

This responds to Indiana Office of Technology's ("IOT") request that SHI International Corp. ("SHI") agree to the "Sample Privacy and Security Terms" ("the Terms") with respect to the business relationship between IOT and SHI. We have reviewed the proposed Terms and have determined that they are not necessary or appropriate within the framework of the business relationship between IOT and SHI, as we explain.

As you are aware, a "business associate" under HIPAA is a person or organization, other than a member of a covered entity's workforce, that performs certain functions or activities on behalf of, or provides certain services to, a covered entity that involve the use or disclosure of protected health information ("PHI"). To be subject to HIPAA, such use or disclosure of PHI must be deliberate and constitute the purpose of the services provided. Pursuant to the HIPAA guidelines, a business associate relationship involves willfully creating, receiving, maintaining, or transmitting PHI as part of its service offering to the covered entity. In short, a business associate relationship is predicated on being engaged to "process" PHI. However, SHI has not been engaged to provide any services to PHI that are predicated on the processing of PHI, in any manner.

We appreciate your desire to maintain compliance with applicable legislation, but in short, it is not necessary for SHI to process PHI for any service offering in which SHI has been engaged by IOT, and, therefore, SHI cannot be characterized as a business associate of IOT. Given that SHI's services fall outside HIPPA coverage, it is neither necessary nor appropriate for SHI to agree to the proposed Terms. That said, as a GDPR-compliant and CCPA-compliant entity, SHI respects and protects the rights of data subjects in compliance with all applicable data protection regulations and implements security and privacy measures designed to protect our customers' personal information. We trust this resolves the issue.

Please contact [emmanuel\\_maroulis@SHI.com](mailto:emmanuel_maroulis@SHI.com), if you have any further questions regarding the foregoing.