

Business Associates

What is a Business Associate?

As a general rule, “Business Associate” is defined as a person or entity that is not part of USC’s covered workforce and performs certain functions on behalf of USC that involve the use or disclosure of USC’s Protected Health Information, including uses for purposes related to payment and/or healthcare operations. Such functions or activities include:

1. Claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or
2. Any other function or activity regulated by the Privacy Rule; or
3. Legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services to or for USC, or to or for an organized health care arrangement in which USC participates.

Examples of Business Associates include: lawyers, accountants, couriers, billing companies, copy services, compliance billing monitors, transcriptionists.

Business Associates do not include the following:

1. An employee of USC;
2. Healthcare providers who disclose Protected Health Information for treatment purposes;
3. Any other individuals (e.g., volunteers) who USC considers members of its covered workforce; or
4. Individuals who may obtain incidental disclosures of Protected Health Information, where access to Protected Health Information is minimal, if at all, and where receipt of such Protected Health Information is not part of the individual's job duties for USC (e.g., a cleaning service).

How to determine who is a Business Associate:

In order to determine if a third party is a business associate of USC, ask the following questions:

1. Is the third party performing payment or health care operation services on behalf of USC?
2. Is USC sharing its Protected Health Information (PHI) with this third party in order for the third party to perform health care operation services on its behalf?

If the answers to the above questions are “yes,” the third party most likely qualifies as a Business Associate.

What to do when you’ve identified a Business Associate of USC:

- First, USC must have a contract with the Business Associate (a “Business Associate Agreement”) designed to ensure that the Business Associate will limit its uses of the information and will safeguard the information. USC’s Business Associate Agreements must contain provisions that obligate these entities to comply with the Privacy Rule and the Security Rule. USC has template Business Associate Agreements to incorporate into other contracts as addenda, and such templates can be found on the USC policies website. Beginning February 17, 2010, Business Associates are also directly subject to the Privacy Rule and the Security Rule.
- Second, if USC receives any information that the Business Associate is violating patient confidentiality by using patient information for an unauthorized purpose or disclosing information to outside parties, USC is required by the Privacy Rule to take corrective action. If you become aware of a questionable practice of a Business Associate, you should notify the USC Compliance Office immediately.
- Please note USC also has a template for when USC serves as the business associate of a third party. Please contact the Office of Compliance for assistance.

Additional Assistance

- Please refer to the USC HIPAA Privacy Policy [BUS-701](#) “*Policy Regarding Business Associates*” for additional information.
- The Office of Compliance can assist you in determining if a business associate arrangement exists as well as negotiating business associate agreements with the vendor. Please contact the Office for assistance.