the HITECH Act and HHS guidance specifies with respect to rendering NYTPS' Protected Health Information unusable, unreadable or indecipherable to unauthorized individuals. **All PHI that is saved to any portable device must be password protected.**

2.17. Breach Notification. Notwithstanding paragraph 2.16 above, if any Protected Health Information in the possession, custody or control of Contractor remains or becomes unsecured, Contractor shall, following discovery of a breach (as such term is defined in 45 C.F.R. § 164.402) of such unsecured Protected Health Information, provide the notifications to individuals, the media and the Secretary, as set forth in 45 C.F.R. §§ 164.404 through 164.408.

2.18. Timeliness of Notifications. Except where a law enforcement official states to NYTPS or Contractor that a notification would impede a criminal investigation or cause damage to national security, all notifications shall be made without unreasonable delay and in no case, later than 60 calendar days from discovery of the breach.

2.19. Indemnification. Contractor shall defend, indemnify and hold harmless NYTPS from and against any or all cost (including but not limited to any and all costs incurred by Covered Entity in complying with the breach notification requirements of 45 C.F.R. Part 164, Subpart D), loss, interest, damage, liability, claim, legal action or demand by third parties, (including costs,

expenses and reasonable attorney fees on account thereof) arising out of Contractor's activities under the Agreement, including but not limited to, any breach of unsecured Protected Health Information by the Contractor or failure by the Contractor to provide the breach notifications required by 45 C.F.R. §§ 164.404 through 164.408, except to the extent that such loss, interest, damage, liability, claim, legal action or demand was incurred as a result of the negligence or willful misconduct of NYTPS. As a condition precedent to the Contractor's obligation to indemnify NYTPS under this Agreement, NYTPS must notify Contractor within a reasonable amount of time upon learning of any claim or liability to give Contractor an opportunity to present any appropriate defense on behalf of NYTPS and Contractor. NYTPS shall have the right, but not the obligation, to participate in any defense at its own cost and with its own counsel. The provisions of this paragraph 2.19 will survive the termination of this Agreement.

2.20. Application of Privacy Rule to Contractor. Where provided, the standards, requirements, and implementation specifications adopted under 45 C.F.R. Part 164, Subpart E, apply to Contractor with respect to the Protected Health Information of NYTPS.

2.21. Fundraising. Contractor agrees to clearly and conspicuously provide any recipient of fundraising communications the opportunity to opt out of receiving any further such solicitations.

2.22. Sale of Protected Health Information. Contractor shall, except pursuant to and in compliance with 45 C.F.R. § 164.508(a)(4), not engage in the sale of Protected Health Information.

2.23. Compliance and Enforcement. Contractor is subject to the compliance, enforcement and civil monetary penalties provisions at 45 C.F.R., Part 160, Subparts C and D.

2.24. Individual's Access to Protected Health Information. Contractor shall cooperate with NYTPS on a timely basis, consistent with 45 C.F.R. § 164.524(b)(2), to fulfill all requests by individuals for access to the individual's Protected Health Information that are approved by NYTPS. Contractor shall make available Protected Health Information in a designated record set to NYTPS as necessary to satisfy NYTPS' obligations under 45 C.F.R. § 164.524(c). Contractor further agrees that to the extent Contractor maintains Protected Health Information of NYTPS in an electronic health record ("EHR"), NYTPS must comply with patients' requests for access to their Protected Health Information by giving them, or any entity that they designate clearly, conspicuously and specifically, the information in an electronic format, and must not charge the requestor more than the labor costs in responding to the request for the copy (or summary or explanation).

2.25. Amendments to Protected Health Information. Contractor shall make any amendment(s) to Protected Health Information in a designated record set as directed or agreed to by NYTPS pursuant to 45 C.F.R. § 164.526, or take other measures as necessary to satisfy NYTPS' obligations under 45 C.F.R. § 164.526. Contractor must act on an individual's request for an amendment in a manner and within the time period set forth in 45 C.F.R. § 164.526(b)(2).

2.26. Marketing. Contractor shall not use or disclose Protected Health Information for marketing purposes without the individual's authorization, except as provided in 45 C.F.R. §§ 164.508(a)(3).

2.27. Penalties. Contractor acknowledges that he/she is subject to civil and criminal enforcement for failure to comply with the HIPAA rules.

Article III - Permitted Uses and Disclosures by Contractor

3.01. General Use and Disclosure. Except as otherwise limited in this Agreement, Contractor may use or disclose Protected Health Information only to perform its obligations and services to NYTPS or as Required By Law, provided that such use or disclosure would not violate the Privacy or Security Rule if done by NYTPS.

3.02. Specific Use and Disclosure Provisions.

3.02.01. Management and Administration of Contractor. Except as otherwise limited in this Agreement, Contractor may use Protected Health Information for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor.

3.02.02. Other Uses and Disclosures. Except as otherwise limited in this Agreement, and notwithstanding Section 3.01 above, Contractor may disclose Protected Health Information for the proper management and administration of the Contractor, provided that disclosures are Required by Law, or Contractor obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.

3.02.03. Data Aggregation Services. Contractor may use Protected Health Information to provide data aggregation services to NYTPS as permitted by 42 C.F.R. § 164.504(e)(2)(i)(B).

3.02.04. Reporting Violations of the Law. Contractor may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. § 164.502(j).

3.02.05. Reporting to Health Plan. Contractor may disclose Protected Health Information to a health plan if the individual to whom the Protected Health Information pertains has so requested and the disclosure is not prohibited by law.

3.02.06. Minimum Necessary. Contractor will, in the performance of its obligations and services to NYTPS make reasonable efforts to use, disclose and request only the minimum amount of NYTPS' Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except as set forth in 45 C.F.R. § 164.502(b)(2).

Article IV - Obligations of NYTPS

4.01. Provisions for NYTPS to Inform Contractor of Privacy Practices and Restrictions.

4.01.01. Upon Contractor's request, NYTPS shall provide Contractor with the notice of privacy practices that NYTPS produces in accordance with 45 C.F.R. § 164.520, as well as any changes to that notice.

4.01.02. NYTPS shall provide Contractor with any changes in, or revocation of, authorization by an Individual to use or disclose Protected Health Information, if such changes affect Contractor's permitted or required uses and disclosures.

4.01.03. NYTPS shall notify Contractor, in writing, of any restriction to the use or disclosure of Protected Health Information that NYTPS has agreed to in accordance with 45 C.F.R. § 164.522, and Contractor agrees to conform to any such restriction.

4.01.04. NYTPS acknowledges that it shall provide to, or request from, the Contractor only the minimum Protected Health Information necessary for Contractor to perform or fulfill a specific function required or permitted hereunder.

4.01.05. NYTPS shall take immediate steps to mitigate an impermissible use or disclosure of Protected Health Information from Contractor to NYTPS, including its staff, employees and agents who send and receive Protected Health Information to and from Contractor in the course and scope of their employment, such as obtaining the recipient's satisfactory assurances that the information will not be further used or disclosed (through a confidentiality agreement or similar means between NYTPS and its staff, employees and agents) or will be destroyed.

4.02. Permissible Requests by NYTPS. NYTPS represents and warrants that it has the right and authority to disclose Protected Health Information to the Contractor for the Contractor to perform its obligations and provide services to NYTPS. NYTPS shall not request the Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule.

Article V - Term and Termination

5.01. Term. The Agreement shall terminate when the underlying Independent Contractor Agreement between NYTPS and the Contractor shall terminate or on the date the non-breaching party terminates this Agreement for cause in accordance with paragraph 5.02.

5.02. Termination for Cause. Upon a party's knowledge of a material breach by the other party, the non-breaching party shall provide an opportunity for the breaching party to cure the breach or end the violation. If the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party, or if cure of such breach is not possible, the non-breaching party may immediately terminate this Agreement.

5.03. Effect of Termination.

5.03.01. Disposal of PHI When Feasible. Except as provided in paragraph 5.03.02 of this Section, upon termination of this Agreement, for any reason, Contractor shall return or destroy all Protected Health Information received from NYTPS, or created or received by the

Contractor on behalf of NYTPS, at the direction of NYTPS. Contractor shall request, in writing, Protected Health Information that is in the possession of subcontractors or agents of Contractor.

5.03.02. Disposal of PHI is Infeasible. In the event the Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to NYTPS notification of the conditions that make return or destruction infeasible. If return or destruction of Protected Health Information is infeasible, Contractor shall extend the protection of this Agreement to such Protected Health Information, for so long as Contractor maintains such Protected Health Information. Following the termination of this Agreement, Contractor shall not disclose Protected Health Information except to NYTPS or as Required by Law.

Article VI - Miscellaneous

6.01. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

6.02. Amendment. This Agreement may be amended upon the mutual written agreement of the parties. Upon the enactment of any law or regulation affecting the use or disclosure of Protected Health Information, or the publication of any decision of a court of the United States or any state relating to any such law or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, either party may, by written notice to the other party, and by mutual agreement, amend the Agreement in such manner as such party determines necessary to comply with such law, policy, decision or regulation. If the other party disagrees with such amendment, it shall so notify the first party in writing within thirty (30) days of the notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, then either of the parties may terminate the Agreement on thirty (30) days written notice to the other party.

6.03. Survival. The obligations of Contractor under Section 5.03.02 of this Agreement shall survive the termination of this Agreement.

6.04. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits NYTPS to comply with the HIPAA Rules. In the event of any inconsistency or conflict between this Agreement and any other agreement between the parties, the terms, provisions and conditions of this Agreement shall govern and control. In the event of an inconsistency between the provisions of the Agreement and the mandatory terms of the HIPAA Rules, as may be amended from time to time by HHS or as a result of interpretations by HHS, a court, or another regulatory agency with authority over the Parties, the interpretation of HHS, such court or regulatory agency shall prevail. In the event of a conflict among the interpretations of these entities, the conflict shall be resolved in accordance with rules of precedence. Where provisions of this Agreement are different from those mandated by the HIPAA Rules, but are nonetheless permitted by the HIPAA Rules, the provisions of the Agreement shall control.

6.05. No Third-Party Beneficiaries. Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.

6.06. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by the law of the State of New York, except to the extent preempted by federal law.

6.07. Severability. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

6.08. Construction and Interpretation. The section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

6.09. Notices. All notices and communications required by this Agreement shall be in writing. Such notices and communications shall be given in one of the following forms: (i) by delivery in person, (ii) by a nationally recognized, next-day courier service, (iii) by first-class, registered or certified mail, postage prepaid; or (iv) by electronic mail to the address that each party specifies in writing.

6.10. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and constitutes and supersedes all prior agreements, representations, and understandings of the parties, written or oral, with regard to this same subject matter.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement to be effective as of today.

Agreed and Accepted:

Contractor

New York Therapy Placement Services, Inc.

Name (Print): _____

By: John F. Johnson

Title: _____

Name: John F. Johnson

Signature: _____

Title: Director of Operations

Date: _____