# NORTH SOUND
# MENTAL HEALTH ADMINISTRATION

# WITH

# TELECARE CORPORATION

# FOR
# EVALUATION AND TREATMENT SERVICES

# CONTRACT #NSMHA-TELECARE CORPORATION-E&T-15-18

# APRIL 1, 2015 TO JUNE 30, 2018


Approved by Board of Directors 4/9/15, Motion #15-32

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**AGREEMENT FOR THE PROVISION**
**OF**
**EVALUATION & TREATMENT MENTAL HEALTH SERVICES**

**THIS MENTAL HEALTH SERVICES AGREEMENT** (the "Agreement"), pursuant to Chapter 71.24 Revised Code of Washington (RCW) and all relevant and associated statutes, as amended, is made and entered into by and between the NORTH SOUND REGIONAL SUPPORT NETWORK, dba NORTH SOUND MENTAL HEALTH ADMINISTRATION (NSMHA), 117 N. 1st Street, Suite 8, Mount Vernon, Washington 98273, and TELECARE CORPORATION (Contractor), 1080 Marina Village Parkway, Suite 100, Alameda, California 94501-1043.

This Agreement incorporates the Agreement's Exhibits and Attachments to the Agreement and other documents incorporated by reference.

The effective date of this Agreement is April 1, 2015, through June 30, 2018.

## A. DEFINITIONS

7.01 Plan is NSMHA's Board approved plan, which outlines NSMHA's commitment to planning and service delivery for American Indian governments and communities.

Abuse means a provider's practices that are inconsistent with sound fiscal, business, or medical practices and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary, or fail to meet professionally recognized standards for health care (Medicaid Managed Care Fraud and Abuse Guidelines).

Access refers to the initial request for services, initial screening and the related response-time requirements (as defined in the Clinical Eligibility and Care Standards (CECS) section of NSMHA contract).

Access to Care Standards (ACS) means the Division of Behavioral Health and Recovery (DBHR) Minimum Eligibility Requirements for Medicaid Adults & Medicaid Older Adults Guidelines reflect the most restrictive eligibility criteria that can be applied. NSMHA may expand coverage based on availability of local resources (Exhibit A).

Accessibility means the extent to which an eligible recipient can obtain available services. Accessibility includes both the ability to contact the organization and the availability of providers and services. For example, outreach may be available, but if a provider does not routinely provide active outreach, outreach is not accessible.

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

Act means the Social Security Act.

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

1. Denial or limited authorization of a requested service, including the type or level of service;
2. Reduction, suspension, or termination of a previously authorized service;
3. Denial in whole or in part, of payment for a service;
4. Failure to provide services in a timely manner, as defined by the state;
5. Failure of a PIHP to act within the timeframes provided in section 42 CFR 438(b) or;
6. For a resident of a rural area with only one Managed Care Organization (MCO), the denial of an enrollee's request to exercise his or her right, under section 42 CFR 438.52 (b)(2)(ii), to obtain services outside the network.

Administrative Costs means costs for the general operation of the public mental health system. These activities cannot be identified with a specific direct or direct services support function.

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

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

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

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

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

Assessment means a process which provides sufficient information to determine medical necessity for mental health services covered under this Agreement.

Capitation Payment means a payment the Department of Social and Health Services (DSHS) makes periodically to a PIHP on behalf of each recipient enrolled under a contract for the provision of medical services under the State Plan. DSHS makes the payment regardless of whether the particular recipient receives the services during the period covered by the payment.

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

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

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

Community Behavior Health Agency (BHA) means community BHAs that are subcontracted by the PIHP and licensed to provide mental health services covered under this Agreement.

Complaint means a verbal or written statement by an individual or enrollee that expresses dissatisfaction with some aspect of services covered under this Agreement, the Primary Care Provider (PCP), or Contractor.

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

Corrective Action/Compliance Review is when findings from NSMHA and/or DBHR review or other monitoring efforts or audits shows there are apparent violations of this Agreement, Contractor shall implement corrective action within specified timeframes determined by NSMHA/DBHR/Department's other auditors.

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

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

Crisis Plan is a blueprint for action in the case of an individual (or child/family) who is experiencing imminent or substantial risk of harm to self/others or who is at risk of decompensation that could lead to future use of psychiatric inpatient services. Plans are developed in collaboration with the individual and natural supports. An adequate crisis plan reflects a blend of formal and informal supports and is amended as frequently as needed to be a meaningful resource. Crisis plans with updated information must be documented as an individual completes an episode of care and becomes "inactive" or "closed".

Crisis Stabilization is services provided to Medicaid-enrolled individuals who are experiencing a mental health crisis.

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

Cross-System Team meetings and consultations is participation and involvement with systems beyond the mental health system, which are also providing services to a mental health consumer (i.e., Department of Children and Family Services (DCFS), Department of Developmental Administration (DDA), Juvenile Rehabilitation Administration (JRA), Department of Corrections (DOC), Schools, etc.), to ensure communication and integrated, coordinated treatment planning and provision.

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

Deliverable means any written information required for submission to NSMHA to satisfy the work requirements of this Agreement and are due by a particular date or on a regularly occurring schedule.

Disaster Outreach means persons contacted in their place of residence or in non-traditional settings for the purpose of:

1. Assessing their mental health or social functioning following a disaster; or
2. Increasing their utilization of human services and resources.

There are two basic approaches to outreach:

1. Mobile (ongoing to person to person);
2. Community settings (e.g., temporary shelters, disaster assistance sites, disaster information forums).

Regardless of the approach, the outreach process has five important components:

1. Locating persons in need of disaster relief services;
2. Assessing their needs;
3. Engaging or linking persons to an appropriate level of support or disaster relief services; and
4. Providing follow-up mental health services when clinically indicated.

5. Disaster outreach can be performed by trained volunteers, peers, and/or persons hired under a Federal Crisis Counseling Grant. These persons should be trained in disaster outreach, which is different than traditional mental health crisis intervention.

Discharge Planning (Services) is the process of developing a care regimen and community integration plan for a mental health recipient leaving clinical care including appropriate residential treatment/housing supports and community support services prior to the recipient leaving outpatient care.

Discharge Planning (Hospital) is the processes of developing a care regimen for a patient leaving inpatient care, including appropriate timing and follow-up examinations and treatment. A collaborative event, focusing on the development of a regimen of care, designed to support treatment success through the utilization of natural supports and community resources. This planning phase is critical to success, in both the inpatient and outpatient arenas and needs to begin immediately following intake.

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

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

Early Periodic Screening Diagnosis and Treatment (EPSDT) means EPSDT program under Title XIX of the Social Security Act as amended.

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

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

Fair Hearing means a grievance hearing before the Washington State Office of Administrative Hearings.

Family means those the individual defines as family or those appointed/assigned (e.g., parents, foster parents, guardians, siblings, caregivers, spouses, domestic partners and significant others).

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

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

Geographic Area is NSMHA Service Area consisting of the following geographic areas:

1. Island County
2. San Juan County
3. Skagit County
4. Snohomish County
5. Whatcom County

Grievance means an expression of dissatisfaction about any matter other than an action. Possible subjects for Grievances include, but are not limited to: the quality of care or services provided and aspects of interpersonal relationships, such as, rudeness of a provider or employee or failure to respect the Enrollee's rights (42 CFR 438.400(b)).

Group Treatment Services means a set of face-to-face activities provided by one or more provider staff to two or more attending members designed to help an individual attain goals as prescribed in the individual's treatment plan. These group activities shall be consistent with the age and cultural framework of the individuals participating and may include family members or others who play necessary roles in the lives of the group members.

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

Individual with lived experience means a person who has applied for, is eligible for, or who has received mental health services.

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

Individual Voice means indicators of ownership in and involvement with planning his/her own supports and services. In Individualized Plans, voice is best indicated by self-identified goals.

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

Management Information System (MIS) is a system that provides information needed to manage organizations effectively.

Medicaid Funds means funds provided by CMS Authority under the Title XIX program.

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

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

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

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

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

Performance Indicator(s) means system level information on the types of service to individuals, the duration and intensity of services, staffing patterns and fiscal viability.

PIHP means an entity that provides or arranges for:

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

Quality Assurance means a focus on compliance to minimum requirements (e.g., rules, regulations and contract terms), as well as, reasonably expected levels of performance, quality and practice.

Quality Improvement means a focus on activities to improve performance above minimum standards/reasonably expected levels of performance, quality and practice.

Quality Management/Strategy means an overarching system and/or process whereby quality assurance and quality improvement activities are incorporated and infused into all aspects of an organization's or system's operations.

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

Rehabilitation means to restore to customary activity through education, skill building and therapy. Increase independence and ability to participate in life meaning activities.
Request for Service means the point in time when services are sought or applied for through a telephone call, walk-in, or written request for services from an enrollee or the person authorized to consent to treatment for that enrollee. For purposes of this Contract, an EPSDT referral is only a Request for Service when the enrollee or the person authorized to consent to treatment for that enrollee has confirmed that they are requesting service.

Reserve Accounts means an allocation of fund balance at the Regional Support Network (RSN) set aside for a specific purpose by the RSN governing board or local legislative authority.

1. Operating Reserve – Funds designated from mental health revenue sources that are set aside into an operating reserve account by official action of the RSN's governing body. Operating reserve funds may only be set aside to maintain adequate cash flow for the provision of mental health services.
2. Inpatient-Risk Reserve – Funds designated from mental health revenue sources to pay for future inpatient hospital claims and funds designated from mental health revenue sources that are set aside into a risk reserve account by official action of the RSN's governing body. Risk reserve funds may only be set aside for use in the event costs of providing service exceed the revenue the RSN receives.

Residential Services are defined in WAC 388-865, NSMHA Standards of Care and Clinical Eligibility Manual and NSMHA Policies and Procedures.

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

Risk means the possibility Contractor may incur a loss because the cost of providing services may exceed the premium payments made by NSMHA to Contractor for services covered under this Agreement (42 CFR 434.2).

Routine Care means a setting where evaluation and mental health services are provided to individuals on a regular basis. These services are intended to stabilized, sustain and facilitate individual recovery within his/her living situation and do not meet the definition of urgent or emergent care.

Routine Services means non-emergent and non-urgent services are offered within 14 calendar days to individuals authorized to receive services as defined in the Access to Care Standards. Routine services are designed to alleviate symptoms, stabilize, sustain and facilitate progress toward mental health.

Screening means initial face-to-face or telephonic interview to assess immediate mental health needs of a client for referral/treatment (per Health Care Procedural Coding System [HCPCS]). Depending upon level of need, a full multi-axial assessment frequently follows screening.

Service Area means the geographic area covered by this Agreement for which the PIHP is responsible.

Special Population Evaluation means an evaluation by a specialist as defined by WAC 388-865-0425, which considers age and cultural variables specific to the individual being evaluated and other culturally and age competent evaluation methods. This evaluation shall provide information relevant to an individual's continuation in appropriate treatment and assist in treatment planning.

Subcontract means any written agreement between Contractor and subcontractor or between Contractor, subcontractor and another subcontractor to provide services or activities otherwise performed under this Agreement.

Subcontractor means an individual or entity performing all or part of the services under this Agreement under a separate contract with Contractor or its subcontractors.

Title 42 is the CFR Public Health Service.

Title XIX is grants with states for Medical Assistance Program.

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

Transition Youth means anyone age 17-21.

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

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

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

**B. PURPOSE**

Contractor must provide adequate staffing and appropriate treatment services as outlined below and in compliance with laws and regulations governing the operation of an Evaluation and Treatment (E&T) Center. The framework for identifying specific E&T Services and performance obligations are included in this Agreement.

**1. EVALUATION AND TREATMENT SERVICES**

Contractor shall furnish the necessary personnel and services and do all things necessary for the performance of the work set forth herein in accordance with NSMHA Policy #1555.00 – Freestanding E&T Facilities.

**2. COMPLIANCE WITH SPECIFIC LAWS AND REGULATIONS**

All services provided under this Agreement shall be in accordance with the following, where applicable. Where there is conflict between WAC 388-865 and 246-337 or any successors or additional State or Federal regulations, the more restrictive standard shall apply.

a. RCW 71.05 and 71.24,
b. WAC 388-865 and 246-337.

**3. INVOLUNTARY TREATMENT ACT (ITA) COORDINATION**

Contractor shall provide support and timely information to the Mental Health Professional (MHP) and Prosecutor's Office in the form of consultation, testimony, records and reports at ITA proceedings for specific individuals. Contractor shall provide the MHP, Prosecutors Office and Court with prior notice of release of detained persons. Contractor specifically understands all information and records in connection with performance of services pursuant to the adult ITA, RCW 71.05 and the Community Mental Health Act, RCW 71.24, are strictly confidential and may only be released in accordance with the exceptions provided by state and federal law.

**4. LOCATION OF SERVICES**

Services provided under this contract shall be made available at: State of Washington owned facility located at 7825 North Sound Drive, Sedro Woolley, Washington 98284.

**5. RESIDENTIAL TREATMENT FACILITY (RTF)**

The site and RTF located in Sedro–Woolley, Washington shall be owned by the State of Washington and shall be and remain the property of the State of Washington. The Telecare North Sound RTF shall be operated as a certified RTF for the governmental purposes of the Washington State ITA, RCW 71.05. The Telecare North Sound RTF shall be utilized by Skagit residents, residents of the North Sound Region and other State residents in accordance with State law and terms in NSMHA Agreements.

Services, at a minimum, shall include evaluation, stabilization and treatment provided by or under the direction of licensed psychiatrists, nurses and other MHPs. Discharge planning involving the individual, family, significant others shall begin at admission, so as to ensure continuity of mental health care. Nursing care includes but, is not limited to,

performing routine blood draws, monitoring vital signs, providing injections, administering medications, observing behaviors and presentation of symptoms of mental illness.

**6. SERVICES**

Contractor shall provide a 16 bed E&T program at the Telecare North Sound RTF to adults with mental illness held under a 72-hour involuntary detention and/or 14-day commitment in accordance with the Washington State ITA, RCW 71.05 and NSMHA policies.

These services will be provided in an environment using a trauma informed care approach designed to support safety and confidentiality for individuals 18 years and older who pose an actual or imminent danger to self, others, or property due to a mental illness. Contractor will be able to demonstrate a universal principle and commitment to non-violence and the creation of a trauma-informed culture.

a. Eligibility
   The E&T program shall serve adults with mental illness who are residents primarily from the North Sound Region.
b. Admission Criteria
   Individuals must meet admission criteria per NSMHA policy #1577.00 – E&T Facilities Refusal and Review Process, including medical clearance and required diagnostic tests to be eligible for admission.
c. Ineligible for admission:

   i. Sexually violent offenders being detained pursuant to RCW 71.09 or high-risk sex offenders classified by the local law enforcement agencies will not be served by the E&T. Level III individuals are the highest risk and shall be excluded from the E&T. Level I and II individuals shall be considered on a case-by-case basis prior to admission. The DMHP, in consultation with E&T staff, shall make the determination regarding Level I and II individuals as to the level of danger and appropriateness for admission.
   ii. Any individual with any pending (not dismissed or otherwise disposed) felony charge shall be excluded from admission. Individuals released on a Temporary Release (TR) may be considered for admission on a case-by-case basis after consultation with the DMHP.
   iii. Any DMHP within NSMHA Service Area, in consultation with E&T staff and in adherence with established admission criteria will review pending detentions for medical care needs, safety and security to ensure appropriate admissions. This shall be done in collaboration with E&T staff which may require basic medical clearance and/or consultation with a physician prior to accepting an admission. If medical care, safety, or security needs cannot be met by the E&T per the E&T licensed independent practitioner, the individual will be detained at an appropriate facility elsewhere.

Aside from the limitations above, the E&T will have a no decline policy for any referrals from any DMHP within NSMHA Service Area provided the individual being referred meets the criteria for admission.

d. Facilities Certification and Maintenance Services
The RTF shall be certified as an RTF (Inpatient Component) by DSHS, DBHR and any other state required facility certification or licensure.

e. Contractor shall provide services in the RTF, which will be certified as an RTF and operated in accordance with the standards of WAC 388-865 and 246-337. It will be Contractor's responsibility to establish certification or licensure. Contractor shall comply with and meet all state and local health, fire and safety codes and regulations. Contractor shall be responsible for all routine maintenance and minor repairs as specified in the Lease Agreement, Attachment X.

f. Program Components
Services shall be in accordance with WAC 388-865 and 246-337 and RCW 71.05 and 71.24.

i. A 24-hour per day, 7 days per week, 365 days per year, including all legal holidays, 16 bed unit.
ii. Evaluation, treatment and recovery support provided by or under the direction of licensed psychiatrists, nurses and other MHPs, as well as, Peer Support staff and discharge planners.
iii. ITA services.
iv. Discharge planning involving the individual, family and significant others to ensure continuity of care and services and provide adequate support in making the transition from crisis to wellness.
v. Meet Washington State Licensing and certification standards for operating an E&T.
vi. Ensure services will meet the requirements delineated in WAC 388-865 and 246-337 or its successors and be based on the best- and promising-practices of recovery published by Substance Abuse and Mental Health Services Administration (SAMHSA).
vii. Utilize a recovery-oriented model of care and team approach that focuses on individual's personal needs, as well as, strengths, talents and capabilities that can be utilized to achieve wellness post discharge.
viii. Support training and supervision of Peer Support and paraprofessional staff.
ix. Directly provide all medically necessary rehabilitation services.
x. Individuals will be detained initially for a 72-hour period by a DMHP and, if indicated, will be committed by a Superior Court Judge or Commissioner for a 14-day period, including any subsequent period pending 90-day judicial proceedings. Individuals shall also be detained pursuant to RCW 71.05 on a non-emergency basis when ordered by Superior Court. Other admissions will occur when patients are revoked from an LR Court Order or Conditional Release (CR) under RCW 71.05.340 and WAC 388-865.

xi. Pre-Admission Screening: All individuals referred for admission will be screened according to NSMHA policy. All referrals will be documented including name, date, referral source and disposition.

xii. Evaluation: Each admitted individual shall be provided with an intake assessment in accordance with WAC requirements. E&T components shall include physical examination, psychosocial assessment and mental status examination. Treatment services shall include:

An individual treatment and discharge plan as required by WAC 388-865 and 246-337. If individuals are enrolled in outpatient services, the therapist, case manager, or other appropriate professional will be contacted upon admission and involved in the development of the discharge plan. If outpatient services are not being provided by a NSMHA contracted provider, the E&T will ensure that discharge planning occurs in accordance with NSMHA policy. If individuals are eligible for NSMHA outpatient services, an intake assessment will occur prior to discharge so that outpatient services may begin within five (5) business days of discharge.

xiii. A structured, daily program of activities and services.

a) Mental health treatment, including individual, group and family therapy to be available at a minimum of five (5) hours per day.
b) Related ancillary services and activities, to include socialization and recreational activities and exercise.

xiv. Medications, medication evaluation and monitoring and health education.

xv. Mental health related laboratory services, as required.

xvi. Routine medical service within the limits of medical resources available on the involuntary unit to include nursing assessments as needed and defined in NSMHA policy. Individuals requiring medical treatment in excess of what is available at the E&T will be transferred to an appropriate hospital for treatment.

xvii. Services to address the needs of those individuals with mental illness who have special needs, such as, the hearing impaired, cultural and linguistic, developmentally disabled, head injury, elderly and those with alcohol and substance abuse problems.

xviii. The capability of detaining persons dangerous to themselves and others with use of calming spaces and following WAC procedures.

xix. The right to the least restrictive alternative (LRA) to maintain health and safety when detaining persons dangerous to themselves or others as established in NSMHA policies and in accordance with WAC requirements.

xx. Individuals shall be discharged from the E&T with appropriate transportation arrangements provided.
xxi. Any individual who is allowed to convert to a voluntary status during the involuntary admission shall legally consent to and follow all conditions applied to involuntary individuals.
xxii. Individuals converting to voluntary status shall have the right to request discharge at any time and if discharged will have transportation arrangements provided.

g. Court Evaluation and Testimony

Court may be held within the E&T. When Superior Court judicial proceedings occur, these proceedings shall have priority over all other uses of the conference/hearing room. Contractor shall provide the following for Court Evaluation and Testimony:

i. Legal documents in a timely manner pertaining to the involuntary detention of individuals as required by NSMHA counties' Superior Court systems.
ii. As requested, records and court testimony at probable cause hearings or trials by other professional staff employed at the E&T. These records and testimony shall be provided, as needed, pertaining to the individual's mental health status during detention at the E&T.
iii. Support to the DMHPs, County Prosecutor's office, and State Attorney General's office in the form of consultation, live and telephonic testimony, records and reports, where required, at ITA proceedings for specific individuals. When necessary for judicial proceedings, Contractor shall promptly supply a certified copy of all medical and psychological records and make available, if necessary, a records custodian capable of testifying in order to introduce medical and psychological records per RCW 5.45.020 and the civil rules of Washington State Superior Court.
iv. Accompany and provide support for individuals during court proceedings away from facility.
v. Arrange for transportation.
vi. Contractor shall collaborate and facilitate the evaluation and expert witness testimony for court purposes by a licensed physician, psychiatrist, or licensed psychologist arranged and provided by the Skagit County Involuntary Treatment Team. Treating physician records and testimony shall be provided when necessary per RCW 71.05.
vii. Initial screening and evaluation (and court testimony as needed) for court hearings will be done by the Skagit DMHP staff. Coordination of probable cause hearings will occur through the Skagit County Involuntary Treatment Team. A court hearing room is located in the E&T where court hearings and non-jury trials shall occur.

h. Personnel

Contractor shall provide staffing in the number, quality and appropriate backgrounds and licensure needed to ensure compliance with state law.

Contractor shall designate a person to be the individual in charge of the E&T for the following purposes and responsibilities:

i. All decisions concerning medical or psychiatric treatment.
ii. Physician with responsibility for treatment.
iii. Explanation of rights to refuse medical treatment 24 hours prior to hearings and documentation of such.
iv. Compliance with rights notifications to persons admitted and ensuring rights afforded under statute and law to persons admitted.
v. All transfers and/or referrals to appropriate facilities for drug/alcohol or medical treatment after admission.
vi. Temporary releases under RCW 71.05. When transported off site, individuals are to be in the custody and care of an E&T staff and/or other mental health agency staff at all times. This includes residential facility screening visits by individuals who are ready for discharge and are considering placement at such facilities or for medical appointments. At no time shall individuals be given temporary passes from the facility.
vii. To complete requirements that LRAs be considered and provide research of LRAs to involuntary hospitalization and discharge planning.
viii. Determining and coordinating with the DMHP CRs and/or releases to LRA to inpatient treatment.
ix. Unconditional releases, including transportation and other assistance to released individuals.
x. Notification under RCW 71.05.

i. Training and Education of Staff

An employee trained in cardiopulmonary resuscitation and emergency first-aid will be present at all times.

i. Contractor shall establish a training plan for each staff, including temporary and/or on-call staff. Training shall include a planned documented orientation for each new employee and an ongoing program of in-service training for all staff designed to maintain and update competencies needed to perform assigned duties.
ii. Orientation and in-service education plans shall be maintained and attendance documented in each employee's personnel record.
iii. Training for all staff shall meet WAC 388-865, 877, 877A and 246-337 requirements. At a minimum, all staff will receive mandatory training in the following:

a) Managing assaultive behavior and limited use of seclusion and restraints per WAC and medical/ethical standards.
b) Nursing assessment review requirements for all licensed nurses.
c) Individual civil rights and ITA due process procedures.
d) Confidentiality of records/information.
e) Notification requirements.

j. DMHP

Skagit DMHPs will be responsible for the following in comport with NSMHA Policy and Procedure:

i. Screening decisions concerning whether a person should be excluded from the facility as a Level III sex offender, an offender with mental illness, or in need of medical treatment at another facility prior to admission.
ii. Decisions on initial detention, provisional acceptance and admission at the E&T.
iii. Decisions on commencement of 14-day petitions under RCW 71.05 with concurrence of Contractor.
iv. Decisions on commencement of 90-day petitions under RCW 71.05 with the concurrence of Contractor.

k. Peer Counselors

Contractor shall hire the staffing sufficient to provide adequate coverage of peer support services at the E&T. Peer Counselors shall be integrated into the treatment team. Utilizing peer supports, individuals receiving services from the E&T will have an opportunity to learn alongside employees that have similar life experiences and are recovering from mental illness and/or have a history of trauma.

The E&T is an environment for individuals to discover their strengths and be supported in their transition into wellness. Within the context of mutually responsible relationships, and with the help, support and experiential knowledge of peer support staff, individuals can achieve wellness.

Contractor shall provide support, training and supervision of Peer Counselors.

Peer Counselors shall provide services that comport with WAC 388-865-877, 877A and include the following, as indicated:

i. Participate in the admission/welcoming process;
ii. Promote recovery, wellness and healthy lifestyle;
iii. Reduce identifiable behavioral health and physical health risks;
iv. Support the individual in building skills that enable whole health improvement;

v. Providing health support and coaching interventions about daily health choices;
vi. Participate in discharge planning;
vii. Provide follow-up within three (3) days of discharge;
viii. Conduct groups; and
ix. Provide individual support on the development of a Wellness Recovery Action Plan (WRAP).

l. Discharge Planning

Contractor shall begin discharge planning within 24-hours of admission. Engagement shall begin immediately with the identification of natural supports, community mental health provider, PCP and other resources beneficial to the individual's recovery. The discharge plan shall be strength-based, person-centered and goal driven.

Contractor shall ensure the following elements are addressed in the discharge plan:

i. Safe housing;
ii. Coordination with supports, natural, familial and community providers;
iii. Risk assessment;
iv. WRAP; and
v. Scheduled appointments.

m. Restraint Monitoring/Usage

Contractor shall assess the usage of restraints and work with Recovery Innovations or any subsequent consultant NSMHA and Contractor decide upon, to explore the development of a culture in the E&T that is "no force" and trauma-informed.

## C. COMPLIANCE STANDARDS

Contractor shall be responsible for:

1. Establishing and maintaining good standing in certification or licensure. The RTF shall be certified as an E&T (Involuntary Component) by DSHS/DBHR and any other state required certification or licensure. Contractor shall comply with and meet all state and local health, fire and safety codes and regulations.
2. Having clinical records in accordance with WAC requirements and NSMHA policy.
3. Complying with all notification requirements of RCW 71.05 and in developing procedures to trigger adequate notification to identified persons and law enforcement to include appropriate records disclosure.
4. Establishing and maintaining ongoing working relationships with all elements of NSMHA involuntary/voluntary mental health treatment/crisis system for the purpose of facilitating the admission and discharge of individuals, problem solving and systems development activities. In addition, Contractor shall be involved in the following Skagit County Community efforts:

    a. Participation on the Skagit County Local Oversight Committee, and NSMHA Integrated Crisis Response Services (ICRS).
    b. Collaboration with local law enforcement, Police Departments, Skagit County Sheriff's and local Fire Department.

5. Identifying and tracking individuals with a high utilization of E&T services and work with NSMHA on interventions to reduce usage and identify LRAs.
6. Maintaining service agreements with DSHS, hospitals, DDA, law enforcement, outpatient mental health providers and other community supports. Such agreements shall be updated on an annual basis.

## D. PERFORMANCE STANDARDS

### 1. GENERAL OPERATING STANDARDS

Contractor shall deliver recovery-oriented services which are non-stigmatizing, person-centered and a harm reduction philosophy that will not re-traumatize the individual.

Contractor shall individually tailor services to each individual that address their preferences and identified goals. The approach shall enable individuals to build healthy relationships, encourage active involvement in their recovery, teach skills to make improvements in functioning and better manage symptoms.

Contractor shall include NSMHA Performance Measures and Performance Improvement Projects (PIP) in their Quality Management/Improvement Plan and submit reports in accordance with Attachment IV.

Contractor must ensure plans or reports required by this Agreement, included in Attachment IV - Deliverables, are provided to NSMHA in compliance with the timelines and formats indicated.

Contractor shall participate in NSMHA and DBHR offered training, consultation and program development when requested.

Contractor shall collaboratively participate in NSMHA's regional coordination meetings, which currently include NSMHA ICRS and Inpatient Committee meetings and its subcommittees and workgroups as necessary.

Contractor shall encourage Dignity and Respect in the services provided at the E&T.

Contractor must ensure staff is familiar with the SAMHSA 10 Components of Recovery as outlined in Attachment VII.

Contractor shall first obtain written consent from an individual in the event his/her picture or personal story will be used.

### 2. PERSON-CENTERED PLANNING

Individualized treatment planning shall be developed in collaboration with the individual and the family or guardian, if any, when appropriate. The individual's participation in the development of the plan must be documented.

### 3. CO-OCCURRING DISORDER SCREENING AND ASSESSMENT

Contractor must maintain the implementation of the integrated, comprehensive screening and assessment process for chemical dependency (CD) and mental disorders as required by RCW 70.96C. Failure to maintain the screening and assessment process will result in remedial actions up to and including financial penalties as described in the Remedial Actions section of this Agreement.

DBHR provided Global Appraisal of Individual Needs – Short Screener (GAIN-SS) during:

a. All new intakes.
b. The provision of each crisis episode of care including ITA investigations services, except when:

    i. Service results in a referral for an intake assessment.
    ii. Service results in an involuntary detention under RCW 71.05 or 71.34.
    iii. Contact is by telephone only.
    iv. Professional conducting the crisis intervention or ITA investigation has information the individual completed a GAIN-SS screening within the previous 12 months.

**4. CROSS-SYSTEM WORKING RELATIONSHIPS**

Contractor must comply with NSMHA's working agreements with allied systems, including Western State Hospital (WSH), Aging and Long-Term Support Administration (ALTSA), Healthy Options Plans, Department of Vocational Rehabilitation (DVR) and the Criminal Justice System. The working agreements are intended to enable coordination of services and appropriate care for participants.

Contractor shall comply with published directives from DBHR when NSMHA, Contractor, or their subcontractors are unable to resolve local disputes with other service systems (Healthy Options, other DSHS administrations as provided by DBHR) regarding service or cost responsibilities.

**5. INDIVIDUAL AND FAMILY VOICE**

Contractor must ensure all individuals have voice in developing individualized treatment plans, advance directives and crisis plans. At a minimum, treatment goals must be written in the words of the individual and documentation must be included in the clinical record describing how the individual sees their progress. Contractor must be able to demonstrate how this requirement is implemented and monitored.

**6. COMPLAINT, GRIEVANCE, APPEAL and FAIR HEARING PROCEDURES**

Contractor must implement complaint, grievance, appeal and fair hearing processes that are in conformance with NSMHA policies and procedures.

Contractor and its subcontractors shall abide by NSMHA complaint, grievance, appeal and fair hearing determinations. Contractor shall be responsible for paying 100% of all Medical Director and/or Attorney fees incurred by NSMHA when an individual goes directly to a fair hearing without utilizing NSMHA's grievance processes and when the ruling favors the individual, in accordance with NSMHA policies and procedures. In addition, Contractor shall:

a. Implement a Grievance process that complies with 42 CFR §438.400 or any successors;

b. Coordinate with NSMHA grievance process and Ombuds Services;
c. Provide assistance to clients filing a grievance;
d. Incorporate concerns from grievances into Contractor's services without identifying individual clients; and
e. Submit grievance data to NSMHA in accordance with Attachment IV.

**7. LOCAL RESPONSIVENESS AND COMMUNICATIONS**

Contractor shall cooperate with NSMHA and the counties in the Service Area to provide a locally responsive delivery system. Contractor shall provide individuals referral sources, information and education about the referral process, service availability, service population, common symptoms of mental illness and shall post and make known individual rights and responsibilities including complaint, grievance, appeal and fair hearing procedures and the availability of North Sound Regional Ombuds services.

Contractor will maintain written policies and procedures in accordance with NSMHA policies on enrollee communications and ensure the provision of enrollee information complies with all requirements of 42 CFR §438.100, §438.6 (i)(30), or any successors and is provided in the following prevalent language: Spanish. Information on how to access the translated information must be provided prior to conducting the intake evaluation.

Contractor shall have written policy and procedures that comply with NSMHA's policies on consumer rights and address the following:

a. Individual mental health rights applicable to non-Medicaid individuals as defined in WAC 388-865-0561, 0566, 0570, 0585, 877-0600, RCW 71.05.370, and 42 CFR §438.100 or their successors.
b. Information about benefits and authorization requirements.
c. Oral interpretation services provided free of charge to the individual.
d. Information those written materials are available when requested in alternate formats. These materials must be available and easily understood by individuals.

Upon an enrollee's request:

a. Identification of individual MHCP who are not accepting new enrollees.
b. BHA licensure, certification and accreditation status.
c. Information including, but is not limited to: education, licensure and Board certification and/or re-certification of MHPs and MHCPs.

**8. CRITICAL INCIDENTS**

Contractor and its subcontractors shall comply with NSMHA's Critical Incident Reporting Policy and Procedure and any successor regarding critical incidents.

**9. STAFF COMPETENCY AND TRAINING**

Contractor shall comply with NSMHA credentialing policies and procedures and shall ensure all staff is qualified for the position they hold and have, at a minimum, the education, experience and skills to perform their job requirements, per WAC 388-877-0500, including any required licenses or certifications.

Contractor shall require a criminal history background check pursuant to RCW 43.43.830; 832; 834 and 43.20A.710 be completed for all current employees, volunteers and subcontractors and a criminal history background check shall be initiated for all prospective employees, volunteers and subcontractors who may have unsupervised access to children, people with developmental disabilities, or vulnerable adults.

## E. CONTRACTOR RESPONSIBILITIES

Contractor shall have responsibility for the performance of the following duties and responsibilities. Contractor shall include Advisory Committee input into planning, access and evaluation of services. Contractor shall be held fully responsible for the contractual obligations and performance of this Agreement. In the performance of these functions, Contractor shall maintain written documentation that verifies each specific responsibility under this section has been performed.

Contractor shall demonstrate its performance of this function by the maintenance of written records showing routine review and discussion of capacity issues by Contractor.

### 1. FINANCIAL MANAGEMENT SERVICES

In accordance with the general terms and conditions of this Agreement, Contractor shall pay subcontractors monthly for contracted services meeting Contractor rational funding formula. Contractor shall demonstrate its performance of this function by maintenance of written records showing routine review and discussion of financial management issues by Contractor members and staff.

### 2. RESOURCE AND UTILIZATION MANAGEMENT ACTIVITIES

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

### 3. DELIVERABLES, PLANS AND REPORTS

Contractor must ensure plans or reports required by this Agreement, including those outlined in Attachment IV, Deliverables, are provided to NSMHA in compliance with the timelines and/or formats indicated.

Contractor shall send the following data by e-mail to NSMHA:

a. Daily number of admissions and discharges;
b. Midnight census (median);
c. Daily number of calming space (seclusion) and restraint events;
d. Monthly report on declined referrals with rationale, if the decline is due to medical care, safety or security, the name of the E&T licensed independent practitioner who declined the referral must be noted;
e. Monthly narrative on restraint events outside of normal range;
f. Monthly count and type of groups and number of participants;
g. Quarterly tracking of individuals with high utilization of E&T services; and
h. Number of readmissions within 30 days of discharge.

**4. MANAGEMENT INFORMATION SYSTEM**

Contractor shall ensure the existence and operation of an information system that is compatible with NSMHA's Consumer Information System (CIS) and has the capability to transmit data timely and accurately. Contractor shall develop and maintain an information system in comport with Exhibit C and Attachment XI, incorporated herein.

NSMHA will require Contractor to provide a Business Continuity and Disaster Recovery Plan (BCDRP) that ensures timely reinstitution of the CIS following total loss of the primary system or a substantial loss of functionality. Contractor must submit to NSMHA the most recent version of the BCDRP within 30 calendar days of execution of this agreement and within 30 calendar days of Contractor updating their BCDRP.

**5. NSMHA AND DBHR REVIEW ACTIVITIES**

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

**6. BUSINESS ASSOCIATES AGREEMENT BETWEEN NSMHA AND CONTRACTOR**

Contractor shall abide by the provisions of NSMHA and Contractor Business Associates Agreement, Attachment V.

## F. FINANCIAL TERMS AND CONDITIONS

### 1. GENERAL FISCAL ASSURANCES

Contractor shall comply with all applicable laws and standards, including Generally Accepted Accounting Principles and maintain, at a minimum, a financial management system that is a viable, single, integrated system with sufficient sophistication and capability to effectively and efficiently process, track and manage all fiscal matters and transactions.

### 2. FINANCIAL ACCOUNTING REQUIREMENTS

Contractor shall:

a. Establish and maintain operating reserves at prudent levels sufficient to ensure Contractor has the ability to pay for all expenses incurred during this Agreement period, including those whose disposition occurs after the Agreement has been terminated and to cover the risk of financial loss resulting in the event cost of providing services pursuant to this Agreement exceeds the revenues derived therefrom.
b. Ensure all funds, including interest earned, provided pursuant to this Agreement are used to support the services outlined in this Agreement.
c. Produce annual audited financial statements and make such reports available to NSMHA upon request.

### 3. FINANCIAL REPORTING

Contractor shall provide the following reports to NSMHA:

a. Within 15 days from the effective date of this Agreement, a program-specific budget demonstrating to NSMHA's reasonable satisfaction, compliance with direct service and indirect cost requirements.
b. Report Contractor and subcontract revenue and expenditure information to NSMHA on a biannual basis. Reports must comply with the provisions in the Budget, Accounting and Reporting System (BARS) Supplemental Instructions for Mental Health Services promulgated by the Washington State Auditor's Office. Reports are due within 30 days of the quarter end (quarters ending in December and June of each year).
c. Contractor shall participate in DBHR Unit Cost Surveys and actuarial studies, when required by DBHR, in accordance with Attachment III.

### 4. RULES COMPLIANCE

Contractor shall:

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

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

ii. Covered mental health services, including those purchased on behalf of the enrollee.
iii. Covered mental health services provided to the enrollee for which:

a) The state does not pay Contractor.
b) Contractor does not pay MHCP or CMHA that furnishes the services under a contract, referral, or other arrangement, to the extent those payments are in excess of the amount the enrollee would owe if Contractor provided the services directly.

b. Submit the amount spent throughout the Service Area on specific items at the request of NSMHA, CMS, the legislature, or DSHS in the timeframe specified.
c. Limit administration costs incurred by Contractor and all subcontractors to no more than 15% of the consideration provided under this contract in any state fiscal year. Indirect costs include overhead and operating income not to exceed 15% of allowable direct costs. Administration costs must be measured on a state fiscal year basis according to the reported information submitted by Contractor in their Revenue Certification, Attachment VIII, and reviewed by NSMHA.

**5. LIABILITY FOR PAYMENT AND THE PURSUIT OF THIRD PARTY REVENUE**

Contractor shall be responsible for developing financial processes enabling them to reasonably ensure all third-party resources available to individuals are identified and pursued in accordance with the reasonable collection practices, which Contractor applies to all other payers for services covered under this Agreement. NSMHA shall actively provide Contractor support in the pursuit of third-party payments for all services including crisis services.

Contractor shall maintain necessary records to document all third-party resources and report to NSMHA on a biennial quarterly basis or upon the reasonable request of NSMHA, amount of such third-party resources collected for all service recipients during the quarter, by source of payment.

**6. FINANCIAL PROVISIONS - REIMBURSEMENT REQUIREMENTS**

The consideration to be paid by NSMHA for the work to be provided by Contractor pursuant to this Agreement shall consist of the available amount from primary funding sources as described in this Agreement and Attachment IX.

a. Contractor shall be paid monthly on a capacity basis in accordance with Attachment IX.
b. Contractor shall submit a program budget annually, in accordance with Attachment IV.
c. Contractor shall submit encounter data per the MIS section.

The consideration by NSMHA to Contractor pursuant to this Agreement shall be paid monthly within 15 working days of NSMHA's receipt of payment by DSHS/DBHR.

**7. FRAUD AND ABUSE**

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

a. Mandatory compliance plan;
b. Designation of a compliance officer or compliance committee accountable to Contractor;
c. Effective ongoing training and education for compliance officer and Contractor;
d. Effective lines of communication between compliance officer, employees and other providers in Contractor network;
e. Enforcement of standards through well-publicized disciplinary guidelines;
f. Provision of internal monitoring and auditing;
g. Provision for prompt response to detected offenses for development of corrective action initiatives;
h. Participation by Contractor in Medicaid fraud and abuse training conducted by the Washington State Attorney General's Medicaid Fraud Unit; and
i. Written policies, procedures and standards of conduct articulating Contractor's commitment to comply with all applicable Federal and State standards.

Report fraud/abuse information to NSMHA as soon as it is discovered including: source of the complaint, party complained against, nature of fraud or abuse complaint, approximate dollars involved and legal and administrative disposition of the case.

Complaints and reports should be directed to NSMHA's Compliance Officer listed below.

Compliance Officer
117 N 1st St., Ste. 8
Mt. Vernon, WA 98273
360.416.7013
1.800.684.3555
compliance_officer@nsmha.org

## G. OVERSIGHT, REMEDIES AND TERMINATION

### 1. OVERSIGHT AUTHORITY

NSMHA, 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 (e.g., External Quality Review Organizations/Monitoring Authority), have the authority to conduct announced and unannounced: a) surveys; b) audits; c) reviews of compliance with fidelity standards, as well as, licensing and certification requirements and compliance with this Agreement; d) audits regarding the quality, appropriateness and timeliness of mental health services of Contractor; and e) audits and inspections of financial records of Contractor. Contractor shall notify NSMHA when an entity other than NSMHA performs any audit described above related to any activity contained in this Agreement.

In addition, NSMHA will conduct reviews in accordance with its oversight of resource, utilization and quality management, as well as, ensuring 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 and reviews of administrative structures, fiscal management and contract compliance. Reviews may include desk reviews, requiring Contractor to submit requested information. NSMHA will also review 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 Attachment VI. Contractor shall cooperate with NSMHA in resolving any disputes arising in the provision of Ombuds services.

Findings as a result of NSMHA 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 NSMHA. Contractor shall comply with the terms of such remedial action and be responsible for the payment of financial penalties.

### 2. REMEDIAL ACTION

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

a. CAPs must include:

   i. Brief description of the finding.
   ii. Specific actions to be taken, timetable, description of the monitoring to be performed, steps taken and responsible individuals that will reflect the resolution of the situation.

b. CAPs may:

Require modification of any policies or procedures by Contractor relating to the fulfillment of its obligations pursuant to this Agreement.

c. CAPs are subject to approval by NSMHA, 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 NSMHA may initiate remedial action with or without a CAP as outlined in subsection below if NSMHA determines any of the following situations exist:

i. Problem exists that poses a threat to the health or safety of any person or poses a threat of property damage / incident has occurred that resulted in injury or death to any person / resulted in damage to property;
ii. Contractor has failed to perform any of the mental health services required in this Agreement, including delegated functions, which include failure to maintain the required capacity as specified by NSMHA to ensure individuals receive medically necessary services, *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, available amount of money to Contractor as described in this contract for purposes of performing services to enrollees as described in Section B of this contract; however, in such an instance, NSMHA may terminate all or part of this contract on as little as 30 days written notice.
iii. Contractor has failed to develop, produce/deliver to NSMHA any of the statements, reports, data, data corrections, accountings, claims/documentation described herein, in compliance with all the provisions of this Agreement;
iv. Contractor has failed to perform any administrative function required under this Agreement, including delegated functions. For the purposes of this section, “administrative function” is defined as any obligation other than the actual provision of mental health services;
v. Contractor has failed to implement corrective action required by the state and within NSMHA prescribed timeframes.

e. NSMHA may impose any of the following remedial actions in response to findings of situations as outlined above:

i. Withhold one percent of the next monthly payment and each monthly payment thereafter until the corrective action has achieved resolution. NSMHA, 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 of one 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. Termination for Default, as outlined in this Agreement.

**3. ADDITIONAL FINANCIAL PENALTIES – DBHR IMPOSED SANCTIONS**

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

**4. TERMINATION DUE TO CHANGE IN FUNDING**

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

**5. TERMINATION FOR CONVENIENCE**

Except, as otherwise provided in this Agreement, NSMHA may terminate this Agreement in whole or in part for convenience by giving Contractor at least 30 calendar days' written notice. Contractor may terminate this Agreement for convenience by giving NSMHA at least 30 calendar days' written notice addressed to NSMHA contact person (or to his/her successor) listed on the last page of this Agreement.

**6. TERMINATION FOR DEFAULT**

NSMHA's Program Manager may terminate this Agreement for default, in whole or in part, by written notice to Contractor if NSMHA or DSHS has a reasonable basis to believe Contractor has or have:

a. Failed to meet or maintain any requirement for contracting with DSHS.
b. Failed to perform under any provision of this Agreement.
c. Violated any law, regulation, rule, or ordinance applicable to the services provided under this Agreement; and/or
d. Otherwise breached any provision or condition of this Agreement.

Before NSMHA's Program Manager may terminate this Agreement for default, in whole or in part, NSMHA shall provide Contractor with written notice of Contractor and subcontractor's non-compliance with this Agreement which notice shall provide Contractor a reasonable time period to correct its/their non-compliance. If Contractor has or have not corrected its/their non-compliance within the period of time specified in the written notice of non-compliance, NSMHA's Program Manager may terminate this

Agreement in whole or in part for default without such written notice and without opportunity for correction if NSMHA/DSHS has a reasonable basis to believe:

a. Contractor has violated any law, regulation, rule or ordinance applicable to services provided under this agreement, or
b. Continuance of this Agreement with Contractor poses a material risk of injury or harm to any person.

Contractor may terminate this Agreement in whole or in part, by written notice to NSMHA, if Contractor has a reasonable basis to believe NSMHA has:

a. Failed to meet or maintain any requirement for contracting with Contractor;
b. Failed to perform under any provision of this Agreement;
c. Violated any law, regulation, rule, or ordinance applicable to work performed under this Agreement; and/or
d. Otherwise breached any provision or condition of this Agreement.

**7. TERMINATION PROCEDURE**

The following provisions shall survive and be binding on the parties in the event this Agreement is terminated:

a. Contractor and any applicable subcontractors shall cease to perform any services required by this Agreement as of the effective date of termination and shall comply with all reasonable instructions contained in the notice of termination which are related to the transfer of clients, distribution of property and termination of services. Each party shall be responsible only for its performance in accordance with the terms of this Agreement rendered prior to the effective date of termination. Contractor and any applicable subcontractors shall assist in the orderly transfer/transition of the individuals served under this Agreement. Contractor and any applicable subcontractors shall promptly supply all information necessary for the reimbursement of any outstanding Medicaid claims.
b. Contractor and any applicable subcontractors shall immediately deliver to NSMHA's Program Manager or to his/her successor, all DSHS and NSMHA assets (property) in Contractor and any applicable subcontractors' possession and any property produced under this Agreement. Contractor and any applicable subcontractors' grants NSMHA and DSHS the right to enter upon Contractor and any applicable subcontractors' premises for the sole purpose of recovering any NSMHA or DSHS property Contractor and any applicable subcontractors' fail to return within 10 working days of termination of this Agreement. Upon failure to return NSMHA/DSHS property within 10 working days of the termination of this Agreement, Contractor and any applicable subcontractors' shall be charged with all reasonable costs of recovery, including transportation and attorney's fees. Contractor and any applicable subcontractors' shall protect and preserve any

property of NSMHA/DSHS in the possession of Contractor and any applicable subcontractors' pending return to NSMHA/DSHS.

c. NSMHA shall be liable for and shall pay for only those services authorized and provided through the date of termination. NSMHA may pay an amount agreed to by the parties for partially completed work and services, if work products are useful to or usable by NSMHA.

## H. GENERAL TERMS AND CONDITIONS FOR CONTRACTOR/BHAs/SUBCONTRACTORS

### 1. BACKGROUND

NSMHA is an entity formed by inter-local agreement between Island, San Juan, Skagit, Snohomish and Whatcom Counties (Service Area) each a county authority recognized by the Secretary of DSHS (Secretary). These counties entered into an inter-local agreement to allow NSMHA to contract with the Secretary pursuant to RCW 71.24.025(13), to operate a single managed system of services for persons with mental illness living in the Service Area. NSMHA is party to an inter-agency agreement with the Secretary, pursuant to which NSMHA has agreed to provide integrated community support, crisis response and inpatient management services to people needing such services in its Service Area. NSMHA, through this Agreement, is subcontracting with Contractor for the provision of specific mental health services as required by the agreement with the Secretary. Contractor, by signing this Agreement, attests they are willing and able to provide such services in the Service Area.

### 2. MUTUAL COMMITMENTS

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

### 3. ASSIGNMENT

Except as otherwise provided within this Agreement, this Agreement may not be assigned, delegated, or transferred by Contractor without the express written consent of NSMHA and any attempt to transfer or assign this Agreement without such consent shall be void. The terms “assigned”, “delegated”, or “transferred” shall include change of business structure to a limited liability company of any Contractor and CBHA.

### 4. AUTHORITY

Concurrent with the execution of this Agreement, Contractor shall furnish NSMHA with a copy of the explicit written authorization of their governing bodies to enter into this Agreement and accept the financial risk and responsibility to carry out all terms of this Agreement including the ability to pay for all expenses incurred during the contract period. Likewise, concurrent with the execution of this Agreement, NSMHA shall furnish Contractor with a written copy of the motion, resolution, or ordinance passed by NSMHA’s Board of Directors authorizing NSMHA to execute this Agreement.

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

Contractor and their subcontractors shall comply with all applicable federal and state statutes, regulations and operational policies whether or not a specific citation is identified in various sections of this Agreement and all amendments thereto that are in effect when the Agreement is signed or that come into effect during the term of the Agreement which may include, but are not limited to, the following:

a. Title XIX and Title XXI of the Social Security Act and Title 42 CFR.
b. All applicable Office of the Insurance Commissioner (OIC) statutes and regulations.
c. All local, State and Federal professional and facility licensing and certification requirements/standards applying to services performed under the terms of this Agreement.
d. All applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368), Executive Order 11738 and Environmental Protection Agency (EPA) regulations (40 CFR Part 15), which prohibit the use of facilities included on the EPA List of Violating Facilities. Any violations shall be reported to DSHS, DHHS, and EPA.
e. Any applicable mandatory standards and policies relating to energy efficiency, which are contained in the State Energy Conservation Plan, issued in compliance with the Federal Energy Policy and Conservation Act.
f. Those specified for laboratory services in the Clinical Laboratory Improvement Amendments (CLIA).
g. Those specified in Title 18 RCW for professional licensing.
h. Reporting of abuse as required by RCW 26.44.030.
i. Industrial insurance coverage as required by Title 51 RCW.
j. RCW 38.52, 70.02, 71.05, 71.24, and 71.34.
k. WAC 388-865, 388-877 and 877A.
l. 42 CFR 438, including 438.58 (conflict of interest) and 438.106 (physician incentive plans).
m. The State of Washington Medicaid State Plan and the 1915(b) Medicaid Mental Health Waiver or their successors, which documents are incorporated by reference.
n. DBHR Quality Strategy.
o. The State of Washington mental health system mission statement, value statement and the guiding principles for the system, attached hereto as Exhibit D.
p. The State Medicaid Manual (SMM), Office of Management and Budget (OMB) Circulars, BARS Manual and BARS Supplemental Mental Health Instructions.
q. Any applicable federal and state laws pertaining to Medicaid enrollee or individual rights. Contractor shall ensure their staff takes those rights into account when furnishing services to individuals.
r. DSHS Administrative policies, to the extent they are applicable to this contract, which are attached as 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 mental health services provided to individuals.

t. Any policies and procedures developed by DSHS/Health Care Authority for compliance with WAC 182-519-0110, which governs spenddown of client assets.
u. Contractor 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 or subcontractor's equity or an employee, Contractor, or consultant who is significant or material to the provision of services under this Agreement, 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.

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

Upon notification from DSHS, NSMHA shall notify Contractor in writing of changes/modifications in CMS policies and DSHS/DBHR contract requirement changes.

**6. COMPLIANCE WITH NSMHA OPERATIONAL POLICIES**

Contractor shall comply with all NSMHA operational policies that pertain to the delivery of services under this Agreement that are in effect when the Agreement is signed or that come into effect during the term of the Agreement. NSMHA policies shall not exceed that required to implement Federal and state requirements or to continuous quality improvement efforts determined by the Integrated Quality Management Process as approved by the Board of Directors. All proposed new policies shall specifically reference the Federal or state requirements they are implementing and shall be limited only to such requirements. NSMHA shall notify Contractor of any proposed change in Federal or state requirements affecting this agreement immediately upon NSMHA receiving knowledge of such change. Such policies shall include:

a. NSMHA Core Values and Principles, attached hereto as Attachment I provide a framework of principles for the regional system and Contractor shall take these principles into account when providing services under this Agreement.
b. Contractor must recognize the unique social/legal status of Indian nations as required by both the Supremacy and the Indian Commerce Clauses of the United States Constitution; federal treaties; executive orders; Indian Citizens Act of 1924 statutes; and state and federal court decisions; or any Memorandum of Agreement or Understanding signed by the 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 the Washington State government and the

Washington Tribes; and maintain compliance with NSMHA 7.01 Plan, or any successor (Attachment II).

c. NSMHA's Quality Strategy Plan.
d. NSMHA clinical policies and procedures, including crisis services policies.
e. NSMHA medical records documentation and data reporting policies and procedures.
f. NSMHA quality management policies and procedures.
g. NSMHA individual rights policies and procedures, including complaint, grievance, fair hearing and appeal policies.
h. Any other policies designated by NSMHA as applicable to Contractor.

Along with all NSMHA stakeholders, Contractor will be included in the process for developing relevant operational policies and procedures. NSMHA's policies and procedures are posted on NSMHA's website. NSMHA shall notify Contractor of new and revised policies through its numbered memoranda. Training will be provided on policies that impact providers, upon request.

In the event there is disagreement between NSMHA and Contractor in an operational committee regarding a proposed new policy or modification to a current policy, the following process will apply. NSMHA 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 NSMHA'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 meeting of the Provider Chief Executive Officers/Executive Directors. 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 NSMHA's Board of Director's meeting.

NSMHA will make best efforts to maintain currency of policies with applicable federal or state law, regulation or policy. In the event of a conflict, federal or state laws, regulations or policies supersede NSMHA policies and procedures.

**7. CONFIDENTIALITY OF PERSONAL INFORMATION**

Contractor shall protect all Personal Information, records, and data from unauthorized disclosure in accordance with 42 CFR §431.300 through §431.307, RCWs 70.02, 71.05, 71.34, and for individuals receiving substance abuse services, in accordance with 42 CFR Part 2 and RCW 70.96A. The CONTRACTOR shall have a process in place to ensure that all components of its provider network and system understand and comply with confidentiality requirements for publicly funded mental health services. Pursuant to 42 CFR §431.301 and §431.302, personal information concerning applicants and recipients

may be disclosed for purposes directly connected with the administration of this Agreement and the State Medicaid Plan. Such purposes include, but are not limited to:

a. Establishing eligibility.
b. Determining the amount of medical assistance.
c. Providing services for recipients.
d. Conducting or assisting in investigation, prosecution, or civil or criminal proceeding related to the administration of the plan.
e. Assuring compliance with Federal and State laws, regulations, with terms and requirements of this Agreement.
f. Improving quality.

Contractor shall comply with all confidentiality requirements of the Health Insurance Portability and Accountability Act (45 CFR 160 and 164).

CONTRACTOR shall have a process in place to ensure that all components of its Behavioral Health Agency (BHA) and system understand and comply with confidentiality requirements for publicly funded mental health services.
Contractor shall ensure that access to the information is restricted to persons or agency representatives who are subject to standards of confidentiality that are comparable to those of NSMHA and DSHS.

The parties acknowledge that coordination, planning, screening, and referral require the sharing of information among the various treatment providers. Disclosure of information to verify eligibility, determine the amount of assistance, and to provide medically necessary mental health services are all "purposes directly connected with the administration of the Agreement", and are all appropriate justifications for sharing information.

Contractor shall assure that all staff and subcontractors providing services under this Agreement receive annual training on confidentiality policies and procedures. In addition, Contractor shall assure that all staff and subcontractors providing services under this Agreement sign an annual Oath of Confidentiality statement. Signed copies of the Oath of Confidentiality shall be kept in Contractor and subcontractor's personnel files.

**8. CONTRACT PERFORMANCE/ENFORCEMENT**

NSMHA shall be vested with the rights of a third party beneficiary, including the "cut through" right to enforce performance should Contractor be unwilling or unable to enforce action on the part of its subcontractor(s). In the event that Contractor dissolves or otherwise discontinues operations, NSMHA may, at its sole option, assume the right to enforce the terms and conditions of this Agreement directly with subcontractor. Contractor shall include this clause in their contracts with their subcontractors. In the event of the dissolution of Contractor, NSMHA's rights in indemnification shall survive.

**9. COOPERATION**

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

**10. DEBARMENT CERTIFICATION**

Contractor certifies that they are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any federal or state department or agency. If requested by DSHS or NSMHA, Contractor shall complete a Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion. Any Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion pertaining to this Agreement shall be incorporated into this Agreement by reference.

**11. EXCLUDED PARTIES**

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

Monitor for excluded individuals and entities as outlined in Exhibit E and by:

a. Screening Contractor and subcontractor's employees and individuals and entities with an ownership or control interest for excluded individuals and entities prior to entering into a contractual or other relationship where the individual or entity would benefit directly or indirectly from funds received under this Contract.
b. Screening monthly newly added Contractor and subcontractor's employees and individuals and entities with an ownership or control interest for excluded individuals and entities that would benefit directly or indirectly from funds received under this Contract.
c. Screening monthly Contractor and subcontractor's employees and individuals and entities with an ownership or control interest that would benefit from funds received under this Contract for newly added excluded individuals and entities.

Report to NSMHA:

a. Any excluded individuals and entities discovered in the screening within 10 business days.
b. Any payments made by Contractor that directly or indirectly benefit excluded individuals and entities and the recovery of such payments.
c. Any actions taken by Contractor to terminate relationships with Contractor and subcontractor's employees and individuals with an ownership or control interest discovered in the screening.
d. Any Contractor and subcontractor's employees and individuals with an ownership or control interest convicted of any criminal or civil offense described in SSA section 1128. within 10 business days of Contractor becoming aware of the conviction.
e. Any subcontractor terminated for cause within 10 business days of the effective

date of termination to include full details of the reason for termination.

f. Any Contractor and subcontractor's individuals and entities with an ownership or control interest (Attachment XII).

Contractor must provide a list with details of ownership and control no later than August 15, 2015, and keep that list up-to-date thereafter.

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

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

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

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

In addition, if NSMHA/DSHS notifies Contractor that an individual or entity is excluded from participation by DSHS in RSN's, Contractor shall terminate all beneficial, employment and contractual, and control relationships with the excluded individual or entity immediately (WAC 388-/877-0500).

The list of excluded individuals will be found at:
http://www.oig.hhs.gov/fraud/exclusions.asp

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

**12. DECLARATION THAT CLIENTS UNDER THE MEDICAID AND OTHER MENTAL HEALTH PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT**

Although NSMHA, Contractor, and subcontractors mutually recognize that services under this Agreement may be provided by Contractor and subcontractors to clients under the Medicaid program, RCW 71.05 and 71.34, and the Community Mental Health Services Act, RCW 71.24, it is not the intention of either NSMHA or Contractor, that such individuals, or any other persons, occupy the position of intended third-party beneficiaries of the obligations assumed by either party to this Agreement.

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

This Agreement shall be binding on all parties only upon signature by authorized representatives of each party. This Agreement, or any provision, may be amended during the contract period, if circumstances warrant, by a written amendment executed by all relevant parties. Only NSMHA Program Administrator or NSMHA Program Administrator's designee has authority to waive any provision of this Agreement on behalf of NSMHA.

**14. HEADINGS AND CAPTIONS**

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

**15. INDEMNIFICATION**

Contractor shall be responsible for and shall indemnify and hold NSMHA harmless (including all costs and attorney fees) from all claims for personal injury, property damage and disclosure of confidential information, including claims against NSMHA for the negligent hiring, retention and/or supervision of the Contractor and from the imposition of governmental fines or penalties resulting from the acts or omissions of Contractor related to the performance of this contract. NSMHA shall be responsible and shall indemnify and hold Contractor harmless (including all costs and attorney fees) from all claims for personal injury, property damage and disclosure of confidential information and from the imposition of governmental fines or penalties resulting from the acts or omissions of NSMHA. Except to the extent caused by the gross negligence and/or willful misconduct of NSMHA, Contractor, shall indemnify and hold NSMHA harmless from any claims made by non-participating BHAs related to the provision of services under this Agreement.

**16. INDEPENDENT CONTRACTOR FOR NSMHA**

The parties intend that an independent Contractor relationship be created by this contract. Contractor acknowledges that Contractor is not officers, employees, or agents of NSMHA. Contractor shall not hold Contractor or any of Contractors' employees out as, nor claim status as, officers, employees, or agents of NSMHA. Contractor shall not claim for Contractor or Contractor's employees any rights, privileges, or benefits, which would accrue to an employee of NSMHA. Contractor shall indemnify and hold NSMHA harmless from all obligations to pay or withhold Federal or State taxes or contributions on behalf of Contractor or Contractor's employees unless specified in this Agreement.

**17. INSURANCE**

NSMHA certifies it is a member of Washington Government Risk Pool for all exposure to tort liability, general liability, property damage liability, and vehicle liability, if applicable, as provided by RCW 43.19.

Contractor shall maintain Commercial General Liability Insurance (CGL). If Contractor is not a member of a risk pool, Contractor shall carry CGL to include coverage for bodily injury, property damage, and contractual liability, with the following minimum limits: Each Occurrence - $1,000,000; General Aggregate - $2,000,000; shall include liability arising out of premises, operations, independent Contractor's, personal injury, advertising injury, and liability assumed under an insured contract.

In addition, Contractor shall provide Professional Liability insurance for all activities and services under this Agreement in the amount of $2,000,000.

Contractor shall provide evidence of such insurance to NSMHA within 15 days of execution of this Agreement and 15 days post renewal date thereafter. All non-risk pool policies shall name NSMHA as a covered entity under said policy(s).

**18. INTEGRATION**

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

**19. MAINTENANCE OF RECORDS**

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

a. Maintain the content of all Medical Records in a manner consistent with utilization control requirements of 42 CFR 456, 42 CFR 434.34 (a), 42 CFR 456.111, and 42 CFR 456.211.
b. Document performance of all acts required by law, regulation, or this Agreement.
c. Substantiate Contractor statement of their organizations' structures, tax status, capabilities, and performance.
d. Demonstrate accounting procedures, practices, and records, which sufficiently and properly document Contractor invoices to NSMHA and all expenditures made by Contractor to perform as required by this Agreement.
e. Contractor shall cooperate in all reviews, including but not limited to, surveys, and research conducted by NSMHA, 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 Agreement, and to determine whether Contractor are providing service to individuals in accordance with the requirements set forth in this Agreement 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 Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

Waiver of any breach of any provision of this Agreement 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 Agreement.

**21. ONGOING SERVICES**

Contractor shall ensure that in the event of labor disputes or job actions, including work slowdowns, so called “sick outs”, or other activities, within its service CMHA network, uninterrupted services shall be available as required by the terms of this Agreement.

**22. ORDER OF PRECEDENCE**

In the event of an inconsistency in the terms of this Agreement, or any inconsistency between the terms of this Agreement 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. State statutes and regulations concerning the operation of the community mental health programs.
b. Other applicable Federal, State, or local law.
c. NSMHA-DSHS agreement, or its successors, that covers the provision of the mental health services covered under this Agreement, which shall include any exhibit, document, or material incorporated by reference.
d. This Agreement.

**23. OVERPAYMENTS**

In the event Contractor fail to comply with any of the terms and conditions of this Agreement and that failure results in an overpayment, NSMHA may recover the amount due DSHS, CMS or other federal or state agency, subject to dispute resolution as set forth in the contract. In the case of overpayment, Contractor shall cooperate in the recoupment process and return to NSMHA the amount due upon demand.

**24. OWNERSHIP OF MATERIALS**

Materials created by Contractor and paid for by NSMHA as a part of this Agreement shall be owned by NSMHA and shall be, "works for hire" as defined by the U.S. Copyright Act of 1976. This material includes but is not limited to: books, computer programs, documents, films, pamphlets, reports, sound reproductions, studies, surveys, tapes, and/or training materials. Material which Contractor uses to perform this Agreement, but which is not created for or paid for by NSMHA, is owned by Contractor; however, NSMHA and DSHS shall have a perpetual license to use this material for DSHS internal purposes at no charge to DSHS.

**25. PERFORMANCE**

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

**26. RESOLUTION OF DISPUTES**

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

a. The parties shall use their best efforts to resolve issues prior to giving written Notice of Dispute.
b. Within 10 working 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.
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 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 arbitrators shall determine which party, if any, is the prevailing party.
d. The parties agree that the arbitrators' decision shall be binding, final and appealable to Skagit County Superior Court only as provided in Chapter 7.04A RCW.
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 Agreement.
g. Nothing contained in this Agreement shall be deemed to give the arbitrator the power to change any of the terms and conditions of this Agreement 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 Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance.

**27. SEVERABILITY AND CONFORMITY**

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

**28. SUBCONTRACTS**

Contractor shall subcontract services to be provided under this Agreement subject to the following requirements.

a. Contractor shall provide NSMHA with copies of subcontracts pursuant to the provisions in this agreement.
b. Contractor shall be responsible for the acts and omissions of any subcontractor.
c. Contractor must ensure that the subcontractor neither employs any person nor contracts with any person or Community Mental Health Agency (CMHA) excluded from participation in federal health care programs under either 42 USC 1320a-7 (§§1128 or 1128A Social Security Act) or debarred or suspended per this Agreement's General Terms and Conditions.
d. Contractor shall require subcontractors to comply with all applicable federal and state laws, regulations, and operational policies as specified in this Agreement.
e. Subcontracts for the provision of mental health services must require subcontractors to provide individuals access to translated information and interpreter services.
f. Contractor shall require subcontractors to comply with all applicable NSMHA operational policies as specified in this Agreement.
g. Contractor shall ensure a process is in place to demonstrate that all third-party resources are identified and pursued.
h. Contractor shall oversee, be accountable for, and monitor all functions and responsibilities delegated to a subcontractor on an ongoing basis including formal reviews.
i. Contractor will monitor performance of the subcontractors on an annual basis and notify NSMHA of any identified deficiencies or areas for improvement requiring corrective action by Contractor.
j. Contractor shall ensure that all subcontracts are in writing and that subcontracts specify all duties, reports, and responsibilities delegated under this Agreement. Those written subcontracts shall:

i. Require subcontractors to hold all necessary licenses, certifications, and/or permits as required by law for the performance of the services to be performed under this Agreement.
ii. 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.
iii. Require that the subcontractor correct any areas of deficiencies in the subcontractor's performance that are identified by Contractor, NSMHA, and/or DBHR.
iv. Require best efforts to provide written or oral notification within 15 working 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 client medical record at the subcontractor.

**29. SURVIVABILITY**

The terms and conditions contained in this Agreement that by their sense and context are intended to survive the expiration of this Agreement shall so survive. Surviving terms include, but are not limited to: Order of Precedence, Contract Performance and Enforcement, Confidentiality of Client Information, Resolution of Disputes, Indemnification, Oversight Authority, Maintenance of Records and Ownership of Materials.

**30. TREATMENT OF CLIENT PROPERTY**

Unless otherwise provided in this Agreement, Contractor shall ensure that any adult individual receiving services from Contractor under this Agreement has unrestricted access to the individual's personal property. Contractor shall not interfere with any adult individual's ownership, possession, or use of the individual's property unless clinically indicated. Upon termination of this Agreement, Contractor shall immediately release to the individual and/or the individual's guardian or custodian all of the individual's personal property.

**31. WARRANTIES**

The parties' obligations are warranted and represented by each to be individually binding, for the benefit of the other party. Contractor warrant and represent that they are able to perform their obligations set forth in this Agreement and that such obligations are binding upon Contractor for the benefit of NSMHA. Contractor further warrant and represent that no Contractor Member or Affiliate will change its non-profit status during the term of this Agreement (including any renewal).

**32. CONTRACT ADMINISTRATION**

The Program Manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Program Manager for NSMHA is:

Joe Valentine, Executive Director
117 N. 1st Street, Suite 8
Mount Vernon, WA 98273

The Program Manager for Telecare Corporation is:

Marshall Langfeld, SVP & CFO
1080 Marina Village Parkway, Suite 100
Alameda, CA 94501

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

**THIS AGREEMENT**, consisting of 51 Pages, plus all Exhibits and Attachments, is executed by the persons signing below who warrant they have the authority to execute this Agreement.

| **NSMHA** | | **TELECARE** | |
|---|---|---|---|
| Signature | Date | Signature | Date |
| Joe Valentine, Executive Director | | Marshall Langfeld, SVP & CFO | |
| Name/Title | | Name/Title | |