

**NORTH SOUND BEHAVIORAL HEALTH ADMINISTRATIVE
SERVICES ORGANIZATION
FACILITY PARTICIPATING PROVIDER AGREEMENT**

THIS AGREEMENT is between North Sound Behavioral Health Administrative Services Organization ("North Sound BH-ASO") and the undersigned facility provider (hereinafter referred to as the "Facility Participating Provider"). This Agreement will become effective upon the date set forth in North Sound BH-ASO's executed Acceptance Letter (the "Effective Date"). This Agreement sets forth the terms and conditions under which Facility Participating Provider shall participate in one or more networks developed by North Sound BH-ASO as a Facility Participating Provider of Psychiatric Inpatient Services in the North Sound Regional Service Area, which includes Island, San Juan, Skagit, Snohomish and Whatcom Counties.

**ARTICLE 1
Definitions**

Any capitalized term herein shall have the meaning as set forth in this Agreement. Any undefined term herein shall have the meaning as defined in the Supplemental Provider Service Guide (SPSG), the Policies and Procedures, Protocols, or as may be defined by applicable state or federal laws or regulations, as applicable.

Commercial Health Insurance: Is health insurance provided and administered by non-governmental entities. It covers medical expenses.

Covered Services: Involuntary Treatment Services that meet requirements of RCW 71.05, 71.24.300, and 71.34, including such conditions as Medically Necessary and proper authorization, and in accordance with the Supplemental Provider Service Guide, Policies and Procedures, Protocols, and then applicable laws and regulations.

Facility-based Provider: A health care professional, who is employed by or under contract or supervision to render behavioral health services to individuals involuntarily committed to said facility. Facility-based Providers include, but are not limited to, Licensed Mental Health Professionals, Certified Substance Use Disorder Professional, Psychiatrists, Certified Peer Support Counselor, and registered nurses.

Facility Participating Provider: A health care professional, facility, CBHC Supervising Provider, or other organization that has a written Facility Participating Provider Agreement in effect with North Sound BH-ASO, directly or through another entity, to provide Involuntary Inpatient Behavioral Health Services.

Individual: For the purposes of this Agreement, Individual is a person who is not eligible for Medicaid and does not have commercial insurance or Medicare coverage.

Medicaid: A Medical Assistance Program providing health coverage benefits for low income persons pursuant to applicable state and federal laws and regulations.

Medically Necessary Services means a requested service which is reasonably calculated to prevent, diagnose, correct, cure, alleviate, or prevent worsening of conditions in the Individual that endanger life, cause suffering of pain, result in an illness or infirmity, threaten to cause or aggravate a handicap, or cause physical deformity or malfunction. There is no other equally effective, more conservative or substantially less costly course of treatment available or suitable for the individual receiving the service. "Course of treatment" may include mere observation or, where appropriate, no treatment at all.

Medicare: Federally sponsored program providing health coverage benefits to individuals of qualifying age, disability, or disease.

Payment Policies: Guidelines adopted by North Sound BH-ASO, from time to time, for calculating payment of claims under Benefit Plans.

Payor: The entity or person that has the financial responsibility for funding payment of services on behalf of an Individual.

Psychiatric Inpatient Services: means services delivered in an inpatient setting for the sole purpose of a psychiatric condition. Services will be in accordance with Health Care Authority's Mental Health Services Billing Guide and WAC 182-531-1400.

Protocols: The programs, policies, protocols, processes, procedures, and requirements as such may change or be modified from time to time, and that are adopted by North Sound BH-ASO or Payor, and which Facility Participating Provider agrees to follow as a condition of North Sound BH-ASO accepting Facility Participating Provider as a Facility Participating Provider, including, but not limited to, authorization procedures, credentialing and re-credentialing processes and plans, utilization management and care management processes, billing procedures, Payment Policies, providing or arranging for Emergency Services, quality improvement, peer review, on-site review, grievance and appeals processes, and any other policies, procedures, processes, activities or standards, wherever located as may apply to Facility Participating Provider's rights, obligations or responsibilities as a Facility Participating Provider of Psychiatric Inpatient Services, whether in this Agreement, Supplemental Provider Service Guide, or any other document as made accessible or available to Provider from time to time.

Supplemental Provider Service Guide: A document or manual, however known or named, such as the Network Guide, containing the administrative policies, procedures and Protocols applicable to Involuntary Treatment Act Services provided, sponsored or administered by North Sound BH-ASO or a Payor including, but not limited to, policies and procedures for credentialing, claims, quality improvement, and utilization management to which Facility Participating Provider is obligated.

Regional Service Area means a single county or multi-county grouping formed for the purpose of health care purchasing

ARTICLE 2
Duties of Facility Participating Provider

2.1 Provision of Psychiatric Inpatient Services. Facility Participating Provider hereby acknowledges and agrees to cooperate and comply with all of the terms and conditions of the Supplemental Provider Service Guide, Protocols, and this Agreement, and to dutifully perform as a Facility Participating Provider for the provision of Psychiatric Inpatient Services to Individuals within the North Sound BH-ASO network(s) as designated by North Sound BH-ASO or Payor. Facility Participating Provider shall accept without regard to race, religion, gender, color, national origin, age or physical or mental health status, or on any other basis deemed unlawful under federal, state or local law. At all times, Facility Participating Provider shall require any employed or subcontracted health care professionals and facilities to comply with the terms and conditions of this Agreement, all Protocols of North Sound BH-ASO and Payor, the Supplemental Provider Service Guide, as well as the requirements of all applicable laws and regulations.

2.2 Medicaid Eligibility. Facility Participating Provider shall make reasonable effort to verify an Individual's eligibility at time of service by following appropriate procedures, including without limitation, and at a minimum, the terms and conditions of this Agreement, Protocols and the Supplemental Provider Service Guide. Facility Participating Provider however recognizes that the Individual's eligibility information may be inaccurate at the time. Facility Participating Provider obtains verification and that the Individual, or the Services provided to the Individual, may later be determined to be Medicaid eligible and, except as otherwise required by law, not eligible for payment under this Agreement. Under such circumstances, Facility Participating Provider may then, except as otherwise stated herein, directly bill the other responsible party for such services.

2.3 Supplemental Provider Service Guide & Protocols. Facility Participating Provider shall accept, comply with, and cooperate with, the requirements set forth in the Supplemental Provider Service Guide, credentialing plan, and all Protocols, as amended or modified from time to time by North Sound BH-ASO and/or Payor, all of which are hereby incorporated herein by reference as if set forth fully herein, including without limitation quality improvement activities. Provider acknowledges and agrees that the Supplemental Provider Service Guide and/or Protocols may contain service and contract requirements which Facility Participating Provider shall comply. The Supplemental Provider Service Guide, Policies and Protocols may be revised, supplemented or replaced from time to time by the North Sound BH-ASO. North Sound BH-ASO will provide written notice of any material changes.

2.4 Authorization Requirements. Subject to all applicable terms and conditions, including without limitation Section 2.2 above, and in accordance with the Supplemental Provider Service Guide, Protocols, and requirements of the North Sound BH-ASO's delegate regarding authorization, Facility Participating Provider must request authorization for Voluntary Psychiatric Inpatient Services from North Sound BH-ASO either telephonically or by another approved and accepted method recognized by North Sound BH-ASO before providing any Voluntary Psychiatric Inpatient Services to an Individual. Authorizations shall subsequently be confirmed by North

Sound BH-ASO in writing. Except as otherwise permitted herein, only Involuntary Psychiatric Inpatient Services will be eligible for retroactive authorization at the sole discretion of North Sound BH-ASO or as required by applicable law. Any authorization resulting from wrongful, fraudulent or negligent actions of Facility Participating Provider or a breach of this Agreement shall be null and void as of the time given. The terms of this section shall prevail over any inconsistent term or condition in the Supplemental Provider Service Guide or other document related to obtaining prior authorization.

2.5 Provider's Standard of Care. Nothing in this Agreement, the Supplemental Provider Service Guide, the Policies and Procedures, or the Protocols, including without limitation, North Sound BH-ASO's utilization management and quality assurance and improvement standards and procedures, shall dictate the Psychiatric Inpatient Services to be provided by Facility Participating Provider or otherwise diminish Facility Participating Provider's obligation to freely communicate with and/or provide Psychiatric Inpatient Services to Individuals in accordance with the applicable standard of care for such Provider or for maintaining hospital accreditation according to industry standards and requirements.

2.6 Continuity of Care; Referral to Other Health Professionals. Facility Participating Provider shall furnish Services in a manner providing continuity of care and ready referral of Individuals to other Participating Providers at times as may be appropriate and consistent with the standards of care in the community if an Individual requires additional services or evaluation, including Emergency Services.

2.7 Employees and Contractors of Provider. Facility Participating Provider will be responsible for and shall ensure that all of its employees and contractors are bound by, and meet the terms and conditions of this Agreement and the Supplemental Provider Service Guide and Protocols, at the time of providing Services to Individuals. Upon the failure of any such employee or contractor to meet such terms and conditions, including without limitation, credentialing requirements, North Sound BH-ASO may restrict them from providing services.

2.8 Credentialing. Facility Participating Provider shall provide North Sound BH-ASO with the criteria utilized by Facility Participating Provider to select and credential employed or subcontracted health care professionals and facilities including, but not limited to, Facility-based Facility Participating Providers. North Sound BH-ASO shall have the right to audit such criteria upon reasonable advance written notice to Facility Participating Provider.

2.9 Payment of Services. All payments obligated by Payor shall be paid to Facility Participating Provider and Facility Participating Provider will be solely responsible for payments to its employees, contractors and Facility-based Facility Participating Providers who may have provided psychiatric inpatient services.

2.10 Arrangements for Post-Discharge Follow-up Care. Prior to discharging an Individual, Facility Participating Provider shall coordinate post-discharge follow-up care with North Sound BH-ASO

and assure that the Individual has a follow-up plan including a scheduled appointment with the appropriate providers as deemed necessary.

ARTICLE 3
Payment Provisions

3.1 Payment for Services. In accordance with the terms and conditions hereof, Payor shall pay Facility Participating Provider for Psychiatric Inpatient Services provided by Facility Participating Provider. Payment shall be in accordance with the Health Care Authority's published rates, found at: <https://www.hca.wa.gov/billers-providers-partners/prior-authorization-claims-and-billing/hospital-reimbursement>

Subject to the terms and conditions herein, the obligation for payment for Psychiatric Inpatient Services provided to a Non-Medicaid Individual, is solely that of Payor. When North Sound BH-ASO is the Payor, North Sound BH-ASO shall make obligated claim payments to Facility Participating Provider within 45 days (and shall use best efforts to encourage a third-party Payor to make payments within 45 days), or as otherwise required by law, of the date Payor receives all information necessary to process and pay a clean claim, except for claims for which there is coordination of benefits, disputes about coverage, systems failure or other such causes.

3.2 Submission of Claims. Facility Participating Provider shall submit claims for Psychiatric Inpatient Services to North Sound BH-ASO in a manner and format prescribed by North Sound BH-ASO, whether in Protocols or otherwise, and which may be in an electronic format. All information necessary to process the claims must be received by North Sound BH-ASO no more than 90 days from the date of discharge and 90 days from the date all Psychiatric Inpatient services are rendered. Facility Participating Provider agrees that claims received after this time period may be rejected for payment, at North Sound BH-ASO's and/or Payer's sole discretion.

Unless otherwise directed by North Sound BH-ASO, Facility Participating Provider shall submit claims using current UB04 forms, with applicable coding including, but not limited to, ICD9, CPT, Revenue and HCPCS coding. Facility Participating Provider shall include in a claim the Individual's certification number, HCA per diem Charges for the Services rendered to an Individual during a single instance of service, Facility Participating Provider's Federal Tax I.D. number and/or other identifiers requested by North Sound BH-ASO.

Payor shall have the right to make, and Facility Participating Provider shall have the right to request, corrective adjustments to a previous payment; provided however, that Payor shall have no obligation to pay additional amounts after 12 months from the date the initial claim was paid.

3.3 Payment in Full. Facility Participating Provider shall accept as payment in full for Psychiatric Inpatient Services rendered to Individuals such amounts as are paid by Payor pursuant to this Agreement and shall not bill Individuals for non-covered charges, which result from Payer's reimbursement methodologies. If Payor denies payment for services rendered by Facility Participating Provider on grounds that the services are not Medically Necessary, Facility Participating Provider shall not collect payment from an Individual for the services unless the

Individual has knowledge of the determination of lack of Medical Necessity and has subsequently agreed in writing to be responsible for such charges for Psychiatric Inpatient Services. Further, if any payment to Facility Participating Provider is denied, in part or full, due to Facility Participating Provider's failure to strictly comply with any term or condition in this Agreement, the Supplemental Provider Service Guide, the Protocols, including without limitation, obtaining prior authorization, untimely filing of a claim, inaccurate or incorrect submission of or claim processing, or the insolvency of Payor pursuant to applicable law, it is agreed that Facility Participating Provider shall not bill an Individual or otherwise, directly or indirectly, seek or collect payment from the Individual for any of the denied amounts. Any violation hereof by Facility Participating Provider shall be deemed a material breach. This provision shall apply regardless of whether any waiver or other document of any kind purporting to allow Facility Participating Provider to collect payment from the Individual exists. These provisions shall survive the termination hereof and shall be construed to be for the benefit of the Individual.

3.4 Overpayment Recovery.

Recovery by Facility Participating Provider.

Except in the case of fraud, or as provided in subsection (2) of this section a provider may not: (a) Request additional payment from North Sound BH-ASO, as applicable, to satisfy a claim unless done in writing to North Sound BH-ASO within 24 months after the date that the claim was denied or payment intended to satisfy the claim was made; or (b) request that the additional payment be made any sooner than 6 months after receipt of the request. Any such request must specify why Facility Participating Provider believes Payor owes the additional payment.

(1) Facility Participating Provider may not, if doing so for reasons related to coordination of benefits with another carrier or entity responsible for payment of a claim: (a) Request additional payment from North Sound BH-ASO to satisfy a claim unless he or she does so in writing to UBH within 30 months after the date the claim was denied or payment intended to satisfy the claim was made; or

(b) request that the additional payment be made any sooner than 6 months after receipt of the request. Any such request must specify why Facility Participating Provider believes the North Sound BH-ASO owes the additional payment, and include the name and mailing address of any entity that has disclaimed responsibility for payment of the claim.

(2) If any provision of this Agreement conflicts with this section, this section shall prevail. However, nothing in this section prohibits North Sound BH-ASO, from choosing at any time to make additional payments to Facility Participating Provider to satisfy a claim.

Recovery by North Sound BH-ASO

(1) Except in the case of fraud, or as provided in subsections (2) and (3) of this section, North Sound BH-ASO, may not: (a) Request a refund from Facility Participating Provider of a payment previously made to satisfy a claim unless it does so in writing to the Facility Participating Provider within 24 months after the date that the payment was made; or (b) request that a contested refund be paid any sooner than 6 months after receipt of the

request. Any such request must specify why North Sound BH-ASO, believes Facility Participating Provider owes the refund. If Facility Participating Provider fails to contest the request in writing to North Sound BH-ASO, within 30 days of its receipt, the request is deemed accepted and the refund must be paid.

(2) North Sound BH-ASO, as applicable, may not, if doing so for reasons related to coordination of benefits with another carrier or entity responsible for payment of a claim:

(a) Request a refund from Facility Participating Provider of a payment previously made to satisfy a claim unless it does so in writing to Facility Participating Provider within 30 months after the date that the payment was made; or (b) request that a contested refund be paid any sooner than 6 months after receipt of the request. Any such request must specify why North Sound BH-ASO believes Facility Participating Provider owes the refund, and include the name and mailing address of the entity that has primary responsibility for payment of the claim. If Facility Participating Provider fails to contest the request in writing to the North Sound BH-ASO within 30 days of its receipt, the request is deemed accepted and the refund must be paid.

(3) North Sound BH-ASO, as applicable, may at any time request a refund from Facility Participating Provider of a payment previously made to satisfy a claim if: (a) A third party, including a government entity, is found responsible for satisfaction of the claim as a consequence of liability imposed by law, such as tort liability; and (b) North Sound BH-ASO, is unable to recover directly from the third party because the third party has either already paid or will pay Facility Participating Provider for the services covered by the claim.

(4) If any other provision of this Agreement conflicts with this section, this section shall prevail. However, nothing in this section prohibits Facility Participating Provider from choosing at any time to refund to North Sound BH-ASO, any payment previously made to satisfy a claim.

(5) For purposes of this section, "refund" means the return, either directly or through an offset to a future claim, of some or all of a payment already received by a health care provider.

3.5 Financial Responsibility. In the event of a default (meaning a systematic failure by Payor to fund undisputed claim payments for Psychiatric Inpatient Services) by a Payor, except when due to the insolvency of Payor, North Sound BH-ASO shall notify Facility Participating Provider in writing of such default following North Sound BH-ASO's determination thereof.

ARTICLE 4

Laws, Regulations, and Licenses, and Liabilities of Parties

4.1 Laws, Regulations and Licenses. Facility Participating Provider shall maintain in good standing all federal, state and local licenses, certifications and permits - each without sanction, revocation, suspension, censure, probation or material restriction -- which are required to provide health care services according to the laws of the jurisdiction in which Psychiatric Inpatient Services are provided, and shall comply with all applicable statutes and regulations. Facility Participating Provider shall also require that all health care professionals employed by, or under contract with, Facility Participating Provider to render Services to Individuals, and to fully comply with this provision.

4.2 Responsibility for Damages. Any and all damages, claims, liabilities or judgments, attorney fees, which may arise as a result of Facility Participating Provider's or its employee's or contractor's negligence or intentional wrongdoing shall be the sole responsibility of Facility Participating Provider.

4.3 Provider Liability Insurance. Facility Participating Provider offering acute care services shall procure and maintain, at its' sole expense, (a) medical malpractice insurance in the amounts of \$5,000,000 per occurrence and in aggregate, and (b) comprehensive general and/or umbrella liability insurance in the amount of \$5,000,000 per occurrence and in aggregate. Whereas Facility Participating Provider offering non-acute care services shall procure and maintain, at its sole expense, (c) medical malpractice insurance in the amounts of \$1,000,000 per occurrence and \$3,000,000 in aggregate, and (d) comprehensive general and/or umbrella liability insurance in the amount of \$1,000,000 per occurrence and \$3,000,000 in aggregate. Facility Participating Provider shall also require that all health care professionals employed by or under contract with Facility Participating Provider to render Psychiatric Inpatient Services to Individuals procure and maintain, unless they are covered under Facility Participating Provider's insurance policies, a comprehensive general and/or umbrella liability insurance in the amount of \$1,000,000 per occurrence and in aggregate and medical malpractice or professional liability insurance and comprehensive coverage in the amount of \$1,000,000 per occurrence and \$3,000,000 in aggregate if a Medical Doctor, and \$1,000,000 per occurrence and in aggregate if not a Medical Doctor.

Facility Participating Provider's and other health care professionals' medical malpractice insurance shall be on either an "occurrence" or "claims made" basis provided that for a "claims made" policy, such policy must be written with an extended period reporting option under such terms and conditions as may be reasonably required by North Sound BH-ASO. Prior to the Effective Date of this Agreement and at each policy renewal thereafter, Facility Participating Provider shall submit to North Sound BH-ASO in writing evidence of insurance coverage.

4.4 Self-Insurance Option. In lieu of compliance with section 4.3 above, Facility Participating Provider may with the prior written approval of North Sound BH-ASO, self-insure for medical malpractice liability, as well as comprehensive general liability. Facility Participating Provider shall maintain a separate reserve for its self-insurance. Upon reasonable request by North Sound BH-ASO, Facility Participating Provider shall provide a statement, verified by an independent auditor or actuary, that the reserve maintained by Facility Participating Provider for its self-insurance is sufficient and adequate. In addition to maintaining its self-insurance, Facility Participating Provider shall assure that all health care professionals employed by or under contract with Facility Participating Provider to render Psychiatric Inpatient Services to Individuals procure and maintain adequate medical malpractice insurance unless they are covered by Facility Participating Provider's self-insurance. Failure to maintain adequate self-insurance shall trigger the requirement to obtain and maintain Insurance under section 4.3.

4.5 Hold Harmless, Indemnification. Facility Participating Provider and NS BH-ASO shall each be responsible for its own acts and omissions, and the acts and omissions of their agents and employees. Each party to this Contract shall defend, indemnify, and hold harmless the other party, or any of the other party's agents, from and against any loss and all claims, settlements, judgments, costs, penalties, and expenses, including attorney fees, arising from any willful misconduct, or dishonest, fraudulent, reckless, unlawful, or negligent act or omission of the first party, or agents of the first party, while performing under the terms of this Contract except to the extent that such losses result from the willful misconduct, or dishonest, fraudulent, reckless, unlawful or negligent act or omission on the part of the second party. The Facility Participating Provider shall indemnify and hold harmless North Sound BH-ASO and its agents and employees from any and all claims, damages, actions, or judgments arising from any claim against the Facility Participating Provider, employee, or contractor of Facility Participating Provider related to the provision of Psychiatric Inpatient Services and for any federal or state taxes or assessments, including but not limited to employment claims. Each party agrees to promptly notify the other party in writing of any claim and provide the other party the opportunity to defend and settle the claim.

ARTICLE 5

Notices

5.1 Notices. Facility Participating Provider shall notify North Sound BH-ASO within ten (10) days of knowledge of any of the following:

- (a) changes in liability insurance carriers, termination of, renewal of or any other material changes in Facility Participating Provider's liability insurance, including reduction of limits, erosion of aggregate, changes in retention or non-payment of premium, or any material adverse change in Facility Participating Provider's financial status which affects its self-insurance;
- (b) action which may result in or the actual suspension, sanction, revocation, condition, limitation, qualification or other material restriction on Facility Participating Provider's or any of facility-based Facility Participating Provider's licenses, certifications or permits by any government or accrediting or regulatory agency under which Facility Participating Provider is accredited or regulated by or authorized to provide health care services;
- (c) a change in Facility Participating Provider's name, address, ownership or Federal Tax I.D.number;
- (c) indictment, arrest or conviction for a felony or for any criminal charge related to the practice of Facility-based Provider's profession;
- (e) claims or legal actions for professional negligence or bankruptcy;
- (l) Facility Participating provider's termination, for cause, from any other provider network offered by any plan, including, without limitation, any health care service plan, health maintenance organization, any health insurer, any preferred provider organization, any employer or any trust fund;
- (g) any occurrence or condition that might materially impair the ability of Facility Participating Provider or Facility-based Provider to perform its duties under this Agreement;
- (h) any condition or circumstance that may pose a direct threat to the safety of Facility Participating Provider, Facility Participating Providers' staff, or Individuals covered under this Agreement; or
- (i) action taken by Facility Participating Provider to suspend, revoke or allow the voluntary relinquishment of the medical staff membership or clinical privileges of any Facility Participating Provider unless the action will last 30 days or less.

Unless otherwise specified in this Agreement, each and every notice and communication to the other party shall be in writing. All written notices or communication shall be deemed to have been given when delivered in person; or, on the date mailed, if delivered by first-class mail, proper postage prepaid and properly addressed to the appropriate party at the address set forth at the signature portion of this Agreement or to another address of which sending party has been notified, including without limitation, to North Sound BH-ASO's Network Manager at the applicable address for notice as identified in the Supplemental Provider Service Guide or

Protocols. The parties shall, by written notice, provide and update each other with the most current address and names of all parties or designees that should receive certain notices or communication.

ARTICLE 6

Records

6.1 Confidentiality of Records. North Sound BH-ASO and Facility Participating Provider shall maintain the confidentiality of all protected health information and records in accordance with all applicable state and federal laws, statutes and regulations, including without limitation, the Health Insurance Portability and Accountability Act and those promulgated by , 42 CFR Part2 ("SAMSHA").

6.2 Maintenance of and North Sound BH-ASO Access to Records. Facility Participating Provider shall maintain adequate medical, treatment, financial and administrative records related to Psychiatric Inpatient Services provided by Facility Participating Provider under this Agreement for a period and in a manner consistent with the standards of the community and in accordance with the Supplemental Provider Service Guide, Protocols and all applicable state and federal laws, statutes and regulations. Such records shall include medical records, documents, evidences of Medicaid eligibility and other relevant information in Facility Participating Provider's possession upon which North Sound BH-ASO relied to reach a decision concerning an Individual's complaint or grievance. Any such records shall be maintained for six (6) years and shall be readily available to North Sound BH-ASO at all reasonable times during the term of this Agreement or a period of six (6) years whichever is longer.

In order to perform its utilization management and quality improvement activities, North Sound BH-ASO shall have access to such information and records, including claim records, within 14 days from the date the request is made, except that in the case of an audit by North Sound BH-ASO, such access shall be given at the time of the audit. If requested by North Sound BH-ASO, Facility Participating Provider shall provide copies of such records free of charge. During the term of this Agreement North Sound BH-ASO shall have access to and the right to audit information and records to the extent permitted by the Supplemental Provider Service Guide, or as otherwise required by state or federal laws, statutes or regulations or regulatory authority. Said rights shall continue following the termination hereof for the longer of three years or for such period as may be permitted by applicable state or federal law, regulatory authority, or Protocols.

It is Facility Participating Provider's responsibility to obtain any Individual's consent in order to provide North Sound BH-ASO with requested information and records or copies of records and to allow North Sound BH-ASO to release such information or records as necessary for the administration of this Agreement or compliance with any state or federal laws, statutes and regulations applicable to the Payers.

Facility Participating Provider acknowledges that in receiving, storing, processing or otherwise dealing with information from North Sound BH-ASO about Individuals, it is fully bound by the provisions of the federal regulations governing Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR Part 2; and Facility Participating Provider agrees that it will resist in judicial proceedings any effort to obtain access to information pertaining to patients otherwise

than as expressly provided for in the federal confidentiality regulations including but not limited to SAMSHA.

This section shall not be construed to grant North Sound BH-ASO access to Facility Participating Provider's records that are created for purposes of assessing financial performance or for peer review activities, except to the extent the federal and/or state government and any of their authorized representatives have access to such records pursuant to Section 6.3.

6.3 Government and Accrediting Agency Access to Records. It is agreed that the federal, state and local government, or accrediting agencies including, but not limited to, the National Committee for Quality Assurance (the "NCQA"), and any of their authorized representatives, shall have access to, and North Sound BH-ASO and Facility Participating Provider are authorized to release, in accordance with applicable statutes and regulations, all information and records or copies of such, within the possession of North Sound BH-ASO or Facility Participating Provider, which are pertinent to and involve transactions related to this Agreement if such access is necessary to comply with accreditation standards, statutes or regulations applicable to North Sound BH-ASO, Payor or Facility Participating Provider. Such access shall be available and provided during the term of this Agreement and for three years following the termination hereof, or such longer period as may be identified in the Supplemental Provider Service Guide or Protocols or as required by applicable state or federal laws, statutes or regulations.

ARTICLE 7
Resolution of Disputes

7.1 Resolution of Disputes. It is agreed that prior to any other remedy available to the parties, North Sound BH-ASO, Payor and/or Facility Participating Provider ("Disputant") shall provide written notice of any disputes or claims arising out of their business relationship (the "Dispute") to the other party within thirty (30) days of the final decision date, action, omission or cause from which the Dispute arose, whichever is later (the "Dispute Date"); provided that if such Disputant determines that immediate resorting to immediate equitable relief is required to present physical or mental injury or property damage, application for such relief may be made to the Superior Court. If the Dispute pertains to a matter which is generally administered by certain North Sound BH-ASO procedures, such as a credentialing or quality improvement plan, the procedures set forth in that plan must be fully exhausted by Facility Participating Provider before invoking their rights as described herein. After receipt of the written notice of the Dispute, the parties agree to work together in good faith to resolve the Dispute. If the parties are unable to resolve the Dispute within thirty (30) days following receipt of the notice of the Dispute, and if either North Sound BH-ASO, Facility Participating Provider or Payor desires to pursue formal resolution of the Dispute, then said party shall issue a notice of arbitration to the other parties. It is agreed that the parties knowingly and voluntarily waive any right to a Dispute if arbitration is not initiated within one year after the Dispute Date.

Any arbitration proceeding under this Agreement shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association ("AAA"), and shall be conducted in Skagit County in a location agreed to by the parties or as selected by the AAA if the parties cannot agree on a location. The arbitrators may construe or interpret but shall not vary or ignore the terms of this Agreement, shall have no authority to award any punitive or exemplary damages, and shall be bound by controlling law. Venue for any action to compel arbitration or to enforce an arbitration award or seeking equitable relief shall exclusively be Skagit County Superior Court.

ARTICLE 8
Term and Termination

8.1 Term. This Agreement shall begin on the Effective Date and it shall remain in effect for one year, and shall automatically renew for successive 1-year terms until it is terminated in accordance with the provisions herein.

8.2 Termination. This Agreement may be terminated as follows:

- (a) by mutual agreement of North Sound BH-ASO and Facility Participating Provider;
- (b) by Facility Participating Provider at the end of any term, as defined in Section 8.1, upon 120 days prior written notice to North Sound BH-ASO;
- (c) by North Sound BH-ASO upon 120 days prior written notice to Facility Participating Provider;
- (d) by either party, in the event of a material breach of this Agreement by the other party, upon 30 days prior written notice to the other party. The written notice shall specify the precise nature of the breach. In the event the breaching party cures the breach to the reasonable satisfaction of the non-breaching party, within 30 days after the non-breaching party's written notice, this Agreement shall not terminate;
- (e) by North Sound BH-ASO immediately upon written notice to Facility Participating Provider, due to loss, suspension, restriction, probation, voluntary relinquishment, or any other adverse action taken against any of Facility Participating Provider's licenses or certifications, or loss of insurance or failure to maintain financial reserves sufficient to provide the level of self-insurance required under this Agreement;
- (f) by Facility Participating Provider upon 60 days prior written notice to North Sound BH-ASO due to a unilateral amendment made to this Agreement pursuant to section 9.1;
- (g) by North Sound BH-ASO in accordance with its credentialing plan;
- (h) by North Sound BH-ASO immediately if North Sound BH-ASO determines, in its sole discretion, that the health, safety or welfare of Individuals may be jeopardized by the continuation of this Agreement; or
- (i) by North Sound BH-ASO in accordance with the Supplemental Provider Service Guide or Protocols.

During periods of notice of termination, North Sound BH-ASO reserves the right to transfer Individuals to another Facility Participating Provider, and Facility Participating Facility Participating Provider agrees to cooperate and assist with such transfers.

If Facility Participating Provider is terminated through the North Sound BH-ASO credentialing or recredentialing process, this Agreement shall be deemed terminated as of the date Facility Participating Provider has been terminated pursuant to a final action resulting from that process.

8.3 Continuation of Services After Termination. Upon request of North Sound BH-ASO, or pursuant to applicable Washington law, Facility Participating Provider shall continue to provide services authorized or certified by North Sound BH-ASO, who are receiving such services from Facility Participating Provider, as of the date of termination of the Agreement, until arrangements are completed for such Individuals to be transferred to another Facility Participating Provider. Payor shall pay Facility Participating Provider for such services at the Facility Participating Provider's contracted rate.

ARTICLE 9
Miscellaneous

9.1 Amendment. North Sound BH-ASO may amend this Agreement by sending notice of the amendment to Facility Participating Provider at least 30 days prior to its effective date. It is agreed that this Agreement shall be automatically amended to comply with any and all applicable state or federal laws, regulations, statutes or the requirements of applicable regulatory authorities as of the effective date thereof, and which shall be deemed to be incorporated herein by reference as of its effective date. Likewise, if a Payor that is a governmental entity requires that certain provisions of this Agreement be removed, replaced, amended or that additional provisions be incorporated, such provisions shall be deemed to be removed, replaced, amended or additional provisions incorporated into this Agreement as of the effective date of such Payor requirement for all Services provided which are subject to such Payor requirements without the signature of Facility Participating Provider being required.

9.2 Assignment. North Sound BH-ASO may assign all or any of its rights and responsibilities under this Agreement to any of its Affiliates. Facility Participating Provider may assign any of his or her rights and responsibilities under this Agreement to any person or entity only upon the prior written consent of North Sound BH-ASO, which consent shall not be unreasonably withheld.

9.3 Administrative Responsibilities. North Sound BH-ASO may delegate certain administrative responsibilities under this Agreement to another entity, including, but not limited to, its Affiliate or to Payor or its designee. In addition, certain Payor responsibilities may actually be performed by its designee.

9.4 Relationship Between North Sound BH-ASO and Facility Participating Provider. The relationship between North Sound BH-ASO and Facility Participating Provider is solely that of independent contractors and nothing in this Agreement or otherwise shall be construed or deemed to create any other relationship, including one of employment, agency, joint venture or partnership.

9.5 Name, Symbol and Service Mark. During the term of this Agreement, Facility Participating Provider, North Sound BH-ASO and Payor shall have the right to use each other's name solely to make public reference to Facility Participating Provider as a Facility Participating Provider. Facility Participating Provider, North Sound BH-ASO and Payor shall not otherwise use each other's name, symbol or service mark or that of their Affiliates without the prior written approval from the appropriate party.

9.6 Confidentiality. Subject to the requirements of the Washington Public Records Act (Chapter 42.56 RCW), now or as hereafter amended and/or construed, neither party shall disclose to third parties any confidential or proprietary business information which it receives from the other party, including, but not limited to, financial statements, business plans, Protocols and programs; except that (a) Facility Participating Provider may disclose information to an Individual

relating to the Individual's treatment plan and the payment methodology, but not specific rates; (b) North Sound BH-ASO may disclose certain terms to Payors or designees that need the information to process claims or administer a Benefit Plan, and may file the form of this Agreement with any federal or state regulatory entity as may be required by applicable law; and (c) North Sound BH-ASO shall be permitted to disclose, in its sole discretion, any other data or information that may be requested by applicable state and federal law, state regulations or governing agencies that pertain to this Agreement or that may relate to the enforcement of any right granted or term or condition of this Agreement.

9.7 Communication. North Sound BH-ASO encourages Facility Participating Provider to discuss with Individuals treatment options and their associated risks and benefits, regardless of whether the treatment is covered under the Individual's Benefit Plan. Nothing in this Agreement is intended to interfere with Facility Participating Provider's relationship with Individuals as patients of Facility Participating Provider, or with North Sound BH-ASO's ability to administer its quality improvement, utilization management and credentialing programs.

-8 Effects of New Statutes and Regulations and Changes of Conditions. The parties agree to re-negotiate this Agreement if either party would be materially adversely affected by continued performance as a result of a change in laws or regulations, a requirement that one party comply with an existing law or regulation contrary to the other party's prior reasonable understanding, or a change in North Sound BH-ASO's arrangements with Payors. The party affected must promptly notify the other party of the change or required compliance and its desire to re-negotiate this Agreement. If a new agreement is not executed within 30 days of receipt of the re-negotiation notice, the party adversely affected shall have the right to terminate this Agreement upon 45 days prior written notice to the other party. Any such notice of termination must be given within 10 days following the expiration of the 30-day re-negotiation period.

9.9 Appendices. Additional and/or alternative provisions, if any, related to inpatient psychiatric Services rendered by Facility Participating Provider to Individuals eligible for North Sound BH-ASO behavioral health services, rates, and fees are set for in the Appendices, Attachments and Addendum

9.10 Entire Agreement. On the Effective Date, this Agreement supersedes and replaces any existing Facility Participating Provider Agreements between the parties related to the provision of inpatient psychiatric Services, including any agreements between Facility Participating Provider and Affiliates of North Sound BH-ASO for Inpatient psychiatric Services. This Agreement, together with any and all documents referenced herein, attachments, addenda, appendices, as may be amended or modified from time to time, whether contemporaneous or subsequently made pursuant to Section 9.1, are hereby incorporated herein by reference, and constitutes the entire agreement between the parties in regard to its subject matter (herein collectively referred to as this "Agreement").

9.11 Strict Compliance. The waiver of strict compliance or performance of any of the terms or conditions of this Agreement, the Supplemental Provider Service Guide or the Protocols or of any breach thereof shall not be held or deemed to be a waiver of any subsequent failure to comply strictly with or perform the same or any other term or condition thereof or any breach thereof.

9.12 Severability. Should any provision of this Agreement violate the law or be held invalid or unenforceable as written by a court of competent jurisdiction, then said provision along with the remainder of this Agreement shall nonetheless be enforceable to the extent allowable under applicable law by first modifying said provision to the extent permitted so as to comply with applicable law; otherwise said provision shall be deemed void to the extent of such prohibition without invalidating the remainder of this Agreement.

9.13 Rules of Construction. In the event of any conflict between the terms of this Agreement and the terms of any other agreement or any other controlling document or any applicable state or federal laws, statutes and regulations relating to the subject matter hereof, the terms, except as otherwise expressly stated herein, shall first be read together to the extent possible; otherwise the terms that afford the greater protections to first North Sound BH-ASO and second to the Health Care Authority shall prevail over the conflicting term, to the extent permitted by and in accordance with and subject to applicable law, statutes or regulations. The remainder of the Agreement shall otherwise remain without invalidating or deleting the remainder of the conflicting provision or the Agreement.

9.14 Governing Law. This Agreement shall be governed by and construed in accordance with applicable Washington state and federal laws, statutes and regulations, including without limitation, ERISA.

9.15 Survival. Upon any termination or expiration of this Agreement, the provisions herein which contemplates performance or observance subsequent to termination or expiration, including without limitation, sections 2.9, 2.10, 3.1, 3.2, 3.3, 3.4, 3.5, 4.2, 4.5, 9.6 and Articles 6 and 7, shall survive and remain of full force and effect between the parties.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.

Upon the acceptance and execution hereof by both parties hereto, the Effective Date of this Agreement is: _____

(to be completed by North Sound BH-ASO only)

**NORTH SOUND BEHAVIORAL HEALTH
ADMINISTRATIVE SERVICES ORGANIZATION**

301 Valley Mall Way, Ste.110
Mount Vernon, WA. 98273
Attn: Contract Administration

Signature _____

Joe Valentine

Executive Director

Date _____

**Vest Thurston, LLC
DBA: South Sound Behavioral Hospital**

605 Woodland Square Loop
Lacey, WA 98503

Attn: Shanna Pratt, CFO

Signature _____

Print Name _____

Title _____

Date _____

Federal Tax ID Number: _____

Medicare Number: _____

Medicaid Number: _____