

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

**CONTRACT
FOR
DEPARTMENT OF COMMERCE
COMMUNITY BEHAVIORAL HEALTH RENTAL ASSISTANCE (CBRA)
LONG-TERM HOUSING SUBSIDIES**

WITH

COMPASS HEALTH

CONTRACT #NORTH SOUND BH-ASO-COMPASS HEALTH-ICN-CBRA-21

Effective Date November 1, 2021

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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 – Community Behavioral Health Rental Assistance (CBRA) Guidelines

Exhibit B – Budget

1 **WHEREAS**, North Sound BH-ASO desires that Provider provide, market, distribute and otherwise
2 do all things necessary to deliver Services in the Counties; and
3

4 **WHEREAS**, the parties also wish to enter into a Business Associate Agreement (BAA) to ensure
5 compliance with the Privacy and Security Rules of the Health Insurance Portability and Accountability
6 Act of 1996 (HIPAA Privacy and Security Rules, 45 CFR Parts 160 and 164); now, therefore,
7

8 **THE PARTIES AGREE AS FOLLOWS:**
9

10 **II. CONTRACT**
11

12 The effective date of this Contract is November 1, 2021.
13

14 **WHEREAS**, North Sound BH-ASO has been advised that the foregoing are the current funding
15 sources, funding levels and effective dates as described in Exhibit B – Compass Health CBRA Budget;
16 and
17

18 **WHEREAS**, North Sound BH-ASO desires to have rental assistance performed by the Provider as
19 described in Exhibit A – CBRA Guidelines;
20

21 **WHEREAS**, the Provider represents and warrants that North Sound BH-ASO is authorized to
22 negotiate and execute provider agreements, including this Agreement, and to bind the Provider to the
23 terms and conditions of this Agreement;
24

25 **WHEREAS**, North Sound BH-ASO intends to implement mechanisms to ensure the availability of
26 contracted providers and for establishing standards for the number and geographic distribution of
27 contracted providers and key specialty providers in accordance with applicable law;
28

29 **WHEREAS**, Housing Providers contracted with North Sound BH-ASO for participation in the North
30 Sound provider Network(Participating Providers) will deliver behavioral health rental assistance to
31 individuals within the scope of their licensure or accreditation; and
32

33 **NOW THEREFORE**, in consideration of payments, covenants, and agreements hereinafter
34 mentioned, to be made and performed by the parties hereto, the parties mutually agree as follows:

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 provider network entered into between
5 North Sound BH-ASO and Provider, including all attachments and incorporated documents or
6 materials, including the CBRA Guidelines 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 Health Care Authority to administer behavioral
10 health programs, including crisis services for individuals in a fully integrated managed care
11 regional service area. The BH-ASO administers crisis services for all individuals in its defined
12 regional service area, regardless of an individual's ability to pay.

13
14 **1.3 COMMUNITY BEHAVIORAL HEALTH RENTAL ASSISTANCE**

15 The Community Behavioral Health Rental Assistance program (CBRA) provides long-term
16 or bridge rental subsidies for high-risk individuals with behavioral health conditions and
17 their households. When partnered with programs offering supportive housing services
18 such as Washington’s Foundational Community Supports (FCS) program, Aging and
19 Long-Term Supports (ALTSA) programs, Housing and Recovery through Peer Services
20 (HARPS) programs, or others, highly-vulnerable persons with complex behavioral health
21 needs have opportunities to live independently in the communities of their choice.
22

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 PROMOTIONAL ACTIVITIES**

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

24
25 **2.3 LICENSURE, CERTIFICATION AND OTHER STATE AND FEDERAL REQUIREMENTS**

26 Provider shall hold all necessary licenses, certifications, and permits required by law for the
27 performance of services to be provided under this Agreement. Provider shall maintain its
28 licensure and applicable certifications in good standing, free of disciplinary action, and in
29 unrestricted status throughout the term of this Agreement. Provider’s loss or suspension of
30 licensure or other applicable certifications, or its exclusion from any federally funded health
31 care program, including Medicare and Medicaid, may constitute cause for immediate
32 termination of this Agreement. Provider warrants and represents that each employee
33 subcontractor, who is subject to professional licensing requirements, is duly licensed to
34 provide Behavioral Health Services. Provider shall ensure each employee and subcontractor
35 have and maintains in good standing for the term of this Agreement the licenses, permits,
36 registrations, certifications, and any other governmental authorizations to provide such
37 services.

38
39 **2.4 NON-DISCRIMINATION**

40
41 **2.4.1 Services:** Provider shall not differentiate or discriminate in providing services to
42 individuals because of race, color, religion, national origin, ancestry, age, marital
43 status, gender identity, sexual orientation, physical, sensory or mental handicap,

1 socioeconomic status, or participation in publicly financed programs of health care
2 services.

3 2.4.2 Employment. Provider shall not differentiate or discriminate against any employee or
4 applicant for employment, with respect to their hire, tenure, terms, conditions or
5 privileges of employment, or any matter directly or indirectly related to employment,
6 because of race, color, religion, national origin, ancestry, age, height, weight, marital
7 status, gender identity, sexual orientation, physical, sensory or mental disability
8 unrelated to the individual's ability to perform the duties of the particular job or
9 position.

10
11 **2.5 NOTICES**

12
13 2.5.1 Termination of Services

14 Provider shall provide North Sound BH-ASO at least 120 calendar days written notice before
15 provider, any clinic, or subcontractor ceases to provide services to individuals.
16

17 2.5.2 Reporting Fraud

18 Provider shall comply with RCW 48.135 concerning Insurance Fraud Reporting and shall notify
19 North Sound BH-ASO Compliance Department of all incidents or occasions of suspected fraud,
20 waste, or abuse involving Services provided to an individual. Provider shall report a suspected
21 incident of fraud, waste or abuse, including a credible allegation of fraud, within five (5)
22 business days of the date Provider first becomes aware of, or is on notice of, such activity. The
23 obligation to report suspected fraud, waste, or abuse shall apply if the suspected conduct was
24 perpetrated by Provider, Provider's employee, agent, subcontractor, or individual. Provider
25 shall establish P&P's for identifying, investigating, and taking appropriate corrective action
26 against suspected fraud, waste, or abuse. Detailed information provided to employees and
27 subcontractors regarding fraud and abuse P&P's and the false Claims Act and the Washington
28 false claims statutes RCW Chapter 74.66 and 74.09.210. Upon request by North Sound BH-
29 ASO, and/or HCA, Provider shall confer with the appropriate State agency prior to or during
30 any investigation into suspected fraud, waste, or abuse.
31

32 **2.6 PROVIDER TRAINING AND EDUCATION**

33 Upon the request of North Sound BH-ASO, the Provider shall participate in training when
34 required by the North Sound BH-ASO and/or Department of Commerce Community Services
35 and Housing Division, Housing Assistance Unit.
36

37 2.6.1 Exception to required training

38 Requests to allow an exception to participation in a required training must be in
39 writing and include a plan for how the required information will be provided to
40 targeted provider staff;

1 **ARTICLE FOUR - TERM AND TERMINATION**

2 **4.1 TERM**

3 This Agreement is effective on November 1, 2021, and will remain in effect for an initial term of 1 year
4 (Initial Term), after which it will automatically renew for successive terms of 1 year each (Renewal
5 Term), unless this Agreement is sooner terminated as provided in this Agreement or either Party gives
6 the other Party written notice of non-renewal of this Agreement not less than 180 days prior to the
7 end of 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 Department of Commerce, State, Federal, or other sources is withdrawn,
36 reduced, or limited in any way after the effective date of this Contract and prior to its normal
37 completion, either party may 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

43 **4.5.1.1** Provider and any applicable subcontractors shall cease to perform
44 any services required by this Contract as of the effective date of
45 termination and shall comply with all reasonable instructions
46 contained in the notice of termination which are related to the
47 transfer of individuals, distribution of property and termination of

1 services. Each party shall be responsible only for its performance in
2 accordance with the terms of this Contract rendered prior to the
3 effective date of termination. Provider and any applicable
4 subcontractors shall assist in the orderly transfer/transition of the
5 individuals served under this Contract. Provider and any applicable
6 subcontractors shall promptly supply all information necessary for
7 the reimbursement of any outstanding Medicaid claims.

8 4.5.1.2 Provider and any applicable subcontractors shall immediately
9 deliver to North Sound BH-ASO's Program Administrator or their
10 successor, all North Sound BH-ASO assets (property) in Provider and
11 any applicable subcontractor's possession and any property
12 produced under this Contract. Provider and any applicable
13 subcontractors grant North Sound BH-ASO the right to enter upon
14 Provider and any applicable subcontractor's premises for the sole
15 purpose of recovering any North Sound BH-ASO property that
16 Provider and any applicable subcontractors fails to return within 10
17 business days of termination of this Contract. Upon failure to return
18 North Sound BH-ASO property within 10 business days of the
19 termination of this Contract, Provider and any applicable
20 subcontractors shall be charged with all reasonable costs of
21 recovery, including transportation and attorney's fees. Provider and
22 any applicable subcontractors shall protect and preserve any
23 property of North Sound BH-ASO that is in the possession of
24 Provider and any applicable subcontractors pending return to North
25 Sound BH-ASO.

26 4.5.1.3 North Sound BH-ASO shall be liable for and shall pay for only those
27 services authorized and provided through the date of termination.
28 North Sound BH-ASO may pay an amount agreed to by the parties
29 for partially completed work and services, if work products are
30 useful to or usable by North Sound BH-ASO.

31 4.5.1.4 If the Program Administrator terminates this Contract for default,
32 North Sound BH-ASO may withhold a sum from the final payment to
33 Provider that North Sound BH-ASO determines is necessary to
34 protect North Sound BH-ASO against loss or additional liability
35 occasioned by the alleged default. North Sound BH-ASO shall be
36 entitled to all remedies available at law, in equity, or under this
37 Contract. If it is later determined Provider was not in default, or if
38 Provider terminated this Contract for default, Provider shall be
39 entitled to all remedies available at law, in equity, or under this
40 Contract.

41
42 Should the contract be terminated by either party, North Sound BH-
43 ASO will require the spend-down of all remaining reserves and fund
44 balances within the termination period. Funds will be deducted

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from the final months' payments until reserves and fund balances are spent. Should the contract be terminated by either party, Provider shall be responsible to provide all behavioral health services through the end of the month for which they have received payment.

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 rental assistance system operated by Provider.
16 Administration costs shall be measured on a fiscal year basis and based on the
17 information reported in the Revenue and Expenditure Reports and reviewed by
18 North Sound BH-ASO.
- 19 5.2.2 The Provider shall establish and maintain a system of accounting and internal
20 controls which complies with generally accepted accounting principles
21 promulgated by the Financial Accounting Standards Board (FASB), the
22 Governmental Accounting Standards Board (GASB), or both as is applicable to the
23 Provider's form of incorporation.
- 24 5.2.3 Ensure all North Sound BH-ASO funds, including interest earned, provided pursuant
25 to this Contract, are used to support the public behavioral health system within the
26 Service Area;
- 27 5.2.5 Produce annual, audited financial statements upon completion and make such
28 reports available to North Sound BH-ASO upon request.
29
- 30 5.2.1.1 Financial Reporting
31 Provider shall provide the following reports to North Sound BH-ASO:
32
 - 33 5.2.1.1.1 The North Sound BH-ASO shall reimburse the Provider for
34 satisfactory completion of the services and requirements
35 specified in this Contract and its attached exhibit(s).
 - 36 5.2.1.1.2 The Provider shall submit an invoice and all accompanying
37 reports as specified in the contract and/or attached
38 exhibit(s), including its final invoice and all outstanding
39 reports. The North Sound BH-ASO shall initiate
40 authorization for payment to the Provider not more than
41 30 days after a complete and accurate invoice is received.
42
 - 43 5.2.1.1.3 The Provider shall submit its final invoice and all
44 outstanding reports as specified in this contract and its
45 attached exhibit(s). If the Provider's final invoice and

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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.

1 **ARTICLE SIX -OVERSIGHT AND REMEDIES**

2 **6.1 OVERSIGHT AUTHORITY**

3 North Sound BH-ASO, DOC, 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
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: program integrity,
18 administrative structures reviews, fiscal management and contract compliance. Reviews may
19 include desk reviews, requiring Provider to submit requested information. North Sound BH-
20 ASO will also review any activities delegated under this contract to Provider.

21
22 **6.2 CONSEQUENCES OF NON-COMPLIANCE:**

- 23
24 a. If North Sound BH-ASO determines that a subgrantee is failing to comply with the
25 Guidelines, Terms, and Conditions, North Sound BH-ASO will notify subgrantee that
26 subgrantee will receive technical assistance and be required to respond to a corrective
27 action plan to address and remedy the noncompliance.
28
29 b. If the subgrantee is still out of compliance after the technical assistance, North Sound
30 BH-ASO may move the subgrantee into a probationary period with a second corrective
31 action plan and may reduce the grant total by 20%.
32
33 c. If the subgrantee remains out of compliance after the probation period, North Sound
34 BH-ASO may terminate the grant per the General Terms and Conditions TERMINATION
35 FOR CAUSE
36

37 **6.3 NOTICE REQUIREMENTS**

38 Whenever this Contract provides for notice to be provided by one (1) party to another, such
39 notice shall be in writing and directed to the chief executive office of the Provider and/or
40 project representative. Any time within which a party must take some action shall be
41 computed from the date that the notice is received by said party.
42

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 Americans with Disabilities Act (ADA) of 1990;
- 11 7.5.3 Title VI of the Civil Rights Act of 1964;
- 12 7.5.4 Age Discrimination Act of 1975;
- 13 7.5.5 All local, State and Federal professional and facility licensing and certification
14 requirements/standards that apply to services performed under the terms of this
15 Contract;
- 16 7.5.6 All applicable standards, orders, or requirements issued under Section 306 of the
17 Clean Air Act (42 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368),
18 Executive Order 11738 and Environmental Protection Agency (EPA) regulations (40
19 CFR Part 15), which prohibit the use of facilities included on the EPA List of
20 Violating Facilities. Any violations shall be reported to HCA/DSHS, DHHS and the
21 EPA.
- 22 7.5.7 Any applicable mandatory standards and policies relating to energy efficiency,
23 which are contained in the State Energy Conservation Plan, issued in compliance
24 with the federal Energy Policy and Conservation Act;
- 25 7.5.8 Those specified in RCW Title 18 for professional licensing;
- 26 7.5.9 Reporting of abuse as required by RCW 26.44.030;
- 27 7.5.10 Industrial insurance coverage as required by RCW Title 51;
- 28 7.5.11 RCW 38.52, 70.02, 71.05, 71.24 and 71.34;
- 29 7.5.12 WAC 388-865 and 388-877 388-877A and 388-877B;
- 30 7.5.13 Office of Management and Budget (OMB) Circulars, Budget, Accounting and
31 Reporting System (BARS) Manual and BARS Supplemental Behavioral Health
32 Instructions;
- 33 7.5.14 Any applicable federal and state laws that pertain to individual’s rights. Provider
34 shall ensure its staff takes those rights into account when furnishing services to
35 individuals.

- 1 7.5.15 Provider and any subcontractors must comply with 42-USC 1396u-2 and must not
- 2 knowingly have a director, officer, partner, or person with a beneficial ownership
- 3 of more than five (5%) of Provider, BHA or subcontractor’s equity, or an employee,
- 4 Provider, or consultant who is significant or material to the provision of services
- 5 under this Contract, who has been, or is affiliated with someone who has been,
- 6 debarred, suspended, or otherwise excluded by any federal agency.
- 7 7.5.16 Federal and State non-discrimination laws and regulations;
- 8 7.5.17 HIPAA (45 CFR parts 160-164);
- 9 7.5.18 Confidentiality of Substance Use Disorder (SUD) 42 CFR Part 2;
- 10 7.5.19 Federal funds must not be used for any lobbying activities.

11
12 If Provider is in violation of a federal law or regulation and Federal Financial Participation is
13 recouped from North Sound BH-ASO, Provider shall reimburse the federal amount to North
14 Sound BH-ASO within 20 days of such recoupment.

15
16 Upon notification from DOC, North Sound BH-ASO shall notify Provider in writing of
17 changes/modifications in DOC contract requirements.

18
19 7.6 **COMPLIANCE WITH NORTH SOUND BH-ASO OPERATIONAL GUIDE**

20 Provider shall comply with all North Sound BH-ASO Supplemental Provider Service Guide and
21 operational policies that pertain to the delivery of services under this Contract that are in
22 effect when the Contract is signed or come into effect during the term of the Contract. North
23 Sound BH-ASO shall notify Provider of any proposed change in federal or state requirements
24 affecting this Contract immediately upon North Sound BH-ASO receiving knowledge of such
25 change.

26
27 7.7 **CONFIDENTIALITY OF PERSONAL INFORMATION**

28 Provider shall protect all Personal Information, records and data from unauthorized disclosure
29 in accordance with 42 CFR §431.300 through §431.307, RCWs 70.02, 71.05, 71.34 and for
30 individuals receiving SUD services, in accordance with 42 CFR Part 2 and WAC 388-877B.
31 Provider shall have a process in place to ensure all components of its provider network and
32 system understand and comply with confidentiality requirements for publicly funded
33 behavioral health services. Pursuant to 42 CFR §431.301 and §431.302, personal information
34 concerning applicants and recipients may be disclosed for purposes directly connected with
35 the administration of this Contract and the State Medicaid Plan. Provider shall read and
36 comply with all HIPAA policies.

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 2021 E. College Way, Suite 101
28 Mount Vernon, WA 98273
29 fiscal@nsbhaso.org
30

31 The Program Administrator for Compass Health is:
32

33 Tom Sebastian
34 Chief Executive Officer
35 Compass Health
36 PO Box 3810
37 Everett, WA 98213
38

39 Changes shall be provided to the other party in writing within 10 business days.
40

1
2 IN WITNESS WHEREOF, the parties hereby agree to the terms and conditions of this Contract:
3

4

5 **NORTH SOUND BH-ASO** **COMPASS HEALTH**

6

7

8

9 _____

10 Joe Valentine Date Tom Sebastian Date
11 Executive Director CEO