

**NORTH SOUND
BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION, LLC
(North Sound BH-ASO)**

**CONTRACT
FOR PARTICIPATION IN THE
NORTH SOUND INTEGRATED CARE NETWORK**

WITH

EVERGREEN RECOVERY CENTERS

CONTRACT #NORTH SOUND BH-ASO-EVERGREEN-ICN-19

JULY 1, 2019 TO DECEMBER 31, 2019

TABLE OF CONTENTS

1			
2			
3	ARTICLE ONE – DEFINITIONS		8
4	1.1	Agreement	8
5	1.2	Behavioral Health Administrative Service Organization (BH-ASO)	8
6	1.3	Behavioral Health Crisis Services (Crisis Services)	8
7	1.4	Individual	8
8	1.5	Critical Incident	8
9	1.6	North Sound Integrated Care Network (North Sound ICN)	8
10	1.7	Healthcare Authority (HCA)	8
11	1.8	Health Plan	9
12	1.9	Managed Care Organization (MCO)	9
13	1.10	Medically Necessary Service/Medical Necessity	9
14	1.11	Member	9
15	1.12	Mental Health Block Grant (MHBG)	9
16	1.13	Provider	9
17	1.14	Payor	9
18	1.15	Substance Abuse Block Grant (SABG)	10
19	1.16	Waiting List	10
20			
21	ARTICLE TWO – NETWORK PROVIDER OBLIGATIONS		11
22	2.1	Network Participation	11
23	2.2	Standards for Provision of Care	11
24	2.3	Treatment Alternatives	12
25	2.4	Promotional Activities	12
26	2.5	Licensure, Certification and Other State and Federal Requirements	12
27	2.6	Independent Medical/Clinical Judgement	13
28	2.7	Non-Discrimination	13
29	2.8	Data Information System Requirements	13
30	2.9	Care Coordination	14
31	2.10	Behavioral Health Screening and Assessment Requirements	14
32	2.11	Recordkeeping and Confidentiality	14
33	2.12	Individual’s Copayments, Coinsurance and Deductibles	15
34	2.13	Client Hold Harmless	16
35	2.14	Program Participation	17
36	2.15	Notices	17
37	2.16	Participation in Credentialing	19
38	2.17	Provider Training and Education	19
39			
40	ARTICLE THREE –NORTH SOUND BH-ASO OBLIGATIONS		21
41	3.1	Administrative Support	21
42	3.2	Continuum of Behavioral Health Care	21

1 **TABLE OF CONTENTS - cont.**

2

3 3.3 Collection of Service Encounters 21

4 3.4 Payment 21

5 3.5 Submission of Claims 21

6 3.6 Coordination 22

7

8 **ARTICLE FOUR - TERM AND TERMINATION 23**

9 4.1 Term 23

10 4.2 Termination without Cause 23

11 4.3 Termination with Cause 23

12 4.4 Immediate Termination 23

13 4.5 Termination Due to Change in Funding 23

14 4.6 Termination Notification to Individuals 25

15

16 **ARTICLE FIVE - FINANCIAL TERMS AND CONDITIONS 26**

17 5.1 General Fiscal Assurances 26

18 5.2 Financial Accounting Requirements 26

19

20 **ARTICLE SIX – OVERSIGHT AND REMEDIES 28**

21 6.1 Oversight Authority 28

22 6.2 Remedial Action 28

23 6.3 Notice Requirements 30

24

25 **ARTICLE SEVEN -GENERAL TERMS AND CONDITIONS FOR CONTRACTOR..... 31**

26 7.1 Background 31

27 7.2 Mutual Commitments 31

28 7.3 Assignment 31

29 7.4 Authority 31

30 7.5 Compliance with Applicable Laws, Regulations and Operational Policies 32

31 7.6 Compliance with North Sound BH-ASO Operational Guide 33

32 7.7 Confidentiality of Personal Information 33

33 7.8 Contract Performance/Enforcement 34

34 7.9 Cooperation 34

35 7.10 Debarment Certification 34

36 7.11 Excluded Parties 34

37 7.12 Declaration that Individuals Under the Medicaid and Other Behavioral Health Programs
38 are not Third-Party Beneficiaries Under this Contract 36

39 7.13 Execution, Amendment and Waiver 36

40 7.14 Headings and Captions 36

41 7.15 Indemnification 36

42 7.16 Independent Contractor for North Sound BH-ASO 37

43 7.17 Insurance 37

44 7.18 Integration 37

1 **TABLE OF CONTENTS - cont.**

2

3 7.19 Maintenance of Records..... 37

4 7.20 Notice of Amendment 38

5 7.21 No Waiver of Rights 38

6 7.22 Ongoing Services..... 38

7 7.23 Overpayments 38

8 7.24 Ownership of Materials 39

9 7.25 Performance 39

10 7.26 Resolution of Disputes..... 39

11 7.27 Severability and Conformity 39

12 7.28 Single Audit Act..... 39

13 7.29 Subcontracts 40

14 7.30 Survivability..... 41

15 7.31 Treatment of Individual’s Property 42

16 7.32 Warranties 42

17 7.33 Contract Certification 42

18

19

EXHIBITS

1
2
3
4
5
6
7
8
9
10
11
12

Incorporation of Exhibits

The Provider shall provide services and comply with the requirements set forth in the following attached exhibits, which are incorporated herein by reference. To the extent that the terms and conditions of any Exhibit conflicts with the terms and conditions of this base contract, the terms of such Exhibit shall control.

Exhibit A – Schedule of Services

Exhibit B – Compensation Schedule

1
2
3
4
5
6
7
8
9
10
11
12

**CONTRACT FOR PARTICIPATION IN THE
NORTH SOUND INTEGRATED CARE CRISIS NETWORK**

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

THIS CONTRACT FOR THE PARTICIPATION IN THE NORTH SOUND INTEGRATED CARE NETWORK

CONTRACT (the "Contract"), pursuant to RCW Chapter 71.24 and all relevant and associated statutes, as amended, is made and entered into by and between the NORTH SOUND BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION, LLC (North Sound BH-ASO), a governmental limited liability company pursuant to RCW Chapter 70.24, 301 Valley Mall Way, Suite 110, Mount Vernon, WA 98273 and EVERGREEN RECOVERY CENTERS, (Provider), a Washington Behavioral Health Agency, PO Box 12598, Everett, WA 98201.

I. RECITALS

WHEREAS, Island, San Juan, Skagit, Snohomish and Whatcom Counties (the County Authorities), as defined by RCW 71.24.025 (10), entered into a Joint County Authority BHO Interlocal Operating Agreement to cooperatively provide a community health program and regional system of care, with the collective goal of consolidating administration, reducing administrative layering and reducing administrative costs, consistent with the State of Washington's legislative policy as set forth in RCW Chapter 71.24 (Operating Agreement); and

WHEREAS, North Sound BH-ASO is a governmental limited liability company formed by an operating agreement entered into by the foregoing five (5) County Authorities in response to a request for a detailed plan and to contract with the State of Washington to operate as a Regional Support Network until April 1, 2016, as a Behavioral Health Organization as of April 1, 2016, and as an Administrative Services Organization as of July 1, 2019 as provided for in RCW 71.24.100 and Chapter 25.15.

WHEREAS, the Operating Agreement provides a means for each County Authority to share in the cost of behavioral health services, for payment of services and for the audit of funds, as provided for in RCW 71.24.100 and provides for the joint supervision and operation of services and facilities, as provided for in RCW 71.24.110.

WHEREAS, North Sound BH-ASO anticipates increased need for behavioral health services in the community and recognizes the need for expansion of services and strengthening of cooperation among service providers to meet this challenge; and

WHEREAS, North Sound BH-ASO is engaged in the administration of services.

WHEREAS, Provider is engaged in the provision of behavioral health services within Island, San Juan, Skagit, Snohomish, and Whatcom Counties (Counties); and

1 **ARTICLE ONE – DEFINITIONS**

2 For purposes of this Agreement, the following terms shall have the meanings set forth below.

3 **1.1 AGREEMENT**

4 The Contract for participation in the North Sound ICN entered into between North Sound BH-
5 ASO and Provider, including all attachments and incorporated documents or materials,
6 including this North Sound ICN Provider Base Provider which is Exhibit A thereof.
7

8 **1.2 BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION (BH-ASO)**

9 BH-ASO means an entity selected by the Medicaid agency to administer behavioral health
10 programs, including crisis services for individuals in a fully integrated managed care regional
11 service area. The BH-ASO administers crisis services for all individuals in its defined regional
12 service area, regardless of an individual's ability to pay.
13

14 **1.3 BEHAVIORAL HEALTH CRISIS SERVICES (Crisis Services)**

15 Crisis Services means providing evaluation and short-term treatment and other services to
16 individuals with an emergent mental health condition or are intoxicated or incapacitated due
17 to substance use and when there is an immediate threat to the individual's health or safety.
18

19 **1.4 INDIVIDUAL**

20 Individual means any person in the Regional Service Area (RSA) regardless of income, ability to
21 pay, insurance status, or county of residence. With respect to non-Crisis Services, "Individual"
22 means a person who has applied for, is eligible for, or who has received General Fund –
23 State/Federal Block Grant (GFS/FBG) services through this contract.
24

25 **1.5 CRITICAL INCIDENT**

26 A situation or occurrence that places an individual at risk for potential harm or causes harm to
27 an individual. Examples include homicide (attempted or completed), suicide (attempted or
28 completed), the unexpected death of an individual, or the abuse, neglect, or exploitation of an
29 individual by an employee or volunteer.
30

31 **1.6 NORTH SOUND INTEGRATED CARE NETWORK (North Sound ICN)**

32 Alliance formed by Participating Providers and North Sound BH-ASO to operate a clinically
33 integrated crisis, FBG and Legislative Proviso behavioral health network that will provide
34 behavioral health services in the North Sound RSA. North Sound ICN is a reference to the
35 network of behavioral health providers contracted with the North Sound BH-ASO, and neither
36 this Agreement nor any other understanding among participants is intended to create a
37 separate legal entity.
38

39 **1.7 HEALTHCARE AUTHORITY (HCA)**

40 The Washington State HCA.
41

- 1 **1.8 HEALTH PLAN**
- 2 A plan that undertakes to arrange for the provision of health care services to subscribers or
- 3 enrollees, or to pay for or reimburse any part of the cost for those services, in return for a
- 4 prepaid or periodic charge paid for by or on behalf of subscribers or enrollees.
- 5
- 6 **1.9 MANAGED CARE ORGANIZATION (MCO)**
- 7 MCO means an organization having a certificate of authority or certificate of registration from
- 8 the Washington State Office of Insurance Commissioner (OIC) that contracts with HCA under a
- 9 comprehensive risk contract to provide prepaid health care services to eligible HCA Enrollees
- 10 under HCA managed care programs.
- 11
- 12 **1.10 MEDICALLY NECESSARY SERVICE/MEDICAL NECESSITY**
- 13 Medically Necessary Services means a requested service which is reasonably calculated to
- 14 prevent, diagnose, correct, cure, alleviate, or prevent worsening of conditions in the individual
- 15 that endanger life, or cause suffering of pain, or result in an illness or infirmity, or threaten to
- 16 cause or aggravate a handicap, or cause physical deformity, or malfunction. There is no other
- 17 equally effective, more conservative, or substantially less costly course of treatment available
- 18 or suitable for the individual requesting the service. For the purpose of this section, "course
- 19 of treatment" may include mere observation or, where appropriate, no medical treatment at
- 20 all (WAC 182-500-0070).
- 21
- 22 **1.11 MEMBER**
- 23 An individual that is eligible to receive crisis and/or FBG services and is assigned to an MCO.
- 24
- 25 **1.12 MENTAL HEALTH BLOCK GRANT (MHBG)**
- 26 MHBG means those funds granted by the Secretary of the Department of Health and Human
- 27 Services (DHHS), through the Center for Mental Health Services (CMHS), Substance Abuse and
- 28 Mental Health Services Administration (SAMHSA), to states to establish or expand an
- 29 organized community-based system for providing mental health services for adults with
- 30 Serious Mental Illness (SMI) and children who are seriously emotionally disturbed (SED).
- 31
- 32 **1.13 PROVIDER**
- 33 The behavioral health care person(s) or agency contracting under this Agreement, who meets
- 34 all minimum criteria of North Sound BH-ASO's credentialing plan, including all physicians,
- 35 clinicians, allied health professionals and staff persons who provide crisis care services to
- 36 individuals by or through this Agreement.
- 37
- 38 **1.14 PAYOR**
- 39 The entity (including company where applicable) that bears direct financial responsibility for
- 40 paying from its own funds, without reimbursement from another entity, the cost of crisis
- 41 services rendered to individuals.
- 42

- 1 1.15 **SUBSTANCE ABUSE BLOCK GRANT (SABG)**
2 SABG means the Federal Substance Abuse Block Grant Program authorized by Section 1921 of
3 Title XIX, Part B, Subpart II and III of the Public Health Service Act.
4
- 5 1.16 **WAITING LIST**
6 Waiting List means a list of clients who qualify for SABG-funded services for whom services
7 have not been scheduled due to lack of capacity.
8

1 **ARTICLE TWO – NETWORK PROVIDER OBLIGATIONS**

2
3 This Agreement, North Sound BH-ASO’s Supplemental Provider Service Guide, Policies and
4 Procedures (P&P), Contract Exhibits, the Contract Boilerplate and their revisions each specify North
5 Sound BH-ASO’s requirements for the array of services to be provided. Unless otherwise specified,
6 these materials shall be regarded as the source documents for compliance with program
7 requirements. In the event of any inconsistency between the requirements of such documents, the
8 more stringent shall control.

9 **2.1 NETWORK PARTICIPATION**

10 Provider shall participate as part of the North Sound BH-ASO for the GFS/FBG and Legislative
11 Proviso services specified in this Contract. Provider agrees that its practice information may
12 be used in North Sound BH-ASO, MCO and HCA provider directories, promotional materials,
13 advertising and other informational material made available to the public. Such practice
14 information includes, but is not limited to, name, address, telephone number, hours of
15 operation and type of services. Provider shall promptly notify North Sound BH-ASO within 30
16 days of any changes in this information.

17
18 **2.2 STANDARDS FOR PROVISION OF CARE**

19
20 **2.2.1 Provision of Integrated Care Services**

21 Provider shall provide Crisis Services and/or FBG/Legislative Proviso services to
22 individuals, within the scope of Provider’s business and practice. Such services
23 shall be provided in accordance with this Agreement; North Sound BH-ASO
24 Supplemental Provider Service Guide; HCA standards; North Sound BH-ASO Policies
25 and Procedures (P&P); the terms, conditions and eligibility outlined in Contract
26 Exhibits; and the requirements of any applicable government sponsored program.

27 **2.2.2 Standard of Care**

28 Provider shall provide services to individuals at a level of care and competence that
29 equals or exceeds the generally accepted and professionally recognized standard
30 of practice at the time of treatment, all applicable rules and/or standards of
31 professional conduct and any controlling governmental licensing requirements.

32 **2.2.3 Facilities, Equipment and Personnel**

33 Provider’s facilities, equipment, personnel and administrative services shall be
34 maintained at a level and quality appropriate to perform Provider’s duties and
35 responsibilities under this Agreement and to meet all applicable legal and BH-ASO
36 contractual requirements, including the accessibility requirements of the
37 Americans with Disabilities Act.

38 **2.2.4 Prior Authorization**

39 Where required or appropriate, the Provider shall work with North Sound BH-ASO
40 to obtain the prior MCO authorization in accordance with MCO’s Provider Manual
41 unless the situation is one (1) involving the delivery of Emergency Services.

1 2.2.5 **Assignments**

2 The Provider shall provide crisis services to all individuals regardless of their ability
3 to pay.

4 2.2.6 **Capacity**

5 Provider shall ensure availability of services for each of the service populations for
6 which it is licensed and/or certified by the Department of Health (DOH).

7 2.2.7 **Subcontract Arrangements**

8 Any subcontract arrangement entered into by Provider for the delivery of services
9 to individuals shall be in writing and shall bind Provider’s subcontractors to the
10 terms and conditions of this Agreement including, but not limited to, Supplemental
11 Provider Service Guide, terms relating to licensure, insurance and billing of
12 individuals for services. North Sound BH-ASO will provide ongoing monitoring and
13 oversight to any and all sub-delegation relationships.

14 2.2.8 **Availability of Services**

15 Provider shall make arrangements to ensure the availability of services to
16 individuals on a 24-hours a day, 7 days a week basis, including arrangement to
17 ensure coverage of individual visits after hours when required by North Sound BH-
18 ASO Supplemental Provider Service Guide. Provider shall meet the applicable
19 standards for timely access to care and services, taking into account the urgency of
20 the need for the services.

21
22 2.3 **TREATMENT ALTERNATIVES**

23 Providers shall in all instances obtain informed consent prior to treatment. Without regard to
24 Medicaid Benefit Plan limitations or cost, the Provider shall communicate freely and openly
25 with individuals about their health status and treatment alternatives (including medication
26 treatment options); about their rights to participate in treatment decisions (including refusing
27 treatment); and providing them with relevant information to assist them in making informed
28 decisions about their health care.

29
30 2.4 **PROMOTIONAL ACTIVITIES**

31 At the request of North Sound BH-ASO, Provider shall display promotional materials in its
32 offices and facilities as practical, in accordance with applicable law and cooperate with and
33 participate in all reasonable marketing efforts. Provider shall not use any North Sound BH-
34 ASO name in any advertising or promotional materials without the prior written permission of
35 North Sound BH-ASO.

36
37 2.5 **LICENSURE, CERTIFICATION AND OTHER STATE AND FEDERAL REQUIREMENTS**

38 Provider shall hold all necessary licenses, certifications and permits required by law for the
39 performance of services to be provided under this Agreement. Provider shall maintain its
40 licensure and applicable certifications in good standing, free of disciplinary action and in
41 unrestricted status throughout the term of this Agreement. Provider’s loss or suspension of
42 licensure or other applicable certifications, or its exclusion from any federally funded health
43 care program, including Medicare and Medicaid, may constitute cause for immediate
44 termination of this Agreement. Provider warrants and represents that each employee and

1 subcontractor, who is subject to professional licensing requirements, is duly licensed to
2 provide Behavioral Health Services. Provider shall ensure each employee and subcontractor
3 have and maintains in good standing for the term of this Agreement the licenses, permits,
4 registrations, certifications and any other governmental authorizations to provide such
5 services.
6

7 2.6 **INDEPENDENT MEDICAL/CLINICAL JUDGEMENT**

8 Provider shall exercise independent medical/clinical judgment and control over its
9 professional services. Nothing herein shall give North Sound BH-ASO, MCO, or HCA authority
10 over Provider's medical judgment or direct the means by which they practice within the scope
11 of their licensed, certified and/or registered practice. Provider retains sole responsibility for
12 its relationship with each individual it treats and for the quality of behavioral health care
13 services provided to its individuals. Provider is solely responsible to each of its individuals for
14 care provided.
15

16 2.7 **NON-DISCRIMINATION**

17
18 2.7.1 Enrollment. Provider shall not differentiate or discriminate in providing services to
19 individuals because of race, color, religion, national origin, ancestry, age, marital
20 status, gender identity, sexual orientation, physical, sensory or mental handicap,
21 socioeconomic status, or participation in publicly financed programs of health care
22 services. Provider shall render services to individuals in the same location, in the
23 same manner, in accordance with the same standards, and within the same time
24 availability regardless of payor.

25 2.7.2 Employment. Provider shall not differentiate or discriminate against any employee
26 or applicant for employment, with respect to their hire, tenure, terms, conditions
27 or privileges of employment, or any matter directly or indirectly related to
28 employment, because of race, color, religion, national origin, ancestry, age, height,
29 weight, marital status, gender identity, physical, sensory or mental disability
30 unrelated to the individual's ability to perform the duties of the particular job or
31 position.
32

33 2.8 **DATA INFORMATION SYSTEM REQUIREMENTS**

34
35 2.8.1 Provider shall:

36
37 2.8.1.1 Have a health Information System (IS) that complies with the
38 requirements of 42 CFR Part 438.242 and can report complete and
39 accurate data to North Sound BH-ASO as specified in the North Sound
40 BH-ASO P&P;

41 2.8.1.2 Remedy all data errors within 30 days of receipt of an error report from
42 the North Sound BH-ASO IS;

43 2.8.1.3 Provide evidence to North Sound BH-ASO, upon request, that error
44 reports have been addressed;

- 1 2.8.1.4 Maintain up-to-date individual contact information in the IS; and
- 2 2.8.1.5 Maintain a written Business Continuity and Disaster Recovery Plan
- 3 (BCDRP) with an identified update process (at least annually) that
- 4 ensures timely restoration of the IS following total or substantial loss of
- 5 system functionality. A copy of the plan submitted by the Provider
- 6 through the credentialing process shall be made available upon request
- 7 for review and audit by North Sound BH-ASO, MCO, HCA, Department
- 8 of Social Human Services (DSHS) or External Quality Review
- 9 Organization (EQRO).

10

11 **2.9 CARE COORDINATION**

12

- 13 2.9.1 Coordinate medical services. Provider shall coordinate all services for eligible
- 14 individuals including, but not limited to, medical services, behavioral health
- 15 services and services associated with the social determinants of health as needed,
- 16 or as identified by North Sound BH-ASO.
- 17 2.9.2 Provision of data and information for purposes of care coordination. Provider shall
- 18 cooperate with, participate in and provide information and data in accordance to
- 19 HIPAA to support North Sound BH-ASO’s care coordination activities and to meet
- 20 HCA care coordination obligations.
- 21

22 **2.10 BEHAVIORAL HEALTH SCREENING AND ASSESSMENT REQUIREMENTS**

23 If Provider provides Behavioral Health Services, Provider shall utilize the Global Appraisal of

24 Individual Needs-Short Screener (GAIN-SS) and assessment process, including use of the

25 quadrant placement. If the results of the GAIN-SS are indicative of the presence of a co-

26 occurring disorder (COD), Provider shall consider this information in the development of the

27 individual’s treatment plan, including appropriate referrals. In addition, Provider shall

28 implement and maintain throughout the term of this Agreement, the Integrated COD

29 Screening and Assessment process, including training for applicable staff. If Provider fails to

30 implement or maintain this process, upon request of North Sound BH-ASO, Provider shall

31 provide a corrective action plan designed to ensure compliance with the requirements of this

32 Section. Such plan shall allow for monitoring of compliance by North Sound BH-ASO.

33

34 **2.11 RECORDKEEPING AND CONFIDENTIALITY**

35

36 **2.11.1 Maintaining Individual Medical Record**

37 Provider shall maintain a medical record for each individual to whom Provider

38 renders behavioral healthcare services. Provider shall establish each individual’s

39 medical record upon the individual’s first encounter with Provider. The individual’s

40 medical record shall contain all information required by state and federal law,

41 generally accepted and prevailing professional practice, applicable government

42 sponsored health programs and all North Sound BH-ASO P&Ps. Provider shall

43 retain all such records for at least 10 years.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

2.11.2 Confidentiality of Individual Health Information

As of the date of this Agreement, each party may be a Business Associate under HIPAA, as amended, and must comply with the Administrative Simplification Provisions of HIPAA and with the applicable provisions of the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH Act), including the Privacy Rule, Security Rule, Breach Notification Rule and Enforcement Rule (the HIPAA Rules). The parties acknowledge that, in their performance under this Agreement, each shall have access to and receive from the other party information protected under HIPAA and RCW Chapter 70.02, the Washington State Health Care Information Access and Disclosure of 1991 (Protected Health Information or PHI).

2.11.3 Health Information System

Provider shall implement a documented health information system and a privacy security program that includes administrative, technical and physical safe guards designed to prevent the accidental or unauthorized use or disclosure of individual PHI and medical records. The information system and the privacy and security program shall, at a minimum, comply with applicable HIPAA regulations regarding the privacy and security of PHI including, but not limited to, 42 CFR § 438.242; 45 CFR § 164.306(a); and 45 CFR § 162.200, as well as, HIPAA privacy provisions in Title 13 of the American Recovery and Reinvestment Act of 2009 (ARRA).

2.11.4 Delivery of Individual Care Information and Individual Access to Health Information

Provider shall give North Sound BH-ASO, MCO, HCA and/or individuals access to individual health information including, but not limited to, medical records and billing records for the purpose of inspection, evaluation and audit, in accordance with the requirements of state and federal law, applicable government sponsored health programs and North Sound BH-ASO P&P's.

2.11.5 Federal Drug and Alcohol Confidentiality Laws

Provider shall comply with 42 CFR Part 2, as applicable. If Provider is a "Part 2 program" as defined under 42 CFR §2.11, Provider shall obtain a signed written consent that complies with the requirements of 42 CFR Part 2 from each individual, prior to disclosing the individual's Patient Identifying Information to MCO or HCA. For the purposes of this section, Patient Identifying Information shall have the same meaning as under 42 CFR §2.11. Such consent shall explicitly name MCO and/or HCA as an authorized recipient of the individual's Patient Identifying Information. Provider shall maintain copies of each individual's consent form in accordance with federal law. North Sound BH-ASO reserves the right to audit Provider's records to ensure compliance with this Section.

2.12 INDIVIDUAL'S COPAYMENTS, COINSURANCE AND DEDUCTIBLES

2.12.1 Third-Party Payment

The Provider shall have a written policy regarding third-party payments that complies with provisions of North Sound BH-ASO's P&P's. The policy shall explain the process in place to pursue, in accordance with reasonable collection practices, third-party payments for individuals who are covered by other benefit plans and private pay. The Provider shall document its collections of third-party payments.

37
38
39
40
41
42
43
44

1 2.12.2 **Medicaid enrollment**

2 The Provider shall aggressively work to convert non-Medicaid individuals to Medicaid
3 status, including helping families to access health insurance coverage for their children
4 under the provisions of the Children's Health Insurance Program.

5 2.12.3 **Individual financial obligation**

6 The Provider shall provide notice to individuals of their personal financial obligations for
7 non-covered services and may bill individuals for non-covered services only if the Provider
8 has:

9 2.12.3.1 Provided the individual with a full written disclosure of Provider's intent to
10 directly bill the individual for non-covered services (including a clear
11 statement the North Sound BH-ASO and/or the individual's assigned MCO is
12 not financially obligated or otherwise liable to cover or provide any
13 reimbursement, compensation, or other payment related to such non-
14 covered services); and

15 2.12.3.2 Obtained a written acknowledgement and acceptance of financial
16 responsibility from the individual at the time of denial and prior to services
17 being delivered.

18 2.13 **CLIENT HOLD HARMLESS**

19 2.13.1 Provider hereby agrees that in no event including, but not limited to, nonpayment
20 by North Sound BH-ASO, North Sound BH-ASO insolvency, or breach of this
21 contract will Provider bill, charge, collect a deposit from, seek compensation,
22 remuneration, or reimbursement from, or have any recourse against a client or
23 person acting on their behalf, other than North Sound BH-ASO, for services
24 provided pursuant to this Contract. This provision does not prohibit collection of
25 deductibles, copayments, coinsurance and/or payment for noncovered services,
26 which have not otherwise been paid by a primary or secondary issuer in
27 accordance with regulatory standards for coordination of benefits, from individuals
28 in accordance with the terms of the individual's health plan.

29 2.13.2 If applicable, Provider agrees, in the event of North Sound BH-ASO insolvency, to
30 continue to provide the services promised in this Contract to clients of North
31 Sound BH-ASO for the duration of the period for which premiums on behalf of the
32 individuals were paid to North Sound BH-ASO or until the individual's discharge
33 from inpatient facilities, whichever time is greater.

34 2.13.3 Notwithstanding any other provision of this Contract, nothing in this contract shall
35 be construed to modify the rights and benefits contained in an Individual's health
36 plan.

37 2.13.4 Provider may not bill individuals for crisis services where North Sound BH-ASO
38 denies payments because the Provider has failed to comply with the terms or
39 conditions of this Contract.

40 2.13.5 Provider further agrees (i) the provisions of this subsection 2.13.4 shall survive
41 termination of this contract regardless of the cause giving rise to termination and
42 shall be construed to be for the benefit of North Sound BH-ASO individuals and (ii)
43 this provision supersedes any oral or written contrary agreement now existing or
44

hereafter entered into between Provider and individuals or persons acting on their behalf.

2.13.6 If Provider contracts with other providers or facilities who agree to provide crisis services to individuals of North Sound BH-ASO with the expectation of receiving payment directly or indirectly from North Sound BH-ASO, such providers or facilities must agree to abide by the provisions of this subsection 2.13.6.

2.13.7 Willfully collecting or attempting to collect an amount from an individual knowing that collection to be in violation of the participating provider or facility contract constitutes a class C felony under RCW 48.80.030.

2.14 PROGRAM PARTICIPATION

2.14.1 Participation in Grievance Program

Provider shall implement a Grievance Program that complies with WAC 182-538C 110 or its successors and shall participate in North Sound BH-ASO's Grievance Program and cooperate in identifying, processing and promptly resolving all individual complaints, grievances, or inquiries.

2.14.2 Participation in Quality Improvement Program

- 2.14.2.1 Provider shall develop and implement a quality management plan in accordance with requirements outlined in the North Sound BH-ASO P&P or Provider's accrediting entity.
- 2.14.2.2 Provider shall cooperate and participate in the North Sound BH-ASO Quality Assessment and Performance Improvement activities and Performance Improvement Projects (PIP) identified by North Sound BH-ASO and/or HCA.
- 2.14.2.3 The Provider shall review the components of the quality management plan at least annually. Such review will include submitting a report to North Sound BH-ASO on any Quality Assurance activity or changes to the quality management plan, except where the provider holds accreditation from the Joint Commission, Commission on Accreditation of Rehabilitation Facilities or Commission on Accreditation.

2.14.3 Participation in Utilization Review and Management Program

Provider shall participate in and comply with the North Sound BH-ASO Utilization Review and Management Program, including all P&P's regarding prior authorizations and shall cooperate with HCA in audits to identify, confirm and/or assess utilization levels of services.

2.15 NOTICES

2.15.1 Critical Incident Reporting

Provider shall send immediate notification to North Sound BH-ASO and, when indicated, to the applicable MCO of any Critical Incident involving an individual. Notification shall be made during the business day on which Provider becomes aware of the Critical Incident. If Provider becomes aware of a Critical Incident involving an individual after business hours, Provider shall provide notice to North Sound BH-ASO and, when indicated, to the applicable MCO as soon as possible the next business day. Provider shall provide to North

1 Sound BH-ASO and, when indicated, to the applicable MCO all available information
2 related to a Critical Incident at the time of notification, including: a description of the
3 event, the date and time of the incident, the incident location, incident type, information
4 about the individuals involved in the incident and the nature of their involvement; the
5 individual's or other involved individuals' service history with Provider; steps taken by
6 Provider to minimize potential or actual harm; and any legally required notification made
7 by Provider. Upon North Sound BH-ASO's request, and as additional information becomes
8 available, Provider shall update the information provided regarding the Critical Incident
9 and, if requested by MCO, shall prepare a written report regarding the Critical Incident,
10 including any actions taken in response to the incident, the purpose for which such actions
11 were taken, any implications to Provider's delivery system and efforts designed to prevent
12 or lessen the possibility of future similar incidents. Reporting shall comport with North
13 Sound BH-ASO Supplemental Provider Service Guide and applicable P&Ps.

14 **2.15.2 Notice of sites/services change**

15 Provider shall, prior to making a public announcement of any site or service changes,
16 notify North Sound BH-ASO in writing and receive approval at least:
17

- 18 2.15.2.1 120 days prior to closing a Provider site or opening any additional
19 site(s) providing services under this Agreement.
- 20 2.15.2.2 30 days prior to any Provider change that would significantly affect
21 the delivery of or payment for services provided, including changes in
22 tax identification numbers, billing addresses, or practice locations.
- 23 2.15.2.3 If Provider discontinues services or closes a site in less than 30 days,
24 Provider shall notify North Sound BH-ASO as soon as possible and
25 prior to making a public announcement.
- 26 2.15.2.4 Provider shall notify North Sound BH-ASO of any other changes in
27 capacity that result in the Provider being unable to meet any
28 requirements of this Agreement. Events that affect capacity, include
29 but are not limited to: a decrease in the number, frequency, or type of
30 a required service to be provided; employee strike or other work
31 stoppage related to union activities; or any changes that result in
32 Provider being unable to provide timely, medically necessary services.
- 33 2.15.2.5 If any of the above events occurs, Provider shall submit a plan to
34 North Sound BH-ASO and, if requested, shall meet with North Sound
35 BH-ASO to review the plan at least 30 business days prior to the
36 event. The plan should include the following:
 - 37
 - 38 2.15.2.5.1 Notification of service/site change;
 - 39 2.15.2.5.2 Individual notification and communication plan;
 - 40 2.15.2.5.3 Plan for provision of uninterrupted services by
41 individual; and
 - 42 2.15.2.5.4 Any information that will be released to the media.
 - 43

1 2.15.3 **Termination of Services**

2 Provider shall provide North Sound BH-ASO at least 120 calendar days written notice
3 before provider, any clinic, or subcontractor ceases to provide services to individuals.
4

5 2.15.4 **Reporting Fraud**

6 Provider shall comply with RCW 48.135 concerning Insurance Fraud Reporting and shall
7 notify North Sound BH-ASO Compliance Department of all incidents or occasions of
8 suspected fraud, waste, or abuse involving Services provided to an individual. Provider
9 shall report a suspected incident of fraud, waste, or abuse, including a credible allegation
10 of fraud, within five (5) business days of the date Provider first becomes aware of, or is on
11 notice of, such activity. The obligation to report suspected fraud, waste, or abuse shall
12 apply if the suspected conduct was perpetrated by Provider, Provider’s employee, agent,
13 subcontractor, or individual. Provider shall establish P&P’s for identifying, investigating
14 and taking appropriate corrective action against suspected fraud, waste, or abuse.
15 Detailed information provided to employees and subcontractors regarding fraud and
16 abuse P&P’s and the false Claims Act and the Washington false claims statutes RCW
17 Chapter 74.66 and 74.09.210. Upon request by North Sound BH-ASO and/or HCA, Provider
18 shall confer with the appropriate State agency prior to or during any investigation into
19 suspected fraud, waste, or abuse.
20

21 2.16 **PARTICIPATION IN CREDENTIALING**

22 Provider shall participate in North Sound BH-ASO’s credentialing and re-credentialing process
23 that shall satisfy, throughout the term of this Agreement, all credentialing and re-
24 credentialing criteria established by North Sound BH-ASO. Provider shall immediately notify
25 North Sound BH-ASO of any change in the information submitted or relied upon by Provider
26 to achieve credentialed status. If Provider’s credentialed status is revoked, suspended, or
27 limited by North Sound BH-ASO, North Sound BH-ASO may, at its discretion, terminate this
28 Agreement and/or reassign individuals to another provider.
29

30 2.17 **PROVIDER TRAINING AND EDUCATION**

31 Upon the request of North Sound BH-ASO, the Provider shall participate in training when
32 required by the North Sound BH-ASO and/or HCA.
33

34 2.17.1 **Exception to required training**

35 Requests to allow an exception to participation in a required training must be in
36 writing and include a plan for how the required information will be provided to
37 targeted Provider staff.

38 2.17.2 **Safety and violence-prevention training**

39 Provider shall ensure all community behavioral health employees who work
40 directly with individuals are provided with at least annual training on safety and
41 violence-prevention topics described in RCW 49.19.030.

42 2.17.3 **Cultural humility training**

43 Provider shall ensure all community behavioral health employees who work for
44 Providers are provided with at least annual training on cultural humility.
45

1
2
3
4
5
6
7
8
9
10

2.17.4 **Health Education/Training**

Provider shall ensure all community behavioral health employees who work directly with individuals receive Health Education/Training as requested by North Sound BH-ASO; and

2.17.5 **Provider Non-Solicitation**

Provider shall not solicit or encourage individuals to select any particular health plan for the primary purpose of securing financial gain for Provider. Nothing in this provision is intended to limit Provider's ability to fully inform individuals of all available health care treatment options or modalities

1 **ARTICLE THREE –NORTH SOUND BH-ASO OBLIGATIONS**

2 **3.1 ADMINISTRATIVE SUPPORT**

3 North Sound BH-ASO shall provide the administrative support to the North Sound ICN and will
4 collaborate with Providers in:

- 5
- 6 3.1.1 Establishing and maintaining a multispecialty provider network that is
7 geographically distributed through the service area and promotes individual choice
8 and access to Participating Providers;
- 9 3.1.2 Developing and supporting the workforce in the provision of active, innovative and
10 evidence-based chronic conditions management practices;
- 11 3.1.3 Developing and implementing Participating Provider practice protocols and
12 supports;
- 13 3.1.4 Creating alliances with other medical practices/groups and providers to help
14 ensure the delivery of whole-person and integrated care;
- 15 3.1.5 Participating in performance measurement, including the reporting of state
16 defined performance measures and HCA identified behavioral health measures;
- 17 3.1.6 Promoting practice transformation and outcome achievement through value-based
18 purchasing; and
- 19 3.1.7 Providing support and training on proper coding of services and data transmissions
20 related to encounters.
21

22 **3.2 CONTINUUM OF BEHAVIORAL HEALTH CARE**

23 North Sound BH-ASO shall contract with a network of behavioral health providers to ensure a
24 continuum of crisis behavioral health care to achieve and demonstrate network adequacy.
25

26 **3.3 COLLECTION OF SERVICE ENCOUNTERS**

27 North Sound BH-ASO shall collect service encounters from the Participating Providers and
28 submit them to HCA and/or MCOs.
29

30 **3.4 PAYMENT**

31 North Sound BH-ASO shall pay Provider for services provided according to the North Sound
32 BH-ASO established rate schedule, detailed in Exhibit B. Additionally, clean claims shall be
33 submitted in established timelines.
34

- 35 3.4.1 North Sound BH-ASO shall provide reasonable notice of not less than 60 days of
36 changes that affect Provider’s compensation or the delivery of health care services.
37

38 **3.5 SUBMISSION OF CLAIMS**

39 If Provider submits claims for Services rendered under this Contract, the following
40 requirements shall apply:
41

42 3.5.1 **Clean Claims Standards**

43 Except as agreed to by the parties on a claim-by-claim basis, North Sound BH-
44 ASO shall pay or deny not less than (i) 95% of Clean Claims received from

1 Provider within 30 days of receipt; (ii) 95% of all claims received from Provider
2 within 60 days of receipt; and (iii) 99% of all Clean Claims received from
3 Provider within 90 days of receipt.

4 3.5.2 **Clean Claim – Definition**

5 For purposes of this Section 3.5, "clean claim" means a claim that has no defect
6 or impropriety, including any lack of any required substantiating
7 documentation or particular circumstances requiring special treatment that
8 prevents timely payments from being made on the claim under this Section 3.5.
9

10 3.6 **COORDINATION**

11 North Sound BH-ASO shall be responsible for coordinating with Participating Providers to
12 meet the obligations identified in this Agreement.
13

1 **ARTICLE FOUR - TERM AND TERMINATION**

2 **4.1 TERM**

3 This Agreement is effective on July 1, 2019, and will remain in effect for an initial term of 1 year (Initial
4 Term), after which it will automatically renew for successive terms of 1 year each (Renewal Term),
5 unless this Agreement is sooner terminated as provided in this Agreement or either Party gives the
6 other Party written notice of non-renewal of this Agreement not less than 180 days prior to the end of
7 the current term.
8

9 **4.2 TERMINATION WITHOUT CAUSE**

10 This Agreement may be terminated without cause by either party upon providing at least 90 days
11 written notice to the other party.
12

13 **4.3 TERMINATION WITH CAUSE**

14 Either party may terminate this Agreement by providing the other party with a minimum of 10
15 business days prior written notice in the event the other party commits a material breach of any
16 provision of this Agreement. Said notice must specify the nature of said material breach. The
17 breaching party shall have 7 business days from the date of the breaching party's receipt of the
18 foregoing notice to cure said material breach. In the event the breaching party fails to cure the
19 material breach within said 7 business day period, this Agreement shall automatically terminate upon
20 expiration of the 10 business days' notice period.
21

22 **4.4 IMMEDIATE TERMINATION**

23 Unless expressly prohibited by applicable regulatory requirements, North Sound BH-ASO may
24 immediately suspend or terminate the participation of a Provider in any or all products or services by
25 giving written notice thereof to Provider when North Sound BH-ASO determines that (i) based upon
26 available information, the continued participation of the Provider appears to constitute an immediate
27 threat or risk to the health, safety, or welfare of individual(s), or (ii) Provider's fraud, malfeasance, or
28 non-compliance with any regulatory requirements is reasonably suspected. During such suspension,
29 the Provider shall, as directed by North Sound BH-ASO, discontinue the provision of all or a particular
30 contracted Service to individual(s). During the term of any suspension, Provider shall notify
31 individual(s) that their status as a Provider has been suspended. Such suspension will continue until
32 the Provider's participation is reinstated or terminated.
33

34 **4.5 TERMINATION DUE TO CHANGE IN FUNDING**

35 In the event funding from HCA, MCO, State, Federal, or other sources is withdrawn, reduced, or limited
36 in any way after the effective date of this Contract and prior to its normal completion, either party may
37 terminate this Contract subject to re-negotiations.
38

39 **4.5.1 TERMINATION PROCEDURE**

40 The following provisions shall survive and be binding on the parties in the event
41 this Contract is terminated:
42

1 4.5.1.1 Provider and any applicable subcontractors shall cease to perform any
2 services required by this Contract as of the effective date of termination
3 and shall comply with all reasonable instructions contained in the notice of
4 termination which are related to the transfer of individuals, distribution of
5 property and termination of services. Each party shall be responsible only
6 for its performance in accordance with the terms of this Contract rendered
7 prior to the effective date of termination. Provider and any applicable
8 subcontractors shall assist in the orderly transfer/transition of the
9 individuals served under this Contract. Provider and any applicable
10 subcontractors shall promptly supply all information necessary for the
11 reimbursement of any outstanding Medicaid claims.

12 4.5.1.2 Provider and any applicable subcontractors shall immediately deliver to
13 North Sound BH-ASO's Program Administrator or their successor, all North
14 Sound BH-ASO assets (property) in Provider and any applicable
15 subcontractor's possession and any property produced under this Contract.
16 Provider and any applicable subcontractors grant North Sound BH-ASO the
17 right to enter upon Provider and any applicable subcontractor's premises
18 for the sole purpose of recovering any North Sound BH-ASO property that
19 Provider and any applicable subcontractors fails to return within 10
20 business days of termination of this Contract. Upon failure to return North
21 Sound BH-ASO property within 10 business days of the termination of this
22 Contract, Provider and any applicable subcontractors shall be charged with
23 all reasonable costs of recovery, including transportation and attorney's
24 fees. Provider and any applicable subcontractors shall protect and preserve
25 any property of North Sound BH-ASO that is in the possession of Provider
26 and any applicable subcontractors pending return to North Sound BH-ASO.

27 4.5.1.3 North Sound BH-ASO shall be liable for and shall pay for only those services
28 authorized and provided through the date of termination. North Sound BH-
29 ASO may pay an amount agreed to by the parties for partially completed
30 work and services, if work products are useful to or usable by North Sound
31 BH-ASO.

32 4.5.1.4 If the Program Administrator terminates this Contract for default, North
33 Sound BH-ASO may withhold a sum from the final payment to Provider that
34 North Sound BH-ASO determines is necessary to protect North Sound BH-
35 ASO against loss or additional liability occasioned by the alleged default.
36 North Sound BH-ASO shall be entitled to all remedies available at law, in
37 equity, or under this Contract. If it is later determined Provider was not in
38 default, or if Provider terminated this Contract for default, Provider shall be
39 entitled to all remedies available at law, in equity, or under this Contract.

40
41 Should the contract be terminated by either party, North Sound BH-ASO
42 will require the spend-down of all remaining reserves and fund balances
43 within the termination period. Funds will be deducted from the final
44 months' payments until reserves and fund balances are spent. Should the

1 contract be terminated by either party, Provider shall be responsible to
2 provide all behavioral health services through the end of the month for
3 which they have received payment
4

5 **4.6 TERMINATION NOTIFICATION TO INDIVIDUALS**

6 North Sound BH-ASO will inform affected individuals of any termination pursuant to this
7 Contract in accordance with the process set forth in the applicable MCO P&P's. Individuals
8 may be required to select another Provider contracted with North Sound BH-ASO prior to the
9 effective date of termination of this Contract.
10

1 **ARTICLE FIVE - FINANCIAL TERMS AND CONDITIONS**

2 **5.1 GENERAL FISCAL ASSURANCES**

3 Provider shall comply with all applicable laws and standards, including Generally Accepted
4 Accounting Principles and maintain, at a minimum, a financial management system that is a
5 viable, single, integrated system with sufficient sophistication and capability to effectively and
6 efficiently process, track and manage all fiscal matters and transactions. The parties'
7 respective fiscal obligations and rights set forth in this section shall continue after termination
8 of this Contract until such time as the financial matters between the parties resulting from this
9 Contract are completed.
10

11 **5.2 FINANCIAL ACCOUNTING REQUIREMENTS**

12 Provider shall:
13

- 14 5.2.1 Limit Administration costs to no more than 15% of the annual revenue supporting
15 the public behavioral health system operated by Provider. Administration costs
16 shall be measured on a fiscal year basis and based on the information reported in
17 the Revenue and Expenditure Reports and reviewed by North Sound BH-ASO.
- 18 5.2.2 The Provider shall establish and maintain a system of accounting and internal
19 controls which complies with generally accepted accounting principles
20 promulgated by the Financial Accounting Standards Board (FASB), the
21 Governmental Accounting Standards Board (GASB), or both as is applicable to the
22 Provider's form of incorporation.
- 23 5.2.3 Ensure all North Sound BH-ASO funds, including interest earned, provided pursuant
24 to this Contract, are used to support the public behavioral health system within the
25 Service Area;
- 26 5.2.4 Ensure under no circumstances are individuals charged for any covered services,
27 including those out-of-network services purchased on their behalf;
- 28 5.2.1 Produce annual, audited financial statements upon completion and make such
29 reports available to North Sound BH-ASO upon request.

30
31 **5.2.5.1 Financial Reporting**

32 Provider shall provide the following reports to North Sound BH-ASO:
33

- 34 5.2.5.1.1 The North Sound BH-ASO shall reimburse the Provider for
35 satisfactory completion of the services and requirements
36 specified in this Contract and its attached exhibit(s).
- 37 5.2.5.1.2 The Provider shall submit an invoice and all accompanying
38 reports as specified in the attached exhibit(s), including its
39 final invoice and all outstanding reports. The North Sound
40 BH-ASO shall initiate authorization for payment to the
41 Provider not more than 30 days after a complete and
42 accurate invoice is received.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

5.2.5.1.3 The Provider shall submit its final invoice and all outstanding reports as specified in this contract and its attached exhibit(s). If the Provider’s final invoice and reports are not submitted as specified in this contract and its attached exhibit(s), the North Sound BH-ASO will be relieved of all liability for payment to the Provider of the amounts set forth in said invoice or any subsequent invoice.

5.2.6 **LIABILITY FOR PAYMENT AND THE PURSUIT OF THIRD-PARTY REVENUE**

Provider shall be responsible for developing financial processes that enable them to reasonably ensure all third-party resources available to enrollees are identified and pursued in accordance with the reasonable collection practices, which Provider applies to all other payers for services covered under this Contract. Ensure a process is in place to demonstrate all third-party resources are identified and pursued in accordance with Medicaid being the payer of last resort. North Sound BH-ASO shall actively provide Provider support in the pursuit of third-party payments for all crisis services.

Provider shall maintain necessary records to document all third-party resources and report to North Sound BH-ASO on a biennial basis or upon the request of North Sound BH-ASO, the amount of such third-party resources collected for all service recipients during the quarter by source of payment.

1 **ARTICLE SIX – OVERSIGHT AND REMEDIES**

2 **6.1 OVERSIGHT AUTHORITY**

3 North Sound BH-ASO, HCA, DSHS, Office of the State Auditor, the Department of Health
4 (DOH), the Comptroller General, or any of their duly-authorized representatives have the
5 authority to conduct announced and unannounced: a) surveys, b) audits, c) reviews of
6 compliance with licensing and certification requirements and compliance with this Contract,
7 d) audits regarding the quality, appropriateness and timeliness of behavioral health services of
8 Provider and subcontractors and e) audits and inspections of financial records of Provider and
9 subcontractors.
10

11 Provider shall notify North Sound BH-ASO when an entity other than North Sound BH-ASO
12 performs any audit described above related to any activity contained in this Contract.
13

14 In addition, North Sound BH-ASO will conduct reviews in accordance with its oversight of
15 resource, utilization and quality management, as well as, ensure Provider has the clinical,
16 administrative and fiscal structures to enable them to perform in accordance with the terms
17 of the contract. Such reviews may include, but are not limited to: encounter data validation,
18 utilization reviews, clinical record reviews, program integrity, administrative structures
19 reviews, fiscal management and contract compliance. Reviews may include desk reviews,
20 requiring Provider to submit requested information. North Sound BH-ASO will also review any
21 activities delegated under this contract to Provider.
22

23 **6.2 REMEDIAL ACTION**

24 North Sound BH-ASO may require Provider to plan and execute corrective action. Corrective
25 Action Plan (CAP) developed by Provider must be submitted for approval to North Sound BH-
26 ASO within 30 calendar days of notification. CAP must be provided in a format acceptable to
27 North Sound BH-ASO. North Sound BH-ASO may extend or reduce the time allowed for
28 corrective action depending upon the nature of the situation as determined by North Sound
29 BH-ASO.
30

31 6.2.1 CAP must include:

32 6.2.1.1 A brief description of the findings; and

33 6.2.1.2 Specific actions to be taken, a timetable, a description of the monitoring
34 to be performed, the steps taken and responsible individuals that will
35 reflect the resolution of the situation.
36
37

38 6.2.2 CAP may:

39 Require modification of any P&P's by Provider relating to the fulfillment of its
40 obligations pursuant to this Contract.
41

42 6.2.3 CAP is subject to approval by North Sound BH-ASO, which may:

43 6.2.3.1 Accept the plan as submitted;

44 6.2.3.2 Accept the plan with specified modifications;
45

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

- 6.2.3.3 Request a modified plan; or
- 6.2.3.4 Reject the plan.

6.2.4 Provider agrees North Sound BH-ASO may initiate remedial action as outlined in subsection (6.2.5) below if North Sound BH-ASO determines any of the following situations exist:

- 6.2.4.1 If a problem exists that poses a threat to the health or safety of any person or poses a threat of property damage/an incident has occurred that resulted in injury or death to any person/resulted in damage to property.
- 6.2.4.2 Provider has failed to perform any of the behavioral health services required in this Contract, which includes the failure to maintain the required capacity as specified by North Sound BH-ASO to ensure enrolled individuals receive medically necessary services, including delegated functions; except, that no remedial action pursuant to subsection (6.2.5) hereof shall be taken if such failure to maintain required capacity is due to any interruption in or depletion of the available amount of money to Provider as described in Exhibit B of this contract for purposes of performing services under this contract; however, in such an instance, North Sound BH-ASO may terminate all or part of this contract on as little as 30 days written notice.
- 6.2.4.3 Provider has failed to develop, produce and/or deliver to North Sound BH-ASO any of the statements, reports, data, data corrections, accountings, claims and/or documentation described herein, in compliance with all the provisions of this Contract.
- 6.2.4.4 Provider has failed to perform any administrative function required under this Contract, including delegated functions. For the purposes of this section, “administrative function” is defined as any obligation other than the actual provision of behavioral health services.
- 6.2.4.5 Provider has failed to implement corrective action required by the state and within North Sound BH-ASO prescribed timeframes.

6.2.5 North Sound BH-ASO may impose any of the following remedial actions in response to findings of situations as outlined above.

- 6.2.5.1 Withhold two (2%) percent of the next monthly payment and each monthly payment thereafter until the corrective action has achieved resolution. North Sound BH-ASO, at its sole discretion, may return a portion or all of any payments withheld once satisfactory resolution has been achieved.

- 1 6.2.5.2 Compound withholdings identified above by an additional one-half of
- 2 one percent (1/2 of 2%) for each successive month during which the
- 3 remedial situation has not been resolved.
- 4 6.2.5.3 Revoke delegation of any function delegated under this contract.
- 5 6.2.5.4 Deny any incentive payment to which Provider might otherwise have
- 6 been entitled under this Contract or any other arrangement by which
- 7 DBHR provides incentives.
- 8 6.2.5.5 Termination for Default, as outlined in this Contract.

9

10 6.3 **NOTICE REQUIREMENTS**

11 Whenever this Contract provides for notice to be provided by one (1) party to another, such

12 notice shall be in writing and directed to the chief executive office of the Provider and the

13 project representative of the County department specified on page one (1) of this Contract.

14 Any time within which a party must take some action shall be computed from the date that

15 the notice is received by said party.

16

1 **ARTICLE SEVEN -GENERAL TERMS AND CONDITIONS FOR CONTRACTOR**

2
3 **7.1 BACKGROUND**

4 North Sound BH-ASO is an entity formed by inter-local agreement between Island, San Juan,
5 Skagit, Snohomish and Whatcom Counties, each county authority is recognized by the
6 Director of HCA (Director). These counties entered into an inter-local agreement to allow
7 North Sound BH-ASO to contract with the Director pursuant to RCW 71.24.025(13), to operate
8 a single managed system of services for persons with behavioral illness living in the service
9 area covered by Island, San Juan, Skagit, Snohomish and Whatcom Counties (Service Area).
10 North Sound BH-ASO is party to an interagency agreement with the Director, pursuant to
11 which North Sound BH-ASO has agreed to provide integrated community support, crisis
12 response services to people needing such services in its Service Area. North Sound BH-ASO,
13 through this Contract, is subcontracting with Provider for the provision of specific behavioral
14 health services as required by the agreement with the Director. Provider, by signing this
15 Contract, attests it is willing and able to provide such services in the Service Area.
16

17 **7.2 MUTUAL COMMITMENTS**

18 The parties to this Contract are mutually committed to the development of an efficient, cost
19 effective, integrated, person-centered, age specific recovery and resilience model approach to
20 the delivery of quality community behavioral health services. To that end, the parties are
21 mutually committed to maximizing the availability of resources to provide needed behavioral
22 health services in the Service Area, maximizing the portion of those resources used for the
23 provision of direct services and minimizing duplication of effort.
24

25 **7.3 ASSIGNMENT**

26 Except as otherwise provided within this Contract, this Contract may not be assigned,
27 delegated, or transferred by Provider without the express written consent of North Sound BH-
28 ASO and any attempt to transfer or assign this Contract without such consent shall be void.
29 The terms “assigned”, “delegated”, or “transferred” shall include change of business structure
30 to a limited liability company of any Provider Member or Affiliate Agency.
31

32 **7.4 AUTHORITY**

33 Concurrent with the execution of this Contract, Provider shall furnish North Sound BH-ASO
34 with a copy of the explicit written authorization of its governing body to enter into this
35 Contract and accept the financial risk and responsibility to carry out all terms of this Contract
36 including the ability to pay for all expenses incurred during the contract period. Likewise,
37 concurrent with the execution of this Contract, North Sound BH-ASO shall furnish, upon
38 request, Provider with a written copy of the motion, resolution, or ordinance passed by North
39 Sound BH-ASO’s County Authorities Executive Committee authorizing North Sound BH-ASO to
40 execute this Contract.
41

1 **7.5 COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND OPERATIONAL POLICIES**

2 The parties shall comply with all relevant state or federal law, policy, directive, or government
3 sponsored program requirements relating to the subject matter of this Agreement. The provisions of
4 this Agreement shall be construed in a manner that reflects consistency and compliance with such
5 laws, policies and directives. Without limiting the generality of the foregoing, the parties shall comply
6 with applicable provisions of this Agreement and the Supplemental Provider Service Guide,
7 incorporated herein:
8

- 9 7.5.1 Title XIX and Title XXI of the SSA and Title 42 CFR;
- 10 7.5.2 All applicable Office of the Insurance Commissioner (OIC) statutes and regulations;
- 11 7.5.3 Americans with Disabilities Act (ADA) of 1990;
- 12 7.5.4 Title VI of the Civil Rights Act of 1964;
- 13 7.5.5 Age Discrimination Act of 1975;
- 14 7.5.6 All local, State and Federal professional and facility licensing and certification
15 requirements/standards that apply to services performed under the terms of this
16 Contract;
- 17 7.5.7 The Patient Protection and Affordable Care Act (PPACA or ACA);
- 18 7.5.8 All applicable standards, orders, or requirements issued under Section 306 of the
19 Clean Air Act (42 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368),
20 Executive Order 11738 and Environmental Protection Agency (EPA) regulations (40
21 CFR Part 15), which prohibit the use of facilities included on the EPA List of
22 Violating Facilities. Any violations shall be reported to HCA/DSHS, DHHS and the
23 EPA.
- 24 7.5.9 Any applicable mandatory standards and policies relating to energy efficiency,
25 which are contained in the State Energy Conservation Plan, issued in compliance
26 with the federal Energy Policy and Conservation Act;
- 27 7.5.10 Those specified in RCW Title 18 for professional licensing;
- 28 7.5.11 Reporting of abuse as required by RCW 26.44.030;
- 29 7.5.12 Industrial insurance coverage as required by RCW Title 51;
- 30 7.5.13 RCW 38.52, 70.02, 71.05, 71.24 and 71.34;
- 31 7.5.14 WAC 388-865 and 388-877 388-877A and 388-877B;
- 32 7.5.15 Provider must ensure it does not: a) operate any physician incentive plan as
33 described in 42 CFR §422.208; and b) does not Contract with any subcontractor
34 operating such a plan.
- 35 7.5.16 HCA/MCO Quality Strategy;
- 36 7.5.17 State of Washington behavioral health system mission statement, value statement
37 and guiding principles for the system, hereto as Exhibit D;
- 38 7.5.18 Office of Management and Budget (OMB) Circulars, Budget, Accounting and
39 Reporting System (BARS) Manual and BARS Supplemental Behavioral Health
40 Instructions;
- 41 7.5.19 Any applicable federal and state laws that pertain to individual’s rights. Provider
42 shall ensure its staff takes those rights into account when furnishing services to
43 individuals.

- 1 7.5.20 42 USC 1320a-7 and 1320a-7b (Section 1128 and 1128(b) of the SSA), which
- 2 prohibits making payments directly or indirectly to physicians or other providers as
- 3 an inducement to reduce or limit behavioral health services provided to
- 4 individuals;
- 5 7.5.21 Any P&P's developed by DSHS/HCA which governs the spend-down of individual's
- 6 assets;
- 7 7.5.22 Provider and any subcontractors must comply with 42-USC 1396u-2 and must not
- 8 knowingly have a director, officer, partner, or person with a beneficial ownership
- 9 of more than five (5%) of Provider, BHA or subcontractor's equity, or an employee,
- 10 Provider, or consultant who is significant or material to the provision of services
- 11 under this Contract, who has been, or is affiliated with someone who has been,
- 12 debarred, suspended, or otherwise excluded by any federal agency.
- 13 7.5.23 Federal and State non-discrimination laws and regulations;
- 14 7.5.24 HIPAA (45 CFR parts 160-164);
- 15 7.5.25 Confidentiality of Substance Use Disorder (SUD) 42 CFR Part 2;
- 16 7.5.26 HCA-CIS Data Dictionary and its successors;
- 17 7.5.27 Federal funds must not be used for any lobbying activities.

18

19 If Provider is in violation of a federal law or regulation and Federal Financial Participation is

20 recouped from North Sound BH-ASO, Provider shall reimburse the federal amount to North

21 Sound BH-ASO within 20 days of such recoupment.

22

23 Upon notification from HCA/MCO, North Sound BH-ASO shall notify Provider in writing of

24 changes/modifications in HCA contract requirements.

25

26 7.6 **COMPLIANCE WITH NORTH SOUND BH-ASO OPERATIONAL GUIDE**

27 Provider shall comply with all North Sound BH-ASO Supplemental Provider Service Guide and

28 operational policies that pertain to the delivery of services under this Contract that are in

29 effect when the Contract is signed or come into effect during the term of the Contract. North

30 Sound BH-ASO shall notify Provider of any proposed change in federal or state requirements

31 affecting this Contract immediately upon North Sound BH-ASO receiving knowledge of such

32 change.

33

34 7.7 **CONFIDENTIALITY OF PERSONAL INFORMATION**

35 Provider shall protect all Personal Information, records and data from unauthorized disclosure

36 in accordance with 42 CFR §431.300 through §431.307, RCWs 70.02, 71.05, 71.34 and for

37 individuals receiving SUD services, in accordance with 42 CFR Part 2 and WAC 388-877B.

38 Provider shall have a process in place to ensure all components of its provider network and

39 system understand and comply with confidentiality requirements for publicly funded

40 behavioral health services. Pursuant to 42 CFR §431.301 and §431.302, personal information

41 concerning applicants and recipients may be disclosed for purposes directly connected with

42 the administration of this Contract and the State Medicaid Plan. Provider shall read and

43 comply with all HIPAA policies.

44

1 **7.8 CONTRACT PERFORMANCE/ENFORCEMENT**
2 North Sound BH-ASO shall be vested with the rights of a third-party beneficiary, including the
3 "cut through" right to enforce performance should Provider be unwilling or unable to enforce
4 action on the part of its subcontractor(s). In the event Provider dissolves or otherwise
5 discontinues operations, North Sound BH-ASO may, at its sole option, assume the right to
6 enforce the terms and conditions of this Contract directly with subcontractors; provided North
7 Sound BH-ASO keeps Provider reasonably informed concerning such enforcement. Provider
8 shall include this clause in its contracts with its subcontractors. In the event of the dissolution
9 of Provider, North Sound BH-ASO's rights in indemnification shall survive.

10
11 **7.9 COOPERATION**
12 The parties to this Contract shall cooperate in good faith to effectuate the terms and
13 conditions of this Contract.

14
15 **7.10 DEBARMENT CERTIFICATION**
16 Provider, by signature to this Contract, certifies Provider and any Owners are not presently
17 debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by
18 any Federal department or agency from participating in transactions (Debarred) and is not
19 listed in the Excluded Parties List System in the System for Award Management (SAM)
20 website. Provider shall immediately notify North Sound BH-ASO if, during the term of this
21 Contract, Provider becomes debarred.

22
23 **7.11 EXCLUDED PARTIES**
24 Provider is prohibited from paying with funds received under this Contract for goods and
25 services furnished, ordered, or prescribed by excluded individuals and entities SSA section
26 1903(i)(2) of the Act; 42 CFR 455.104, 455.106 and 1001.1901(b).

27
28 Provider shall monitor for excluded individuals and entities by:

29
30 **7.11.1** Screening Provider and subcontractor's employees and individuals and entities
31 with an ownership or control interest for excluded individuals and entities prior to
32 entering into a contractual or other relationship where the individual or entity
33 would benefit directly or indirectly from funds received under this Contract.

34 **7.11.2** Screening monthly newly added Provider and subcontractor's employees and
35 individuals and entities with an ownership or control interest for excluded
36 individuals and entities that would benefit directly or indirectly from funds
37 received under this Contract.

38 **7.11.3** Screening monthly Provider and subcontractor's employees and individuals and
39 entities with an ownership or control interest that would benefit from funds
40 received under this Contract for newly added excluded individuals and entities.
41

1 Report to North Sound BH-ASO:
2

- 3 7.11.4 Any excluded individuals and entities discovered in the screening within 10
4 business days;
- 5 7.11.5 Any payments made by Provider that directly or indirectly benefit excluded
6 individuals and entities and the recovery of such payments;
- 7 7.11.6 Any actions taken by Provider to terminate relationships with Provider and
8 subcontractor's employees and individuals with an ownership or control interest
9 discovered in the screening;
- 10 7.11.7 Any Provider and subcontractor's employees and individuals with an ownership or
11 control interest convicted of any criminal or civil offense described in SSA section
12 1128 within 10 business days of Provider becoming aware of the conviction;
- 13 7.11.8 Any subcontractor terminated for cause within 10 business days of the effective
14 date of termination to include full details of the reason for termination;
- 15 7.11.9 Any Provider and subcontractor's individuals and entities with an ownership or
16 control interest.

17
18 Provider must provide a list with details of ownership and control no later than 30 days from
19 the date of ratification and shall keep the list up-to-date thereafter.
20

21 Provider will not make any payments for goods or services that directly or indirectly benefit
22 any excluded individual or entity. Provider will immediately recover any payments for goods
23 and services that benefit excluded individuals and entities it discovers.
24

25 Provider will immediately terminate any employment, contractual and control relationships
26 with an excluded individual and entity it discovers.
27

28 Civil monetary penalties may be imposed against Provider if it employs or enters into a
29 contract with an excluded individual or entity to provide goods or services to enrollees (SSA
30 section 1128A(a)(6) and 42 CFR 1003.102(a)(2)).
31

32 An individual or entity is considered to have an ownership or control interest if they have
33 direct or indirect ownership of five percent (5%) or more, or are a managing employee (i.e., a
34 general manager, business manager, administrator, or director) who exercises operational or
35 managerial control or who directly or indirectly conducts day-to-day operations (SSA section
36 1126(b), 42 CFR 455.104(a) and 1001.1001(a)(1)).
37

38 In addition, if North Sound BH-ASO/MCO/HCA notifies Provider that an individual or entity is
39 excluded from participation by HCA, Provider shall terminate all beneficial, employment,
40 contractual and control relationships with the excluded individual or entity immediately.
41

42 The list of excluded individuals will be found at: <http://exclusions.oig.hhs.gov/>.
43

44 SSA section 1128 will be found at: http://www.ssa.gov/OP_Home/ssact/title11/1128.htm.

1 7.12 **DECLARATION THAT INDIVIDUALS UNDER THE MEDICAID AND OTHER BEHAVIORAL HEALTH**
2 **PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT**

3 Although North Sound BH-ASO, Provider and subcontractors mutually recognize that services
4 under this Contract may be provided by Provider and subcontractors to individuals under the
5 Medicaid program, RCW 71.05 and 71.34 and the Community Behavioral Health Services Act,
6 RCW 71.24, it is not the intention of either North Sound BH-ASO or Provider, that such
7 individuals, or any other persons, occupy the position of intended third-party beneficiaries of
8 the obligations assumed by either party to this Contract. Such third parties shall have no right
9 to enforce this Contract.

10
11 7.13 **EXECUTION, AMENDMENT AND WAIVER**

12 This Contract shall be binding on all parties only upon signature by authorized representatives
13 of each party. This Contract or any provision may be amended during the contract period, if
14 circumstances warrant, by a written amendment executed by all parties. Only North Sound
15 BH-ASO's Program Administrator or designee has authority to waive any provision of this
16 Contract on behalf of North Sound BH-ASO.

17
18 7.14 **HEADINGS AND CAPTIONS**

19 The headings and captions used in this Contract are for reference and convenience only and in
20 no way define, limit, or decide the scope or intent of any provisions or sections of this
21 Contract.

22
23 7.15 **INDEMNIFICATION**

24 Provider shall be responsible for and shall indemnify and hold North Sound BH-ASO harmless
25 (including all costs and attorney fees) from all claims for personal injury, property damage
26 and/or disclosure of confidential information, including claims against North Sound BH-ASO
27 for the negligent hiring, retention and/or supervision of Provider and/or from the imposition
28 of governmental fines or penalties resulting from the acts or omissions of Provider and its
29 subcontractors related to the performance of this contract. North Sound BH-ASO shall be
30 responsible and shall indemnify and hold Provider harmless (including all costs and attorney
31 fees) from all claims for personal injury, property damage and disclosure of confidential
32 information and from the imposition of governmental fines or penalties resulting from the
33 acts or omissions of North Sound BH-ASO. Except to the extent caused by the gross
34 negligence and/or willful misconduct of North Sound BH-ASO, Provider shall indemnify and
35 hold North Sound BH-ASO harmless from any claims made by non-participating BHAs related
36 to the provision of services under this Contract. For the purposes of these indemnifications,
37 the Parties specifically and expressly waive any immunity granted under the Washington
38 Industrial Insurance Act, RCW Title 51. This waiver has been mutually negotiated and agreed
39 to by the Parties. The provision of this section shall survive the expiration or termination of
40 the Contract.

41

1 7.16 **INDEPENDENT CONTRACTOR FOR NORTH SOUND BH-ASO**
2 The parties intend that an independent contractor relationship be created by this contract.
3 Provider acknowledges that Provider, its employees, or subcontractors are not officers,
4 employees, or agents of North Sound BH-ASO. Provider shall not hold Provider, Provider's
5 employees and subcontractors out as, nor claim status as, officers, employees, or agents of
6 North Sound BH-ASO. Provider shall not claim for Provider, Provider's employees, or
7 subcontractors any rights, privileges, or benefits which would accrue to an employee of North
8 Sound BH-ASO. Provider shall indemnify and hold North Sound BH-ASO harmless from all
9 obligations to pay or withhold Federal or State taxes or contributions on behalf of Provider,
10 Provider's employees and subcontractors unless specified in this Contract.
11

12 7.17 **INSURANCE**
13 North Sound BH-ASO certifies it is a member of Washington Governmental Risk Pool for all
14 exposure to tort liability, general liability, property damage liability and vehicle liability, if
15 applicable, as provided by RCW 43.19.
16
17 By the date of execution of this Contract and post 15 days renewal of said contract, the
18 Provider shall procure and maintain insurance for the duration of this Contract, Provider shall
19 carry Commercial General Liability (CGL) Insurance to include coverage for bodily injury,
20 property damage, and contractual liability, with the following minimum limits: Each
21 Occurrence - \$1,000,000; General Aggregate - \$3,000,000; shall include liability arising out of
22 premises, operations, independent contractors, personal injury, advertising injury, and liability
23 assumed under an insured contract. The costs of such insurance shall be paid by the Provider
24 or subcontractor. The Provider may furnish separate certificates of insurance and policy
25 endorsements for each subcontractor as evidence of compliance with the insurance
26 requirements of this Contract. The Provider is responsible for ensuring compliance with all of
27 the insurance requirements stated herein. Failure by the Provider, its agents, employees,
28 officers, subcontractors, providers, and/or provider subcontractors to comply with the
29 insurance requirements stated herein shall constitute a material breach of this Contract. All
30 non-risk pool policies shall name North Sound BH-ASO as a covered entity under said policy(s).
31

32 7.18 **INTEGRATION**
33 This Contract, including Exhibits contains all the terms and conditions agreed upon by the
34 parties. No other understandings, oral or otherwise, regarding the subject matter of this
35 Contract shall be deemed to exist or to bind any of the parties hereto.
36

37 7.19 **MAINTENANCE OF RECORDS**
38 Provider shall prepare, maintain and retain, accurate records, including appropriate medical
39 records and administrative and financial records, related to this Agreement and to Services
40 provided hereunder in accordance with industry standards, applicable federal and state
41 statutes and regulations, and state and federal sponsored health program requirements. Such
42 records shall be maintained for the maximum period required by federal or state law. North
43 Sound BH-ASO shall have continued access to Provider's records as necessary for North Sound
44 BH-ASO to perform its obligations hereunder, to comply with federal and state laws and
45 regulations, and to ensure compliance with applicable accreditation and HCA requirements.

1 Provider shall completely and accurately report encounter data to North Sound BH-ASO and
2 shall certify the accuracy and completeness of all encounter data submitted. Provider shall
3 ensure that it and all of its subcontractors that are required to report encounter data, have
4 the capacity to submit all data necessary to enable the North Sound BH-ASO to meet the
5 reporting requirements in the Encounter Data Transaction Guide published by HCA, or other
6 requirements HCA may develop and impose on North Sound BH-ASO or Provider.
7

8 Upon North Sound BH-ASO's request or under North Sound BH-ASO's state and federal
9 sponsored health programs and associated contracts, Provider shall provide to North Sound
10 BH-ASO direct access and/or copies of all information, encounter data, statistical data, and
11 treatment records pertaining to Members who receive Services hereunder, or in conjunction
12 with claims reviews, quality improvement programs, grievances and appeals and peer
13 reviews.
14

15 **7.20 NOTICE OF AMENDMENT**

16 Except when a longer period is requested by applicable law, North Sound BH-ASO may amend
17 this Agreement upon 30 days prior written notice to Provider. If Provider does not deliver to
18 North Sound BH-ASO a written notice of rejection of the amendment within that 30-day
19 period, the amendment shall be deemed accepted by and shall be binding upon Provider.
20

21 **7.21 NO WAIVER OF RIGHTS**

22 A failure by either party to exercise its rights under this Contract shall not preclude that party
23 from subsequent exercise of such rights and shall not constitute a waiver of any other rights
24 under this Contract unless stated to be such in writing signed by an authorized representative
25 of the party and attached to the original Contract.
26

27 Waiver of any breach of any provision of this Contract shall not be deemed to be a waiver of
28 any subsequent breach and shall not be construed to be a modification of the terms and
29 conditions of this Contract.
30

31 **7.22 ONGOING SERVICES**

32 Provider and its subcontractors shall ensure in the event of labor disputes or job actions,
33 including work slowdowns, such as "sick outs", or other activities within its service BHA
34 network, uninterrupted services shall be available as required by the terms of this Contract.
35

36 **7.23 OVERPAYMENTS**

37 In the event Provider fails to comply with any of the terms and conditions of this Contract and
38 results in an overpayment, North Sound BH-ASO may recover the amount due HCA, MCO, or
39 other federal or state agency subject to dispute resolution as set forth in the contract. In the
40 case of overpayment, Provider shall cooperate in the recoupment process and return to North
41 Sound BH-ASO the amount due upon demand.
42

1 7.24 **OWNERSHIP OF MATERIALS**
2 The parties to this Contract hereby mutually agree that if any patentable or copyrightable
3 material or article should result from the work described herein, all rights accruing from such
4 material or article shall be the sole property of North Sound BH-ASO. The North Sound BH-
5 ASO agrees to and does hereby grant to the Provider, irrevocable, nonexclusive, and royalty-
6 free license to use, according to law, any material or article and use any method that may be
7 developed as part of the work under this Contract.

8
9 The foregoing products license shall not apply to existing training materials, consulting aids,
10 checklists, and other materials and documents of the Provider which are modified for use in
11 the performance of this Contract.

12
13 The foregoing provisions of this section shall not apply to existing training materials,
14 consulting aids, checklists, and other materials and documents of the Provider that are not
15 modified for use in the performance of this Contract.

16
17 7.25 **PERFORMANCE**
18 Provider shall furnish the necessary personnel, materials/behavioral health services and
19 otherwise do all things for, or incidental to, the performance of the work set forth here and as
20 attached. Unless specifically stated, Provider is responsible for performing or ensuring all
21 fiscal and program responsibilities required in this contract. No subcontract will terminate the
22 legal responsibility of Provider to perform the terms of this Contract.

23
24 7.26 **RESOLUTION OF DISPUTES**
25 Each Party shall cooperate in good faith and deal fairly in its performance hereunder to
26 accomplish the Parties' objectives and avoid disputes. The Parties will promptly meet and
27 confer to resolve any problems that arise. If a dispute is not resolved, the Parties will
28 participate in and equally share the expense of a mediation conducted by a neutral third-party
29 professional prior to initiating litigation or arbitration. If the dispute is not resolved through
30 mediation, the parties agree to litigate their dispute in Skagit County Superior Court. The
31 prevailing party shall be awarded its reasonable attorneys' fees, and costs and expenses
32 incurred. This Agreement shall be governed by laws of the State of Washington, both as to
33 interpretation and performance.

34
35 7.27 **SEVERABILITY AND CONFORMITY**
36 The provisions of this Contract are severable. If any provision of this Contract, including any
37 provision of any document incorporated by reference is held invalid by any court, that
38 invalidity shall not affect the other provisions of this Contract and the invalid provision shall
39 be considered modified to conform to existing law.

40
41 7.28 **SINGLE AUDIT ACT**
42 If Provider or its subcontractor is a subrecipient of Federal awards as defined by OMB Uniform
43 Guidance Subpart F, Provider and its subcontractors shall maintain records that identify all
44 Federal funds received and expended. Such funds shall be identified by the appropriate OMB

1 Catalog of Federal Domestic Assistance titles and numbers, award names, award numbers,
2 and award years (if awards are for research and development), as well as, names of the
3 Federal agencies. Provider and its subcontractors shall make Provider and its subcontractor’s
4 records available for review or audit by officials of the Federal awarding agency, the General
5 Accounting Office and DSHS. Provider and its subcontractors shall incorporate OMB Uniform
6 Guidance Subpart F audit requirements into all contracts between Provider and its
7 subcontractors who are sub recipients. Provider and its subcontractors shall comply with any
8 future amendments to OMB Uniform Guidance Subpart F and any successor or replacement
9 Circular or regulation.

10
11 If Provider/subcontractors are a sub recipient and expends \$750,000 or more in Federal
12 awards from any/all sources in any fiscal year, Provider and applicable subcontractors shall
13 procure and pay for a single or program-specific audit for that fiscal year. Upon completion of
14 each audit, Provider and applicable subcontractors shall submit to North Sound BH-ASO’s
15 Program Administrator the data collection form and reporting package specified in OMB
16 Uniform Guidance Subpart F, reports required by the program-specific audit guide, if
17 applicable and a copy of any management letters issued by the auditor.

18
19 For purposes of “sub recipient” status under the rules of OMB Uniform Guidance Subpart F,
20 Medicaid payments to a sub recipient for providing patient care services to Medicaid eligible
21 individuals are not considered Federal awards expended under this part of the rule unless a
22 State requires the fund to be treated as Federal awards expended because reimbursement is
23 on a cost-reimbursement basis.

24
25 **7.29 SUBCONTRACTS**

26 Provider may subcontract services to be provided under this Contract subject to the following
27 requirements.

- 28
29 7.29.1 The Provider shall not assign or subcontract any portion of this Contract or transfer
30 or assign any claim arising pursuant to this Contract without the written consent of
31 North Sound BH-ASO Said consent must be sought in writing by the Provider not
32 less than 15 days prior to the date of any proposed assignment.
- 33 7.29.2 Provider shall be responsible for the acts and omissions of any subcontractor.
- 34 7.29.3 Provider must ensure the subcontractor neither employs any person nor contracts
35 with any person or BHA excluded from participation in federal health care
36 programs under either 42 USC 1320a-7 (§§1128 or 1128A SSA) or debarred or
37 suspended per this Contract’s General Terms and Conditions.
- 38 7.29.4 Provider shall require subcontractors to comply with all applicable federal and
39 state laws, regulations and operational policies as specified in this Contract.
- 40 7.29.5 Provider shall require subcontractors to comply with all applicable North Sound
41 BH-ASO operational policies as applicable.
- 42 7.29.6 Subcontracts for the provision of behavioral health services must require
43 subcontractors to provide individuals access to translated information and
44 interpreter services.

- 1 7.29.7 Provider shall ensure a process is in place to demonstrate all third-party resources
- 2 are identified and pursued.
- 3 7.29.8 Provider shall oversee, be accountable for and monitor all functions and
- 4 responsibilities delegated to a subcontractor for conformance with any applicable
- 5 statement of work in this Contract on an ongoing basis including written reviews.
- 6 7.29.9 Provider will monitor performance of the subcontractors on an annual basis and
- 7 notify North Sound BH-ASO of any identified deficiencies or areas for improvement
- 8 requiring corrective action by Provider.
- 9 7.29.10 The Provider agrees to include the following language verbatim in every
- 10 subcontract for services which relate to the subject matter of this Contract:

11
12 “Subcontractor shall protect, defend, indemnify, and hold harmless North Sound BH-ASO its

13 officers, employees and agents from any and all costs, claims, judgments, and/or awards of

14 damages arising out of, or in any way resulting from the negligent act or omissions of

15 subcontractor, its officers, employees, and/or agents in connection with or in support of this

16 Contract. Subcontractor expressly agrees and understands that North Sound BH-ASO is a

17 third-party beneficiary to this Contract and shall have the right to bring an action against

18 subcontractor to enforce the provisions of this paragraph.”

19
20 Those written subcontracts shall:

- 21
- 22 7.29.11 Require subcontractors to hold all necessary licenses, certifications/permits as
- 23 required by law for the performance of the services to be performed under this
- 24 Contract;
- 25 7.29.12 Require subcontractors to notify Provider in the event of a change in status of any
- 26 required license or certification;
- 27 7.29.13 Include clear means to revoke delegation, impose corrective action, or take other
- 28 remedial actions if the subcontractor fails to comply with the terms of the
- 29 subcontract;
- 30 7.29.14 Require the subcontractor to correct any areas of deficiencies in the
- 31 subcontractor’s performance that are identified by Provider, North Sound BH-
- 32 ASO/HCA;
- 33 7.29.15 Require best efforts to provide written or oral notification within 15 business days
- 34 of termination of a Primary Care Provider (PCP) to individuals currently open for
- 35 services who had received a service from the affected PCP in the previous 60 days.
- 36 Notification must be verifiable in the individual’s medical record at the
- 37 subcontractor.

38

39 7.30 **SURVIVABILITY**

40 The terms and conditions contained in this Contract by their sense and context are intended

41 to survive the expiration of this Contract and shall so survive. Surviving terms include but are

42 not limited to: Financial Terms and Conditions, Single Audit Act, Contract Performance and

43 Enforcement, Confidentiality of Individual Information, Resolution of Disputes,

44 Indemnification, Oversight Authority, Maintenance of Records, Ownership of Materials and

45 Contract Administration Warranties and Survivability.

46

1 7.31 **TREATMENT OF INDIVIDUAL'S PROPERTY**

2 Unless otherwise provided in this Contract, Provider shall ensure any adult individual receiving
3 services from Provider under this Contract has unrestricted access to the individual's personal
4 property. Provider shall not interfere with any adult individual's ownership, possession, or
5 use of the individual's property unless clinically indicated. Provider shall provide individuals
6 under age 18 with reasonable access to their personal property that is appropriate to the
7 individual's age, development and needs. Upon termination of this Contract, Provider shall
8 immediately release to the individual and/or guardian or custodian all the individual's
9 personal property.
10

11 7.32 **WARRANTIES**

12 The parties' obligations are warranted and represented by each to be individually binding for
13 the benefit of the other party. Provider warrants and represents it is able to perform its
14 obligations set forth in this Contract and such obligations are binding upon Provider and other
15 subcontractors for the benefit of North Sound BH-ASO.
16

17 7.33 **CONTRACT CERTIFICATION**

18 By signing this Contract, the Provider certifies that in addition to agreeing to the terms and
19 conditions provided herein, the Provider certifies that it has read and understands the
20 contracting requirements and agrees to comply with all of the contract terms and conditions
21 detailed on this contract and exhibits incorporated herein by reference.
22

23 The Program Administrator for North Sound BH-ASO, LLC is:
24

25 Joe Valentine, Executive Director
26 North Sound BH-ASO
27 301 Valley Mall Way, Suite 110
28 Mount Vernon, WA 98273-5462
29

30 The Program Administrator for EVERGREEN RECOVERY CENTERS is:

31
32 Linda Grant
33 Chief Executive Officer
34 Evergreen Recovery Centers
35 PO Box 12598
36 Everett, WA 98201
37

38 Changes shall be provided to the other party in writing within 10 business days.

