

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20030034

1. REQUESTED MOTION:

ACTION REQUESTED: Approve Change Order No. 2 to AON Consulting Inc. for CN-00-06 EMPLOYEE INSURANCE BENEFITS (Contract No. 1510) in the amount of \$75,000.00 for a total to date of \$250,000.00. Approve the Business Associate Agreement for HIPAA.

WHY ACTION IS NECESSARY: Pursuant to the Lee County Contract Manual, approved by the Board on September 25, 2001, the Board is required to approve all Change Orders in excess of \$50,000.00 to Professional Services Agreements.

WHAT ACTION ACCOMPLISHES: Will enable the Consultant to provide additional work for the benefits consulting and actuarial auditing.

2. DEPARTMENTAL CATEGORY:

06. Independent
COMMISSION DISTRICT #:

CL6A

3. MEETING DATE:

05-13-2003

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE:

(Specify)

- STATUTE
- ORDINANCE
- ADMIN. CODE *AC-4-4*
- OTHER

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER _____
- B. DEPARTMENT _____
- C. DIVISION Human Relations
- BY: George Williams, Director

7. BACKGROUND:

The Board originally approved a contract with AON Consulting under CN-00-06 EMPLOYEE INSURANCE BENEFITS in the amount of \$150,000.00 per year. On May 9, 2002, Change Order No. 1 was approved in the amount of \$25,000.00, which increased the annual amount to \$175,000.00. At this time it is being requested that the Board approve Change Order No. 2 in the amount of \$75,000.00, which will increase the total annual contract amount to \$250,000.00.

Funds will be available from account string: GC5133757602.503190

Attachments: Two (2) Change Order Forms from AON Consulting Inc.
Business Associate Agreement for HIPAA

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services <i>4/24/03</i>				G County Manager
					OA	OM	Risk	GC	
<i>George A. Williams 4/22/03</i>	<i>[Signature] 4/22</i>	N/A		<i>S. Brown 4/23/03</i>	<i>RK 4/24</i>	<i>[Signature] 4/24/03</i>	<i>[Signature] 4/23/03</i>	<i>RS 4-24-03</i>	<i>[Signature]</i>

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty
 Date: *4/23/03*
 Time: *8:05 am*
 Forwarded To:
*City Admin
4-23-03 9:10*

RECEIVED BY
COUNTY ADMIN. *RK*
4-23-03
10:35
COUNTY ADMIN.
FORWARDED TO: *BA*
[Signature]



Employee Benefits Consulting

March 20, 2003

Charlotte Veaux
Lee County Government
2115 Second Street
Administration Building
Ft. Myers, Florida 33901

Dear Charlotte:

Attached please find two signed Business Associate Agreements between Aon Consulting and your organization. Please execute both and return one to us for our records.

As you know, once HIPAA privacy regulations take effect on April 14, 2003, a Business Associate Agreement must be in effect between your organization and Aon Consulting in order that we may continue to assist you in matters where Protected Health Information (PHI) is required to conduct business.

Please do not hesitate to contact me with any questions or if modifications are needed at 813.636.3611.

Sincerely,

A handwritten signature in black ink, appearing to read 'Raymond M. Reed', is positioned above the typed name.

Raymond M. Reed
Vice President

C: George Williams, Lee County
Kassandra Duff, Aon Consulting

LEE COUNTY PROFESSIONAL SERVICE/SERVICE PROVIDER AGREEMENT
CHANGE ORDER/SUPPLEMENTAL TASK AUTHORIZATION

Change Order
 Supplemental Task Authorization

NO.: 2

(A Change Order or Supplemental Task Authorization Requires Approval by the Department Director for Expenditures Under \$25,000 or Approval by the County Manager for Expenditures Between \$25,000 and \$50,000 or Approval by the Board of County Commissioners for Expenditures over \$50,000)

CONTRACT/PROJECT NAME: Employee Insurance Benefits Consultant
AON CONSULTING, INC.

CONSULTANT: AON PROJECT NO.: _____

SOLICIT NO.: CN-00-06 CONTRACT NO.: 1510 ACCOUNT NO.: _____

REQUESTED BY: HR DATE OF REQUEST: 11/22/02

Upon the completion and execution of this Change Order or Supplemental Task Authorization by both parties the Consultant/Provider is authorized to and shall proceed with the following:

- EXHIBIT "CO/STA-A: SCOPE OF PROFESSIONAL SERVICE: DATED: 11/22/02
- EXHIBIT "CO/STA-B: COMPENSATION & METHOD OF PAYMENT: DATED: 11/22/02
- EXHIBIT "CO/STA-C: TIME AND SCHEDULE OF PERFORMANCE: DATED: 11/22/02
- EXHIBIT "CO/STA-D: CONSULTANT'S/PROVIDERS ASSOCIATED SUB-CONSULTANT(S)/SUB-CONTRACTORS: DATED: 11/22/02
- EXHIBIT "CO/STA-E: PROJECT GUIDELINES AND CRITERIA: DATED: 11/22/02

It is understood and agreed that the acceptance of this modification by the CONSULTANT/PROVIDER constitutes an accord and satisfaction.

RECOMMENDED: 1/4/03
 By: George A. Williams
 Department Director Date
 By: Berman 1-8-03
 Contracts Mgmt Date

ACCEPTED:
 By: [Signature]
 Consultant/Provider
RAMON M. KCPD, VP
 Date Accepted: 12/06/02

Corporate Seal

COUNTY APPROVAL:
 By: _____
 Department Director
 (Under \$25,000)
 Date Approved: _____

APPROVED:
 By: _____
 *County Attorney's Office Date

By: _____
 County Manager (Between
 (\$25,000 and under \$50,000)
 Date Approved: _____

*County Attorney signature needed for **over** Board level expenditures only.

By: _____
 Chairman
 Board of County Commissioners
 Date Approved: _____

CHANGE ORDER AGREEMENT No. 2
or
 SUPPLEMENTAL TASK AUTHORIZATION No. _____

EXHIBIT "CO/STA-A"

Date: 11/22/ 02

SCOPE OF PROFESSIONAL SERVICES

for AON CONSULTING

(Enter Project Name from Page 1 of the
Change Order or Supplemental Task Authorization)

SECTION 1.00 CHANGE(S) TO PROFESSIONAL SERVICES

The "Scope of Professional Services" as set forth in Exhibit "A" of the Professional Services Agreement, or Service Provider Agreement, referred to hereinbefore is hereby supplemented, changed or authorized, so that the CONSULTANT or SERVICE PROVIDER, shall provide and perform the following professional services, tasks, or work as a supplement to, change to, or authorized to, the scope of services previously agreed to and authorized:

1. Benefits consulting and actuarial auditing

*Attach additional pages, if needed.

CHANGE ORDER AGREEMENT No. 2
 or
 SUPPLEMENTAL TASK AUTHORIZATION No. _____

EXHIBIT "CO/STA-B"

Date: 11/22/02

COMPENSATION AND METHOD OF PAYMENT

for AON CONSULTING

(Enter Project Name from Page 1 of the
 Change Order or Supplemental Task Authorization)

SECTION 1.00 CHANGE(S) IN COMPENSATION

The compensation the CONSULTANT, or SERVICE PROVIDER, shall be entitled to receive for providing and performing the supplemented, changed or authorized services, tasks, or work as set forth and enumerated in the Scope of Services set forth in this CHANGE ORDER OR SUPPLEMENTAL TASK AUTHORIZATION AGREEMENT, Exhibit "CO/STA-A", attached hereto shall be as follows:

NOTE: A Lump Sum (L.S.) or Not-to-Exceed (N.T.E.) amount of compensation to be paid the CONSULTANT should be established and set forth below for each task or sub-task described and authorized in Exhibit "S/COA-A". In accordance with Professional Services Agreement Article 5.03(2) "Method of Payment", tasks to be paid on a Work-in-Progress payment basis should be identified (WIPP).

Task Number	Task Title	Amount of Compensation	Indicate Basis of Compensation LS or NTE	If Applicable Indicate (W.I.P.P.)
1	Benefits consulting and actuarial auditing	75,000	N.T.E	
TOTAL		75,000		

(Unless list is continued on next page)

CHANGE ORDER AGREEMENT No. 2
or
 SUPPLEMENTAL TASK AUTHORIZATION No. _____

EXHIBIT "CO/STA-D"

Date: 11/22/02

CONSULTANT'S, OR SERVICE PROVIDER'S, ASSOCIATED SUB-CONSULTANT(S) AND
SUBCONTRACTOR(S)

for AON CONSULTING

(Enter Project Name from Page 1 of the
Change Order or Supplemental Task Authorization Agreement)

CONSULTANT, or SERVICE PROVIDER, intends to engage the following sub-consultant(s) and/or sub-contractor(s) to assist the CONSULTANT, or SERVICE PROVIDER, in providing and performing the services, tasks, or work required under this CHANGE ORDER, or SUPPLEMENTAL TASK AUTHORIZATION AGREEMENT.

(If none, enter the word "none" in the space below.)

Service and/or Work to be Provided or Performed	Name and Address of Individual or Firm	Disadvantaged, Minority or Women Business Enterprise, (If Yes, Indicate Type)			Sub-Consultant Services are Exempted from Prime Consultant's Insurance Coverage	
		Yes	No	Type	Yes	No
	NONE					

CHANGE ORDER AGREEMENT No. 2

or

SUPPLEMENTAL TASK AUTHORIZATION No. _____

EXHIBIT "CO/STA-E"

Date: 11/22/02

PROJECT GUIDELINES AND CRITERIA

for AON CONSULTING

(Enter Project Name from Page 1 of the
Change Order or Supplemental Task Authorization Agreement)

As a supplement, or change, to the Project Guidelines and Criteria set forth in the Professional Services Agreement, or Service Provider Agreement, Exhibit "E", the COUNTY has established the following Guidelines, Criteria, Goals, Objectives, Constraints, Schedule, Budget, and/or Requirements which shall serve as a guide to the CONSULTANT, or SERVICE PROVIDER, in performing the professional services, tasks, or work to be provided pursuant to the professional services set forth hereinbefore in CHANGE ORDER or SUPPLEMENTAL TASK AUTHORIZATION AGREEMENT, Exhibit "CO/STA-A", attached hereto:

(If none, enter the word "None" in the space below.)

ITEM No. 1

NONE

Lee County Employee Benefit Plans

HIPAA Privacy
Business Associate
Agreement
With
Aon Consulting

March 20, 2003

**HIPAA Privacy Business Associate Agreement
Between Lee County Employee Benefit Plans and Aon Consulting**

I. PREAMBLE

Pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, and its implementing regulation, the Standards for Privacy of Individually Identifiable Health Information, 67 Fed. Reg. Section 53,182et seq. (Aug. 14, 2002) and all prior and subsequent provisions and Federal guidance ("HIPAA Privacy Rule"), Lee County Employee Benefit Plans ("Covered Entity"), and Aon Consulting, a Florida corporation, ("Business Associate"), (jointly "the Parties"), wish to enter into this Business Associate Agreement ("Agreement") that addresses the requirements of the HIPAA Privacy Rule with respect to "business associates" as that term is defined in that Rule.

This Agreement is intended to ensure that the Business Associate will establish and implement appropriate safeguards (including certain administrative requirements) for "Protected Health Information" (as defined in the HIPAA Privacy Rule and copied below) that the Business Associate may create, receive, use, or disclose in connection with certain functions, activities, or services (collectively "Services") to be provided by Business Associate to Covered Entity. These Services are identified in a separate agreement between the Parties known as the "Contract"

The Parties acknowledge and agree that in providing Services, Business Associate will create, receive, use, or disclose Protected Health Information. In connection with Business Associate's creation, receipt, use, or disclosure of Protected Health Information, Business Associate, and Covered Entity hereby agree as follows:

II. DEFINITIONS

- (a) All capitalized terms used but not otherwise defined in this Agreement shall have the same meaning as those terms in 45 CFR §§160.103 and 164.501.

III. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- (a) Business Associate agrees to not use or further disclose PHI other than as permitted or required by the Agreement or as Required By Law.
- (b) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.
- (c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- (d) Business Associate agrees to report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement of which it becomes aware.
- (e) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

**HIPAA Privacy Business Associate Agreement
Between Lee County Employee Benefit Plans and Aon Consulting**

- (f) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (g) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.
- (h) Business Associate agrees to provide to Covered Entity or an Individual, within thirty (30) calendar days, information collected in accordance with Section III (i) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

IV. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

- (a) *General Use and Disclosure Provisions.* Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of, Covered Entity specified in its "Contract", provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

V. OBLIGATIONS OF THE COVERED ENTITY

- (a) *Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions:*
 - (i) Covered Entity shall advise Business Associate of any limitations in the notice of privacy practices that Covered Entity produces in accordance with 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
 - (ii) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes affect Business Associate's use or disclosure of PHI.
 - (iii) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- (b) *Permissible Requests by Covered Entity.* Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

VI. TERM AND TERMINATION

- (a) *Term.* The Term of this Agreement shall be effective as of April 14, 2003, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is

**HIPAA Privacy Business Associate Agreement
Between Lee County Employee Benefit Plans and Aon Consulting**

infeasible to return or destroy PHI, protections are extended to such information, in accordance with the Termination provisions in this Section.

- (b) *Termination for Cause.* Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall: (1) Provide an opportunity for Business Associate to cure the breach or end the violation, or if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; (2) Immediately terminate this Agreement [and applicable Sections of any Service Agreement] upon written notice to Business Associate if Business Associate has breached a material term of this Agreement and there is no cure. (3) However, if neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- (c) *Effect of Termination:*
 - (i) Except as provided in paragraph (c)(ii) of this Section VI, upon Termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 - (ii) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon formal written notice to Lee County that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as Business Associate maintains such PHI.

VII. MISCELLANEOUS

- (a) *Regulatory References.* A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
- (b) *Amendment.* The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- (c) *Survival.* The respective rights and obligations of Business Associate under Section VI(c)(i)&(ii) of this Agreement shall survive the termination of this Agreement.
- (d) *Interpretation.* Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy Rule.
- (e) *Complete Integration.* This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of the Agreement. Unless expressly provided otherwise herein, this Agreement may not be modified unless in writing signed by the duly authorized representatives of both parties. If any provision or part thereof is found to be invalid, the remaining provisions shall remain in full force and effect.
- (f) *Successors and Assigns.* This Agreement will inure to the benefit of and be binding upon the successors and assigns of Covered Entity and Business Associate. However, this Agreement is not

**HIPAA Privacy Business Associate Agreement
Between Lee County Employee Benefit Plans and Aon Consulting**

assignable by either party without the prior written consent of the other party, except that Business Associate may assign or transfer this Agreement to any entity owned or under common control with Business Associate.

- (g) *Limitation of Liability.* Except as otherwise provided for in the Privacy Rule, Business Associate shall not be liable for Covered Entity's loss of profits, attorney's fees or interest, or for any incidental, indirect, special, or consequential damages as a result of this Agreement.
- (h) *Not Fiduciary or Plan Administrator.* For purposes of ERISA or any similar law, Business Associate shall not be considered a fiduciary or plan administrator of any of Covered Entity's employee benefit plans.
- (i) *No Third Party Beneficiaries.* Except as expressly provided for in the Privacy Rule, there are no third party beneficiaries to this Agreement. Business Associate's obligations are to Covered Entity only.
- (j) *Confidentiality.* Except as otherwise provided for in the Privacy Rule or this Agreement, neither party will disclose the terms of this Agreement to any third party without the other party's written consent.
- (k) *Counterparts.* This Agreement may be executed in two or more counterparts, each of which may be deemed an original.

VIII. ACKNOWLEDGEMENT AND SIGNATURES

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THIS AGREEMENT,
UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS.

For Aon Consulting

By: 

Its: VICE PRESIDENT

Date: 3/10/03

For Lee County Government

By: _____

Its: _____

Date: _____