



...results you trust from people who care.

Department of Administration
Purchasing Division
2019 Washington Street East
PO Box 50130
Charleston, WV 25305-0130

We are pleased to provide you with a proposal for Drug Testing Services for The Division of Juvenile Services (RFQ #DJS010269). Norchem is the leading provider of evidence-based, decision making tools for the drug testing needs of many youthful offender programs and probation departments around the country.

Norchem provides a proprietary solution, Sentry™, which provides real time information, alerts, randomization and many other features combined with a certified forensic laboratory. This integration allows for improved outcomes at a lower cost.

We welcome the opportunity to talk with you if you would like to discuss the specific needs of your program or have any questions about our proposal. So, please don't hesitate to call.

Regards,

Richard Danisch
Director, Business Development
800-348-4422

RECEIVED

2009 APR 27 A 9:28

PURCHASING DIVISION
STATE OF WV

Norchem Organizational History, Experience and Qualifications

Norchem has provided forensic drug testing services for the past 14 years. Our primary clients are Children and Family Services Agencies, Probation Departments and Treatment Agencies. The majority of our client base requires court ordered testing services.

Our specific mission focus is; provide forensic – legally defensible – results, with industry leading turnaround times, while providing friendly and easily accessible client service support. Additionally, the Norchem Sentry web based substance abuse program management solution provides evidence-based information on donor compliance and enables our clients to better manage both their personnel and financial resources. Norchem provides a full-service package that keeps our clients apprised of events in real time, allowing for earlier interventions.

Since it's inception, Norchem has implemented services for numerous agencies throughout the United States. Many of these accounts require the testing of 10,000 specimens per month or more. Each day, we process approximately 5,000 specimens. Screening results are available to our clients the same day of receipt. Over 70% of specimens requiring confirmation testing are also completed the same day. Norchem retains redundant screening and confirmation instrumentation to be utilized in the event of instrument breakdown.

Norchem's College of American Pathologists – Forensic Drug Testing (CAP-FDT) certification speaks to the quality of services we provides. We have successfully maintained this prestigious certification, which requires exacting standards of quality control, inspection and laboratory security, since 2000. It is important to note that proficiency testing is not the same as laboratory certification. Laboratory Certification matters. Lesser certifications do not require the day-to-day requirements of quality assurance and laboratory security. In addition, Norchem's results have ALWAYS been successfully upheld when challenged in a court of law.

We understand the life-altering decisions being made every day by our clients. Accurate and legally defensible results are a critical component of their program, but results are useless without understanding what they mean. That is why our scientists and highly trained client service personnel are available every business day to answer your questions concerning interpretation of results, interfering substances, specimen adulteration and other technical questions. Our phones are not answered by machines with difficult menus. Real people answer our calls and are available to help immediately.

Norchem is financially solvent and adequately funded to perform the work identified in this ITB for The Division of Juvenile Services.

Norchem Key Personnel

Chairman, Board of Directors and Laboratory Director

Thomas E. Vorpahl, M.D.

Dr. Vorpahl was awarded his medical degree from the University of Minnesota College of Medicine. With over 25 years in medicine, Dr. Vorpahl's positions have included Pathologist, County Chief Medical Examiner, and Laboratory Director of several laboratories. Dr. Vorpahl is board certified and has authored many publications and presentations in forensic and clinical sciences.

President and CEO

William P. Gibbs, B.S.

Bill Gibbs received his degree from the University of Arizona. His passion is total quality management and process improvement employing Six-Sigma and Lean methodologies. Bill has over twenty years experience in executive management and is the chief advocate for our clients.

Scientific Director/Toxicology

Andrew J. Fischinger, Ph.D. MT (ASCP)

Dr. Fischinger received his Ph.D. from the Illinois Institute of Technology and was a post-doctoral fellow in clinical chemistry & clinical pathology at the University of Illinois in Chicago. He has over fifteen years experience in forensic toxicology and laboratory management. Dr. Fischinger has taught in several universities and has authored multiple scientific articles. He has also developed over 100 laboratory testing protocols for toxicology, immunology and clinical chemistry.

Technical Directory

Daniel Y.K. Chan, Ph.D.

Dr. Chan received his Ph.D. from Loyola University. He has been active in toxicology for almost 30 years. He specializes in mass spectrometry, having written, developed and validated many methods for both gas chromatography and liquid chromatography.

Laboratory Manager

Rebecca Montfort Gibbs, MT (ASCP)

Rebecca Gibbs received her degree from Northern Arizona University. She was certified as a Medical Technologist (ASCP) at the Tucson Medical Center. Rebecca has 20 years of experience with Hematology, Chemistry, Microbiology, Serology and Toxicology.

Norchem Response to RFQ #DJS010269

Norchem proposes to offer the following services.

Norchem agrees to provide drug testing services for the Division of Juvenile Services for the Youth Reporting Facilities (5) located across the state. Norchem will provide all collection materials and chain of custody forms.

Norchem agrees to provide an 11-panel screen by EMIT Immunoassay for the following drugs at the indicated cutoff levels:

Alcohol	0.02%
Amphetamines/Methamphetamines	1000 ng/ml
Barbiturates	200 ng/ml
Benzodiazepines	200 ng/ml
Cannabinoids	50 ng/ml
Cocaine	300 ng/ml
Opiates	300 ng/ml
Methadone	150 ng/ml
Oxycodone	300 ng/ml
PCP	25 ng/ml
Propoxyphene	150 ng/ml

Norchem agrees to perform a re-screen with semi-quantitative results for THC positives, as this test has been shown to have forensic utility when determining new use.

Norchem agrees to perform validity testing on each specimen. Levels will be reported for Creatinine, Specific Gravity, and pH.

Norchem agrees to provide results electronically through our web based substance abuse program monitoring solution, Sentry. Counselors and officers can receive notifications via text message or email when a test result is positive, dilute, or adulterated. Sentry is not just a web portal for results, though. Sentry is a complete solution, which can add flexibility and value to your program. Best of all, Sentry is included in the price of testing with Norchem. Some of the features of Sentry include:

- Sentry is fully integrated with Norchem's laboratory, which allows you to track in real-time the status of specimens as they are received and tested.
- Should your program desire to randomize your drug testing, Sentry provides an easy to use interface, which allows you to customize each participant's randomization schedule to fit your needs. Randomization has been shown to improve the effectiveness of drug testing dollars.

- Officers and counselors will have real time access to participant information. Sentry saves and maintains testing schedules, testing results, and allows for note taking and document attachment all in one place. Sentry's automatic documentation eliminates hours of clerical work.
- Positive/Abnormal testing results may be setup to alert counselors and officers via emails, or text messages for immediate action. Alerts allow for easy early intervention and positive reinforcement, both important to improving outcomes.
- Sentry makes it easy to organize your participants into groups with common characteristics. This allows for simple management and tracking of specific groups.
- Real-time reports and drug testing statistics. Statistical tracking allows for program evaluation and adjustment to maximize impact of your important budget dollars. This is especially important for programs in this economy, as continued funding becomes more and more dependent upon providing evidence of the effectiveness and necessity of the services the provide. Sentry gives you the numbers you need to provide this evidence without extensive number crunching on your part.
- Sentry automatically generates all of the participant demographics on chain of custody forms, eliminating misspelled names and other inaccuracies.
- Sentry's strict security makes sure only authorized personnel are able to view and make changes to participant information and schedules. The security, however, is also flexible enough that information sharing among agencies and 3rd parties is just a click of the mouse away. This facilitates the sharing of information between all parties involved (officers, supervisors, counselors, courts, judges, treatment facilitates, etc.) for improved outcomes.
- Sentry can be accessed via any internet enabled computer. Security is "bank quality" 128bit SSL Encryption to protect your data. Officers and counselors can access information from any computer with internet access when they are out in the field, keeping them on top of any issues and improving productivity.
- Sentry was developed by Norchem and is directly supported by Norchem.

Sentry's features are even more robust when coupled with an IVR call-in system. Please contact Norchem directly at 800-348-4422 to inquire about this or any other questions about Sentry and how it can enhance your program.


Norchem proposes the following changes to RFQ #DJS010269.

Norchem offers overnight Federal Express service at no additional cost with pick ups when needed, based on volume, for each facility as an alternative to postage paid envelopes. Federal Express overnight service ensures that specimens arrive at the lab in a trackable, timely manner and provides a thorough record of chain of custody. All costs associated with shipping and shipping supplies will be the responsibility of Norchem.

Because screening results are subject to false positives and a second screen offers the same information that initial screens do (i.e. if a specimen screens positive for amphetamines because of a cold medicine the first time, it will do the same thing the second time), Norchem offers confirmations by GC/MS to rule out possible false positives and provide quantitative levels. We do, however, understand the cost concerns of your program and offer these confirmations only upon request from authorized counselors or officers. Our scientists and highly trained client service personnel are available every business day to answer your questions concerning interpretation of results, interfering substances, specimen adulteration and other technical questions to help you make the right decisions.

Because of concessions made to the original RFQ # DJS010269, Norchem offer the following alternative pricing to the Division of Juvenile Services.

- | | |
|---|--------------------|
| 1. 11-Panel urine screen with adulteration testing | 2500 @ \$13.75 ea. |
| 2. Confirmation testing on contested positive screens | \$15.00 ea. |

Signature  Date 4-24-09
Printed Name RICHARD DANISCH
Title DIRECTOR, BUSINESS DEVELOPMENT



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

RFQ NUMBER
DJS010269

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
**JOHN ABBOTT
 304-558-2544**

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

**DIVISION OF JUVENILE SERVICES
 VARIOUS LOCALES AS
 INDICATED BY ORDER**

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
04/09/2009				

BID OPENING DATE: **04/28/2009** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		961-48		
<p>DRUG TESTING SERVICES</p> <p>OPEN-END CONTRACT TO PROVIDE DRUG TESTING SERVICES FOR THE WEST VIRGINIA DIVISION OF JUVENILE SERVICES, PER THE SPECIFICATIONS.</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>John A. Davis</i>	TELEPHONE 728-526-1011	DATE 4-24-09
TITLE Director, Sales	FAX 86-0814590	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER:
DJS010269

PAGE:
2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
**JOHN ABBOTT
 304-558-2544**

RFQ COPY
 TYPE NAME/ADDRESS HERE

DIVISION OF JUVENILE SERVICES
 VARIOUS LOCALES AS
 INDICATED BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/09/2009				

BID OPENING DATE: **04/28/2009** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Richard Danovich</i>	TELEPHONE 928-526-1011	DATE 4-24-09
TITLE DIRECTOR, SALES	FEBN 86-0814590	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
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Request for Quotation

RFQ NUMBER
DJS010269

PAGE
4

ADDRESS CORRESPONDENCE TO ATTENTION OF:
**JOHN ABBOTT
 304-558-2544**

RFQ COPY

TYPE NAME/ADDRESS HERE

SHIP TO

**DIVISION OF JUVENILE SERVICES
 VARIOUS LOCALES AS
 INDICATED BY ORDER**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/09/2009				

BID OPENING DATE: **04/28/2009** **BID OPENING TIME 01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: ----- CONTACT PERSON (PLEASE PRINT CLEARLY): ----- ***** THIS IS THE END OF RFQ DJS010269 ***** TOTAL: _____						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Richard Daniels</i>	TELEPHONE 928-526-1011	DATE 4-24-09
TITLE Director, Sales	FEIN 86-0814590	ADDRESS CHANGES TO BE NOTED ABOVE.

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

The Division of Juvenile Services is soliciting bids for a vendor to provide Drug Testing Services for our Youth Reporting Facilities (5) across the state. We are requesting that the vendor also provide the collection materials, Chain of Custody Form and a postage paid envelope to submit samples to the laboratory.

The Division of Juvenile Services is requesting that the test be an 11 Panel Screen meeting the following guidelines:

11 Panel (C) Immunoassay screen/re-screen with semi-quantitative values reported on any positive drug result with specimen validity tests. The cutoff levels will be:

Alcohol	.02 g%
Amphetamines	1000 ng / ml
Barbiturates	200 ng / ml
Benzodiazepines	200 ng / ml
Cannabinoids	50 ng / ml
Cocaine	300 ng / ml
Opiates	300 ng / ml
Methadone	150 ng / ml
Oxycodone	300 ng / ml
PCP	25 ng / ml
Propoxyphene	150 ng / ml

Validity Test includes:

Creatinine	>20 mg / dl
Specific Gravity	>1.003
pH	3.1 – 10.9

Results will be reporting options which will include the following options:

- A. E-Mail notification that results are available for viewing online to an E-mail address or addresses (to meet HIPA requirements)
- B. E-Mail notification of actual results to a secure E-Mail address or addresses.

The Division of Juvenile Services will be testing at multiple locations around the state and will be submitting on average 1 – 3 tests per site per day. The cost of the shipping must be included in the price of the test. Vendor will provide all collection supplies, shipping envelopes, and pay all shipping costs for the quoted price.

Per Test Price	Total
\$ _____	X 2,500 = \$ _____

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
- 2. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 3. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 4. Application is made for 5% resident vendor preference for the reason checked:
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
- 5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
- 6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: NORCHEM

Signed: [Signature]

Date: 4-24-09

Title: DIRECTOR, SALES

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

STATE OF WEST VIRGINIA
Purchasing Division**PURCHASING AFFIDAVIT****VENDOR OWING A DEBT TO THE STATE:**

West Virginia Code §5A-3-10a provides that: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

If this is a solicitation for a public improvement construction contract, the vendor, by its signature below, affirms that it has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. The vendor **must** make said affirmation with its bid submission. Further, public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.

ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

LICENSING:

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY:

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.

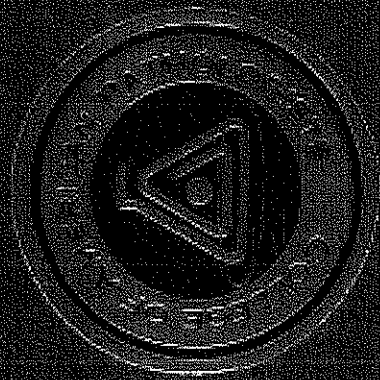
Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

Vendor's Name: NORCHEM
 Authorized Signature: [Signature] Date: 4-24-09
 Purchasing Affidavit (Revised 01/01/09)



Advancing Excellence

**Accredited
Laboratory**



The College of American Pathologists

certifies that the laboratory named below

***Norchem Drug Testing
Flagstaff, Arizona***

Andrew J. Fischinger, PhD, MT(ASCP)

LAP Number: 6913001

AU-ID: 1334964

CLIA Number: 03D0936918

*has met all applicable standards for accreditation and
is hereby fully accredited by the College of American Pathologists'
Forensic Drug Testing Accreditation Program. Reinspection should
occur prior to May 22, 2009 to maintain accreditation.*

Accreditation does not automatically survive a change in director, ownership,
or location and assumes that all interim requirements are met.

Robert Wilton, MD

Chair, Commission on Laboratory Accreditation

Thomas Soderman, MD FACP

President, College of American Pathologists

CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS

CERTIFICATE OF COMPLIANCE

LABORATORY NAME AND ADDRESS

TECHNICAL RESOURCE MGMT INC/NORCHEM
1760 E ROUTE 66, SUITE 1
FLAGSTAFF, AZ 86004
LABORATORY DIRECTOR

CLIA ID NUMBER

03D0936918
EFFECTIVE DATE

06/18/2008
EXPIRATION DATE

ANDREW J FISHCHINGER, PHD

Pursuant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown herein (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.

Judith A. Yost

Judith A. Yost, Director
Division of Laboratory Services
Survey and Certification Group
Center for Medicaid and State Operations



AMERICAN ASSOCIATION OF BIOANALYSTS
PROFICIENCY TESTING SERVICE

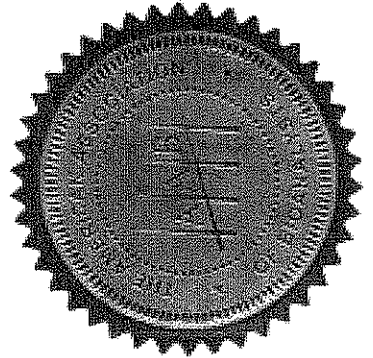
2009

CERTIFICATE OF
PARTICIPATION


This certifies that

Thomas Vorpahl, MD
Norchem Drug Testing

is a participant in a continuous program
of quality control for laboratory testing.



AAB


Director

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION
WASHINGTON D.C. 20537



DEA REGISTRATION NUMBER

RN0210954

THIS REGISTRATION EXPIRES

10-31-2009

FEE PAID

FEE PAID

SCHEDULES

1,2,
3,3N,4,5,

BUSINESS ACTIVITY

ANALYTICAL LAB

ISSUE DATE

09-04-2008

NORCHEM LABORATORY
1760 EAST ROUTE 66
SUITE 1
FLAGSTAFF, AZ 86004-0000

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/18/2009

PRODUCER (928)774-3345 FAX (928)779-4561
 McCullough Insurance, Inc.
 P.O. Box 1000
 420 N. Humphreys
 Flagstaff, AZ 86002

INSURED Technical Resource Management, Inc.
 P O Box 70000
 Flagstaff, AZ 86001

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	CNA	
INSURER B:	Employers Mutual Casualty Co	21415
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY	HMA-2097412765-2	03/15/2009	03/15/2010	EACH OCCURRENCE \$ 2,000,000	
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000	
B		AUTOMOBILE LIABILITY	1E43763	03/01/2009	03/01/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000	
		<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$	
		GARAGE LIABILITY				<input type="checkbox"/> ANY AUTO	AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS/UMBRELLA LIABILITY				<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$	EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	HMA 2097412765-2	03/15/2009	03/15/2010	<input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	
		OTHER Professional Liability				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$	\$2,000,000 Each Claim \$3,000,000 Aggregate \$20,000 Deductible Each Claim
		DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS 2008 Laboratory Screening Services Certificate holder is included as an additional insured per form #GSL-6484XX					

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



Blanket Additional Insured Endorsement—Healthcare Facilities General Liability Coverage

This endorsement modifies insurance provided under:

- Commercial General Liability Coverage Form Occurrence G-145567-A
- Commercial General Liability Coverage Form Claims -Made G-145566-A
- Healthcare Liability Policy Common Conditions (G-144102-A)

A. **SECTION II—WHO IS AN INSURED** is amended to include as an insured any person or organization (called additional insured) described in paragraphs 2.a. through 2.g. below whom you are required to add as an additional insured on this policy under:

1. A written contract or agreement; or
2. An oral contract or agreement where a certificate of insurance showing that person or organization as an additional insured has been issued; but
the written or oral contract or agreement must be:
 1. Currently in effect or becoming effective during the term of this policy; or
 2. Executed prior to the "bodily injury," "property damage" or "personal injury and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and coverage provided to such additional insureds is limited as provided herein:

- a. A state or political subdivision subject to the following provisions:
 - (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.
 - (2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

- b. Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:



- (1) Their financial control of you; or
- (2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

- c. A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

- d. A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

- e. An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

- f. A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

- g. Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury" or "property damage" arising out of the sole negligence of such additional insured.



Any insurance provided to an additional insured designated under paragraphs a. through g. above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

B. As respects the coverage provided under this endorsement, **HEALTH CARE LIABILITY POLICY COMMON CONDITIONS Condition X., Other Insurance or Risk Transfer Arrangements** is deleted and replaced with the following:

• **Other Insurance-Excess Insurance**

This insurance is excess over:

Any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract or agreement specifically requires that this insurance be either primary or primary and noncontributing. Where required by contract or agreement, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

All other terms and conditions of the Policy remain unchanged.

Insured's Name: Technical Resource Management, Inc. dba Norchem Drug Testing

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



Certificate of Insurance

Certificate Mailed To:

Name of Insured:

TECHNICAL RESOURCES MANAGEMENT
PO BOX 70000
FLAGSTAFF AZ 86003

Date Issued: 03/23/2009
Certificate Number:
Policy Number: 307819
Origin Date: 04/12/2000
Expiration Date: 04/01/2010
Liability Limits: 100/100/500
(000 Omitted)

Proof of Coverage

Job Number:

Location:

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policy listed hereon. This is to certify a workers' compensation policy has been issued to the insured listed hereon and is in force for the period referenced.

Certificate Issued To:

Technical Resources Management
PO Box 70000
Flagstaff AZ 86003

Authorized Representative

TECHNICAL RESOURCE MANAGEMENT, INC.
NORCHEM DRUG TESTING
Statement of Confidentiality-HIPAA

Technical Resource Management, Inc. deals with private and sensitive information about its clients and the individuals with whom those clients interact. The Company also considers all records or other materials, as defined in our Privacy Policy, to be confidential. In order to protect the Company's clients and donors, all employees, contractors or any other individual or entity are required to sign the following confidentiality statement and honor the intent of this statement and, if an employee, during the term of their employment and beyond. Violating this policy while an employee of Technical Resource Management, Inc. will be grounds for termination of employment and the possible pursuit of legal recourse by Technical Resource Management, Inc.

Technical Resource Management, Inc. guards the privacy of its clients and the individuals they serve. Our Company strictly adheres to the regulations required under HIPAA. Therefore, no information relating to any current or past client, specimen, donor, record, financial information, billing information, test and/or result is to be discussed with and/or released to anyone outside of Technical Resource Management, Inc. unless specifically allowed under the scope of the Company's Privacy Policy and HIPAA regulations. Technical Resource Management, Inc. employees will make every reasonable effort to verify that the recipient of any information is authorized to receive such information. Employees often have access to confidential, secret and proprietary information and must use and/or disclose information learned or acquired through their association with the Company only for the performance of their jobs. Employees and contractors must realize that Company information is just for the Company's use and not for distribution to the outside in any form (verbal, written, or electronic etc.). It is expected that every employee or contractor of Technical Resource Management, Inc. will honor this agreement during the term of his/her employment or during the time the contractor provides services and after any such arrangement ends, regardless of the reasons or circumstances surrounding the end of the employee-employer relationship or contractor relationship. Release of any information by an employee, contractor or any other person or entity is prohibited without authorization from the Company. Any release must be within HIPAA guidelines and according to Company Policy.

I understand and agree to this statement of confidentiality.

Name: _____

Signature: _____

Date: _____

**Policy on Privacy
Technical Resource Management, Inc.
Norchem Drug Testing**

POLICY:

1. All officers, employees, and agents of TRM shall preserve the integrity and the confidentiality of individually identifiable health information (IIHI) pertaining to each client. This IIHI is protected health information (PHI) and shall be safeguarded to the highest degree possible in compliance with the requirements of the security rules and standards established under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
2. TRM and its officers, employees, and agents will not use or disclose an individual's protected health information for any purpose without the properly documented consent or authorization of the client or his/her authorized representative unless required to do so by federal and or state law or regulation; unless an emergency exists; or, unless the information has been sufficiently de-identified that the recipient would be unable to link the information to the client.
3. TRM shall take reasonable steps to limit the use and/or disclosure of, and requests for PHI to the minimum necessary to accomplish the intended purpose.
4. TRM shall implement reasonable administrative, technical, and physical safeguards to protect PHI from any intentional or unintentional use or disclosure that is a violation of HIPAA regulations.
5. TRM shall establish and maintain procedures to receive and address client complaints of unauthorized uses or disclosures of their PHI.
6. TRM recognizes certain client's rights regarding their own protected health information.
 - The client and/or his/her authorized representative shall be granted access to their records subject to reasonable limitations related to the business processes of the organization unless, in the opinion of an appropriate medical professional, such access would be detrimental to the client.
 - The client shall also have the right to request amendment to the records to correct alleged inaccuracies. Such amendments shall be subject to law, professional ethics, and professional judgment and standards.
 - The client shall have the right to request restrictions on the uses and disclosures of PHI.

- The client is entitled to an accounting of disclosures of PHI for uses other than treatment, payment and healthcare operations.
7. TRM shall establish contractual assurances from all business associates to which PHI is disclosed that the information will be used only for the purposes for which they were engaged, will safeguard the information from misuse, and will help the agency comply with its duties to provide clients with access to health information about them and a history of certain disclosures.
 8. TRM shall provide adequate training and timely updates related to the policies and procedures for compliance with the HIPAA privacy standards for all current employees, new hires, agents and business associates. Training content and participation will be documented and retained by the Privacy Officer.
 9. All officers, employees and agents of TRM shall comply with the standards set forth in this policy. Violation of this policy and unauthorized uses and/or disclosures of protected health information are very serious offenses. Not only is violation of this policy grounds for disciplinary action, up to and including termination of employment, but violations related to unauthorized use and disclosure of protected health information may be subject to civil and criminal penalties including significant monetary costs and incarceration.
 10. TRM shall make all reasonable efforts to lessen the harm caused by an improper use of disclosure of protected health information by its workforce or by any business associate.
 11. TRM shall maintain policies and procedures to implement HIPAA standards and regulations. TRM shall also maintain documentation in written or electronic form of any communication required by the regulation and documentation of any action, activity or designation that may be required. Such documentation shall be maintained by the organization for a period of six (6) years from the date of its creation or the date when it last was in effect, whichever is later.

PROCEDURE:

1. Definitions.

- 1.1. **Health Insurance Portability and Accountability Act of 1996 (HIPAA).** HIPAA is comprehensive law enacted during the Clinton administration. The law has several subparts providing such benefits as guaranteed portability and renewal of insurance benefits between employers, tax provisions for medical savings accounts and administrative simplification to improve the efficiency and effectiveness of the health care system. During the latter part of the 1990's, the Secretary of the Department of Health and Human Services drafted regulations for standardizing the electronic interchange of administrative and financial data and protecting the security and privacy of personal health information. HIPAA requires health care providers, health plans and health care clearinghouses to transition to the use of standard code sets and electronic data interchange (EDI) and to maintain reasonable and appropriate administrative, technical, and physical safeguards to insure the integrity and confidentiality of healthcare information; to protect against reasonably foreseeable threats and hazards to the security or integrity of the information; and, to protect against unauthorized uses or disclosure of the information. Compliance with first of the HIPAA rules is scheduled for early 2003. HIPAA also provides criminal penalties for failure to comply with the regulations.
- 1.2. **Individually Identifiable Health Information (IIHI).** A subset of health information, including demographic information collected from an individual and that is created or received by a health care provider and relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual, and which identifies the individual, or with respect to which there is a reasonable basis to believe that the information can be used to identify the individual.
- 1.3. **Protected Health Information (PHI).** The final rule defines PHI as individually identifiable health information that is transmitted by electronic media; maintained in any electronic medium such as magnetic tape, disc, optical file; or transmitted or maintained in any other form or medium (i.e. paper, voice, Internet, fax etc.).

1.4. **Treatment, Payment, Health Care Operations (TPO)**. With client consent, a healthcare provider, health plan or healthcare clearinghouse may use and disclose PHI (with certain limitations) within and outside the organization for client treatment, to facilitate the payment of the client's bills, and for business and clinical operations of the organization. The following definitions apply:

1.41 **Treatment:** provision, coordination or management of health care (care, services or supplies related to the health of an individual) and related services by or among providers, providers and third parties, and referrals from one provider to another provider.

1.42 **Payment:** activities undertaken by a health plan to obtain premiums or determine re

1.43 **Health Care Operations:** activities of a covered entity to the extent such activities are related to covered functions including quality assessment and improvement activities; credentialing health care professionals; insurance rating and other insurance activities related to the creation or renewal of a contract for insurance; conducting or arranging for medical review, legal services and auditing functions (including compliance programs); business planning such as conducting cost-management and planning analyses to managing and operating the entity including formulary development and administration, development or improvements for methods of payment or coverage policies; business management and general administrative activities; due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor is a covered entity or will become a covered entity; consistent with privacy requirements, creating de-identified health information, fundraising for the benefits of the covered entity, and marketing for which an individual authorization is not required.

1.5. **De-identified PHI**. A covered entity may use PHI to create de-identified information, whether or not the de-identified information is to be used by the entity. In order to be exempt from the privacy rule the information must not include any of the following identifiers for clients, relatives, household members, employers: names; geographic subdivisions smaller than a state (some specific exceptions); all elements of dates except the year, for all under 89, and all elements of dates for those over 89; telephone or fax numbers, e-mail or IP addresses and URLs; social security number; medical record number; health plan beneficiary (UCI) number;

account numbers; certificate or license numbers; vehicle identifiers; device identifiers; biometric identifiers (finger, retinal, voice prints); full face photographic images and the like; any other unique characteristic or code. With statistical expertise and documentation it is determined that the risk is very small that information could be used alone or in combination with other reasonably available information, by an anticipated recipient to identify an individual.

1.6 **Minimum Necessary Standard.** The organization shall make all reasonable efforts not to use or disclose more than the minimum amount of protected health information necessary to accomplish the intended purpose of the use or disclosure.

1.7 **Business Associate.** A business associate is a person or entity that provides certain functions, activities, or services for, or to a covered entity (healthcare provider, health plan, healthcare clearinghouse), involving the use and/or disclosure of PHI. A covered entity may be a business associate of another covered entity.

2. **Responsibility for Privacy of Protected Health Information.** Everyone in the organization as well as associated covered entities and business associates shares a responsibility to ensure the integrity and confidentiality of clients' protected health information and to protect against any unauthorized use or disclosure of such information.

2.1 **Privacy Officer.** The chief executive shall designate a privacy officer for the organization who will oversee all ongoing activities related to the development, implementation, maintenance and adherence to the organization's policies and procedures related to the security of PHI in all forms. A job description for the privacy officer has been included as Attachment A. The privacy officer will work closely with others in the organization assure compliance with all federal and state laws and regulations related to information security.

2.11 **Director of Information Services.** The IS Director shall ensure that reasonable technical and physical safeguards are in place to minimize the risk of unauthorized use or disclosure of PHI stored and/or transmitted electronically within the organization and to external associates. The Director will also be responsible for written contingency plans to cope with the results of reasonably anticipated threats, hazards or crises related to the loss of access to electronic media.

3. **Privacy Standards.**

3.1 **Notice of Privacy Practices.** Under HIPAA, each client has the right to receive notice of the organization's policies regarding its uses and disclosures of PHI, the individual's rights under the Privacy Standards, and the organization's legal obligations regarding PHI. The organization shall prepare and distribute a Notice of Privacy Practices, written in plain language, to each client. The organization shall also document that the client has received such notice.

3.2 **Uses and Disclosures of Protected Health Information.**

3.22 **Authorization.** The organization may not use or disclose protected health information without a valid authorization. The authorization is a document signed by the client that gives the organization permission to use specified health information for a specified purpose and time frame. The authorization is required for uses and disclosures of PHI for other than treatment, payment and operations.

3.23 **Uses and Disclosures for Which Consent, Authorization or Opportunity to Object is Not Required.** The organization may use and disclose PHI without the consent or authorization of the client for the following:

- a. As required by law
- b. For public health activities
- c. About victims of abuse, neglect or domestic violence
- d. For health oversight activities
- e. For judicial and administrative proceedings
- f. For law enforcement purposes
- g. Regarding decedents, to coroners, medical examiners and funeral directors
- h. For research if a waiver of authorization has been obtained by the IRB or a Privacy Board
- i. To prevent serious and imminent harm to health or safety of a person or the public
- j. For specialized government functions
- k. Military and veterans activities
- l. National security and intelligence
- m. Protective services for the President and others
- n. To the Department of the State to make medical suitability determinations

- o. To correctional institutions and law enforcement officials regarding an inmate
- p. Worker's compensation if necessary to comply with the laws relating to worker's compensation or other similar programs.

3.24 **Minimum Necessary.** The organization shall take steps to determine the extent to which various classifications of workers need access to client PHI and shall limit use and disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure or request. The organization shall also maintain policies governing both routine and non-routine use of PHI.

3.25 **Business Associates.** A business associate is a person who, on behalf of the organization, performs a function or activity involving the use or disclosure of PHI including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management; or, provide legal, actuarial, accounting, consulting, data aggregation, management, administrative or financial serves to or for the organization where the service involves the disclosure of PHI. The organization may disclose PHI to a business associate and may allow a business associate to create or receive PHI on its behalf if the organization obtains satisfactory contractual assurance that the business associate will appropriately safeguard the information.

3.26 **State Preemption of HIPAA Rules.** Any provision of State law contrary to HIPAA is preempted unless the State laws provide more protection to health information or greater rights to the individual subject of the health information.

3.3 **Client Rights Related to Protected Health Information.**

3.31 **Access.** Clients shall have the right to access their own protected health information that is maintained in record sets of the organization and its business associates. The organization may deny access to records under certain specified circumstances and shall establish and maintain a process for appeal of the denial.

3.32 **Restrictions.** Clients shall have the right to request restrictions on how the organization will use or disclosure

their own protected health information for treatment, payment or health care operations and how their information will be disclosed or not disclosed to family members or others involved in their care. The organization shall comply with the client's reasonable request to receive communications of PHI by alternative means or at alternative locations.

- 3.33 **Amendment.** Clients shall have the right to amend erroneous or incomplete PHI unless the information:
- a. Was not created by the covered entity
 - b. Is not in a designated record set or is not otherwise available to inspection
 - c. Is accurate and complete
 - d. Would not be subject to the right of access.

The organization shall maintain a procedure for appeal if the client's request to amend is denied.

- 3.34 **Accounting.** Clients shall have the right to an accounting of disclosures of their own protected health information that is maintained in record sets of the organization and its business associates. Such accounting shall include a period of six years prior to the request, beginning on the first date on which the organization was required to be in compliance with the HIPAA Privacy Standards (April 14, 2003).

3.4 **Workforce Training, Sanctions and Mitigation.**

- 3.41 **Workforce Training.** All individuals of the organization's workforce and business associates shall receive training about the entities privacy policies and procedures as necessary and appropriate to carry out their job duties. Training shall also be provided when there is a material change in the organization's privacy practices.
- 3.42 **Sanctions.** The organization shall establish and apply appropriate sanctions against workers who fail to comply with privacy policies and procedures.

3.43 **Mitigation.** The organization shall do all that it can to mitigate any potential harmful results of an improper use or disclosure of PHI (in violation of the HIPAA Privacy Standards) by the organization, its workforce or its business associates.

3.5 **Documentation.** Documentation shall be required in support of policies and procedures and all other subparts of the privacy regulations that directly list documentation as a requirement. Documentation must be kept current to reflect changes in regulatory requirements and the organization's privacy processes.

3.51 **Retention of Documentation.** Documentation required under the privacy regulations shall be kept in written or electronic form for a period of six (6) years from the date of creation or from the date when it last was in effect, whichever is later.

APPROVAL:

Privacy Officer

Date: _____

Designation of a Compliance/Privacy Officer

Richard P. Danisch is the Company's Privacy Officer and is responsible for the implementation of the Compliance Plan and for maintaining an ongoing program of compliance through education, training, and the development of appropriate policies and procedures. Mr. Danisch has all authority necessary to accomplish the goals of the Compliance Plan with the subsequent responsibility to assure the Company is in full compliance with all regulatory requirements. In the event Mr. Danisch is not fulfilling the duties described, or cannot fulfill his duties, William P. Gibbs, President/CEO assumes the obligation of fulfilling the duties of the Compliance Officer.

Responsibilities of the Compliance/Privacy Officer

This position is responsible for the development, implementation, training and enforcement of the Compliance Plan approved by Norchem Drug Testing. The Privacy Officer will work with other members of management, staff and clients to ensure that documentation, billing and related procedures are fully compliant.

- Overseeing and monitoring the implementation of the Plan
- Periodic revision of the Plan based on changes in the Company's needs and current law
- Reviewing employees' certifications that they have read and understood the standards of conduct
- Develop, coordinate and participate in employee training
- Coordinate internal compliance reviews
- Independently investigate matters relating to compliance based on reports of problems
- Develop policies that encourage employees to report problems
- Ensure the continuing momentum of the Plan beyond the initial implementation

Duties and Activities of the Compliance/Privacy Officer

- Development and supervision of training and educational materials for staff
- Design, supervision and interpretation of internal audit activities
- Establishing confidential and non-retributory reporting mechanisms for suspected violations
- Investigation and remediation of suspected violations
- Review of publications and outside training to stay current in regulatory requirements
- Maintenance of resources available for compliance education and training
- Maintain all records relating to compliance training, investigations, remediation and discipline

Authority of Privacy Officer

The Compliance Officer shall have all authority required to meet the goals of the Compliance Plan within the time frame approved by management including necessary funding and resources as may be approved by management. This includes the ability to review all documents including:

- Donor records
- Billing records
- Marketing efforts
- Contracts
- Personnel files