

MEETING DATE: 2/02/2026

AGENDA ITEM SUMMARY

Subject: Consider Motion to Approve BAA with Gallagher Benefit Services

Background Summary: Brittney

Gallagher Benefit Services, Inc. (formerly Acumen Advisors) has served as the benefits advisor for the city's employee insurance programs for many years. They negotiate insurance premiums, "shop" and manage the city's full insurance portfolio (health, dental, life coverage, etc.) to ensure competitive benefits for staff, and manage federal legal requirements.

The attached Business Associate Agreement (BAA) establishes a formal framework between the City and Gallagher to ensure the protection of health information. The agreement outlines how both parties will handle Protected Health Information (PHI) in compliance with HIPAA, the HITECH Act, and associated federal regulations.

Key Responsibilities:

- Gallagher: Must implement appropriate administrative, physical, and technical safeguards to prevent unauthorized use or disclosure of PHI. They are also responsible for ensuring any subcontractors agree to the same restrictions.
- City of Charles City: Agrees to provide only the minimum amount of PHI necessary for Gallagher to perform its services and must notify Gallagher of any changes in privacy practices or individual authorizations.

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Data Security and Breach Notification

- Notification Timeline: Gallagher must notify the City of any security incident or breach of unsecured PHI as soon as practicable, but no later than 60 days after discovery.
- Required Info: Breach notices must include the date of the event, the type of PHI involved, and the identity of affected individuals.
- Indemnification: Each party agrees to indemnify and hold the other harmless for losses or claims arising from their own breach of the agreement or violation of regulations.

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Termination and Data Handling

- Termination for Cause: The City can terminate the agreement if Gallagher fails to cure a material breach within 30 days.
- Post-Termination: Upon termination, Gallagher must return or destroy all PHI unless retention is required for legal or management purposes, in which case protections must continue.

The agreement has been reviewed by Attorney Slotter, who recommended approval by simple motion.