

**RESOLUTION NO. R18-87**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS WITH CENTRON SERVICES, INC. D/B/A CREDIT SYSTEMS FOR COLLECTION SERVICES FOR THE LAUREL AMBULANCE.**

BE IT RESOLVED by the City Council of the City of Laurel, Montana:

Section 1: Approval. The attached agreements between the City of Laurel and Centron Services, Inc. d/b/a Credit Systems are accepted and approved. A copy of each agreement is attached hereto for convenience.

Section 2: Execution. The Mayor and City Clerk/Treasurer of the City of Laurel are hereby given authority to accept and execute said agreements on behalf of the City.


Section 3: Effective date. The effective date for the attached agreements are upon approval by the City Council.

Introduced at a regular meeting of the City Council on December 18, 2018, by Council Member Herr.


PASSED and APPROVED by the City Council of the City of Laurel this 18<sup>th</sup> day of December 2018.

APPROVED by the Mayor this 18<sup>th</sup> day of December 2018.

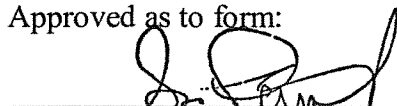
CITY OF LAUREL

  
Thomas C. Nelson, Mayor

ATTEST

  
Bethany Langve, Clerk-Treasurer

Approved as to form:

  
Sam S. Painter, Civil City Attorney

**CONTRACT FOR ASSIGNMENT OF ACCOUNTS**

This Agreement made and entered into by and between The City of Laurel, P.O. Box 10., Laurel, MT 59044 hereinafter designated as "the Client", and Centron Services, Inc., d/b/a Credit Systems, P.O. Box 875, Helena, MT 59624 hereinafter designated as "the Agency". This contract shall commence on the date signed.

WITNESSETH

THAT WHEREAS, the Client has, and from time to time will have, ambulance accounts and claims due to the Client which they desire to refer to the Agency for collection services;

WHEREAS, after the Agency has exhausted efforts at general collection services and the account balances along with statutory interest has not been fully and completely collected by the Agency, the Client may choose to sell and assign debts to the Agency;

NOW THEREFORE, in consideration for the premises and the mutual promises and agreements hereinafter stated, the parties hereto do mutually covenant and agree as follows:

**ASSIGNMENT OF ACCOUNT**

1. In the event the Agency performs its general collection services and the account balances, along with statutory interest, has not been fully and completely collected by the Agency, the Client may choose to sell and assign debts to the Agency.
2. After the Client sells and assigns the debt to the Agency, for value received, according to a separate Assignment for each account, the Agency will have full right and title to that assigned debt.
3. After the Client sells and assigns the debt to the Agency, for value received, the Agency will have any and all rights the Client had to collect and recover the debt from any and all individuals, corporations, or any other entity that is liable for payment of the debt. As a consequence and result of this Assignment, Agency will stand in the shoes of the Client (as the underlying creditor), with respect to recovery and collection of the debt on the account. For instance, if the Client had the right to recover the debt against both a husband and a wife prior to the assignment, the Agency will enjoy the same right to recover the debt from both husband and wife subsequent to the assignment.
4. After the Client assigns the debt to the Agency, the Agency will have all rights allowed it under the laws of the State of Montana, including but not limited to the right to charge the consumer interest at the statutory rate, attorney's fees as allowed, and costs of collection as allowed under statute and according to contracts.
5. In the event the Agency initiates legal action to recover the obligation, and a claim or counterclaim is filed against the Client which is specifically related to acts of the Client, (e.g. malpractice claims), the Client agrees to hold the Agency harmless with respect to any and all damages and injuries it might suffer as a result.
6. The Agency will be the party named as the "plaintiff" in any legal action that the Agency as owner of the debt may decide to pursue. The Agency agrees that no suit or action will be filed in the name of the Client.

7. In the event that Agency determines it is in its best interest to pursue legal action, the Client agrees to provide witnesses and documents needed to prove the Agency's case in court.

8. That agency, at all times, shall maintain a membership in a national Association such as the Associated Credit Bureaus of America, and/or the American Collector's Association, and thus protect the Client under the binding agreement as provided by membership in such national associations on forwarded accounts. That agency agrees to carry general liability and professional error and omission insurance and will provide the Client with a certificate of insurance if requested to do so by the Client.

9. It is expressly understood and agreed that the agency is, and shall at times be, deemed to have the status of an independent contractor and the agency agrees to indemnify and save the Client harmless of and from any and all claims, actions or causes of action out of any acts of the Agency in collecting or endeavoring to settle any accounts of the Client. The Client agrees to indemnify and save the Agency harmless of and from any and all claims, actions, or causes of action out of any acts of the Client in providing the services underlying the accounts referred, and from any and all claims, actions, or causes of action against the Client for mistake or error by the Client in placing the account for collection with the Agency.

10. The Client grants and conveys to the agency the right of endorsement in clearing drafts, checks and notes on accounts for the Client.

11. The Agency agrees to pay the Client 65% of the net principal recovery by the Agency, for all accounts assigned by Provider to the Agency.

**It is understood and agreed that all agreements herein are subject to all applicable laws now or hereafter in effect into the lawful regulations, rulings and orders of regulatory commissions or agencies having jurisdiction. If any provisions of this agreement are in contravention of the laws or regulations of the United States or state of Montana, such provisions shall be superseded by the appropriate provision of such laws or regulations, so long as same is in full force and effect.**

**This agreement constitutes the entire agreement and understanding between the parties regarding assignment of accounts. Representations, inducements, promises or a grievance otherwise made between the parties not embodied herein shall be of no force and effect.**

**IN WITNESS HEREOF, the parties have executed this Agreement as of the date and year signed below.**

**Centron Services, Inc., d/b/a  
Credit Systems**

**City of Laurel**

By \_\_\_\_\_

  
Thomas C. Nelson

Title \_\_\_\_\_

Date \_\_\_\_\_

  
Mayor

  
Date

## CONTRACT FOR COLLECTION OF ACCOUNTS

This Agreement made and entered into by and between the City of Laurel, P.O. Box 10, Laurel, MT 59044, hereinafter designated as "the Client", and Centron Services, Inc., d/b/a Credit Systems, P.O. Box 875, Helena, MT 59624, hereinafter designated as "the Agency". This contract shall commence on the date signed.

WITNESSETH

THAT WHEREAS, the Client has, and from time to time will have, ambulance accounts and claims due to the Client which they desire to refer to the Agency for collection services;

NOW THEREFORE, in consideration for the premises and the mutual promises and agreements hereinafter stated, the parties hereto do mutually covenant and agree as follows:

### COLLECTION SERVICE AGREEMENT

- 1) The Client agrees to refer to the Agency accounts that they deem appropriate for collection services by the Agency.
- 2) The Agency agrees to proceed diligently and expeditiously to collect all accounts referred by the Client to the Agency. The Agency shall at no time follow any method, routine or procedure, which will in any way, be objectionable to the Client or in violation of the Fair Debt Collection Practices Act.
- 3) The Agency agrees to record all efforts made on each account. The Agency also agrees to allow the Client to examine said records during regular business hours.
- 4) The Agency will have all rights allowed to it under the laws of the State of Montana, including but not limited to the right to charge the consumer interest at the statutory rate, and costs of collection as allowed under statute and according to contracts signed by the consumers.
- 5) The Client agrees to pay the Agency according to the following commission, for all accounts of which the Agency is providing collection services:
  - 25% contingency fee on all accounts (except legal and forwarded accounts).
  - 35% contingency fee on all legal accounts
  - 35% contingency fee on all accounts forwarded to another agency.
- 6) The Agency agrees to report all of the Client's collection accounts to a Credit Reporting Agency under their reporting parameters as collection items under the Client's name, and to comply with the Fair Credit Reporting Act.
- 7) Accounts or claims referred to the Agency by the Client will be acknowledged in writing by the Agency.

8) Settlement of accounts by the Agency, in amounts less than the full amount owing to the Client, will be made only upon approval of the Client.

9) The Agency agrees to furnish the Client a Monthly Statement with their check. This Monthly Statement will show payments made during the last period on which a commission is charged. The account number and remaining balance will also be shown. The Agency will also provide a client history report, when requested, which shows the activity and status of all the accounts listed.

10) The agreement shall be effective for a term of twenty-four (24) months commencing from the date of this contract and shall continue in full force and effect for a twenty-four (24) month period thereafter. This Agreement will be deemed to automatically be renewed on a year-to-year basis for successive terms of twelve (12) months from and after the expiration of the initial term hereof unless sooner terminated by reason of termination in the manner as hereinafter provided. At any time during the collection services agreement, this contract for services may be terminated by either party hereto, upon written notice be given to the other party at least sixty (60) days prior to the date such termination is to become effective.

11) The Agency will return accounts to the Client that were listed in error or that the cancellation is in the best interest of the Client's public relations. When an account has been cancelled and returned from the Agency, the account cannot be re-listed or collected on without the Client's approval.

12) That Agency, at all times, shall maintain a membership in a national Association such as the Associated Credit Bureaus of America, and/or the American Collector's Association, and thus protect the Client under the binding agreement as provided by membership in such national associations on forwarded accounts. That agency agrees to carry general liability and professional error and omission insurance and will provide the Client with a certificate of insurance if requested to do so by the Client.

13) It is expressly understood and agreed that the agency is, and shall at times be, deemed to have the status of an independent contractor and the agency agrees to indemnify and save the Client harmless of and from any and all claims, actions or causes of action out of any acts of the Agency in collecting or endeavoring to settle any accounts of the Client. The Client agrees to indemnify and save the Agency harmless of and from any and all claims, actions, or causes of action out of any acts of the Client in providing the services underlying the accounts referred, and from any and all claims, actions, or causes of action against the Client for mistake or error by the Client in placing the account for collection with the Agency.

14) The Client grants and conveys to the agency the right of endorsement in clearing drafts, checks and notes on accounts for the Client.

**It is understood and agreed that all agreements herein are subject to all applicable laws now or hereafter in effect into the lawful regulations, rulings and orders of regulatory commissions or agencies having jurisdiction. If any provisions of this agreement are in contravention of the laws or regulations of the United States or State of Montana, such provisions shall be superseded by the appropriate provision of such laws or regulations, so long as same is in full force and effect.**

This agreement constitutes the entire agreement and understanding between the parties regarding collection services. Representations, inducements, promises or a grievance otherwise made between the parties not embodied herein shall be of no force and effect.

IN WITNESS HEREOF, the parties have executed this Agreement as of the date and year signed below.

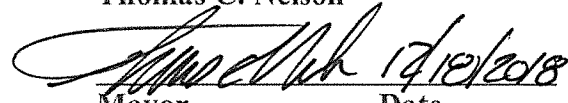
Centron Services, Inc., d/b/a  
Credit Systems

City of Laurel

\_\_\_\_\_  
By

  
\_\_\_\_\_  
Thomas C. Nelson

\_\_\_\_\_  
Title                      Date

  
\_\_\_\_\_  
Mayor                      Date

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement is by and between Centron Services, Inc. d/b/a Credit Systems ("Business Associate") and The City of Laurel and shall be effective as of the dates specified below.

Organization and Business Associate mutually agree to comply with the requirements of the implementing regulations at 45 Code of Federal Regulations ("C.F.R.") Parts 160-64 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

### 1. Privacy of Protected Health Information.

a) **Permitted Uses and Disclosures.** Business Associate is permitted to use and disclose Protected Health Information that it creates or receives on Organization's behalf or receives from Organization (or another business associate of Organization) and to request Protected Health Information on Organization's behalf (collectively, "Organization's Protected Health Information") only:

i) **Functions and Activities on Organization's Behalf.** Collect bad debt for ambulance service \_\_\_\_\_

ii) **Business Associate's Operations.** With regard to its use and/or disclosure of Protected Health Information, the Business Associate hereby agrees to do the following:

A) Use and/or disclosure of the Protected Health Information only as permitted or required by law.

B) Business Associate obtains reasonable assurance from any person or entity to which Business Associate will disclose Organization's Protected Health Information that the person or entity will:

1) Hold Organization's Protected Health Information in confidence and use or further disclose Organization's Protected Health Information only for the purpose for which Business Associate disclosed Organization's Protected Health Information to the person or entity or as Required by Law; and

2) Promptly notify Business Associate (who will in turn notify Organization in accordance with Section 4(a)) of any instance of which the person or entity becomes aware in which the confidentiality of Organization's Protected Health Information was breached within 15 calendar days of the Business Associate's discovery of the unauthorized use and/or disclosure.

3) Establish procedures for mitigating, to the greatest extent possible, any adverse effects from any improper use and/or disclosure of Protected Health Information.

b) **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified in Section 1(a) above, make reasonable efforts to use, to disclose, and to request only the minimum amount of Organization's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Business Associate will not be obligated to comply with this minimum necessary limitation with respect to:

i) Disclosure to or request by a health care provider for Treatment;

ii) Use for or disclosure to an individual who is the subject of Organization's Protected Health Information, or that individual's personal representative;

iii) Use or disclosure made pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an individual who is the subject of Organization's Protected Health Information to be used or disclosed, or by that individual's personal representative;

iv) Disclosure to the United States Department of Health and Human Services ("DHHS") in accordance with Section 5(a) of this Agreement;

v) Use or disclosure that is Required by Law; or

vi) Any other use or disclosure that is excepted from the minimum necessary limitation as specified in 45 C.F.R. § 164.502(b)(2).

c) **Prohibition on Unauthorized Use or Disclosure.** Business Associate will neither use nor disclose Organization's Protected Health Information, except as permitted or required by this Agreement or in writing by

Organization or as Required by Law. This Agreement does not authorize Business Associate to use or disclose Organization's Protected Health Information in a manner that will violate 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information" (the "Privacy Rule") if done by Organization, except as set forth in Section 1(a)(ii).

d) **Information Safeguards.**

i) **Privacy of Organization's Protected Health Information.** Business Associate will comply with the Privacy rule to meet the obligation to protect the privacy of Organization's Protected Health Information. Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards as set forth in 45 C.F.R. § 164.308; §164.310; §164.312 and §164.316. The safeguards must reasonably protect Organization's Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement. Organization reserves the right to request proof of reasonable safeguards to determine compliance with the Privacy regulation.

ii) **Security of Organization's Electronic Protected Health Information.** Business Associate will comply with the Security rule to meet the obligation to protect Organization's Electronic Protected Health Information. Business Associate will develop, implement, maintain, and use administrative, technical, and physical safeguards as set forth in 45 C.F.R. § 164.308; §164.310; §164.312 and §164.316. The safeguards must reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Organization's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C. Organization reserves the right to request proof of reasonable safeguards to determine compliance with the Privacy regulation.

iii) **Provisions of the American Recovery and Reinvestment Act of 2009 (ARRA).** The Business Associate agrees to comply with any and all privacy and security provisions made applicable to Business Associate by the ARRA on the applicable effective date as designated by ARRA and any subsequent regulations promulgated under ARRA and/or guidance thereto.

e) **Subcontractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Organization to disclose Organization's Protected Health Information and/or Electronic Protected Health Information, to provide reasonable assurance that such subcontractor or agent will comply with the same privacy and security safeguard obligations with respect to Organization's Protected Health Information and/or Electronic Protected Health Information that are applicable to Business Associate under this Agreement.

2. **Compliance with Transaction Standards.** Effective on the last date written below, if Business Associate conducts in whole or part electronic Transactions on behalf of Organization for which DHHS has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Organization that:

- a) Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
- b) Adds any data element or segment to the maximum defined data set;
- c) Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or
- d) Changes the meaning or intent of the Standard Transaction's implementation specification.

3. **Individual Rights.**

a) **Access.** Business Associate will, within 30 calendar days following Organization's request, make available to Organization or, at Organization's direction, to an individual (or the individual's personal representative) for inspection and obtaining copies Organization's Protected Health Information about the individual that is in Business Associate's custody or control, so that Organization may meet its access obligations under 45 C.F.R. § 164.524.

b) **Amendment.** Business Associate will, upon receipt of written notice from Organization, promptly amend or permit Organization access to amend any portion of Organization's Protected Health Information, so that Organization may meet its amendment obligations under 45 C.F.R. § 164.526.

c) **Disclosure Accounting.** So that Organization may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:



i) **Disclosures Subject to Accounting.** Business Associate will record the information specified in Section 3(c)(iii) below (“Disclosure Information”) for each disclosure of Organization’s Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that Business Associate makes to Organization or to a third party.

ii) **Disclosures Not Subject to Accounting.** Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Organization’s Protected Health Information:

- A) That occurred before April 14, 2003;
- B) For Treatment, Payment or Health Care Operations activities;
- C) To an individual who is the subject of Organization’s Protected Health Information disclosed, or to that individual’s personal representative;
- D) Pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an individual who is the subject of Organization’s Protected Health Information disclosed, or by that individual’s personal representative;
- E) For notification of and to persons involved in the care or payment related to the health care of an individual who is the subject of Organization’s Protected Health Information disclosed and for disaster relief;
- F) To law enforcement officials or correctional institutions in accordance with 45 C.F.R. § 164.512(k)(5);
- G) For national security or intelligence purposes in accordance with 45 C.F.R. § 164.512(k)(2);
- H) In a Limited Data Set;
- I) Incident to a use or disclosure that Business Associate is otherwise permitted to make by this Agreement; and
- J) Otherwise excepted from disclosure accounting as specified in 45 C.F.R. § 164.528.

iii) **Disclosure Information.** With respect to any disclosure by Business Associate of Organization’s Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:

A) **Disclosure Information Generally.** Except for repetitive disclosures of Organization’s Protected Health Information as specified in Section 3(c)(iii)(B) below, the Disclosure Information that Business Associate must record for each accountable disclosure is (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of Organization’s Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.

B) **Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Organization’s Protected Health Information that Business Associate makes for a single purpose to the same person or entity (including Organization), the Disclosure Information that Business Associate must record is either the Disclosure Information specified in Section 3(c)(iii)(A) above for each accountable disclosure, or (i) the Disclosure Information specified in Section 3(c)(iii)(A) above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.

iv) **Availability of Disclosure Information.** Business Associate will maintain the Disclosure Information for at least 6 years following the date of the accountable disclosure to which the Disclosure Information relates.

Business Associate will make the Disclosure Information available to Organization within 30 calendar days following Organization’s request for such Disclosure Information to comply with an individual’s request for disclosure accounting.

d) **Restriction Agreements and Confidential Communications.** Business Associate will comply with any agreement that Organization makes that either (i) restricts use or disclosure of Organization’s Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about Organization’s Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that Organization notifies Business Associate

in writing of the restriction or confidential communication obligations that Business Associate must follow. Organization will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Organization's Protected Health Information will remain subject to the terms of the restriction agreement.

4. **Privacy Obligation Breach and Security Incidents.**

a) **Reporting.**

i) **Privacy Breach.** Business Associate will report to Organization any use or disclosure of Organization's Protected Health Information not permitted by this Agreement or in writing by Organization. Business Associate will make the report to Organization's Privacy Official not more than 15 calendar days after Business Associate learns of such non-permitted use or disclosure. Business Associate's report will at least:

- A) Identify the nature of the non-permitted use or disclosure;
- B) Identify Organization's Protected Health Information used or disclosed;
- C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
- D) Identify what corrective action Business Associate took or will take to prevent further non-permitted uses or disclosures;
- E) Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted use or disclosure; and
- F) Provide such other information, including a written report, as Organization may reasonably request.

ii) **Security Incidents.** Effective on the last date as written below, Business Associate will report to Organization within 15 calendar days any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of Organization's Electronic Protected Health Information or (B) interference with Business Associate's system operations in Business Associate's information systems, of which Business Associate becomes aware. Business Associate will make this report in such form as Organization requires, except if any such security incident resulted in a disclosure of Organization's Protected Health Information or Electronic Protected Health Information not permitted by this Agreement, Business Associate will make the report in accordance with Section 4(a)(i) above.

b) **Termination of Agreement.**

i) **Right to Terminate for Breach.** Organization may terminate this Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement and upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within 30 calendar days after receipt of the notice. Organization may exercise this right to terminate this Agreement by providing Business Associate written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Organization's notice of termination.

ii) **Right to Terminate on Regulation Change.** Either Organization or Business Associate may terminate this Agreement if amendment or addition to 45 C.F.R. Parts 160-64 affects the obligations under this Agreement of the party exercising the right of termination. The party so affected may terminate this Agreement by giving the other party written notice of such termination at least 90 calendar days before the compliance date of such amendment or addition to 45 C.F.R. Parts 160-64.

iii) **Obligations on Termination.**

A) **Return or Destruction of Organization's Protected Health Information as Feasible.** Upon termination or other conclusion of this Agreement, Business Associate will, if feasible, return to Organization or destroy all of Organization's Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information. Business Associate will require any subcontractor or agent, to which Business Associate has disclosed Organization's Protected Health Information as permitted by Section 1(e) of this Agreement, to if feasible return to Business Associate (so that Business Associate may return it to Organization) or destroy all of Organization's Protected Health Information in whatever form or

medium received from Business Associate, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information, and certify on oath to Business Associate that all such information has been returned or destroyed. Business Associate will complete these obligations as promptly as possible, but not later than 60 calendar days following the effective date of the termination or other conclusion of this Agreement.

**B) Procedure When Return or Destruction Is Not Feasible.** Business Associate will identify any of Organization's Protected Health Information, including any that Business Associate has disclosed to subcontractors or agents as permitted by Section 1(e) of this Agreement, that cannot feasibly be returned to Organization or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will require such subcontractor or agent to limit its further use or disclosure of Organization's Protected Health Information that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. Business Associate will complete these obligations as promptly as possible, but not later than 60 calendar days following the effective date of the termination or other conclusion of this Agreement.

**C) Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and safeguard the security of Organization's Protected Health Information as specified in this Agreement will be continuous and survive termination or other conclusion of this Agreement.

**c) Indemnity.** Business Associate will indemnify and hold harmless Organization and any Organization affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted use or disclosure of Organization's Protected Health Information or other breach of this Agreement by Business Associate or any subcontractor or agent under Business Associate's control.

**i) Right to Tender or Undertake Defense.** If Organization is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted use or disclosure of Organization's Protected Health Information or other breach of this Agreement by Business Associate or any subcontractor or agent under Business Associate's control, Organization will have the option at any time either (A) to tender its defense to Business Associate, in which case Business Associate will provide qualified attorneys, consultants, and other appropriate professionals to represent Organization's interests at Business Associate's expense, or (B) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants, and other professionals.

**ii) Right to Control Resolution.** Organization will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Organization may have tendered its defense to Business Associate. Any such resolution will not relieve Business Associate of its obligation to indemnify Organization under this Section 4(c).

## 5. General Provisions.

**a) Inspection of Internal Practices, Books, and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of Organization's Protected Health Information available to Organization and to DHHS to determine Organization's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.

**b) Definitions.** The terms "Covered Entity," "Electronic Protected Health Information," "Protected Health Information," "Standard," "Trading Partner Agreement," and "Transaction" have the meanings set out in 45 C.F.R. § 160.103. The term "Standard Transaction" has the meaning set out in 45 C.F.R. § 162.103. The term "Required by Law" has the meaning set out in 45 C.F.R. § 164.103. The terms "Health Care Operations," "Payment," "Research," and "Treatment" have the meanings set out in 45 C.F.R. § 164.501. The terms "Limited Data Set" has the meaning set out in 45 C.F.R. § 164.514(e). The term "use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Business Associate. The terms "disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Business Associate. For purposes of this Agreement, Organization's Protected Health Information encompasses Organization's Electronic Protected Health Information.

**c) Amendment to Agreement.** Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects Business Associate's use or disclosure of Organization's Protected Health Information or Standard Transactions and this Agreement will automatically amend such that the obligations imposed on

Business Associate remain in compliance with the final regulation or amendment to final regulation, unless Organization or Business Associate elects to terminate the Agreement in accordance with Section 4(b)(ii).

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

**IN WITNESS WHEREOF**, Organization and Business Associate execute this Agreement in multiple originals to be effective on the last date written below, except as otherwise specified herein.

**Centron Services, Inc. d/b/a Credit Systems**

**City of Laurel**

By: \_\_\_\_\_

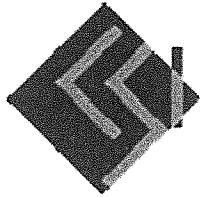
By: Thomas C. Nelson \_\_\_\_\_

Its: \_\_\_\_\_

Its: Mayor  \_\_\_\_\_

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

Date: 12/18/2018 \_\_\_\_\_



**CENTRON SERVICES INC.**  
Practical Business Solutions Since 1927

Centron Services, Inc. d/b/a Credit Systems (hereinafter referred to as CSI) is a full-service collection agency. We offer bad debt collection, pre-collection, managed self-pay collections, insurance billing and collection, skip tracing, asset checks, referral to legal counsel and follow through the entire legal process, and post judgment collection to include writs of execution and sale of property.

The bad debt collection process is very hands on where we do not provide a script for the collection staff. We hire well-spoken communicators who can examine the account and determine the best course of action to get the account collected in full and in a timely manner. Below is general description of how an account moves through the collection process with an emphasis a few common scenarios that may be of interest.

- When a collection account is referred to us for collection we first send an acknowledgement to our client for verification of consumer name and amount owed.
- We then send our first notice to the consumer. This notice fully complies with the Fair Debt Collection Practices Act (FDCPA) in that it gives the consumer notice that the account has been referred to a collection agency and that they have certain rights that are defined within the letter.
  - o Each account that is listed will have a first notice sent on it. Accounts are never grouped together on this specific letter.
- Depending on the information that is listed with the account it may be sent to our skip-tracing company to have a full search done.
  - o This information is then placed in the account and transferred to a live collector to follow up on.
- The account is referred to a live collector within seven working days from placement.
  - o Once received by our collector, the consumer is called and asked to pay the account in full.
    - If multiple numbers exist we will attempt to reach the consumer on all of them.

- In the event the consumer is unable to pay the account in full, we then attempt to set up a payment arrangement that will comply both with the consumer's budget as well as be acceptable to our client and collector.
  - In the case where an acceptable agreement does not seem possible due to circumstances we will send the consumer a cooperative statement to fill out.
    - This form allows the collector to compare the income vs. expenses of the consumer and work with them as a financial counselor in order to come to a repayment agreement on the account.
- If the consumer complies with the arrangements, then we monitor the payments to be certain that none are missed.
- If payments are not made as promised or if the consumer does not cooperate with our collector, we then consider if legal action is warranted.
  - In some instances a payment plan may be reestablished with the consumer.
- Throughout the process of contacting the consumer our collector is also collecting information regarding assets that will assist in determining whether or not we will consider legal action.
- Calling the consumer is an ideal method of contact, but circumstances do not always lend themselves to direct telephone contact.
  - In such instances we rely on notices to convey a sense of urgency about the account and move the consumer to contact us.
    - The account is also referred to two credit reporting repositories for inclusion on the consumer's credit file. Those repositories are Equifax and Transunion.
- An amicable solution is always attempted during our collection process. There are occasions where a dispute is identified on the account. Some disputes can be resolved by an internal review of the account, but if that cannot be done the following process takes place.
  - We ask the consumer to send documentation to support their dispute.
    - When a dispute is received either verbal or written we are required to cease collection efforts until an investigation is done into their dispute.
  - Once the documentation is received we send it to our client and ask for a written response from them within 30 days to be in compliance with the Fair Credit Reporting Act.
    - Once the client's response is received we will relay the response onto the consumer.

- If the response is that the dispute is not valid we will continue collection efforts.
  - If the dispute is valid the account is cancelled back to the client.
- In some instances we determine that legal action is necessary to get the account collected. We do not take the seriousness of court actions lightly.
  - When it is determined that legal action is required, a letter is sent from our attorney that advises the consumer that legal action is pending and emphasizes the necessity of contacting our office immediately.
    - Included with this letter is a cooperative statement for the consumer to fill out if they do not feel they can pay the account in full.
  - If the consumer still does not cooperate, then the action is filed by our attorney in CSI's name and we proceed through the legal system.
  - Our client is notified when legal action is initiated.
  - The amount of time that it takes an account to reach the point where legal action is taken varies for each individual account.
    - Once judgment is obtained we will follow the action through each step and make certain that garnishments/writs and sale of property are monitored with due diligence.
      - We will petition the court for a proceeding supplemental hearing when it is warranted. In that situation, a notice to appear is served upon the judgment consumer and he/she is direct to appear in court at a named time and present all financial records, including all assets. This process can prove to be effective.

A summary of CSI's workflow is as follows:

Day 1 - Accounts are manually or electronically loaded

Day 2 - First notices are sent to the consumers. If the account needs skip tracing then the account is electronically sent

Day 7 - Account is presented to a collector who will do first level work on the account which will consist of the following but is not limited to the following:

Collector will try to contact the consumer via telephone. They will try all numbers provided and will skip trace account for more information to ensure we have current information. One of the following will happen from there:

Positive contact- A promise will be made to pay in full the account and or make payment arrangements to satisfy the obligation. This promise will then be monitored.

Negative contact- The consumer will either question or dispute the validity of the debt or their obligation to pay. We will provide the necessary information to the consumer and try to resolve the issue.

No contact- The consumer will not be reachable by telephone and /or mail and there will be no current information in our skip tracing resources.

Whether it is a negative or no contact, if the consumer is not willing to resolve the issue and pay the debt, the account will be reviewed for legal action. If the account is sent to our legal department we will petition the court for judgment in order to garnish available assets to satisfy the debt.

If the consumer has no assets and does not qualify for legal action we will continue to work the account and/or close the account back to our client as agreed. If collection efforts are exhausted on the account the collector may choose to place the account in a dormant status. This is done to allow the account to remain on the credit file and be reopened in any circumstance deemed necessary.

Day 31 plus - In a positive contact situation the accounts are monitored. In a negative contact situation, we continue to try to resolve it and turn it into a positive contact situation. In a no contact situation we utilize letters, skip-tracing and calls to try to turn it into a positive contact situation.

Day 120- Account is presented to Equifax and TransUnion to be placed on the consumer's credit file as a bad debt collection account.