

HABERSHAM COUNTY BOARD OF COMMISSIONERS

EXECUTIVE SUMMARY

SUBJECT: HIPAA BUSINESS ASSOCIATE AGREEMENT - RUSHTON, LLC

DATE: AUGUST 17, 2026

(X) RECOMMENDATION

() POLICY DISCUSSION

BUDGET INFORMATION:

() STATUS REPORT

ANNUAL- 0.00

() OTHER

CAPITAL- 0.00

PRESENTED BY: Ann Cain, Human Resources Director

COMMISSION ACTION REQUESTED ON: August 17, 2026

PURPOSE: To request approval of a HIPAA Business Associate Agreement between Habersham County and Rushton, LLC and authorization for the Chairman to execute the agreement on behalf of the County. The agreement establishes the privacy, security, breach-notification, and records-handling requirements that apply if Rushton receives or reviews protected health information while providing financial audit consulting services to the County.

BACKGROUND / HISTORY: Habersham County's Human Resources Department compiles and uses employee protected health information (PHI) subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and related federal regulations. The County is therefore a Covered Entity responsible for safeguarding that information.

Rushton, LLC provides financial audit consulting services to the County under an engagement letter dated May 4, 2026. Because performance of those services may require Rushton to receive or review records containing PHI, Rushton is treated as the County's Business Associate for purposes of the work. The proposed agreement is appended to the engagement letter and documents the protections that apply to any PHI involved in the audit-consulting services.

FACTS AND ISSUES:

- Access to PHI is limited to information necessary for Rushton to provide financial audit consulting services to the County.
 - Rushton must maintain the confidentiality and security of PHI, restrict access to authorized personnel, and report unauthorized uses, disclosures, breaches, or security incidents.
 - Confirmed breaches of unsecured PHI must be reported to the County within 30 business days. Rushton must assist with accountings of disclosures within 15 days of a County request.
 - Upon termination, Rushton must return or destroy PHI when feasible and continue protecting any information that must be retained.
 - The agreement has no separate fee or additional budget impact. The effective date and any corrections approved by the County Attorney must be completed before execution.
-

OPTIONS:

- 1) Approve the agreement and authorize the Chairman to execute it.
 - 2) Deny the request.
 - 3) Provide an alternative direction or request revisions to the agreement.
-

RECOMMENDED MOTION: "I move to approve the HIPAA Business Associate Agreement between Habersham County and Rushton, LLC and authorize Chairman Bruce Harkness to execute the agreement on behalf of the County, subject to completion of the effective date and any final administrative or legal corrections approved by the County Attorney; and to authorize the County Clerk to attest the Chairman's signature, if required."

ADMINISTRATIVE

COMMENTS: _____

DATE: _____

County Manager

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this "Agreement"), is made as of the 6th day of August, 2026 (the "Effective Date"), by and between **RUSHTON, LLC**, a Georgia limited liability company ("Rushton" or "Business Associate") and **HABERSHAM COUNTY**, a political subdivision of the State of Georgia ("County" or "Covered Entity") (collectively, the "Parties").

Defined Terms

All terms that are capitalized in this Agreement, when they would not be capitalized normally, have the meanings set forth in parentheses in this Agreement, or the meanings set forth in the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act, enacted as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (the "HITECH Act").

Status under HIPAA Rules

1. The County maintains a Human Resources Department (the "Department") and is a Covered Entity within the meaning of the Privacy, Security, Breach Notification, and Enforcement Rules set forth at 45 CFR Part 160 and Part 164 (the "HIPAA Rules"), and as such is required to comply with the HIPAA Rules and the provisions of the HITECH Act.
2. Management of the Department includes compilation and use of various Protected Health Information ("PHI") which are subject to the HIPAA Rules and provisions of the HITECH Act.
3. Rushton is a Business Associate to the County, including the Department, based on the financial audit consulting services Rushton provides to the County under that certain Engagement Letter dated May 4, 2026, to which a copy of this Agreement is appended.
4. Pursuant to the requirements of the HITECH Act, due to its status as a Business Associate, Rushton is required to comply with certain provisions of the HIPAA Rules and with the terms of this Agreement.

Covered Entity's Representations

5. Covered Entity will provide Business Associate with any changes in, or revocation of, an authorization by an Individual to use or disclose PHI, if Covered Entity knows of the changes or revocation and the changes affect Business Associate's permitted or required uses and disclosures.
6. Covered Entity shall provide Business Associate with any related notices of privacy practices including those that any group health plan ("Plan") may produce in accordance

with 45 C.F.R. §164.520, as well as any changes to such notices that may affect Business Associate's provision of services under this Agreement.

Business Associate's Obligations and Activities

7. Business Associate will not use or further disclose Protected Health Information ("PHI") other than as permitted or required by this Agreement, by the express written authorization of the Individual to which it pertains, or as Required by Law and any Use shall be in compliance with each of the applicable requirements of 45 CFR §164.504(e).
8. Business Associate will implement administrative, physical and technical safeguards (including security policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI that it receives or maintains in compliance with 45 CFR §§164.308, 164.310, and 164.312, and shall document such safeguards in accordance with 45 CFR §164.316.
9. Business Associate will report to the Covered Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware, including any Breaches of Unsecured Protected Health Information as required at 45 CFR §164.410, and any Security Incident of which it becomes aware.
10. Business Associate agrees to maintain any PHI received from Covered Entity in the strictest of confidence and shall not disclose any PHI to any other person.
11. Business Associate will make internal practices, books, and records relating to the use and disclosure of PHI received by Business Associate available to the County.
12. Business Associate will 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 this Agreement of which it becomes aware.
13. Business Associate shall not maintain any PHI in a Designated Record Set.
14. Within fifteen (15) days of receiving a request from the Covered Entity, Business Associate agrees to assist in responding to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

Permitted Uses and Disclosures by Business Associate

15. Covered Entity may disclose PHI to Business Associate as necessary for Business Associate to fulfill its financial audit consulting services to Covered Entity as described in Section 3 above.
16. Business Associate may review documents containing PHI solely for the purposes listed herein, and only if such use or disclosure of PHI would not violate the HIPAA Rules if done by the Covered Entity.

17. Business Associate shall properly maintain and protect any PHI that it may receive from Covered Entity and limit its review and use thereof solely to carry out the contractual responsibilities of the Business Associate to the Covered Entity. Business Associate shall limit disclosure of PHI within its organization to only those individuals who must review such information to complete the financial audit consulting services for the County. Business Associate acknowledges that documentation received from Covered Entity may be redacted such that any disclosure of PHI may be further limited to only information that is absolutely necessary for Business Associate to complete its work for the Covered Entity.
18. Business Associate shall make reasonable efforts to limit uses of PHI to a Limited Data Set or, if needed, to the minimum amount of PHI reasonably necessary to accomplish the intended purposes of such use; provided further that, upon the effective date of regulations defining the term “minimum necessary,” Business Associate shall limit uses of PHI to the minimum necessary as defined by such regulations.
19. Upon discovery of a breach (or suspected breach) of PHI within the control of Business Associate, which occurs on or after the effective date of this Agreement, Business Associate shall evaluate whether such breach constitutes a “Breach” of “Unsecured PHI”, as such terms are defined in 45 CFR §164.402. If a Breach of Unsecured PHI has occurred, Business Associate shall:
 - (i) without unreasonable delay and in no case later than thirty (30) business days after the Breach is treated as discovered pursuant to 45 CFR §164.404(a)(2), notify the Covered Entity in accordance with 45 CFR §164.410;
 - (ii) on behalf of the Covered Entity, notify each Individual whose Unsecured PHI has been, or is reasonably believed to have been, Breached, of the Breach in accordance with 45 CFR §164.404;
 - (iii) on behalf of the Covered Entity, provide any notice to the media that is required in accordance with 45 CFR §164.406; and
 - (iv) on behalf of the Covered Entity, provide any notice to the Secretary of the Department of Health and Human Services that is required in accordance with 45 CFR §164.408.

Any notification to be provided by Business Associate on behalf of the Covered Entity shall be subject to the approval of the Covered Entity, which approval shall not unreasonably be withheld. For purposes of this provision, Business Associate shall not be considered to be acting as an agent of the Covered Entity (as “agent” is defined under federal common law).

20. Upon any breach (whether involving PHI or other data), Business Associate shall evaluate whether such breach is a breach requiring notice under any state laws. If Business Associate determines that such breach requires notices to be provided under any state law, Business

Associate shall be responsible for providing such notices in accordance with the applicable state laws.

Term of the Agreement

21. This Agreement shall terminate when Business Associate stops providing the kind of services described hereinabove to the Covered Entity or on the date the non-breaching party terminates for cause as authorized herein, whichever is sooner.
22. If either party to this Agreement knows of a material breach by the other party (hereafter the "Breaching Party"), the non-breaching party shall provide an opportunity for the Breaching Party to cure the breach or end the violation and terminate this Agreement.

The non-breaching party shall immediately terminate this Agreement if the Breaching Party does not cure the breach or end the violation within the time specified by the non-breaching party, or if the Breaching Party has breached a material term of this Agreement and cure is not possible.

If neither termination nor cure is feasible, the non-breaching party will report the violation to the Secretary.

23. Upon termination of this Agreement, for any reason, Business Associate shall destroy all PHI received by Business Associate from the Covered Entity that it no longer needs in order to carry out the contractual responsibilities of the Business Associate, or return such information to the Covered Entity. Business Associate shall extend the protections of this Agreement to any PHI it retains for so long as Business Associate maintains such PHI.

In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to the Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

In the event the Covered Entity and Business Associate agree that Business Associate shall retain PHI after the termination of this Agreement, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, Business Associate shall:

1. Retain only that PHI which is necessary for business associate to continue its proper management and administration to carry out its responsibilities hereunder;
2. Return to Covered Entity the remaining PHI that Business Associate still maintains in any form;
3. Continue to use appropriate safeguards and comply with subpart C of 45 CFR part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other

than as provided for in this Section for as long as Business Associate retains the PHI;

4. Not to use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions which applied prior to termination; and

5. Return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its responsibilities hereunder.

Notices

24. All notices as required by this Agreement shall be in writing and shall be deemed received, and shall be effective, when: (1) personally delivered to the individual identified below where a signed receipt is given, or (2) on the third day after the postmark date when mailed by registered mail, postage prepaid, return receipt requested, or (3) upon actual delivery when sent via national overnight commercial carrier to the party at the address given below, or at a substitute address previously furnished to the other party by written notice in accordance herewith:

Notice under this Agreement shall be provided to Business Associate at:

Rushton, LLC
Attn: Chris Hollifield
P.O. Box 2917
726 South Enota Drive, Suite A
Gainesville, Georgia 30503

And to Habersham County at:

Habersham County Human Resources
Attn: Ann M. Cain, Director
130 Jacobs Way, Suite 301
Clarksville, Georgia 30523

Miscellaneous

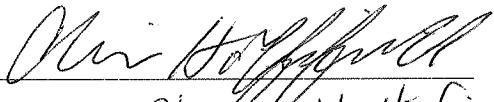
25. Any reference in this Agreement to the HIPAA Rules or the HITECH Act means the HIPAA Rules or the HITECH Act as in effect or as amended and for which compliance is required.
26. The parties hereto agree to amend this Agreement as is necessary for compliance with the HIPAA Rules and the HITECH Act.

27. In the event of an inconsistency between the provisions of this Agreement and the mandatory terms of the HIPAA Rules or the HITECH Act, as may be expressly amended from time to time by the Department of Health and Human Services ("HHS") or as a result of interpretations by HHS, a court, or another regulatory agency with authority over the parties to this Agreement, the interpretation of HHS, such court, or such regulatory agency shall prevail. In the event of a conflict among the interpretations of these entities, the conflict shall be resolved in accordance with the rules of precedence.
28. The respective rights and obligations of Business Associate under Paragraphs 19, 20, and 24 hereof shall survive the termination of this Agreement.

IN WITNESS WHEREOF, Business Associate and Covered Entity have executed this Agreement, which is effective as of the Effective Date first written above.

BUSINESS ASSOCIATE:

RUSHTON, LLC

By: 
Printed Name: Chris Holtzfield
Title: Managing Partner

COVERED ENTITY:

HABERSHAM COUNTY, GEORGIA

By: _____
Bruce Harkness, Chairman

Attest:

By: _____
Brandalin Carnes, County Clerk