

**NORTH SOUND
BEHAVIORAL HEALTH ORGANIZATION, LLC
(North Sound BHO)**

**CONTRACT
FOR THE
PROVISION OF
SNOHOMISH COUNTY WRAPAROUND WITH INTENSIVE SERVICES (WISe)**

WITH

**THERAPEUTIC HEALTH SERVICES
(THS)**

CONTRACT #NORTH SOUND BHO-THS-WISe-18

JANUARY 1, 2018 TO DECEMBER 31, 2018

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1
2
3 **CONTRACT FOR THE PROVISION**
4 **OF**
5 **SNOHOMISH COUNTY WRAPAROUND WITH INTENSIVE SERVICES (WISe)**

6 **THIS BEHAVIORAL HEALTH SERVICES CONTRACT** (the “Contract”), pursuant to Chapter 71.24 RCW
7 and all relevant and associated statutes, as amended, is made and entered into by and between the
8 NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC (North Sound BHO), a governmental
9 limited liability company pursuant to RCW Chapter 70.24, 301 Valley Mall Way, Suite 110, Mount
10 Vernon, WA 98273 and THERAPEUTIC HEALTH SERVICES (THS), a Washington Behavioral Health
11 Agency (Contractor), 1116 Summit Ave., Seattle, WA 98101.

12
13 **I. RECITALS**

14
15 **WHEREAS**, Island County, San Juan County, Snohomish County, Skagit County and Whatcom
16 County (the County Authorities) , as defined by RCW 71.24.025 (10), entered into a Joint County
17 Authority BHO Interlocal Operating Agreement to cooperatively provide a community health program
18 and regional system of care, with the collective goal of consolidating administration, reducing
19 administrative layering and reducing administrative costs, consistent with the State of Washington’s
20 legislative policy as set forth in RCW Chapter 71.24 (Operating Agreement); and
21

22 **WHEREAS** North Sound BHO is a governmental limited liability company formed by an operating
23 agreement entered into by the foregoing five (5) County Authorities in response to a request for a
24 detailed plan and to contract with the State of Washington to operate as a regional support network
25 until March 31, 2016 and as a behavioral health organization as of April 1, 2016, as provided for in RCW
26 71.24.100 and Chapter 25.15.

27
28 **WHEREAS**, the Operation Agreement provides a means for each County Authority to share in
29 the cost of behavioral health services, for payment of services and for the audit of funds, as provided
30 for in RCW 71.24.100 and provides for the joint supervision and operation of services and facilities, as
31 provided for in RCW 71.24.110.

32
33 **WHEREAS**, North Sound BHO anticipates increased need for behavioral health services in the
34 community and recognizes the need for expansion of services and strengthening of cooperation among
35 service providers to meet this challenge; and

36
37 **WHEREAS**, North Sound BHO is engaged in the administration of services described on Exhibit
38 A (Statement of Work);

39
40 **WHEREAS** Contractor is engaged in the provision of mental health and substance use disorder
41 services within Snohomish County (County); and
42

1 **WHEREAS** North Sound BHO desires that Contractor provide, market, distribute and
2 otherwise do all things necessary to deliver Services in the County;
3

4 **WHEREAS**, the parties to this agreement desire to promote the continuity of care for
5 individuals, avoid service disruption, assure the provision of substance use disorder services and
6 strengthen the regional service network; and
7

8 **WHEREAS**, the parties also wish to enter into a Business Associate Agreement to ensure
9 compliance with the Privacy and Security Rules of the Health Insurance Portability and Accountability
10 Act (HIPAA) of 1996 (Privacy and Security Rules) (45 CFR Parts 160 and 164); now, therefore,
11

12 **THE PARTIES AGREE AS FOLLOWS:**
13

14 **II. CONTRACT**
15

16 This Contract incorporates the Exhibits to the Contract and other documents incorporated by
17 reference.
18

19 The effective date of this Contract is January 1, 2018, through December 31, 2018.
20

21 **A. DEFINITIONS**
22

23 7.01 Plan is North Sound BHO’s Board approved plan, which outlines North Sound BHO’s commitment
24 to planning and service delivery for American Indian governments and communities.
25

26 Abuse means a provider’s practices that are inconsistent with sound fiscal, business, or medical
27 practices and result in an unnecessary cost to the Medicaid program, or in reimbursement for
28 services that are not medically necessary or that fail to meet professionally recognized standards for
29 health care.
30

31 Access refers to the initial request for services and initial screening and the related response-time
32 requirements.
33

34 Access to Care Standards (ACS) means the Division of Behavioral Health and Recovery (DBHR)
35 minimum eligibility requirements for Medicaid adults & Medicaid older adults guidelines reflect the
36 most restrictive eligibility criteria that can be applied, pursuant to RCW 70.96A and 70.96B. North
37 Sound BHO may expand coverage based on availability of local resources.
38

39 Accessibility means the extent to which an eligible recipient can obtain available services.
40 Accessibility includes both the ability to contact the organization and the availability of providers and
41 services.
42

1 Accountability means responsibility of Contractor for achieving defined outcomes, goals and contract
2 obligations.

3
4 Act means the Social Security Act.

5
6 Action means in the case of a Prepaid Inpatient Health Plan (PIHP) service:

- 7
8 1. Denial or limited authorization of a requested service, including the type or level of service
9 and any service denial based on Access to Care;
10 2. Reduction, suspension, or termination of a previously authorized service;
11 3. Denial in whole or in part, of payment for a service;
12 4. Failure to provide services in a timely manner, as defined by the state;
13 5. Failure of a PIHP to act within the timeframes provided in section 42 CFR 438.408.b), WAC
14 388-877A-0420, WAC 388-877A-0450.

15
16 Administrative Costs means costs for the general operation of the public behavioral health system.
17 These activities cannot be identified with specific direct services or direct services support function as
18 defined in the Budget, Accounting and Reporting System (BARS) supplemental instructions.

19
20 Advance Directive means a written document in which a principal makes a declaration of instructions
21 or preferences or appoints an agent to make decisions on behalf of the principal regarding the
22 principal's mental health treatment, or both and is consistent with the provisions of Washington's
23 Behavioral Health Advance Directive statute.

24
25 Allied Systems means state or local services which provide individuals with assistance to reduce the
26 impact of disabilities, functional impairments, or skill deficits and which promote stable community
27 living.

28
29 American Society of Addiction Medicine (ASAM)

30
31 Annual Revenue means all revenue received by the PIHP pursuant to the Contract for July of any year
32 through June of the next year.

33
34 Appeal means a request for review of an action as "action" is defined above.

35
36 Appropriate means the extent to which a particular procedure, treatment, or service is clearly
37 indicated, not excessive, adequate in quantity and provided in the setting best suited to the needs of
38 the recipient.

39
40 Arbitration means the process by which the parties to a dispute submit their differences to the
41 judgment of an impartial person or group appointed by mutual consent or statutory provision.

42

1 ASAM criteria is used to evaluate an individual’s need for treatment along six (6) dimensions after
2 systematically evaluating the severity and diagnosis of an individual and then utilize a fixed
3 combination rule to determine which levels of care a substance using individual will respond to with
4 the greatest success. ASAM also includes recommended duration of substance use disorder (SUD)
5 treatment.

6
7 Assessment means diagnostic services provided by a Chemical Dependency Professional (CDP) or
8 Chemical Dependency Professional Trainee (CDPT) under CDP supervision to determine an
9 individual’s involvement with alcohol and other drugs (see WAC 388-877B-0500 for a detailed
10 description of assessment requirements).

11
12 Authorized Representative means an individual appointed by an enrollee, or authorized under State
13 or other applicable law, to act on behalf of an enrollee or other party involved in an Appeal or
14 Grievance. If the enrollee gives written permission, the Authorized Representative may include a
15 behavioral health practitioner working on behalf of the Individual.

16
17 Behavioral Health Agency (BHA) means a Behavioral Health Agency that is licensed by the State of
18 Washington to provide mental health and/or SUD treatment and is subcontracted under this Contract
19 to provide services.

20
21 Behavioral Health Organization (BHO) means a county authority or group of county authorities or
22 other entity recognized by the Secretary that contracts for mental health services and SUD treatment
23 services within a defined Regional Service Area.

24
25 Capitation Payment means a payment the Department of Social and Health Services (DSHS) makes
26 monthly to a PIHP on behalf of each recipient enrolled under a contract for the provision of
27 behavioral health services under the State Medicaid Plan. DBHR makes the payment regardless of
28 whether the particular recipient receives the services during the period covered by the payment.

29
30 Case Management means assistance to a recipient and family (or significant other) to obtain,
31 maintain, or develop appropriate resources.

32
33 Center for Medicare and Medicaid Services (CMS) the US federal agency which administers Medicare,
34 Medicaid and the Children's Health Insurance Program.

35
36 Chemical Dependency Professional (CDP) means an individual working toward the education and
37 experience requirements for certification as a CDP and who has been credentialed as a CDPT.

38
39 Chemical Dependency Professional Trainee (CDPT) means an individual working toward the education
40 and experience requirements for certification as a CDP and who has been credentialed as a CDPT.

41
42 Child means a person under the age of 18 years. For persons eligible for the Medicaid program, child
43 means a person who is under the age of 21 years.

44

1 Children’s Long-Term Inpatient Program (CLIP) means the state appointed authority for policy and
2 clinical decision-making regarding admission to and discharge from state-funded beds in CLIP.

3
4 Child Study and Treatment Center (CSTD) is DSHS’s child psychiatric hospital.

5
6 Code of Federal Regulations (CFR) means all references in this Contract to CFR chapters or sections
7 shall include any successor, amended, or replacement regulation.

8
9 Community Mental Health Agency (CMHA) means it licensed by the State of Washington to provide
10 mental health services and subcontracted to provide mental health services covered under this
11 Contract.

12
13 Community Support Services is all community-based, outpatient services as defined in RCW
14 71.24.025(8) and WAC 388-865 and 388-877.

15
16 Complaint means a verbal or written statement by an enrollee that expresses dissatisfaction with
17 some aspect of services covered under this Contract.

18
19 Confidential Information means information that is exempt from disclosure to the public or other
20 unauthorized persons under RCW Chapter 42.56 or other federal or state laws. Confidential
21 information includes, but is not limited to, personal information.

22
23 Contract means this document, the General Terms and Conditions and Special Terms and Conditions,
24 including any Exhibits and other documents attached or incorporated by reference.

25
26 Coordinated Quality Improvement Program (CQIP) the purpose of CQIP is to improve the quality of
27 health care services by identifying and preventing health care malpractice under RCW 43.70.510.

28
29 Corrective Action/Compliance Review is when findings from a North Sound BHO/DBHR review or
30 other monitoring efforts or audits show there are apparent violations of this Contract, Contractor
31 shall implement corrective action within specified timeframes determined by North Sound
32 BHO/DBHR/Department’s other auditors.

33
34 Corrective Action Plan (CAP) is a written plan specifying what Contractor is required to do to be in
35 compliance. This includes required improvements and a time line for such action(s) to be
36 accomplished.

37
38 Crisis may be self-defined or a situation where an individual is acutely behaviorally ill, or experiencing
39 serious disruption in cognitive, volitional, psychosocial and/or neurophysiologic functioning.

40
41 Crisis Plan is a blueprint for action in the case of an individual (or child/family) who is experiencing
42 imminent or substantial risk of harm to self/others or who is at risk of decompensating that could
43 lead to future use of psychiatric inpatient services. Plans are developed in collaboration with the
44 individual and natural supports.

1 Crisis Stabilization is services provided to Medicaid-enrolled individuals who are experiencing a
2 behavioral health crisis.
3

4 Crisis Services means a face-to-face evaluation and treatment of mental health emergencies and
5 crises to non-enrolled, as well as, enrolled individuals experiencing a crisis as defined by the WAC.
6 Crisis services shall be available on a 24-hour basis with the goal of stabilizing the person in crisis and
7 providing immediate or short-term treatment and support in the least restrictive environment
8 available. Crisis services may be provided prior to an intake evaluation/assessment.
9

10 Cross-System Team meetings and consultations is participation and involvement with systems
11 beyond the mental health system, which are also providing services to a behavioral health Individual,
12 to ensure communication and integrated, coordinated treatment planning and provision.
13

14 Cultural Competence means a set of congruent behaviors, attitudes and policies that come together
15 in a system or agency and enable that system or agency to work effectively in cross-cultural
16 situations. A culturally competent system of care acknowledges and incorporates at all levels the
17 importance of language and culture, assessment of cross-cultural relations, knowledge and
18 acceptance of dynamics of cultural differences, expansion of cultural knowledge and adaptation of
19 services to meet culturally unique needs.
20

21 Data means information that is disclosed or exchanged as described by the Contract.
22

23 Day for the purposes of this Contract means calendar days unless otherwise indicated in the Contract.
24

25 Debarment means an action taken by a federal official to exclude a person or business entity from
26 participating in transactions involving certain federal funds.
27

28 Denial means the decision by the PIHP to refuse authorization of covered Medicaid behavioral health
29 services that have been requested by an enrollee or a provider on behalf of an eligible Medicaid
30 enrollee. It is also a denial if an intake or assessment is not provided upon request by a Medicaid
31 enrollee.
32

33 Discharge Planning (Services) is the process of developing a care regimen and community integration
34 plan for a behavioral health recipient leaving clinical care including appropriate residential
35 treatment/housing supports, utilizing natural supports and community support services prior to the
36 recipient leaving outpatient care.
37

38 Discharge Planning (Hospital) is the processes of developing a care regimen for an individual leaving
39 inpatient care, including appropriate timing and follow-up appointments and treatment.
40

41 Discharge is (1) related to the end of an inpatient psychiatric hospital stay; (2) occurs when an eligible
42 individual has completed an episode of care (or active service) and is no longer receiving services (i.e.,
43 closed).
44

45 Diversion means to redirect an individual from being placed in a restrictive setting (i.e., Jail, inpatient
46 services) to clinically appropriate less restrictive alternative[s] [LRA]).

1 Early Periodic Screening Diagnosis and Treatment (EPSDT) is the program under Title XIX of the Social
2 Security Act as amended for children/youth who have not reached their 21st birthday.

3
4 Emergent Care means services provided for a person, that, if not provided, would likely result in the
5 need for crisis intervention or hospital evaluation due to concerns of potential danger to self, others,
6 or grave disability according to RCW 71.05.

7
8 Emerging Best-Practice or Promising-Practice means a practice that presents, based on preliminary
9 information, potential for becoming a research-based or consensus-based practice and is effective for
10 the population.

11
12 Enrollee means a Medicaid recipient who is currently enrolled in a PIHP.

13
14 Evaluation and Treatment (E&T) Facility means a facility which can provide directly, or by direct
15 arrangement with other public or private agencies, emergency evaluation and treatment, outpatient
16 care and timely and appropriate inpatient care to persons suffering from a mental disorder and which
17 is certified as such by DSHS.

18
19 Evidence-Based Practice means a program or practice that has had multiple sites random controlled
20 trials across heterogeneous population demonstrating the program or practice is effective for the
21 population.

22
23 Expedited Appeal Process allows an enrollee, in certain circumstances, to file an Appeal that will be
24 reviewed more quickly than a standard Appeal.

25
26 Fair Hearing means a grievance hearing before Washington State Office of Administrative Hearings
27 (OAH).

28
29 Family means

- 30
31 1. For adults, those the individual defines as family (i.e., guardians, siblings, caregivers and
32 significant others)
33 2. For children, a child's biological parents, adoptive parents, foster parents, guardians, legal
34 custodians authorized pursuant to RCW Title 26; a relative with whom a child has been placed
35 by DSHS or Tribe.

36
37 Fraud means an intentional deception or misrepresentation made by a person with the knowledge
38 the deception could result in some unauthorized benefit to self or some other person. It includes any
39 act that constitutes fraud under applicable Federal or State law.

40
41 Full-Time Equivalent (FTE) is the term used to define number of full-time staff. One (1) FTE shall be
42 defined as 40 hours' work per week.

43

1 Geographic Area is North Sound BHO's Service Area consisting of the following geographic areas:

- 2
- 3 1. Island County
- 4 2. San Juan County
- 5 3. Skagit County
- 6 4. Snohomish County
- 7 5. Whatcom County
- 8

9 Grievance System means the process through a BHO in which and individual applying for eligible or
10 receiving behavioral health services may express dissatisfaction about services. The grievance system
11 must be established by the BHO, must meet the requirements of 42 CFR 438, Subpart F and include:

- 12
- 13 1. A Grievance Process
- 14 2. Access to the Departments Administrative Fair Hearing process
- 15
- 16 a. Grievance means any expression of dissatisfaction made by or on behalf of an
17 individual and referred to the agency or behavioral health organization (BHO), as
18 applicable, for resolution.
- 19 b. Grievance Process is one of the processes included in the grievance system that
20 allows an individual to express concern or dissatisfaction about a behavioral health
21 service.
- 22

23 Health Insurance Portability and Accountability Act (HIPAA) of 1996 is codified in 42 USC §1320(d)
24 et.seq. and CFR Parts 160, 162 and 164.

25

26 Individual means a person who has applied for, is eligible for, or receives BHO-authorized behavioral
27 health services from an agency licensed by the Department as a behavioral health agency. In the case
28 of a minor, the Individual's parent or, if applicable, the Individual's custodial parent.

29

30 Individual Choice means the individual/child/families are guaranteed an opportunity to choose freely
31 among treatment options and support services (based on identified needs) and to be full partners in
32 the treatment process. "Choice" supports the notion that to the degree possible,
33 individuals/children/families need to play a key role in designing their own service/support
34 "packages", including involvement of natural supports and culturally specific services.

35

36 Individual Using Intravenous Drugs means a person who has used a needle to illicitly inject drugs one
37 (1) or more times.

38

39 Involuntary Treatment Includes all services and administrative functions required for the evaluation
40 for involuntary detention or involuntary treatment of individuals in accordance with RCW 71.05,
41 71.24.300 and 71.34.

1 Involuntary Treatment Act (ITA) ITA SUD allows for Individuals to be committed by a court order to an
2 approved treatment program for a limited period of time. Involuntary civil commitments are meant
3 to provide for the treatment of individuals with SUD and who may be either gravely disabled or pose
4 a danger to themselves or others and who refuse or are unable to enter treatment on their own.
5 Individuals can be committed for a period of 60 days unless sooner discharged if it has been
6 determined the likelihood of harm no longer exists or treatment is no longer adequate or appropriate
7 per ASAM criteria, or incapacity no longer exists. A petition for recommitment can be filed for an
8 additional period of up to 90 days (RCW 70.96A.140).

9
10 Large Rural Area means areas with a population density of less than 20 people per square mile.

11
12 Level of Care Guidelines means the criteria the BHO uses in determining the scope, duration and
13 intensity of services to be provided.

14
15 Local Funds Eligible for Match means sources of revenue that are eligible to be used as federal match
16 are broad based taxes at the county or other local taxing authority level that are spent and have been
17 certified by the local authority as public funds for behavioral health services allowable under this
18 Contract. Funds used for federal match under this Contract may not be used as match for any other
19 federal program. It can be local funds that have not been previously matched with federal funds at
20 any point. Local funds do not include donations.

21
22 Low-Income Individual means an individual whose gross household monthly income is at or below
23 220% of the Federal Poverty Guidelines.

24
25 Medicaid Funds means funds provided by CMS Authority under Title XIX program of the Social
26 Security Act.

27
28 Medicaid Waiver is a waiver granted by the Secretary of DSHS to requirements of 42 USC 1396a, for
29 the purpose of permitting DSHS/DBHR to operate a capitated managed care system to provide
30 services to enrolled recipients of the Medicaid program. Under 42 USC 1396n, the Secretary is
31 authorized to grant such waivers to the extent he/she finds proposed improvements or specified
32 practices in the provision of services under Medicaid to be cost-effective, efficient and consistent
33 with objectives of the Medicaid program.

34
35 Medical Necessity or Medically Necessary means a requested service which is reasonably calculated
36 to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions in the recipient
37 that endanger life, cause pain and suffering, result in illness or infirmity, threaten to cause or
38 aggravate a handicap, or cause physical deformity or malfunction and there is no other equally
39 effective, more conservative, or substantially less costly course of treatment available or suitable for
40 the person requesting service. "Course of treatment" may include mere observation or, where
41 appropriate, no treatment at all.

42
43 Mental Disorder as defined in RCW 71.34.020(12) for children and RCW 71.05.020(2) for adults.

44

1 Mental Health Care Provider (MHCP) means the individual with primary responsibility for
2 implementing an individualized plan for mental health rehabilitation services. Minimum
3 qualifications are B.A. level in a related field or A.A. level with two (2) years' experience in the mental
4 health or related fields.

5
6 Office of Management and Budget (OMB) Circular A-133 means audits of States, Local Governments
7 and Non-Profit Organizations.

8
9 Opiate Substitution Treatment Services (OST) means provision of treatment services and medication
10 management (methadone, etc.) to individuals addicted to opiates.

11
12 Outcome means the results of a service period of treatment. The extents to which services are
13 provided to individuals experiencing emotional and behavioral disorders have a positive or negative
14 effect on their well-being, circumstances and capacity for self-management and recovery.

15
16 Outreach means a behavioral health service where individuals with mental illness and/or SUD are
17 contacted in their place of residence or in non-traditional settings for the purpose of:

- 18
19 1. Improving their behavioral health, health, or social functioning; or
20 2. Increasing their utilization of human services and resources.

21
22 There are two (2) basic approaches to outreach:

- 23
24 1. Mobile (going to an individual/family); and
25 2. Peer/Drop-in centers (i.e., shelters, clubhouses, kitchens, clothing banks).

26
27 Regardless of the approach, the outreach process has five (5) important components:

- 28
29 1. Locating individuals in need of services;
30 2. Engaging individuals into service;
31 3. Assessing their needs;
32 4. Linking individuals to an appropriate level of support services; and
33 5. Providing follow-up services.

34
35 Personal Information means information identifiable to any person including, but not limited to,
36 information that relates to a person's name, health, finances, education, business, use or receipt of
37 governmental services or other activities, addresses, telephone numbers, social security numbers,
38 driver license numbers, other identifying numbers and any financial identifiers.

39
40 Post Stabilization Services means covered services, related to an emergency medical condition that
41 are provided after an enrollee is stabilized, in order to, maintain the stabilized condition, or under the
42 circumstances described in 42 CFR 438.114€ to improve or resolve the enrollee's condition.
43

1 Pregnant and Postpartum Women (PPW) and Women with Dependent Children means.

2

- 3 1. Women who are pregnant;
- 4 2. Women who are postpartum during the first year after pregnancy completion regardless of
- 5 the outcome of the pregnancy or placement of children; or
- 6 3. Women who are parenting children under the age of six (6), including those attempting to
- 7 gain custody of children supervised by the DSHS or Division of Children and Family Services
- 8 (DCFS).

9

10 Prepaid Inpatient Health Plan (PIHP) means an entity that provides or arranges for:

11

- 12 1. Behavioral health services to enrollees under contract with the state on the basis of prepaid
- 13 capitation payments, or other payment arrangements that don't use state plan payment
- 14 rates;
- 15 2. Provides, arranges for, or otherwise has responsibility for the provision of any inpatient
- 16 hospital or institutional services for its enrollees; or
- 17 3. Does not have a comprehensive risk contract.

18

19 Publish means an officially sanctioned document provided by North Sound BHO/DSHS Internet or

20 Intranet websites for downloading, reading, or printing. Contractor shall be notified in writing or by

21 e-mail when a document meets these criteria.

22

23 Quality Assurance means a focus on compliance to minimum requirements (i.e., rules, regulations

24 and contract terms), as well as, reasonably expected levels of performance, quality and practice.

25

26 Quality Improvement means a focus on activities to improve performance above minimum

27 standards/reasonably expected levels of performance, quality and practice.

28

29 Quality Strategy means an overarching system and/or process whereby quality assurance and quality

30 improvement activities are incorporated and infused into all aspects of an organization's or system's

31 operations.

32

33 Recovery means the processes by which people are able to live, work, learn and participate fully in

34 their communities.

35

36 Reduction means the decision by a PIHP to decrease a previously authorized covered Medicaid

37 behavioral health service described in the Level of Care Guidelines. The clinical decision by a

38 BHA/CMHA to decrease or change a covered service in an Individualized Service Plan (ISP) is not a

39 reduction.

40

41 Region is known as North Sound BHO. This region is comprised of five (5) counties: Island, San Juan,

42 Skagit, Snohomish and Whatcom.

43

1 Rehabilitation means to restore to customary activity through education, skill building and therapy.
2 Increase independence and ability to participate in life meaning activities.
3

4 Request for Service means the point in time when services are sought or applied for through a
5 telephone call, walk-in, or written request for services from an enrollee or the person authorized to
6 consent to treatment for that enrollee.
7

8 Reserve Accounts means an allocation of fund balance at the BHO set aside for a specific purpose by
9 the BHO governing board or local legislative authority.
10

- 11 1. Operating Reserve – Funds designated from behavioral health revenue sources that are set
12 aside into an operating reserve account by official action of the BHO’s governing body.
13 Operating reserve funds may only be set aside to maintain adequate cash flow for the
14 provision of behavioral health services.
- 15 2. Inpatient-Risk Reserve – Funds designated from behavioral health revenue sources to pay for
16 future inpatient hospital claims.
17

18 Residential Services are defined in WAC 388-865 and/or 388-877A-0430, 388.877B North Sound BHO
19 Standards of Care and Clinical Eligibility Manual and North Sound BHO Policies and Procedures.
20

21 Resilience means the personal and community qualities that enable individuals to rebound from
22 adversity, trauma, tragedy, threats, or other stresses and to live productive lives.
23

24 Risk means the possibility that Contractor may incur a loss because the cost of providing services may
25 exceed the premium payments made by North Sound BHO to Contractor for services covered under
26 this Contract (42 CFR 434.2).
27

28 Routine Services means non-emergent and non-urgent services are offered within 14 calendar days
29 to individuals authorized to receive services as defined in the access to care standards. Routine
30 services are designed to alleviate symptoms, stabilize, sustain and facilitate progress toward
31 behavioral health.
32

33 Subcontract means a separate Contract between Contractor and an individual or entity
34 (subcontractor) to perform all or a portion of the duties and obligations Contractor shall perform
35 pursuant to this Contract.
36

37 Substance Use Disorder (SUD) means a problematic pattern of alcohol/drug use leading to clinically
38 significant impairment or distress as categorized in the DSM 5.
39

40 Substance Use Disorder Treatment Agency (SUDTA) means an Agency licensed by the State of
41 Washington to provide SUD Treatment Services and subcontracted to provide services covered under
42 this Contract
43

44 Suspension means the decision by a PIHP or formal designee, to temporarily stop previously
45 authorized Medicaid covered behavioral health services described in their Level of Care Guidelines.
46 The clinical decision of a CMHA to temporarily stop or change a covered service in the Individualized
47 Resiliency/Recovery Plan (IRP) is not a suspension.
48

1 Termination means the decision by a PIHP or their formal designee, to stop previously authorized
2 covered by Medicaid behavioral health services described in their Level of Care Guidelines. The
3 clinical decision by a CMHA to stop or change a covered service in the ISP is not a termination.
4

5 Title 42 is the CFR Public Health Service.
6

7 Title XIX is grants with states for Medical Assistance Program.
8

9 Title XIX Eligible Month means a calendar month in which an individual is eligible for the Title XIX
10 program for any part of the month.
11

12 Title XXI is the State Children’s Health Insurance Program.
13

14 Transition Youth means anyone age 16-21.
15

16 Underserved means persons who are minorities, children, elderly, disabled and low-income (see WAC
17 388-865-0150).
18

19 Urban Area means areas that have a population density of at least 500 people per square mile.
20

21 Urgent Care means a service to be provided to persons approaching a behavioral health crisis. If
22 services are not received within 24 hours of the request, the person’s situation is likely to deteriorate
23 to the point emergent care is necessary.
24

25 Utilization Management Services means to provide independent utilization management process that
26 monitors provider network to ensure services provided are sufficient, but not excessive, which are
27 predicated on the individual needs of the recipient with respect to person’s age, culture, language
28 and abilities.
29

30 Wraparound with Intensive Services (WISe) is a program model that includes a range of service
31 components that are individualized, intensive, coordinated, comprehensive and culturally component
32 and provided in the home and community. WISe is for children, youth and young adults up to age 21
33 who are experiencing mental health symptoms to a degree that is causing severe disruptions in the
34 youth’s behavior, interfering with their functioning in family, school, or with peers that requires:
35

- 36 1. The involvement of the mental health system and other youth, young adults and child-serving
37 systems and supports;
- 38 2. Intensive care collaboration; and
- 39 3. Ongoing intervention to stabilize the child, youth, young adult and family in order to prevent a
40 more restrictive or institutional placement.
41

42 Youth means a person age 10-17.
43

44 Young Adult means a person from age 18-20.
45

1 **B. PERFORMANCE STANDARDS**

2 Contractor must ensure the provision or the purchase of medically necessary behavioral health
3 services for all enrollees in accordance with Contractor’s obligations under this Contract.
4 Implementation of changes in the Medicaid State Plan must be completed no later than 30 days
5 following CMS approval of the State Plan.
6

7 **1. GENERAL OPERATING STANDARDS**

- 8 a. Contractor must provide medically necessary behavioral health services as defined in
9 Outpatient Service Modalities outlined in section B.2 of this Contract, the Medicaid
10 State Plan and as defined in the 1915(b) Waiver, or its successor. If Contractor is
11 unable to provide the services covered under this Contract, the services must be
12 purchased in a timely manner. Contractor must continue to pay for medically
13 necessary behavioral health services outside the Service Area until Contractor is able
14 to provide them within the Service Area.
- 15 b. Contractor must ensure enrollees and enrollees’ families participate in planning
16 activities and participate in the implementation and evaluation of Contractor’s
17 clinical functions. Contractor must be able to demonstrate how this requirement is
18 implemented.
- 19 c. Contractor must submit to an annual, external independent review of the quality
20 outcomes, timeliness of and access to the services covered under each contract. In
21 addition, Contractor and the Contractor’s Subcontractors must work with the
22 External Quality Review Organization (EQRO) Contractor set forth by DSHS to
23 schedule a time for the monitoring review that works for both parties.
- 24 d. North Sound BHO may, in consultation with DSHS and other stakeholders, specify
25 required performance measures and topics for performance improvement projects.
26 These projects must be reviewed and approved by DBHR and the EQRO.
- 27 e. Contractor must ensure Healthy Options enrollees are not referred to a Healthy
28 Options managed care plan if the enrollee is determined to be eligible for services
29 based on medical necessity and the ACS.
- 30 f. Contractor must maintain a written Advance Directive policy and procedure that
31 respects individuals' advance directives for psychiatric and SUD care.
- 32 g. Contractor must ensure plans or reports required by this Contract, including those
33 outlined in Exhibit M, Deliverables, are provided to North Sound BHO in compliance
34 with the timelines/formats indicated.
- 35 h. Contractor must participate in North Sound BHO/DBHR offered training when
36 requested, including training on the implementation of Evidence-Based Practices,
37 Emerging and Promising Practices.
- 38 i. Contractor shall encourage and promote Dignity and Respect throughout the system
39 of care.
- 40 j. Contractor must ensure staff is familiar with SAMHSA’s 10 Components of Recovery
41 as outlined in Exhibit R.
- 42 k. Contractor shall incorporate Washington State WISe Manual as guidelines for
43 providing care to children, youth and their families as referenced in Exhibit S.
44

- 1 l. Contractor shall provide customer service that is customer-friendly, flexible,
2 proactive and responsive to individuals, families and stakeholders. Contractor shall
3 provide a toll-free number. A local telephone number may also be provided for
4 those individuals within the local calling area.
- 5 m. Contractor shall consult with North Sound BHO on the review of a minimum of two
6 (2) practice guidelines during the contract period and shall adopt and implement the
7 practice guidelines, including training impacted staff on the use of the guidelines. In
8 addition, Contractor participating in the implementation of a consistent Child and
9 Family Team (CFT) protocol under the timelines and guidance published by DSHS.
- 10 n. Contractor shall make best efforts to provide written or oral notification within 15
11 business days of termination of a MHCP to enrollees currently open for services who
12 had received a service from the affected MHCP in the previous 60 days. Notification
13 must be verifiable in the individual's medical record at the CMHA.
- 14 o. Contractor must ensure benefits are provided in accordance with North Sound BHO's
15 policies.
- 16 p. Contractor shall collaborate with North Sound BHO on development and
17 implementation of Performance Improvement Projects (PIP) and Performance
18 Measures (PM) during the term of this Contract.
- 19 q. Contractor shall monitor enrollees discharged from inpatient hospitalizations on Less
20 Restrictive Alternatives (LRA) under RCW 71.05.320. Contractor shall offer covered
21 behavioral health services to assist with compliance to the LRA conditions for
22 individuals who meet medical necessity and ACS.
- 23 r. Contractor shall respond to requests for participation, implementation and
24 monitoring of enrollees on Conditional Releases (CR) consistent under RCW
25 71.05.340 and 10.77.150. Contractor shall provide covered mental health services
26 for individuals who meet medical necessity and ACS.
- 27 s. Contractor shall notify individuals in writing of changes in service, MHCP denials
28 and/or changes or termination in services in accordance with North Sound BHO
29 policies and procedures.
- 30 t. Contractor shall ensure representative payee services are available for those who
31 need them. When Contractor performs representative payee services, it shall charge
32 no more than the maximum fee allowed by Social Security regulation and shall
33 ensure payee functions are independent from and do not have conflicts of interest
34 with clinical service functions. Contractor shall maintain a list of the names and
35 addresses of all known payee services available in the North Sound region and shall
36 ensure before initiation of payee services, Contractor will provide the individual with
37 a list. The form used by Contractor to enroll the individual in payee services shall
38 require the individual to acknowledge receipt of the list.
- 39 u. Contractor shall collaboratively participate in North Sound BHO's regional
40 coordination meetings, which currently include North Sound BHO's Ad Hoc Regional
41 Integrated Provider, North Sound BHO's Quality Management Oversight Committee
42 (QMOC), Regional Integrated Crisis Response System (ICRS) Committee,
43 subcommittees and workgroups of these committees as necessary.
- 44

- v. Contractor shall obtain written consent from the individual/family, in the event a picture or personal story will be used.
- w. Contractor may refuse to provide, reimburse for, or provide coverage of certain services based on moral religious grounds. If the Contractor chooses to refuse any services or coverage on moral or religious grounds, it must provide a list of those services to enrollees. If the Contractor establishes any new policy regarding a moral or religious objection to any service or coverage, it must notify 30 days prior to enacting the policy and all of its enrollees within 90 days of adopting or enacting the policy. Any policy not expressly conveyed to North Sound BHO prior to the start date of this contract must be classified as "new."

2. OUTPATIENT INITIAL AUTHORIZATION and CONTINUED SERVICE AUTHORIZATION

In accordance with North Sound BHO’s operating policies, Contractor shall:

- a. Implement operational policies, procedures and protocols that are consistent with North Sound BHO’s operating policies and ensure they are consistently implemented.
- b. When an individual meets the ACS, Exhibit I, they are authorized for outpatient services by North Sound BHO.
- c. North Sound BHO shall notify Contractor in writing or through the Consumer Information System (CIS) of those authorized to receive Contractor services and will provide a contact person(s) for purposes of North Sound BHO service authorization. Contractor shall appoint a contact person to receive authorization notification.
- d. If an expedited assessment is needed, it will be provided as rapidly as is medically necessary in accordance with North Sound BHO’s Authorization and Assessments for Ongoing Services Policy and Procedure.
- e. If Contractor believes medical necessity and ACS are not met, Contractor will send North Sound BHO clinical information necessary to allow North Sound BHO to make a determination of clinical eligibility.
- f. If an individual is determined by North Sound BHO to not meet clinical eligibility requirements, North Sound BHO shall notify the individual of the decision with a Notice of Determination and/or Notice of Action and his/her rights to file a grievance.

3. OUTPATIENT SERVICES and MEDICATION MANAGEMENT

In accordance with North Sound BHO’s operating policies, Contractor shall:

- a. Provide the full range of outpatient behavioral health services described in Exhibit I. Outpatient Service Modalities services must be available and provided based on the ACS, the individual’s needs and medical necessity per the policies and procedures.
- b. Medical Necessity for SUD Treatment Services is based on the presence of a DSM 5 substance related diagnosis and application of the ASAM criteria following an assessment.

1 **4. SPECIALIZED OUTPATIENT/RESIDENTIAL APPROVAL AND AUTHORIZATION**

2 In accordance with North Sound BHO’s operating policies:

- 3
- 4 a. Authorization for Program for Assertive Community Treatment (PACT) shall be the
 - 5 responsibility of the Team Leader and North Sound BHO, any dispute will be
 - 6 mediated by North Sound BHO’s Medical Director;
 - 7 b. Authorization and payment for specialty out-of-network services will be authorized
 - 8 and paid for by Contractor with the exception of out-of-network residential and/or
 - 9 services that exceed North Sound BHO Fee for Service standard rates. In these
 - 10 instances, Contractor shall have pre-approval from North Sound BHO Care
 - 11 Coordinator prior into entering into an agreement for out-of-network specialty
 - 12 services.
 - 13

14 North Sound BHO shall authorize and pay for specialty out-of-network services outside the

15 State of Washington and in other limited situations authorized by North Sound BHO. The

16 arrangement and monitoring of all said services will be the responsibility of Contractor.

17 Contractor shall coordinate and provide updates to North Sound BHO upon request.

18

19 **5. INTENSIVE OUTPATIENT TREATMENT – ADULT**

20 Contractor shall comply with North Sound BHO’s policies on Adult Intensive Outpatient

21 Services.

22

23 Contractor shall ensure an individual requiring Intensive Outpatient services receive said

24 services when medically necessary and when LOCUS/CALOCUS determine individual level

25 of need.

26

27 Contractor shall demonstrate its performance of this function by the maintenance of

28 written records that show routine review and discussion of service intensity.

29

30 **6. MEDICAL NECESSITY**

31 Contractor shall make the determination of medical necessity.

32

33 The Contractor must make determination of eligibility for routine mental health and SUD

34 for an initial authorization of routine services based on medical necessity.

35

36 Medical necessity for mental health services is based on the presence of a covered DSM 5

37 mental health diagnosis and application of the mental health ACS following the initiation

38 of the intake evaluation.

39

40 Medical necessity for SUD treatment services is based on the presence of a DSM 5

41 substance related diagnosis and application of the ASAM criteria following an Assessment.

42

1 **7. SECOND OPINION**

2 Contractor shall ensure enrolled individuals have the right to a second opinion in
3 accordance with North Sound BHO’s Policy and Procedure. Contractor shall develop
4 specific written procedures consistent with North Sound BHO’s Second Opinion policy and
5 notify North Sound BHO of any individual seeking a second opinion. Contractor shall be
6 responsible for arranging and monitoring all second opinion services under this Contract.
7

8 **8. QUALITY CLINICAL CARE, TIMELY ACCESS, INTAKE EVALUATIONS AND INDIVIDUALIZED**
9 **RESILIENCY/RECOVERY SERVICE PLANS (IRSP)**

10 Contractor must provide age, linguistic and culturally competent community behavioral
11 health services of Individuals for whom services are medically necessary and clinically
12 appropriate in compliance with 42 CFR, 42 CFR 438, DBHR’s Federal Mental Health and
13 SUD Waiver and Medicaid (Title XIX) State Plan.
14

15 In addition to requirements listed elsewhere in the contract and in North Sound BHO
16 Policy and Procedures, Contractor shall:
17

- 18 a. Provide Medicaid individuals access to services upon request and ensure they are
19 not placed on waiting lists nor refused any authorized services provided under this
20 Contract.
- 21 b. Contractor must not refer a Washington Apple Health enrollee to the enrollee’s
22 Apple Health managed care plan for mental health services if the enrollee is
23 determined to be eligible based on medical necessity and the ACS that now include
24 qualifying substance use diagnoses and the ASAM Criteria.
- 25 c. Not discriminate against enrolled individuals who are considered difficult to serve.
26 Examples include: a refusal to treat an individual because the individual is deemed
27 too dangerous, because housing is not available in the community, or a particular
28 type of residential placement is not currently available.
- 29 d. If Contractor is unable to provide the services covered under this Contract, the
30 services must be purchased within 28 days for an enrolled individual with an
31 identified need. Contractor must continue to pay for medically necessary behavioral
32 health services outside the service area until Contractor is able to provide them
33 within its service area, with the exception of specialized out-of-network services
34 identified in section B.4 and North Sound BHO Policy and Procedure.
- 35 e. Ensure medically necessary services are not contingent upon full completion of an
36 intake evaluation.
- 37 f. Not arbitrarily deny or reduce the amount, duration, or scope of a required service
38 solely because of the diagnosis, type of illness, or condition.
- 39 g. Ensure:
 - 40
 - 41 i. Enrollees have access to the following benefits based on the Medicaid State
42 Plan Services prior to an intake evaluation:
43

- 1) Crisis Services;
- 2) Freestanding Evaluation and Treatment;
- 3) Stabilization; and
- 4) Rehabilitation Case Management as defined in the Medicaid State Plan.

- ii. A face-to-face Intake Assessment by an MHP is offered within 10 business days of the completed request for services.
- iii. Contractor must at a minimum offer a SUD assessment by a CDP/CDPT within 10 business days of an enrollee request.
- iv. Maintain the ability to provide an intake evaluation in the individual's residence, including adult family homes (AFH), assisted living facilities, or skilled nursing facilities, including to individuals being discharged from a state hospital or evaluation and treatment facilities to such placements when the individual requires an on-site service due to medical needs or lack of transportation.
- v. Co-Occurring Screening and Assessment initiated and completed in compliance with North Sound BHO's Co-Occurring Screening and Assessment policy and procedure.
- vi. Routine behavioral health services are offered to occur within 14 calendar days of a determination of medical necessity. The time from request for services to first routine appointment must not exceed 28 calendar days unless the BHA/CMHA documents a reason for the delay.
- vii. Emergent care occurs within two (2) hours.
- viii. Urgent care occurs within 24 hours from the request for services.
- ix. When services occur in the BHA/CMHA's office, wait time does not exceed one (1) hour beyond the time of the scheduled appointment.
- x. An appointment is offered to each individual for a face-to-face contact within seven (7) days of discharge from community inpatient care.
- xi. Data/reports will be available to substantiate compliance with the above requirements as requested by North Sound BHO.

- a. Ensure each Medicaid individual (including parents/foster parents, assigned/appointed guardians of children and youth) is able to choose a participating BHA/CMHA and MHCP to comply with WAC 388-865-0345, or any successor and in accordance with the approved Medicaid waiver or any successor. If the individual does not make a choice Volunteers of America (VOA) shall assign Contractor and Contractor shall assign the MHCP no later than 14 business days following the request for mental health services. Contractor shall allow a service recipient to change MHCP in the first 90 days of enrollment and once during a 12-month period for any reason. Any additional change of MHCP during the 12-month period may be made at the enrollee's request with justification that is documented by Contractor.

- 1 b. Ensure children/foster children receive continuity of care (i.e., same case manager
2 and/or therapist) including transition planning when changes in residential
3 placements occur (i.e., in and out-of-home care, community placements including
4 outside of Service Area) as requested by and negotiated with a Children’s
5 Administration social worker. In situations where the individual has been placed
6 outside of the Service Area, Contractor is not required to take services to the new
7 community and any necessary transportation of the individual is not the
8 responsibility of Contractor. Transportation and service delivery may be negotiated
9 with the Children’s Administration social worker.
- 10 c. Ensure services are available to eligible individuals within seven (7) days of receiving
11 a copy of a Pre-admission Screening and Annual Resident Review (PASARR)
12 evaluation, which indicates a need for mental health services.
- 13 d. Ensure emergency requirements are met in accordance with 42 CFR.
- 14 e. Ensure prior authorization is not required for emergency services.
- 15 f. Access Services in accordance with WAC 388-865-0415 and 388-877-0420, 42 CFR,
16 42 CFR 438, Federal 1915 (b) Mental Health and SUD Waiver and Medicaid (XIX)
17 State Plan. Other provisions Title XIX of the Social Security Act, RCW 70.96A, 70.96B,
18 70.02, 71.05, 71.24 and 71.34.
- 19 g. Contractor must document and otherwise ensure eligible individuals have access to
20 age and culturally competent services when and where those services are needed.
21 They must:
- 22
- 23 i. Identify and reduce barriers to people getting the services where and when
24 they need them.
- 25 ii. Comply with the Americans with Disabilities Act (ADA) and Washington State
26 Anti-Discrimination Act, RCW Chapter 49.60.
- 27 iii. Ensure services are timely, appropriate and sensitive to the age, culture,
28 language, gender and physical condition of the individual.
- 29 iv. All service delivery settings must meet the requirements of WAC 388-877B
30 and 246-337 and be delivered by professionals practicing within the scope of
31 the licensure or certification as required in the State Plan.
- 32 v. Provide alternative service delivery models to make services available to
33 underserved persons as defined in WAC 388-865-0150 and 388-877-420.
- 34 vi. Provide access to telecommunication devices or services and certified
35 interpreters for deaf or hearing-impaired individuals and limited English
36 proficient individuals. Contractor shall maintain a log of interpreter and
37 written translation requests.
- 38 vii. Bring services to the individual or locate services at sites where
39 transportation is available to individuals.
- 40 viii. Ensure compliance with all state and federal nondiscrimination laws, rules
41 and plans.
- 42

- 1 h. IRSP – In accordance with WAC 388-877-620 and North Sound BHO policies,
2 Contractor must provide individuals with a plan herein referenced IRSP that meets
3 the individual’s unique needs. Individualized and tailored care is a planning process
4 that may be used to develop a person -centered and strength-based plan. The IRSP
5 must:
6
7 i. Be developed collaboratively with the individual and other people identified
8 by the individual within 30 days of starting community support services. The
9 IRSP should be in language and terminology that is understandable to the
10 individual and their family and include goals that are measurable.
11 ii. Individuals shall be actively involved in the development of their plans,
12 advance directives for psychiatric and SUD care and crisis plans
13 iii. At a minimum, treatment goals must include the words of the individual
14 receiving services and documentation must be included in the clinical record,
15 as part of the 180-day progress review, describing how the individual sees
16 their progress. Contractor must be able to demonstrate how this
17 requirement is implemented and monitored.
18 iv. The IRSP identifies medical concerns and plans to address them.
19 v. Address age, cultural, or disability issues of the individual.
20 vi. Include measurable goals for progress toward rehabilitation, recovery and
21 reintegration into the mainstream of social, employment and educational
22 choices, involving other systems when appropriate.
23 vii. Address the overall identified needs of the individual, including those that are
24 best met by another service delivery system, such as education, primary
25 medical care, child welfare, drug and alcohol, developmental disabilities,
26 aging and adult services, corrections and juvenile justice as appropriate.
27 Contractor must ensure there is coordination with the other service delivery
28 systems responsible to meeting the identified needs.
29 viii. Demonstrate the provider has worked with the individual and others at the
30 individual's request to determine his/her needs in the following life domains:
31
32 1) Housing;
33 2) Food;
34 3) Income;
35 4) Health and dental care;
36 5) Transportation;
37 6) Work, school, or other daily activities;
38 7) Social life; and
39 8) Referral services and assistance in obtaining supportive services
40 appropriate to treatment, such as substance abuse treatment.
41

- i. Document review by the person developing the IRSP and the individual. If the person developing the IRSP is not an MHP, the plan must also document review by an MHP. If the person developing the plan is not a Mental Health Specialist (MHS) required per WAC 388-865-405(5) and 388-877-0620 and is not supervised by an MHS then there must be documentation of a consultation with the appropriate MHS.
- j. Document review and update at least every 180 days or more often at the request of the individual.
- k. In the case of children:
 - i. The IRSP must be integrated with the individual education plan from the education system whenever possible. When not possible, documentation must demonstrate attempts of integration and communication with the education system.
 - ii. If the child is under three (3), the plan must be integrated with the individualized family service plan (IFSP), if this exists, consistent with Title 20, Section 1436.

9. TRANSITION AGE YOUTH

Contractor shall maintain a process for addressing the needs of transition age youth (ages 16-21). The process must contain or address:

- a. Comprehensive transition plan linked across systems that identify goals, objectives, strategies, supports and outcomes.
- b. Individual behavioral health needs in the context of a transition age youth, which include supported transition to meaningful employment, post-secondary education, technical training, housing, community supports, natural supports and cross-system coordination with other system providers.
- c. For youth who require continued services in the adult behavioral health system, Contractor must identify transitional services that allow for consistent and coordinated services and supports for young people and their parents.
- d. Developmentally and culturally appropriate adult services relevant to the individual or population.

10. LOCUS/CALOCUS LEVEL OF CARE UTILIZATION SYSTEM

Contractor shall comply with North Sound BHO's policy and procedure on LOCUS/CALOCUS Level of Care Utilization System.

Contractor shall ensure all children-adolescent and adult individuals eligible for services are given a complete clinical assessment using the LOCUS/CALOCUS tool.

Contractor shall comply with their North Sound BHO approved LOCUS/CALOCUS Training Plan and the strategies identified in efforts toward Inter-rater reliability. Data on Inter-rater reliability shall be submitted to North Sound BHO on a biannual basis. Contractor shall participate on efforts toward regional Inter-rater reliability standards, when requested

1 Contractor shall complete a LOCUS/CALOCUS on individuals at levels 1 and 2 annually and
2 for levels 3 and above every six (6) months and/or when there is a significant life change.
3

4 **11. AMERICAN SOCIETY OF ADDICTION MEDICINE (ASAM)**

5 Contractor shall comply with North Sound BHO's policy and procedure on ASAM criteria.
6 The ASAM criteria for initial authorizations, continuing stay and discharge for SUD services.
7

8 ASAM levels of care for outpatient and residential services include the following:
9

- 10 a. Level 1 – Outpatient Services;
- 11 b. Level 2.1 – Intensive Outpatient Services;
- 12 c. Level 3.1 – Clinically Managed, Low Intensity Residential Services;
- 13 d. Level 3.3 – Clinically Managed, Population Specific, High Intensity, Residential
14 Services (this level of care not designated for adolescent populations); and
- 15 e. Level 3.5 – Clinically Managed, Medium Intensity Residential Services.

16
17 ASAM levels of care for Withdrawal Management (Detoxification Services) include the
18 following:
19

- 20 a. Level 1 – WM – Ambulatory withdrawal management without extended onsite
21 monitoring; and
- 22 b. Level 3.2 – WM Clinically-managed Residential Withdrawal Management (Acute and
23 Sub-Acute Certification).

24
25 **12. EPSDT REQUIREMENTS**

26 Contractor shall comply with North Sound BHO policy on EPSDT requirements.
27

28 Contractor shall ensure children with multiple service needs who meet the requirements
29 of EPSDT shall receive services that comply with North Sound BHO EPSDT Policy and
30 Procedure.
31

32 Contractor must respond to referrals from primary medical care providers in accordance
33 with North Sound BHO Policy and Procedure.
34

35 Contractor shall contact the enrollee within 10 business days of all EPSDT referrals to
36 confirm whether services are being requested by the enrollee or the person authorized to
37 consent to treatment for that enrollee. Contractor shall maintain documentation of its
38 efforts to confirm whether the enrollee or the person authorized to consent to treatment
39 for that enrollee requests, declines, or does not respond to efforts within 10 business days
40 to confirm whether these services are being requested.
41

42 **13. MENTAL HEALTH CARE PROVIDERS (MHCP)**

43 Contractor shall ensure MHP's and MHCP's have an effective method of communication
44 with enrollees who have sensory impairments.

1 Contractor shall ensure MHP's and MHCPs, acting within the lawful scope of mental health
2 practice, are not prohibited or restricted from advising or advocating on behalf of an
3 enrollee with respect to:
4

- 5 a. Individual's behavioral health status;
- 6 b. Receiving all information regarding behavioral health treatment options including
7 any alternative or self-administered treatment, in a culturally competent manner;
- 8 c. Any information the enrollee needs to decide among all relevant behavioral health
9 treatment options;
- 10 d. Risks, benefits and consequences of behavioral health treatment (including the
11 option of no behavioral health treatment);
- 12 e. Individual's right to participate in decisions regarding his/her behavioral health care,
13 including the right to refuse behavioral health treatment and to express preferences
14 about future treatment decisions;
- 15 f. Individual's right to be treated with respect and due consideration for his/her dignity
16 and privacy;
- 17 g. Individual's right to be free from any form of restraint or seclusion used as a means
18 of coercion, discipline, convenience, or retaliation;
- 19 h. Individual's right to request and receive a copy of his/her medical/clinical records
20 and to request they be amended or corrected, as specified in 45 CFR Part 164 and
21 WAC 388-877-650;
- 22 i. Individual's right to be free to exercise his/her rights and to ensure that to do so
23 does not adversely affect the way North Sound BHO, Contractor, or MHCP treats the
24 individual; and
- 25 j. Any of the enrollee's Rights and Protections as listed in the Washington Medicaid
26 Behavioral Health Benefits Booklet published by DSHS.
27

28 **14. ALLIED SYSTEM COORDINATION**

29 Contractor must comply with and at the request of North Sound BHO participate in the
30 identification and development of Allied System Coordination plans. North Sound BHO's
31 coordination plans with allied systems, includes but is not limited to, Western State
32 Hospital (WSH), Children's Administration (CA), Aging and Long-Term Support
33 Administration (AL TSA), Department of Alcohol and Substance Abuse (DASA), Criminal
34 Justice System (CJS), Educational Service District (ESD), Federally Qualified Health Centers
35 (FQHC), Juvenile Rehabilitation Administration (JRA), any Offender Re-entry Community
36 Safety Program (ORCSP) within the boundaries of the North Sound BHO, Apple Health
37 Plans, Community Health Centers and Department of Vocational Rehabilitation (DVR). The
38 coordination plans are intended to enable coordination of services and appropriate
39 management of care for individuals.
40

41 Contractor shall comply with published directives from DBHR when North Sound BHO,
42 Contractor, or its subcontractors are unable to resolve local disputes with other service
43 systems (Healthy Options, other DSHS administrations as provided by DBHR) regarding
44 service or cost responsibilities.

1 **15. PRIMARY CARE COORDINATION**

2 Contractor must ensure individuals who do not have a Primary Care Provider (PCP) or
3 those with complex medical needs, who have no assigned PCP, are assisted in obtaining a
4 PCP. For individuals who already have a PCP, Contractor must coordinate care as needed.
5 Contractor must also ensure coordination for those with complex medical needs is tracked
6 through the treatment plan and progress notes
7

8 **16. SUBSTANCE USE DISORDER SERVICE TRANSITION**

9 Contractor shall ensure all individuals in SUD services remain in a course of treatment that
10 began prior to April 1, 2016, for up to 60 days or based on ASAM criteria as follows:
11

- 12 a. Course of treatment is complete; or
- 13 b. Contractor evaluates the individual and determines services are no longer necessary;
14 or
- 15 c. Contractor determines a different course of treatment is indicated.
16

17 **17. CRISIS SERVICES COORDINATION AND COOPERATION**

18 Contractor shall coordinate and cooperate with providers in North Sound BHO's crisis
19 service network to ensure the continuity of care.
20

21 Contractor shall develop protocols in collaboration with regional crisis service providers
22 and North Sound BHO to utilize the Wraparound Team in the prevention and intervention
23 with children/adolescents and families being served by a Wraparound team.
24

25 **18. GRIEVANCE, APPEAL AND FAIR HEARING PROCESSES**

26 Contractor must implement grievance, appeal and fair hearing processes that are in
27 conformance with North Sound BHO policies and procedures.
28

29 Contractor and its subcontractors shall abide by North Sound BHO grievance, appeal and
30 fair hearing determinations. Contractor shall be responsible for paying 100% of all
31 Medical Director and/or Attorney fees incurred by North Sound BHO when an individual
32 goes directly to a fair hearing without utilizing North Sound BHO's grievance processes and
33 when the ruling favors the individual, in accordance with North Sound BHO policies and
34 procedures.
35

36 In addition, Contractor shall:

- 37
- 38 a. Implement a grievance process that complies with 42 CFR §438, Subpart F,
39 438.405(a)(1), WAC 388-865 and 388-877A-0410-0460 or any successors;
- 40 b. Coordinate with North Sound BHO grievance process and Ombuds Services;
- 41 c. Provide assistance to individual's filing a grievance;
- 42 d. Provide access to interpreter services and toll-free numbers with adequate TTY/TTD
43 and interpreter capability; and
- 44 e. Incorporate concerns from grievances into CMHA services without identifying
45 individual's.

1 **19. LOCAL RESPONSIVENESS AND COMMUNICATIONS**

2 Contractor shall cooperate with North Sound BHO and the Counties in the service area to
3 provide a locally responsive delivery system.
4

5 Contractor shall provide enrollees with referral sources information and education about
6 the referral process, service availability, service population, common symptoms of mental
7 illness and SUD and shall post and make known individual rights and responsibilities
8 including grievance, appeal and fair hearing procedures and the availability of Ombuds
9 services in a conspicuous manner with accessible placement.
10

11 Contractor will maintain written policies and procedures in accordance with North Sound
12 BHO policies on enrollee communications and ensure the provision of enrollee
13 information complies with all requirements of 42 CFR §438.100, §438.6(i)(30) or any
14 successors and is provided in the following prevalent languages: Cambodian, Chinese,
15 Korean, Laotian, Russian, Somali, Spanish, Vietnamese, Arabic, Amharic, Punjabi and
16 Ukrainian. Information on how to access the translated information must be provided
17 prior to conducting the intake evaluation.
18

19 Contractor shall be able to demonstrate its notification mechanisms are effective.
20

21 Contractor shall post, in a conspicuous place, a translated copy of the individual rights as
22 listed in the Behavioral Health Benefits Booklet in each of the DSHS prevalent languages.
23 Access to translated copies may be downloaded at:

24 <http://www.dshs.wa.gov/dbhr/pubs.shtml#dbhr>
25

26 Contractor will post DBHR Benefits Booklet for Medicaid enrollees and will distribute
27 copies at first request for services. Contractor will ensure enrollees are informed of their
28 right to request oral interpretation in any language and will provide oral interpretation in
29 any language when requested by an enrollee.
30

31 Additionally, Contractor will provide:
32

- 33 a. General rights to the enrollee as specified in WAC 388-865-0410, 388-877-0600 and
34 42 CFR §438.100 or their successors;
- 35 b. Information about benefits and authorization requirements;
- 36 c. Information to enrollees, which clearly explains how the enrollee can request and be
37 provided written materials in alternate formats. Information explaining to the
38 enrollee how to access these materials must be provided prior to an intake
39 evaluation; and
- 40 d. Upon an enrollee's request:
 - 41 i. Identification of individual MHCP who are not accepting new enrollees;
 - 42 ii. CMHA licensure, certification and accreditation status; and
 - 43 iii. Information, including but is not limited to: education, licensure and Board
44 certification and/or re-certification of MHP's and MHCPs.
45

1 **20. QUALITY REVIEW TEAM (QRT)**

2 North Sound BHO will establish and maintain a QRT that is independent as set forth in
3 WAC 388-865-0282.

4
5 QRT will include current individuals served by the behavioral health system, past
6 recipients, or family members.

7
8 QRT will work with North Sound BHO to identify areas in the system of care for evaluation
9 and/or improvement. Contractor must cooperate with Quality Review Activities and
10 provide access to their facilities, personnel and records

11
12 **21. CRITICAL INCIDENTS**

13 Contractor and its subcontractors shall comply with North Sound BHO’s Critical Incident
14 Reporting Policy and Procedure and any successor regarding critical incidents.

15
16 **22. PERFORMANCE PROJECTS**

17 It is North Sound BHO’s expectation we will meet or exceed all appropriate statewide PIPs
18 and PM. Contractor shall collaborate with the North Sound BHO in identifying and
19 implementing interventions to meet or exceed all measures.

20
21 **23. PSYCHIATRIC INPATIENT SERVICES**

22 **a. COMMUNITY HOSPITALS AND EVALUATION AND TREATMENT CENTERS (E&T)**

23 Contractor shall adhere to the requirements set forth in North Sound BHO clinical
24 policies and procedures and Community Psychiatric Inpatient Process or any
25 successors and:

- 26
27 i. Ensure when Contractor is notified of the hospitalization of an enrollee that
28 contact with the community hospital or E&T staff occurs within three (3)
29 business days of an enrollee’s admission to a community hospital or E&T. If
30 Contractor is not notified of admission at the time the individual is admitted,
31 they should attempt to make contact as soon as they are notified, in
32 accordance with North Sound BHO’s Clinical Eligibility and Care Standards
33 (CECS) and/or North Sound BHO clinical policies and procedures.
- 34 ii. Upon notification of the admission, the designated Contractor shall offer a
35 non-crisis service to eligible individuals within five (5) business days/seven (7)
36 calendar days post-discharge. The designated Contractor participates in
37 treatment and discharge planning with the community hospital or E&T
38 inpatient treatment team. If there is a dispute regarding the intake location,
39 it will be brought by North Sound BHO Inpatient Certification designee to
40 North Sound BHO for review and resolution.
- 41 iii. Contractor shall monitor enrolled individuals who meet medical necessity and
42 ACS who are discharged from inpatient hospitalizations on an LRA under RCW
43 71.05.320. Contractor shall offer mental health services to assist with
44 compliance with LRA requirements.

- 1 iv. Contractor shall respond to requests for participation, implementation and
2 monitoring of enrolled individuals who meet medical necessity and ACS on
3 CR's consistent with RCW 71.05.340. Contractor shall provide mental health
4 services to assist with compliance with CR requirements.
- 5 v. Contractor shall ensure the provision of mental health services to enrolled
6 individuals who meet medical necessity and ACS on a CR under RCW
7 10.77.150.
- 8 vi. Contractor shall use best efforts to secure an appointment, within 30 days of
9 release from the facility, for medication, evaluation and prescription re-fills
10 for enrolled individuals discharged from inpatient care, to ensure there is no
11 lapse in prescribed medication. This may be arranged with providers other
12 than Contractor.
- 13 vii. Contractor shall use best efforts to offer covered mental health services for
14 follow-up and after-care as needed when Contractor is aware an enrolled
15 individual has been treated in an emergency room for a psychiatric condition.
16 These services shall be offered in order to maintain the stability gained by the
17 provision of emergency room services.

18
19 **b. STATE HOSPITALS AND CHILDREN'S LONG-TERM INPATIENT PROGRAM (CLIP)**

20 Contractor shall:

- 21
22 i. Respond to state hospital census alert notifications by:
 - 23
24 1) Demonstrating best efforts to divert state psychiatric hospital
25 admissions.
 - 26
27 2) Expediting individual discharges from the state psychiatric hospital
28 using alternative community resources and mental health services.
29 WSH Liaison will continue to consider resources on a region-wide
30 basis when expediting discharges.
- 31
32 ii. Actively work with North Sound BHO's WSH liaisons and implement
33 mechanisms that promote rapid and successful reintegration of individuals to
34 the community from state psychiatric hospitals and CLIP programs.
- 35
36 iii. Comply with North Sound BHO WSH policies and procedures including those
37 implementing North Sound BHO-WSH Working Agreement.
- 38
39 iv. Ensure a provision of an admission packet to the state hospital at the time of
40 admission or at the time of transfer from community hospitals and/or
41 evaluation and treatment facilities. Information provided as part of
42 involuntary detention services need not be duplicated. Contractor must
provide all available information related to payment resources and coverage.
- v. For enrollees served through the CLIP facility Contractor shall:

- 1) Implement mechanisms that promote rapid and successful reintegration of enrollees back into the community from state psychiatric hospitals and CLIP placements.
- 2) Designate a MHCP, which has primary responsibility for coordination of the mental health aftercare services that are provided to the enrollee based on medical necessity. Services must be provided in collaboration with the state hospital treatment teams and in accordance with the ACS.
- 3) Contractor shall use best efforts to utilize community resources and covered mental health services to minimize State Hospital admissions.
- 4) Comply with North Sound BHO CLIP Policy and Procedure.

24. CONFIDENTIALITY

Contractor shall not use, publish, transfer, sell, or otherwise disclose any confidential information gained by reason of this Contract for any purpose not directly connected with the performance of the services contemplated there under, except:

- a. As provided in North Sound BHO policy and procedure; or
- b. As provided by law;
- c. In the case of personal information, as provided by law or with the prior written consent of the individual or personal representative of the person who is the subject of the personal information.
- d. Contractor shall protect and maintain all confidential information gained by reason of this Contract against unauthorized use, access, disclosure, modification, or loss. This duty requires the parties to employ reasonable security measures, which include restricting access to the confidential information by:
 - i. Allowing access only to staff that have an authorized business requirement to view the confidential information; and
 - ii. Physically securing any computers, documents, or other media containing the confidential information.

To the extent allowed by law, at the end of the Contract term, or when no longer needed, the parties shall return Confidential Information or certify in writing the destruction of confidential information upon written request by the other party.

Paper documents with confidential information may be recycled through a contracted firm, provided the contract with the recycler specifies the confidentiality of information will be protected and the information destroyed through the recycling process. Paper documents containing confidential information requiring special handling (i.e., Protected Health Information [PHI]) must be destroyed through shredding, pulping, or incineration.

1 The compromise or potential compromise of confidential information must be reported to
2 North Sound BHO’s Deputy Director within 5 business days of discovery for breaches of
3 less than 500 persons’ protected data and 3 business days of discovery for breaches of
4 over 500 persons’ protected data. The parties must also take actions to mitigate the risk
5 of loss and comply with any notification or other requirements imposed by law.
6

7 **25. INDIVIDUAL RIGHTS**

8 Contractor must comply with North Sound BHO Policy and Procedure and any applicable
9 Federal and State Laws that pertain to Individual Rights and Protections, 42 CFR, RCW
10 71.24 and WAC 388-877. The Contractor must ensure staff takes rights into account when
11 furnishing services to individuals. Any change to applicable laws must be implemented
12 within 90 calendar days of the effective date of change.
13

14 **26. PERFORMANCE IMPROVEMENT AND REGIONAL MEASURES**

15 It is North Sound BHO’s expectation that we will meet or exceed all appropriate statewide
16 PIPs and regional PMs. Each of the performance indicators will be addressed in the North
17 Sound BHO’s Quality Management (QM)/Strategy Plan. In addition, Contractor shall
18 develop a plan and submit it to North Sound BHO for approval within 90 days following
19 the execution of this Contract that addresses the action steps to be taken by Contractor
20 that will assist in achieving the goals of the PIPs and regional PMs identified by North
21 Sound BHO’s QMOC and addressed in the Regional QM/Strategy plan. Upon request,
22 Contractor shall submit relevant data/reports to North Sound BHO in the development
23 and management of the identified PIPs and PMs.
24

25 **27. OUTCOME MEASURES**

26 Contractor shall collaborate with North Sound BHO on identifying and incorporating
27 outcome measurement tools used to measure an individual or group of individual’s
28 recovery and improved wellness.
29

30 Contractor shall participate in committees and/or workgroups to determine the target
31 population and the measurement tool or tools to be implemented in the region during this
32 contract cycle.
33

34 **28. EVIDENCE-BASED PRACTICES**

35 Contractor will participate with North Sound BHO/DSHS to increase the use of research
36 and evidence-based practices, with a particular focus on increasing these practices for
37 children and youth receiving behavioral health treatment services as identified through
38 legislative mandates. This includes:
39

- a. Participation in North Sound BHO and/or DBHR state-sponsored training in the Trauma-Focused Cognitive Behavioral Therapy (TF-CBT/CBT) and TF-CBT-Plus (TF-CBT/CBT+) evidence/research-based practices. Contractor is expected to maintain a workforce trained in TF-CBT/CBT+ sufficient to implement the practice within the North Sound Region. At a minimum, the following percentages of the children/youth enrolled in treatment services will receive an Evidence/Research-Based Practice by the following dates. The Contractor will work with North Sound BHO in tracking evidence-based and research-based practices identified by the Washington State Institute of Public Policy (WSIPP) and report services as specified in DBHR’s Service Encounter Reporting Instructions (SERI).
- b. Participation in state-sponsored efforts to ensure the sites offering the TF-CBT/CBT+ evidence-based practice is operated as trauma-informed systems of care.
- c. Participation in regional efforts to identify and promote evidence-based practices for adults.

29. TRAUMA-INFORMED CARE

A majority of the individuals in behavioral health services have experienced some form of trauma in their history. North Sound BHO, in collaboration with regional Contractors, shall create a trauma-informed system of care.

Contractor and North Sound BHO shall address the following over the course of this Contract:

- a. Develop/implement an organizational assessment tool;
- b. Develop/implement a trauma screening tool; and
- c. Provide and participate in trauma-informed trainings.

30. QUALITY MANAGEMENT (QM)/STRATEGY

Contractor shall participate with North Sound BHO in the implementation, updates and evaluation of DBHR Quality Strategy located on DBHR website that is hereby incorporated by reference.

Contractor shall comply with North Sound BHO QM/Strategy Plan, or any successor, incorporated herein as Exhibit K.

Contractor shall ensure its QM activities comply with all applicable law and standards, including but not limited to: WAC 388-865-0280-0425, 388-877-400,410 and North Sound BHO’s QM Plan, North Sound BHO policies and procedures; or their successors. In addition:

- a. Contractor shall maintain an ongoing, planned, systematic, organization-wide QM process to design, measure, analyze and improve its performance, including identification of innovations or best practice.

- b. Contractor QM plan and process, which shall be reviewed and updated by provider as needed but, at a minimum, every six (6) months, will be audited by North Sound BHO.
- c. Contractor shall ensure Quality Assurance and Quality Improvement data is analyzed, reported and acted upon. This shall be demonstrated by written records maintained by Contractor.

Contractor shall present to North Sound BHO every six (6) months (February 28th and August 31st), a QM report integrating all quality improvement activities including North Sound BHO's PIPs, PMs and data, in order to facilitate North Sound BHO's determination of the effectiveness of the overall regional system of care. This report shall be in a mutually agreed format and document the results of Contractor's QM plan activities and:

- a. Identify areas of efficiency and effectiveness of system operations and quality of care for individuals and/or families;
- b. Identify areas of deficiency with plans to achieve expected improvement; and
- c. Status of implementation of all North Sound BHO approved corrective action plans.

31. COORDINATION OF CARE AMONG OUTPATIENT PROVIDERS

Contractor shall comply with North Sound BHO policy on care coordination. Contractor shall procure and maintain written Memorandums of Understanding (MOU), when necessary, with outpatient provider(s) to ensure an individual receives medically necessary services.

At a minimum, MOU must state the primary agency and methods of communication between agencies to ensure the individual is receiving coordinated care and monitoring.

MOU will clarify if Contractor and the provider disagree about the medical necessity of the outpatient modality, the matter will be brought to North Sound BHO for resolution and North Sound BHO will make the final decision.

32. COORDINATION WITH TRIBAL AUTHORITIES

If an enrollee is a Tribal Member of a Washington Tribe and is referred to or presents for non-crisis services and the enrollee or their legal representative consents, efforts must be made to notify the Tribal Authority or North Sound BHO to assist in treatment planning and service provision for the enrollee. If the enrollee chooses to be served only by the Tribal Mental Health Service, Contractor will ensure the enrollee is referred to the appropriate Tribal Mental Health service provider.

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C. CONTRACTOR RESPONSIBILITIES

Contractor shall have responsibility for the performance and responsibilities under this Contract. Contractor shall include community and county input into planning and access to services. Contractor shall be held fully responsible for the contractual obligations and performance of its subcontractors. In the performance of these functions, Contractor shall maintain written documentation that verifies each specific responsibility under this Contract has been performed.

1. BEHAVIORAL HEALTH AGENCY (BHA)/COMMUNITY MENTAL HEALTH AGENCY (CMHA)

- a. Contractor meets the licensing requirements of WAC 388-865, 388-877; 388-877A, 388-877B and licensure has not been denied, revoked and/or suspended.
- b. Contractor ensures it is an effective, efficient, adequate and accessible BHA/CMHA that is licensed/certified, monitored and capable of providing contracted services and able to demonstrate its ability to carry out the functions required by this Contract.
- c. Contractor shall cooperate with North Sound BHO’s strategic plan and efforts to ensure a sufficient number, mix and geographic distribution of community mental health services, including MHCPs to meet the needs of the anticipated number of enrollees in the Service Area and provide:
 - i. Access to an intake evaluation by an MHP and/or CDP/CDPT;
 - ii. An age-appropriate range of medically necessary behavioral health services as identified in the Medicaid state plan and 1915(b) Medicaid Waiver; and
 - iii. A geographic distribution and mix that allows for the access and travel standards, described below, to be met.

2. CAPACITY

- a. Contractor must notify North Sound BHO in writing of any proposed change in capacity. North Sound BHO must approve any change that results in reduced capacity.
 - i. A reduction in capacity is defined as the point in time when Contractor is not able to meet all the access standards as defined in this Contract. Events that may affect capacity include: closing of a facility in any geographic area, decrease in the state plan services currently available, decrease in the number or frequency of services, employee strike or other work stoppage related to union activities, or any change that may result in Contractor being unable to provide services for those enrollees who are covered by this Contract.

- 1 ii. Submit a report to North Sound BHO by December 1, 2017, with current
2 capacity. Submit an updated report biannually thereafter. Contractor shall
3 notify North Sound BHO 30 days prior to implementation and/or public
4 notice when Contractor adds, changes locations, or closes a facility and when
5 the number of staff type/specialty changes at any CMHA facility by 5 staff or
6 more. The report shall identify each Contractor facility location/address and
7 the number and FTE of individuals providing direct services that are
8 employed or contracted at each location by type/WAC specialty and staff
9 with specialized training/expertise in North Sound BHO identified treatments.
- 10 iii. The termination or addition of a subcontract that provides behavioral health
11 services is considered a significant change. Contractor must notify North
12 Sound BHO 30 days in advance of public written notice to enrollees before
13 Contractor terminates any of its subcontracts with entities that provide direct
14 service.
- 15 iv. Contractor must ensure the provision of written notification within 15 days to
16 enrollees receiving services from the subcontractor upon written notification
17 of termination by either party.
- 18 v. If either party must terminate a subcontract in less than 30 days, Contractor
19 must notify North Sound BHO as soon as there is a determination to
20 terminate the subcontract and in advance of public notice.
- 21 vi. If an event identified in section C.2 occurs, Contractor must submit a plan to
22 North Sound BHO for enrollees and services that includes at least the
23 following:
24
 - 25 1) Notification to Ombuds services;
 - 26 2) Crisis services plan;
 - 27 3) Individual’s notification plan;
 - 28 4) Plan for provision of uninterrupted services; and
 - 29 5) Any information released to the media.

- 30
- 31 b. Contractor shall demonstrate its performance of this function by the maintenance of
32 written records that show routine review and discussion of capacity issues by
33 Contractor staff.

34

35 **3. ACCESS STANDARDS**

36 Ensure enrollees can access medically necessary behavioral health services upon request
37 that do not exceed the access standards below.

- 38
- 39 a. A request for behavioral health services is defined as a point in time in which
40 behavioral health services are sought or applied for through a telephone call, walk-
41 in, or written request for behavioral health services.

- 1 b. Urgent and emergent medically necessary behavioral health services (i.e., crisis
2 behavioral health services, stabilization behavioral health services) may be accessed
3 without full completion of intake evaluations and/or other screening and assessment
4 process. Contractor must ensure:
5
6 i. Urgent care occurs within 24 hours of the request for behavioral health
7 services from any source.
8 ii. Emergent mental health care occurs within two (2) hours of the request for
9 mental health services from any source.
10
11 c. Contractor shall demonstrate its performance of this function by the maintenance of
12 written records that show routine review and discussion of access standard issues by
13 Contractor staff.
14

15 **4. DISTANCE STANDARDS**

16 Contractor shall coordinate with North Sound BHO to ensure travel standards are within
17 the requirements set out in North Sound BHO Policy.
18

19 **5. RURAL ACCESS**

20 Contractor shall collaborate with North Sound BHO on increasing access to services in
21 underserved areas of the region. Contractor will identify partnerships and collaborations
22 in the rural communities to promote integration and expand service availability
23

24 Contractor shall provide the address of service for each encounter submitted through
25 North Sound BHO's Consumer Information System (CIS).
26

27 **6. STAFF COMPETENCY AND TRAINING**

28 Contractor and its subcontractors shall comply with North Sound BHO credentialing
29 policies and procedures and shall ensure all staff is qualified for the position they hold and
30 have at a minimum, the education, experience and skills to perform their job
31 requirements, per WAC 388-865, 388-877-500-530 including any required licenses or
32 certifications.
33

34 Contractor shall require a criminal history background check pursuant to 42 CFR 455.450,
35 RCW 43.43.830-832; 834 and 43.20A.710 and WAC 388-877-0500 to be completed for all
36 current employees, volunteers and subcontractors and that a criminal history background
37 check shall be initiated for all prospective employees, volunteers and subcontractors who
38 may have unsupervised access to children, people with developmental disabilities, or
39 vulnerable adults.
40

41 Contractor shall collaborate with North Sound BHO to implement, maintain and revise the
42 Regional Training Plan or any successor, incorporated as Exhibit K.
43

1 Contractor must participate in training when requested by North Sound BHO/DBHR.
2 Requests for North Sound BHO/DBHR to allow an exception to participation in required
3 training must be in writing and include a plan for how the required information will be
4 provided to appropriate Contractor/subcontractor staff.
5

6 **7. CULTURAL CONSIDERATIONS**

7 Contractor must participate in and cooperate with North Sound BHO efforts to promote
8 the National Standards for Culturally and Linguistically Appropriate Services (CLAS) in
9 Health Care (Exhibit B). The Contractor will provide effective, equitable, understandable
10 and respectful quality care and services that are responsive to diverse cultural health
11 beliefs and practices, preferred languages, health literacy and other communication needs
12 (42 CFR 483.206(c)(2)).
13

14 At a minimum, the Contractor must:

- 15 a. Offer and provide language assistance services, including bilingual staff and
16 interpreter services, at no cost to individual with limited English proficiency at all
17 points of contact, in a timely manner during all hours of operation (CLAS Standard 4);
- 18 b. Offer language assistance to individuals who have limited English proficiency and/or
19 other communication needs, at no cost to them, to facilitate timely access to all
20 health care and services (CLAS Standard 5);
- 21 c. Inform all individuals of the availability of language assistance services clearly and in
22 the preferred language, verbally and in writing (CLAS Standard 6);
- 23 d. Ensure the competency of individuals providing language assistance, recognizing the
24 use of untrained individuals and/or minors as interpreters should be avoided (CLAS
25 Standard 7);
- 26 e. Provide easy-to-understand print and multimedia materials and signage in the
27 languages commonly used by the populations in the service area, presented in an
28 easily understood format (CLAS 8);
- 29 f. Establish culturally and linguistically appropriate goals in collaboration with North
30 Sound BHO (CLAS Standard 9); and
- 31 g. Conduct ongoing assessments of the agency's CLAS-related activities and integrate
32 CLAS-related measures into measurement and continuous quality improvement
33 activities in collaboration with North Sound BHO (CLAS Standard 10).
34

35 Contractor must post a translated copy of the following documents in each of the DSHS-
36 prevalent languages (Cambodian, Chinese, Korean, Laotian, Russian, Somali, Spanish,
37 Vietnamese, Arabic, Amharic, Punjabi and Ukrainian).
38

- 39 a. The Washington Medicaid Behavioral Health Benefits Booklet's section entitled
40 "Your Rights as a Person Receiving Medicaid Behavioral Health Services," and
41
- 42 b. Statement of Individual Participant Rights, as detailed in WAC 388-877-0600(1).
43

- c. Contractor must post a multilingual notice in each of the DSHS prevalent languages, which advises enrollees information is available in other languages and how to access this information.
- d. Contractor must provide written translations of all written information including, at a minimum, applications for services, consent forms and Notices of Action in each of the DSHS-prevalent languages that are spoken by five percent (5%) or more of the population of the State of Washington; based on the most recent U.S. census DSHS has determined based on this criteria that Spanish is the currently required language. The Contractor must provide availability of translated documents at all times for distribution.
- e. Contractor must provide copies of the generally available materials including, at a minimum, applications for services, consent forms and Notices of Action in alternative formats that take into consideration the needs of those who have limited vision or impaired reading proficiency.
- f. Contractor and affiliated service providers must maintain a log of all enrollee requests for interpreter services or translated written material.

8. CONTINUITY OF CARE

For continuity of care, Contractor must assign individuals to clinicians who are anticipated to provide services to the individual through the authorization period.

Contractor must ensure for enrollees who have a suspected or identified physical health care problem the following must occur:

- a. Appropriate referrals are made to a physical health care provider;
- b. Coordinate with any managed care organization serving the individual; and
- c. The ISP identifies medical concerns and addresses them.

9. PEER EMPLOYMENT

North Sound BHO is promoting the increase of peer counselor employment throughout the North Sound Region. Peer Counselors with lived experience have the ability to provide a unique perspective and holistic approach to recovery. Their experience in managing symptoms and expertise in recovery strategies will provide individuals an opportunity to benefit from their experience.

As part of the regional strategy of increasing peer support throughout the region, Contractor shall work in partnership with North Sound BHO in the development of a peer workforce. North Sound BHO shall sponsor ongoing Peer Counselor training and continued education opportunities for certified peers. Contractor shall work with North Sound BHO to identify needs within the workforce and to identify individuals that are work ready and interested in becoming a Certified Peer Counselor. Contractor shall actively promote peer counselor training in coordination with North Sound BHO. Contractor shall offer pre-employment opportunities, such as volunteering, internships, on site observation and informal/formal introductory meetings with prospective peer counselors.

1 Contractor shall work with North Sound BHO to increase regional peer service encounters
2 by 2% over the term of this Contract.
3

4 **10. RESIDENTIAL SERVICES**

5 In accordance with North Sound BHO Policies and Procedures, Contractor shall ensure the
6 following:
7

- 8 a. Provide timely access to Behavioral Health Outpatient Services or Intensive
9 Outpatient Treatment when it is determined to be medically necessary to meet
10 individual needs. Behavioral health outpatient services are provided principally
11 under this Contract and/or with state funding, if resources allow.
- 12 b. Use ASAM criteria for initial authorizations, continuing stay and discharge for SUD
13 outpatient and/or residential services.
- 14 c. Actively promote access and choice in safe and affordable independent housing.
- 15 d. Collaborate with North Sound BHO to develop additional capacity when resource
16 and utilization processes indicate.
- 17 e. Demonstrate its performance of this function by the maintenance of written records
18 showing routine review and discussion of residential service capacity issues by
19 Contractor staff.
- 20 f. Individuals cannot be required to relinquish custody of minor children in order to
21 access residential SUD treatment services.
22

23 **11. RESOURCE AND UTILIZATION MANAGEMENT ACTIVITIES**

24 Contractor shall conduct resource and utilization management activities as requested by
25 North Sound BHO to support North Sound BHO's resource and utilization management
26 programs, after review and discussion between Contractor and North Sound BHO to
27 ensure such activities are reasonable and cost-effective. Such activities will include
28 planning and reporting in a manner that will allow North Sound BHO to ensure its resource
29 and over- and under-utilization management obligations are met.
30

31 **12. MANAGEMENT INFORMATION SYSTEM**

32 Contractor shall ensure the existence and operation of an electronic health record (EHR)
33 that is compatible with North Sound BHO's CIS and has the capability to transmit data
34 timely and accurately. Contractor shall develop and maintain an information system in
35 comport with Exhibit C and Exhibit U, incorporated herein.
36

37 North Sound BHO will require Contractor to provide a Business Continuity and Disaster
38 Recovery Plan (BCDRP) that ensures timely reinstatement of the CIS following total loss of
39 the primary system or a substantial loss of functionality. Contractor must submit to North
40 Sound BHO the most recent version of the BCDRP within 30 calendar days of execution of
41 this Contract and within 30 calendar days of Contractor updating their BCDRP.
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13. MEDICAID ELIGIBILITY

Contractor shall verify an individual’s Medicaid eligibility at each appointment. For individuals not currently enrolled in Medicaid, Contractor shall refer individuals to the designated in-person assistor agency in their catchment area. Contractor shall act in accordance with North Sound BHO policy on Eligibility Verification herein incorporated by reference.

14. NORTH SOUND BHO AND DBHR REVIEW ACTIVITIES

Contractor shall ensure remedial actions required as a result of North Sound BHO/DBHR review activities as discussed in the Oversight, Remedies and Termination section are reported and acted upon. This shall be demonstrated by written records maintained by Contractor.

15. DELIVERABLES, PLANS AND REPORTS

Contractor must ensure plans or reports required by this Contract, including those outlined in Exhibit M, Deliverables, are provided to North Sound BHO in compliance with the timelines/formats indicated.

If this Contract requires a report or other deliverable that contains information that is duplicative or overlaps a requirement of another Contract between the parties Contractor may provide one report or deliverable that contains the information required by both Contracts.

16. BUSINESS ASSOCIATES AGREEMENT

Contractor shall abide by the provisions of North Sound BHO’s and Contractor’s Business Associates Agreement, Exhibit N.

1 **D. FINANCIAL TERMS AND CONDITIONS**

2
3 **1. GENERAL FISCAL ASSURANCES**

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

11
12 **2. FINANCIAL ACCOUNTING REQUIREMENTS**

13 Contractor shall:

- 14
15 a. Contractor is required to limit Administration costs to no more than 15% of the
16 annual revenue supporting the public behavioral health system operated by
17 Contractor. Administration costs shall be measured on a fiscal year basis and based
18 on the information reported in the Revenue and Expenditure reports and reviewed
19 by North Sound BHO
20 b. Establish and maintain operating reserves at prudent levels sufficient to ensure
21 Contractor has the ability to pay for all expenses incurred during this Contract
22 period, including those whose disposition occurs after the Contract has been
23 terminated and to cover the risk of financial loss resulting in the event the cost of
24 providing services pursuant to this Contract exceeds the revenues derived there
25 from.
26 c. Ensure all North Sound BHO funds, including interest earned provided pursuant to
27 this Contract are used to support the public behavioral health system within the
28 Service Area.
29 d. Contractor shall ensure under no circumstances are individuals charged for any
30 covered services, including those out-of-network services purchased on their behalf.
31 e. Contractor shall produce annual audited financial statements upon completion and
32 make such reports available to North Sound BHO upon request.

33
34 **3. FINANCIAL REPORTING**

35 Contractor shall provide the following reports to North Sound BHO:

- 36
37 a. Report Contractor and subcontract revenue and expenditure information to North
38 Sound BHO on a biannual basis. Reports must comply with the provisions in the
39 BARS Supplemental Instructions for Behavioral Health Services promulgated by the
40 Washington State Auditor's Office. Reports are due within 30 days of the quarter
41 end (quarters ending in December and June of each year).
42 b. Contractor shall participate in North Sound BHO/DBHR Unit Cost Surveys and
43 actuarial studies, when required by North Sound BHO/DBHR.
44

1 **4. COUNTY FUNDING**

2 Funds received by Contractor from any one or more of the Service Area’s counties may not
3 be used to provide Medicaid covered services to Medicaid enrollees.
4

5 **5. RULES COMPLIANCE**

6 Contractor shall:

7
8 a. Ensure Medicaid enrollees are not held liable for any of the following:

9
10 i. Insolvent community psychiatric hospitals with which PIHP has directly
11 contracted. PIHPs are specifically exempt from the requirements of 42 CFR
12 §438 regarding solvency.

13 ii. Covered behavioral health services, including those purchased on behalf of
14 the enrollee.

15 iii. Covered behavioral health services provided to the enrollee for which:

16
17 1) State does not pay Contractor; and/or

18 2) Contractor does not pay MHCP or BHA/CMHA that furnishes the
19 services under a contract, referral, or other arrangement, to the
20 extent those payments are in excess of the amount the enrollee
21 would owe if Contractor provided the services directly.
22

23 b. Submit the amount spent throughout the Service Area on specific items at the
24 request of North Sound BHO, CMS, the legislature, or DSHS in the timeframe
25 specified.

26 c. Account for public behavioral health expenditures under this Contract in accordance
27 with federal circular A-133, A-122, A-87 and state requirements in accordance with
28 BARS Manual and BARS Supplemental Instructions or any successor.

29 d. Limit administration costs incurred by Contractor and all subcontractors to no more
30 than 15% of the consideration provided under this contract in any state fiscal year.
31 Administration costs must be measured on a state fiscal year basis according to the
32 reported information submitted by Contractor in its Revenue Certification Report
33 (Exhibit O) and reviewed by North Sound BHO.
34

35 **6. LIABILITY FOR PAYMENT AND THE PURSUIT OF THIRD-PARTY REVENUE**

36 Contractor shall be responsible for developing financial processes enabling them to
37 reasonably ensure all third-party resources available to enrollees are identified and
38 pursued in accordance with the reasonable collection practices, which Contractor applies
39 to all other payers for services covered under this Contract. Ensure a process is in place to
40 demonstrate all third-party resources are identified and pursued in accordance with
41 Medicaid being the payer of last resort. North Sound BHO shall actively provide
42 Contractor support in the pursuit of third-party payments for all services including crisis
43 services.
44

1 Contractor shall maintain necessary records to document all third-party resources and
2 report to North Sound BHO on a biennial basis or upon the request of North Sound BHO,
3 the amount of such third-party resources collected for all service recipients during the
4 quarter, by source of payment.
5

6 **7. FRAUD AND ABUSE**

7 Contractor shall develop and implement administrative and management policy and
8 procedures designed to guard against fraud and abuse including:
9

- 10 a. Comporting with Exhibit E of this Contract;
- 11 b. Mandatory compliance plan;
- 12 c. Designation of a compliance officer or compliance committee that is accountable to
13 Contractor;
- 14 d. Effective ongoing training and education for compliance officer and Contractor staff;
- 15 e. Effective lines of communication between compliance officer, employees and
16 subcontractors;
- 17 f. Enforcement of standards through well-publicized disciplinary guidelines;
- 18 g. Provision of internal monitoring and auditing;
- 19 h. Provision for prompt response to detected offenses and for development of
20 corrective action initiatives;
- 21 i. Participation by Contractor and any subcontractors in Medicaid fraud and abuse
22 training conducted by Washington State Attorney General’s Medicaid Fraud Unit;
23 and
- 24 j. Written policies, procedures and standards of conduct that articulates Contractor’s
25 commitment to comply with all applicable Federal and State standards.
26

27 Report fraud/abuse information to North Sound BHO as soon as it is discovered, including
28 the source of the complaint, party complained against, nature of fraud or abuse
29 complaint, approximate dollars involved and legal and administrative disposition of the
30 case.
31

32 Complaints and reports should be directed to the contact listed below.
33

34 Compliance Officer
35 301 Valley Mall Way, Suite 110
36 Mt. Vernon, WA 98273-5462
37 360.416.7013
38 1.800.684.3555
39 compliance_officer@nsmha.org
40

1 **E. OVERSIGHT, REMEDIES AND TERMINATION**

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1. OVERSIGHT AUTHORITY

North Sound BHO, DSHS, Office of the State Auditor, the Department of Health and Human Services (DHHS), CMS, the Comptroller General, or any of their duly-authorized representatives (i.e., EQRO) have the authority to conduct announced and unannounced: a) surveys, b) audits, c) reviews of compliance with licensing and certification requirements and compliance with this Contract, d) audits regarding the quality, appropriateness and timeliness of behavioral health services of Contractor and subcontractors and e) audits and inspections of financial records of Contractor and subcontractors.

Contractor shall notify North Sound BHO when an entity other than North Sound BHO performs any audit described above related to any activity contained in this Contract.

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

Contractor shall cooperate with and allow access to North Sound Regional Ombuds in order to conduct surveys and review activities in accordance with the terms of this contract and in accordance with Exhibit P. Contractor shall cooperate with Community Action of Skagit County in resolving any disputes that arise in the provision of North Sound Regional Ombuds services.

Findings as a result of North Sound BHO conducted reviews may result in remedial action as outlined below. Federal and State agencies may impose remedial action or financial penalties either directly upon Contractor or through North Sound BHO. Contractor shall comply with the terms of such remedial action and be responsible for the payment of financial penalties.

2. REMEDIAL ACTION

North Sound BHO may require Contractor to plan and execute corrective action. Corrective action plans (CAP) developed by Contractor must be submitted for approval to North Sound BHO within 30 calendar days of notification. CAP must be provided in a format acceptable to North Sound BHO. North Sound BHO may extend or reduce the time allowed for corrective action depending upon the nature of the situation as determined by North Sound BHO.

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- a. CAP must include:
 - i. A brief description of the finding; and
 - ii. Specific actions to be taken, a timetable, a description of the monitoring to be performed, the steps taken and responsible individuals that will reflect the resolution of the situation.

- b. CAP may:
Require modification of any policies or procedures by Contractor relating to the fulfillment of its obligations pursuant to this Contract.

- c. CAP is subject to approval by North Sound BHO, which may:
 - i. Accept the plan as submitted;
 - ii. Accept the plan with specified modifications;
 - iii. Request a modified plan; or
 - iv. Reject the plan.

- d. Contractor agrees North Sound BHO may initiate remedial action as outlined in subsection (e) below if North Sound BHO determines any of the following situations exist and except for instances described in subsection (d) (i), if corrective actions have not been completed within the timetable acceptable to North Sound BHO:
 - i. If a problem exists that poses a threat to the health or safety of any person or poses a threat of property damage/an incident has occurred resulting in injury or death to any person/resulted in damage to property.
 - ii. Contractor has failed to perform any of the behavioral health services required in this Contract, which includes the failure to maintain the required capacity as specified by North Sound BHO to ensure enrolled individuals receive medically necessary services, including delegated functions; *except*, no remedial action pursuant to subsection (e) hereof shall be taken if such failure to maintain required capacity is due to any interruption in or depletion of the available amount of money to Contractor as described in Exhibit Q of this contract for purposes of performing services to enrollees as described in Section B of this contract; however, in such an instance, North Sound BHO may terminate all or part of this contract on as little as 30 days written notice.
 - iii. Contractor has failed to develop, produce and/or deliver to North Sound BHO any of the statements, reports, data, data corrections, accountings, claims and/or documentation described herein, in compliance with all the provisions of this Contract.

- iv. Contractor has failed to perform any administrative function required under this Contract, including delegated functions. For the purposes of this section, “administrative function” is defined as any obligation other than the actual provision of behavioral health services.
 - v. Contractor has failed to implement corrective action required by the state and within North Sound BHO prescribed timeframes.
- e. North Sound BHO may impose any of the following remedial actions in response to findings of situations as outlined above.
- i. Withhold one (1%) percent of the next monthly payment and each monthly payment thereafter until the corrective action has achieved resolution. North Sound BHO, at its sole discretion, may return a portion or all of any payments withheld once satisfactory resolution has been achieved.
 - ii. Compound withholdings identified above by an additional one-half (1/2) of one (1%) percent for each successive month during which the remedial situation has not been resolved.
 - iii. Revoke delegation of any function delegated under this contract.
 - iv. Deny any incentive payment to which Contractor might otherwise have been entitled under this Contract or any other arrangement by which DBHR provides incentives.
 - v. Termination for Default, as outlined in this Contract.

3. ADDITIONAL FINANCIAL PENALTIES – DBHR IMPOSED SANCTIONS

Financial penalties imposed by DBHR or other regulatory agency due to the action or inaction of a Contractor may be paid by North Sound BHO on behalf of Contractor and the amount will be withheld from North Sound BHO’s payments to Contractor.

4. TERMINATION DUE TO CHANGE IN FUNDING

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

5. TERMINATION DUE TO CHANGE IN 1915(B) BEHAVIORAL HEALTH SERVICES WAIVER

In the event changes to the terms of 1915(b) (Medicaid) Behavioral Health Services Waiver render this Contract invalid in any way after the effective date of this Contract and prior to its normal completion, either party may terminate this Contract subject to re-negotiation, if applicable, under those new special terms and conditions.

6. TERMINATION FOR CONVENIENCE

Except, as otherwise provided in this Contract, North Sound BHO may terminate this Contract in whole or in part for convenience by giving Contractor at least 30 calendar days’ written notice. Contractor may terminate this Contract for convenience by giving North Sound BHO at least 30 calendar days’ written notice addressed to North Sound BHO’s Program Administrator (or his/her successor) listed on the last page of this Contract.

1 **7. TERMINATION FOR DEFAULT**

2 North Sound BHO’s Program Administrator may terminate this Contract for default, in
3 whole or in part, by written notice to Contractor if North Sound BHO or DSHS has a
4 reasonable basis to believe Contractor has:

- 5
- 6 a. Failed to meet or maintain any requirement for contracting with North Sound BHO;
- 7 b. Failed to perform under any provision of this Contract;
- 8 c. Violated any law, regulation, rule, or ordinance applicable to the services provided
9 under this Contract; or
- 10 d. Otherwise breached any provision or condition of this Contract.

11
12 Before the Program Administrator may terminate this Contract for default, North Sound
13 BHO shall provide Contractor with written notice of Contractor’s non-compliance with this
14 Contract and provide Contractor a reasonable opportunity to correct non-compliance. If
15 Contractor does not correct the non-compliance within the period of time specified in the
16 written notice of non-compliance, the Program Administrator may then terminate this
17 Contract. The Program Administrator may terminate this Contract for default without
18 such written notice and without opportunity for correction if North Sound BHO has a
19 reasonable basis to believe an individual’s health or safety is in jeopardy and/or:

- 20
- 21 a. Contractor has violated any law, regulation, rule, or ordinance applicable to services
22 provided under this Contract; or
- 23 b. Continuance of this Contract with Contractor poses a material risk of injury or harm
24 to any person.

25
26 Contractor may terminate this Contract in whole or in part, by written notice to North
27 Sound BHO in accordance with Section 7 above, if Contractor has a reasonable basis to
28 believe North Sound BHO has:

- 29
- 30 a. Failed to meet or maintain any requirement for contracting with Contractor;
- 31 b. Failed to perform under any provision of this Contract;
- 32 c. Violated any law, regulation, rule, or ordinance applicable to work performed under
33 this Contract; or
- 34 d. Otherwise breached any provision or condition of this Contract.

35
36 **8. TERMINATION PROCEDURE**

37 The following provisions shall survive and be binding on the parties in the event this
38 Contract is terminated:
39

- 1 a. Contractor and any applicable subcontractors shall cease to perform any services
2 required by this Contract as of the effective date of termination and shall comply
3 with all reasonable instructions contained in the notice of termination which are
4 related to the transfer of individuals, distribution of property and termination of
5 services. Each party shall be responsible only for its performance in accordance with
6 the terms of this Contract rendered prior to the effective date of termination.
7 Contractor and any applicable subcontractors shall assist in the orderly
8 transfer/transition of the individuals served under this Contract. Contractor and any
9 applicable subcontractors shall promptly supply all information necessary for the
10 reimbursement of any outstanding Medicaid claims.
- 11 b. Contractor and any applicable subcontractors shall immediately deliver to North
12 Sound BHO's Program Administrator or his/her successor, all DSHS and North Sound
13 BHO assets (property) in Contractor and any applicable subcontractor's possession
14 and any property produced under this Contract. Contractor and any applicable
15 subcontractors grants North Sound BHO/DSHS the right to enter upon Contractor
16 and any applicable subcontractors' premises for the sole purpose of recovering any
17 North Sound BHO/DSHS property Contractor and any applicable subcontractors' fail
18 to return within 10 business days of termination of this Contract. Upon failure to
19 return North Sound BHO/DSHS property within 10 business days of the termination
20 of this Contract, Contractor and any applicable subcontractors shall be charged with
21 all reasonable costs of recovery, including transportation and attorney's fees.
22 Contractor and any applicable subcontractors shall protect and preserve any
23 property of North Sound BHO/DSHS in the possession of Contractor and any
24 applicable subcontractors' pending return to North Sound BHO/DSHS.
- 25 c. North Sound BHO shall be liable for and shall pay for only those services authorized
26 and provided through the date of termination. North Sound BHO may pay an
27 amount agreed to by the parties for partially completed work and services, if work
28 products are useful to or usable by North Sound BHO.
- 29 d. If the Program Administrator terminates this Contract for default, North Sound BHO
30 may withhold a sum from the final payment to Contractor that North Sound BHO
31 determines is necessary to protect North Sound BHO against loss or additional
32 liability occasioned by the alleged default. North Sound BHO shall be entitled to all
33 remedies available at law, in equity, or under this Contract. If it is later determined
34 Contractor was not in default, or if Contractor terminated this Contract for default,
35 Contractor shall be entitled to all remedies available at law, in equity, or under this
36 Contract.
- 37 e. Should the contract be terminated by either party, North Sound BHO will require the
38 spend-down of all remaining reserves and fund balances within the termination
39 period. Funds will be deducted from the final months' payments until reserves and
40 fund balances are spent. Should the contract be terminated by either party,
41 Contractor shall be responsible to provide all behavioral health services through the
42 end of the month for which they have received payment.
43

1 **9. NOTICE REQUIREMENTS**

2 Either party to this Contract must provide 180 days' notice of any issue that may cause the
3 party to voluntarily terminate, refuse to renew, or refuse to sign a mandatory amendment
4 to this Contract.

- 5
- 6 a. If Contractor at any time decides it shall no longer be a Contractor with North Sound
7 BHO for any reason, Contractor must provide North Sound BHO Program
8 Administrator, or his/her successor, listed on the last page of this Contract with
9 written notice at least 90 days prior to the effective date of termination and work
10 with North Sound BHO to develop a mutually agreed upon transition plan with the
11 collaborative goal of minimizing the disruption of services. The transition plan shall
12 address all issues leading to the transition of individuals in service and of all
13 items/requirements of Contractor that extend beyond the termination of services.
- 14 b. North Sound BHO must provide Contractor's Program Administrator, or his/her
15 successor, listed on the last page of this Contract with written notice at least 90 days
16 prior if North Sound BHO decides to voluntarily terminate, refuses to renew, or
17 refuses to sign a mandatory amendment to this Contract. Contractor shall work with
18 North Sound BHO to develop a mutually agreed upon transition plan with the
19 collaborative goal of minimizing the disruption of services.

20

21 If Contractor terminates this Contract or will not be entering into any subsequent
22 Contracts, North Sound BHO shall require at least 90 days' written notice prior to the end
23 of the contract if a decision is made not to enter into a subsequent Contract. Any funds
24 not spent for the provision of services under this Contract shall be returned to North
25 Sound BHO within 60 days of the last day this Contract is in effect.

26

1 **F. GENERAL TERMS AND CONDITIONS FOR CONTRACTOR**

2
3 **1. BACKGROUND**

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

17
18 **2. MUTUAL COMMITMENTS**

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

25
26 **3. ASSIGNMENT**

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

33
34 **4. AUTHORITY**

35 Concurrent with the execution of this Contract, Contractor shall furnish North Sound BHO
36 with a copy of the explicit written authorization of its governing body to enter into this
37 Contract and accept the financial risk and responsibility to carry out all terms of this
38 Contract including the ability to pay for all expenses incurred during the contract period.
39 Likewise, concurrent with the execution of this Contract, North Sound BHO shall furnish
40 Contractor with a written copy of the motion, resolution, or ordinance passed by North
41 Sound BHO’s Board authorizing North Sound BHO to execute this Contract.
42

1 **5. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND OPERATIONAL POLICIES**

2 Contractor and its subcontractors shall comply with all applicable federal and state
3 statutes, regulations and operational policies whether or not a specific citation is
4 identified in various sections of this Contract and all amendments thereto that are in
5 effect when the Contract is signed, or come into effect during the term of the Contract,
6 which may include, but are not limited to, the following (Federal/State Law):
7

- 8 a. Title XIX and Title XXI of the Social Security Act and 42 CFR.
9 b. All applicable Office of the Insurance Commissioner (OIC) statutes and regulations.
10 c. All local, State and Federal professional and facility licensing and certification
11 requirements/standards that apply to services performed under the terms of this
12 Contract.
13 d. All applicable standards, orders, or requirements issued under Section 306 of the
14 Clean Air Act (42 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368),
15 Executive Order 11738 and Environmental Protection Agency (EPA) regulations (40
16 CFR Part 15), which prohibit the use of facilities included on the EPA List of Violating
17 Facilities. Any violations shall be reported to DSHS, DHHS and the EPA.
18 e. Any applicable mandatory standards and policies relating to energy efficiency, which
19 are contained in the State Energy Conservation Plan, issued in compliance with the
20 federal Energy Policy and Conservation Act.
21 f. Those specified for laboratory services in the Clinical Laboratory Improvement
22 Amendments (CLIA).
23 g. Those specified in RCW Title 18 for professional licensing.
24 h. Reporting of abuse as required by RCW 26.44.030.
25 i. Industrial insurance coverage as required by RCW Title 51.
26 j. RCW 38.52, 70.02, 71.05, 71.24 and 71.34.
27 k. WAC 388-865 and 388-877 388-877A and 388-877B.
28 l. Contractor must ensure it does not: a) operate any physician incentive plan as
29 described in 42 CFR §422.208; and b) does not Contract with any subcontractor
30 operating such a plan.
31 m. State of Washington Medicaid State Plan and 1915(b) Medicaid Behavioral Health
32 Waiver or their successors, which documents are incorporated by reference.
33 n. DBHR Quality Strategy.
34 o. State of Washington behavioral health system mission statement, value statement
35 and guiding principles for the system, hereto as Exhibit D.
36 p. State Medicaid Manual (SMM), OMB Circulars, BARS Manual and BARS Supplemental
37 Behavioral Health Instructions.
38 q. Any applicable federal and state laws pertaining to Medicaid enrollee or individual
39 rights. Contractor shall ensure its staff takes those rights into account when
40 furnishing services to individuals.
41 r. DSHS Administrative policies, to the extent they are applicable to this contract,
42 which are Exhibits F, G and H.

- s. 42 USC 1320a-7 and 1320a-7b (Section 1128 and 1128(b) of the Social Security Act), which prohibits making payments directly or indirectly to physicians or other providers as an inducement to reduce or limit behavioral health services provided to individuals.
- t. Any policies and procedures developed by DSHS/Health Care Authority which governs the spend-down of individual assets.
- u. Contractor and any subcontractors must comply with 42-USC 1396u-2 and must not knowingly have a director, officer, partner, or person with a beneficial ownership of more than 5% of Contractor, CMHA, or subcontractor's equity, or an employee, Contractor, or consultant who is significant or material to the provision of services under this Contract, who has been, or is affiliated with someone who has been, debarred, suspended, or otherwise excluded by any federal agency.
- v. Federal and State non-discrimination laws and regulations.
- w. HIPAA (45 CFR parts 160-164).
- x. DBHR-CIS Data Dictionary and its successors.
- y. Federal funds must not be used for any lobbying activities.

If Contractor is in violation of a federal law or regulation and Federal Financial Participation is recouped from North Sound BHO, Contractor shall reimburse the federal amount to North Sound BHO within 20 days of such recoupment.

Upon notification from DSHS, North Sound BHO shall notify Contractor in writing of changes/modifications in CMS policies and DSHS/DBHR contract requirement (Exhibit L) changes.

6. COMPLIANCE WITH NORTH SOUND BHO OPERATIONAL POLICIES

Contractor shall comply with all North Sound BHO operational policies pertaining to the delivery of services under this Contract that are in effect when the Contract is signed or come into effect during the term of the Contract. North Sound BHO policies shall not exceed that required to implement federal and state requirements or to implement continuous quality improvement efforts determined by the Integrated QM Process as approved by North Sound BHO's County Authorities Executive Committee (CAEC). All proposed new policies shall specifically reference the federal or state requirements they implement and shall be limited to such requirements. North Sound BHO shall notify Contractor of any proposed change in federal or state requirements affecting this Contract immediately upon North Sound BHO receiving knowledge of such change. Such policies shall include, but are not limited to:

- a. North Sound BHO Core Values and Principles (Exhibit J), provide a framework of principles for the regional system and Contractor shall take these principles into account when providing services under this Contract.

- b. Contractor and its subcontractors must recognize the unique social/legal status of Indian nations as required by both the Supremacy and Indian Commerce Clauses of the United States Constitution; federal treaties; executive orders; Indian Citizens Act of 1924 statutes; state and federal court decisions; or any Memorandum of Agreement (MOA) or MOU signed by State of Washington and a federally recognized tribe of recognized organization; shall maintain compliance with Exhibit G, DSHS Admin. Policy No. 7.01 American Indian Policy or any successor pursuant to the Centennial Accord between Washington State government and Washington Tribes; and maintain compliance with North Sound BHO 7.01 Plan, or any successor, incorporated as Exhibit G.
- c. North Sound BHO's Strategic Plan.
- d. North Sound BHO's clinical policies and procedures, including crisis services policies.
- e. North Sound BHO's medical records documentation and data reporting policies and procedures.
- f. North Sound BHO's QM/strategy plan.
- g. North Sound BHO's individual rights policies and procedures, including grievance, appeal and fair hearing policies.
- h. Any other policies designated by North Sound BHO as applicable to Contractor.

Along with all North Sound BHO stakeholders, Contractor will be included in the process for developing relevant operational policies and procedures. North Sound BHO's policies and procedures are posted on North Sound BHO's website as indicated on Exhibit K. North Sound BHO shall notify Contractor of new and revised policies through its Numbered Memoranda. Training will be provided on policies impacting providers, upon request.

In the event there is disagreement between North Sound BHO and Contractor in an operational committee regarding a proposed new policy or modification to a current policy, the following process will apply. North Sound BHO will provide a summary of the regulatory requirement or other rationale for the proposed policy or policy modification. Contractor will provide an analysis of its objection to the proposed policy or policy modification within 30 days from the receipt of North Sound BHO's summary. If the objection is primarily due to increased cost, Contractor will provide substantiation of the additional costs and, if possible, an alternative to achieving the policy goal in a less costly manner. The proposed policy or policy modification will be discussed at the next Regional Management Council. If resolution is not obtained, the proposed policy or policy modification will be discussed at the next QMOC meeting. If resolution is not obtained, the proposed policy or policy modification will be discussed at the next North Sound BHO's CAEC meeting.

North Sound BHO will make best efforts to maintain currency of policies with applicable Federal or State laws, regulations, or policies. In the event of a conflict, Federal or State Laws or policies supersede North Sound BHO policies and procedures and requirements of this contract.

1 **7. CONFIDENTIALITY OF PERSONAL INFORMATION**

2 Contractor shall protect all personal information, records and data from unauthorized
3 disclosure in accordance with 42 CFR §431.300 through §431.307, RCWs 70.02, 71.05,
4 71.34 and for individuals receiving substance abuse services, in accordance with 42 CFR
5 Part 2 and RCW 70.96A. Contractor shall have a process in place to ensure all components
6 of its provider network and system understand and comply with confidentiality
7 requirements for publicly funded behavioral health services. Pursuant to 42 CFR §431.301
8 and §431.302, personal information concerning applicants and recipients may be disclosed
9 for purposes directly connected with the administration of this Contract and the State
10 Medicaid Plan. Such purposes include, but are not limited to:

- 11 a. Establishing eligibility;
- 12 b. Determining the amount of medical assistance;
- 13 c. Providing services for recipients;
- 14 d. Conducting or assisting in investigation, prosecution, or civil or criminal proceeding
15 related to the administration of the plan;
- 16 e. Ensuring compliance with Federal and State laws, regulations and with terms and
17 requirements of this Contract; and/or
- 18 f. Improving quality.

19
20
21 Contractor shall comply with all confidentiality requirements of HIPAA (45 CFR 160 and
22 164).

23
24 Contractor shall have a process in place to ensure all components of its CMHA and system
25 understand and comply with confidentiality requirements for publicly funded behavioral
26 health services.

27
28 Contractor shall ensure access to the information is restricted to persons or agency
29 representatives who are subject to standards of confidentiality comparable to those of
30 North Sound BHO and DSHS.

31
32 The parties acknowledge coordination, planning, screening and referral require the
33 sharing of information among the various treatment providers. Disclosure of information
34 to verify eligibility, determine the amount of assistance and provide medically necessary
35 behavioral health services are all “purposes directly connected with the administration of
36 the Contract” and are all appropriate justifications for sharing information.

37
38 Contractor shall ensure all staff and subcontractors providing services under this Contract
39 receive annual training on confidentiality policies and procedures. In addition, Contractor
40 shall ensure all staff and subcontractors providing services under this Contract sign an
41 annual Oath of Confidentiality statement. Signed copies of the Oath of Confidentiality
42 shall be kept in Contractor’s personnel files.

1 **8. CONTRACT PERFORMANCE/ENFORCEMENT**

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

11
12 **9. COOPERATION**

13 The parties to this Contract shall cooperate in good faith to effectuate the terms and
14 conditions of this Contract.

15
16 **10. DEBARMENT CERTIFICATION**

17 Contractor, by signature to this Contract, certifies Contractor and any owners are not
18 presently debarred, suspended, proposed for debarment, declared ineligible, or
19 voluntarily excluded by any Federal department or agency from participating in
20 transactions (Debarred) and is not listed in the Excluded Parties List System in the System
21 for Award Management (SAM) website. Contractor shall immediately notify North Sound
22 BHO if, during the term of this Contract, Contractor becomes debarred.

23
24 **11. EXCLUDED PARTIES**

25 Contractor is prohibited from paying with funds received under this Contract for goods
26 and services furnished, ordered, or prescribed by excluded individuals and entities (Social
27 Security Act (SSA) section 1903(i)(2) of the Act; 42 CFR 455.104, 455.106 and
28 1001.1901(b)). Contractor shall:

- 29
30 a. Monitor for excluded individuals and entities as outlined in Exhibit E and by:
31 b. Screening Contractor and subcontractor's employees and individuals and entities
32 with an ownership or control interest for excluded individuals and entities prior to
33 entering into a contractual or other relationship where the individual or entity would
34 benefit directly or indirectly from funds received under this Contract.
35 c. Screening monthly newly added Contractor and subcontractor's employees and
36 individuals and entities with an ownership or control interest for excluded individuals
37 and entities that would benefit directly or indirectly from funds received under this
38 Contract.
39 d. Screening monthly Contractor and subcontractor's employees and individuals and
40 entities with an ownership or control interest that would benefit from funds received
41 under this Contract for newly added excluded individuals and entities.
42

1 Report to North Sound BHO:
2

- 3 a. Any excluded individuals and entities discovered in the screening within 10 business
4 days.
5 b. Any payments made by Contractor that directly or indirectly benefit excluded
6 individuals and entities and the recovery of such payments.
7 c. Any actions taken by Contractor to terminate relationships with Contractor and
8 subcontractor's employees and individuals with an ownership or control interest
9 discovered in the screening.
10 d. Any Contractor 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 with 10 business days of Contractor becoming aware of the conviction.
13 e. Any subcontractor terminated for cause within 10 business days of the effective date
14 of termination to include full details of the reason for termination.
15 f. Any Contractor and subcontractor's individuals and entities with an ownership or
16 control interest.
17

18 Contractor must provide a list with details of ownership and control no later than 30 days
19 from the date of ratification in comport with Exhibit T herein incorporated by reference.
20 Contractor shall keep the list up-to-date thereafter.
21

22 Contractor will not make any payments for goods or services that directly or indirectly
23 benefit any excluded individual or entity. Contractor will immediately recover any
24 payments for goods and services that benefit excluded individuals and entities it discovers.
25

26 Contractor will immediately terminate any employment, contractual and control
27 relationships with an excluded individual and entity it discovers.
28

29 Civil monetary penalties may be imposed against Contractor if it employs or enters into a
30 contract with an excluded individual or entity to provide goods or services to enrollees
31 (SSA section 1128A(a)(6) and 42 CFR 1003.102(a)(2)).
32

33 An individual or entity is considered to have an ownership or control interest if they have
34 direct or indirect ownership of five (5%) percent or more or are a managing employee (i.e.,
35 a general manager, business manager, administrator, or director) who exercises
36 operational or managerial control or who directly or indirectly conducts day-to-day
37 operations (SSA section 1126(b), 42 CFR 455.104(a) and 1001.1001(a)(1)).
38

39 In addition, if North Sound BHO/DSHS notifies Contractor an individual or entity is
40 excluded from participation by DSHS and BHO's, Contractor shall terminate all beneficial,
41 employment, contractual and control relationships with the excluded individual or entity
42 immediately (WAC 388-502-0030 and 388-877-0500).
43

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

2
3 SSA section 1128 will be found at: http://www.ssa.gov/OP_Home/ssact/title11/1128.htm

4
5 **12. DECLARATION THAT INDIVIDUAL'S UNDER THE MEDICAID AND OTHER BEHAVIORAL**
6 **HEALTH PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT**

7 Although North Sound BHO, Contractor and subcontractors mutually recognize services
8 under this Contract may be provided by Contractor and subcontractors to individuals
9 under the Medicaid program, RCW 71.05 and 71.34 and the Community Behavioral Health
10 Services Act, RCW 71.24, it is not the intention of either North Sound BHO or Contractor,
11 that such individuals, or any other persons, occupy the position of intended third-party
12 beneficiaries of the obligations assumed by either party to this Contract. Such third-
13 parties shall have no right to enforce this Contract.
14

15 **13. EXECUTION, AMENDMENT AND WAIVER**

16 This Contract shall be binding on all parties only upon signature by authorized
17 representatives of each party. This Contract or any provision may be amended during the
18 contract period, if circumstances warrant, by a written amendment executed by all
19 parties. Only North Sound BHO's Program Administrator or designee has authority to
20 waive any provision of this Contract on behalf of North Sound BHO.
21

22 **14. HEADINGS AND CAPTIONS**

23 The headings and captions used in this Contract are for reference and convenience only
24 and in no way define, limit, or decide the scope or intent of any provisions or sections of
25 this Contract.
26

27 **15. INDEMNIFICATION**

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

1 **16. INDEPENDENT CONTRACTOR FOR NORTH SOUND BHO**

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

12
13 **17. INSURANCE**

14 North Sound BHO certifies it is a member of Washington Governmental Entity Pool for all
15 exposure to tort liability, general liability, property damage liability and vehicle liability, if
16 applicable, as provided by RCW 43.19.

17
18 Contractor shall maintain Commercial General Liability Insurance (CGL). If Contractor is
19 not a member of a risk pool, Contractor shall carry CGL to include coverage for bodily
20 injury, property damage and contractual liability, with the following minimum limits: Each
21 Occurrence - \$1,000,000; General Aggregate - \$2,000,000; shall include liability arising out
22 of premises, operations, independent contractors, personal injury, advertising injury and
23 liability assumed under an insured contract. Contractor shall provide evidence of such
24 insurance to North Sound BHO within 15 days of execution of this Contract and 15 days
25 post renewal date thereafter. All non-risk pool policies shall name North Sound BHO as a
26 covered entity under said policy(s).

27
28 **18. INTEGRATION**

29 This Contract, including Exhibits contains all the terms and conditions agreed upon by the
30 parties. No other understandings, oral or otherwise, regarding the subject matter of this
31 Contract shall be deemed to exist or to bind any of the parties hereto.

32
33 **19. MAINTENANCE OF RECORDS**

34 During the term of this Contract and for six (6) years following termination or expiration of
35 this Contract, or if any audit, claim, litigation, or other legal action involving the records
36 set forth below is started before expiration of the six (6) year period, the records shall be
37 maintained until completion and resolution of all issues arising there from or until the end
38 of the six (6) year period, whichever is later. Contractor shall maintain records sufficient
39 to:

- 40
41 a. Maintain the content of all Medical Records in a manner consistent with utilization
42 control requirements of 42 CFR 456, 434.34 (a), 456.111 and 456.211.
43 b. Document performance of all acts required by law, regulation, or this Contract.

- c. Substantiate Contractor statement of its organizations' structures, tax status, capabilities and performance.
- d. Demonstrate accounting procedures, practices and records, which sufficiently and properly document Contractor invoices to North Sound BHO and all expenditures made by Contractor to perform as required by this Contract.
- e. Contractor and its subcontractors shall cooperate in all reviews including, but not limited to: surveys and research conducted by North Sound BHO, DSHS, or other Washington State Departments.
- f. Evaluations shall be done by inspection or other means to measure quality, appropriateness and timeliness of services performed under this Contract and to determine whether Contractor and its subcontractors are providing service to individuals in accordance with the requirements set forth in this Contract and applicable state and federal regulations as existing or hereafter amended.

20. NO WAIVER OF RIGHTS

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

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

21. ONGOING SERVICES

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

22. ORDER OF PRECEDENCE

In the event of an inconsistency in the terms of this Contract or any inconsistency between the terms of this Contract and any applicable statute, rule, or contract, unless otherwise provided herein, the conflict shall be resolved by giving precedence in the following order, to:

- a. The applicable Medicaid 1915(b) Waiver, Provisions of Title XIX of the Social Security Act and Federal regulations concerning the operations of Prepaid Inpatient Health Plans.
- b. State statutes and regulations concerning the operation of the community behavioral health programs.
- c. Federal and State Law.

- 1 d. North Sound BHO-DSHS Contract or its successors that covers the provision of the
2 behavioral health services covered under this Contract, which shall include any
3 exhibit, document, or material incorporated by reference. North Sound BHO shall
4 promptly notify Contractor of any amendment to North Sound BHO-DSHS Contract
5 which affects any term or condition herein.
6 e. This Contract.
7

8 **23. OVERPAYMENTS**

9 In the event Contractor fails to comply with any of the terms and conditions of this
10 Contract and that failure results in an overpayment, North Sound BHO may recover the
11 amount due DSHS, CMS, or other federal or state agency subject to dispute resolution as
12 set forth in the contract. In the case of overpayment, Contractor shall cooperate in the
13 recoupment process and return to North Sound BHO the amount due upon demand.
14

15 **24. OWNERSHIP OF MATERIALS**

16 Materials created by Contractor and its subcontractors and paid for by North Sound BHO
17 as a part of this Contract shall be owned by North Sound BHO and shall be, "works for
18 hire" as defined by the U.S. Copyright Act of 1976. This material includes, but is not
19 limited to: books, computer programs, documents, films, pamphlets, reports, sound
20 reproductions, studies, surveys, tapes and/or training materials. Material which
21 Contractor and its subcontractors use to perform this Contract but which is not created for
22 or paid for by North Sound BHO is owned by Contractor or relevant subcontractors;
23 however, North Sound BHO and DSHS shall have a perpetual license to use this material
24 for DSHS internal purposes at no charge to DSHS, provided such license shall be limited to
25 the extent which the Contractor has a right to grant such a license.
26

27 **25. PERFORMANCE**

28 Contractor shall furnish the necessary personnel, materials/behavioral health services and
29 otherwise do all things for, or incidental to, the performance of the work set forth here
30 and as referenced. Unless specifically stated, Contractor is responsible for performing or
31 ensuring all fiscal and program responsibilities required in this contract. No subcontract
32 will terminate the legal responsibility of Contractor to perform the terms of this Contract.
33

34 **26. RESOLUTION OF DISPUTES**

35 The parties wish to provide for prompt, efficient, final and binding resolution of disputes
36 and controversies that may arise under this Contract; therefore, establish this dispute
37 resolution procedure. All claims, disputes and other matters in question between the
38 parties arising out of, or relating to, this Contract shall be resolved exclusively by the
39 following dispute resolution procedure unless the parties mutually agree in writing
40 otherwise.
41

- a. The parties shall use their best efforts to resolve issues prior to giving written Notice of Dispute.
- b. Within 10 business days of receipt of the written Notice of Dispute, the parties (or a designated representative) shall together or, if both parties agree, with a mediator meet, confer and attempt to resolve the claim within 5 business days.
- c. The terms of the resolution of all claims concluded in meetings shall be memorialized in writing and signed by each party.

Arbitration: If the claim is not resolved within 30 days, the parties shall proceed to arbitration as follows:

- a. Demand for arbitration shall be made in writing to the other party. The parties shall select one (1) person as arbitrator.
- b. If there is a delay of more than 10 days in the naming of the arbitrator, either party can ask the presiding judge of Skagit County to name the arbitrator.
- c. The prevailing party shall be entitled to recover from the other party all costs and expenses, including reasonable attorney fees. The arbitrator shall determine which party, if any, is the prevailing party.
- d. The parties agree the arbitrator's decision shall be binding, final and enforceable subject to timely appeal to Skagit County Superior Court only as provided in RCW Chapter 7.04A.
- e. Unless the parties agree in writing otherwise, the unresolved claims in each notice of dispute shall be considered at an arbitration session which shall occur in Skagit County no later than 30 days after the close of the meeting described in paragraph (b) above.
- f. The Provisions of this section shall, with respect to any controversy or claim, survive the termination or expiration of this Contract.
- g. Nothing contained in this Contract shall be deemed to give the arbitrator the power to change any of the terms and conditions of this Contract in any way.
- h. The prevailing party in any action to compel arbitration or to enforce an arbitration award shall be awarded its costs, including attorney fees. Venue for any such action is exclusively Skagit County Superior Court.
- i. This Contract shall be governed by laws of the State of Washington, both as to interpretation and performance.

27. SEVERABILITY AND CONFORMITY

The provisions of this Contract are severable. If any provision of this Contract, including any provision of any document incorporated by reference is held invalid by any court, invalidity shall not affect the other provisions of this Contract and the invalid provision shall be considered modified to conform to existing law.

1 **28. SINGLE AUDIT ACT**

2 If Contractor or its subcontractor is a subrecipient of Federal awards as defined by OMB
3 Circular A-133, Contractor and its subcontractors shall maintain records identifying all
4 Federal funds received and expended. Such funds shall be identified by the appropriate
5 OMB Catalog of Federal Domestic Assistance titles and numbers, award names and
6 numbers, award years, if awards are for research and development, as well as, names of
7 the Federal agencies. Contractor and its subcontractors shall make Contractor and its
8 subcontractors records available for review or audit by officials of the Federal awarding
9 agency, the General Accounting Office and DSHS. Contractor and its subcontractors shall
10 incorporate OMB Circular A-133 audit requirements into all contracts between Contractor
11 and its subcontractors who are subrecipients. Contractor and its subcontractors shall
12 comply with any future amendments to OMB Circular A-133 and any successor or
13 replacement Circular or regulation.

14
15 If Contractor/subcontractors are a subrecipient and expends \$500,000 or more in Federal
16 awards from any/all sources in any fiscal year, Contractor and applicable subcontractors
17 shall procure and pay for a single or program-specific audit for that fiscal year. Upon
18 completion of each audit, Contractor and applicable subcontractors shall submit to North
19 Sound BHO’s Program Administrator the data collection form and reporting package
20 specified in OMB Circular A-133, reports required by the program-specific audit guide, if
21 applicable and a copy of any management letters issued by the auditor.

22
23 For purposes of “subrecipient” status under the rules of OMB Circular A-133 205(i),
24 Medicaid payments to a subrecipient for providing patient care services to Medicaid
25 eligible individuals are not considered Federal awards expended under this part of the rule
26 unless a State requires the fund to be treated as Federal awards expended because
27 reimbursement is on a cost-reimbursement basis.

28
29 **29. SUBCONTRACTS**

30 Contractor may subcontract services to be provided under this Contract subject to the
31 following requirements.

- 32
33 a. Contractor shall be responsible for the acts and omissions of any subcontractor.
34 b. Contractor must ensure the subcontractor neither employs any person nor contracts
35 with any person or CMHA excluded from participation in federal health care
36 programs under either 42 USC 1320a-7 (§§1128 or 1128A Social Security Act) or
37 debarred or suspended per this Contract’s General Terms and Conditions.
38 c. Contractor shall require subcontractors to comply with all applicable federal and
39 state laws, regulations and operational policies as specified in this Contract.
40 d. Contractor shall require subcontractors to comply with all applicable North Sound
41 BHO operational policies as specified in this Contract, including ACS, Exhibit I,
42 distance standards and access standards.

- e. Subcontracts for the provision of behavioral health services must require subcontractors to provide individuals access to translated information and interpreter services.
- f. Contractor shall ensure a process is in place to demonstrate all third-party resources are identified and pursued.
- g. Contractor shall oversee, be accountable for and monitor all functions and responsibilities delegated to a subcontractor for conformance with any applicable statement of work in this Contract on an ongoing basis including written reviews.
- h. Contractor will monitor performance of the subcontractors on an annual basis and notify North Sound BHO of any identified deficiencies or areas for improvement requiring corrective action by Contractor.
- i. Contractor shall ensure all subcontracts are in writing and are made available, in the requested format, upon request to DBHR. Subcontracts must specify all duties, reports and responsibilities delegated under this Contract and require adherence with all federal state laws that are applicable to the Subcontractor. Those written subcontracts shall:
 - i. Require subcontractors to hold all necessary licenses, certifications/permits as required by law for the performance of the services to be performed under this Contract.
 - ii. Subcontracts must require subcontractors to notify Contractor in the event of a change in status of any required license or certification.
 - iii. Include clear means to revoke delegation, impose corrective action, or take other remedial actions if the subcontractor fails to comply with the terms of the subcontract.
 - iv. Require the subcontractor correct any areas of deficiencies in the subcontractor's performance that are identified by Contractor/North Sound BHO/DBHR.
 - v. Require best efforts to provide written or oral notification within 15 business days of termination of a MHCP to individuals currently open for services who had received a service from the affected MHCP in the previous 60 days. Notification must be verifiable in the individual's medical record at the subcontractor.

30. SURVIVABILITY

The terms and conditions contained in this Contract that by their sense and context are intended to survive the expiration of this Contract shall so survive. Surviving terms include, but are not limited to: Financial Terms and Conditions, Single Audit Act, Order of Precedence, Contract Performance and Enforcement, Confidentiality of Individual's Information, Resolution of Disputes, Indemnification, Oversight Authority, Maintenance of Records, Ownership of Materials, Contract Administration Warranties and Survivability.

1 **31. TREATMENT OF INDIVIDUAL’S PROPERTY**

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

10
11 **32. WARRANTIES**

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

16
17 **33. CONTRACT ADMINISTRATION**

18 The Program Administrator for each of the parties shall be responsible for and shall be the
19 contact person for all communications and billings regarding the performance of this
20 Contract.

21
22 The Program Administrator for North Sound BHO is:

23
24 Joe Valentine
25 Executive Director
26 North Sound BHO
27 301 Valley Mall Way, Suite 110
28 Mount Vernon, WA 98273-5462

29
30 The Program Administrator for Contractor is:

31
32 Norman O. Johnson
33 CEO
34 Therapeutic Health Services
35 1116 Summit Ave.
36 Seattle, WA 98101

37
38 Changes shall be provided to the other party in writing within 10 business days.
39

1 **THIS CONTRACT**, consisting of 69 Pages, plus Exhibits, is executed by the persons signing below who
2 warrant they have the authority to execute this Contract.

3
4
5
6
7
8
9

NORTH SOUND BHO

THERAPEUTIC HEALTH SERVICES

10 _____
11 Joe Valentine Date
Executive Director

Norman O. Johnson Date
CEO