

**NORTH SOUND
MENTAL HEALTH ADMINISTRATION**

**PROGRAM FOR ASSERTIVE COMMUNITY TREATMENT
CONTRACT (PACT)**

WITH

**LAKE WHATCOM RESIDENTIAL AND TREATMENT
CENTER**

CONTRACT # NSMHA-LAKE WHATCOM-PACT-2009-11

OCTOBER 1, 2009 TO SEPTEMBER 30, 2011

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Exhibit A – Access to Care Standards

Exhibit C – Mission Statement

Exhibit F – DSHS Admin Policy No. 7.21

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Exhibit H – DSHS Admin Policy No. 7.20

ATTACHMENTS

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Attachment I – Core Values and Principles

Attachment II – NSMHA 7.01 Policy, Provider P&P Grid, Regional Training Plan and Quality Management Plan – links

Attachment III – Washington State PACT Program Standards

Attachment IV – CONTRACTOR Deliverables

Attachment V – CONTRACTOR/NSMHA Business Associate Agreement

Attachment VI – Ombuds and QRT Services

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**AGREEMENT FOR THE PROVISION
OF
STATE FUNDED
MENTAL HEALTH SERVICES**

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THIS MENTAL HEALTH SERVICES AGREEMENT (the “Agreement”), pursuant to Chapter 71.24 RCW and all relevant and associated statutes, as amended, is made and entered into by and between the NORTH SOUND REGIONAL SUPPORT NETWORK, dba THE NORTH SOUND MENTAL HEALTH ADMINISTRATION (“NSMHA”), 117 North 1st Street, Suite 8, Mount Vernon, Washington 98273, and the LAKE WHATCOM RESIDENTIAL AND TREATMENT CENTER (“CONTRACTOR”) 609 Northshore Drive, Bellingham, WA 98226.

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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 October 1, 2009, through September 30, 2011.

A. DEFINITIONS

“Abuse” means a provider 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 that fail to meet professionally recognized standards for health care” (Medicaid Managed Care Fraud and Abuse Guidelines).

“Act” means the Social Security Act.

“Action” means in the case of a PIHP:

- (1) The denial or limited authorization of a requested service, including the type or level of service;
- (2) The reduction, suspension, or termination of a previously authorized service;
- (3) The denial in whole or in part, of payment for a service;
- (4) The failure to provide services in a timely manner, as defined by the state;
- (5) The 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 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.

“Allied Systems” means state or local services which provide consumers with assistance to reduce the impact of disabilities, functional impairments, or skill deficits, and which 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.

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

3
4 “Capitation Payment” means a payment the Department of Social and Health Services (DSHS) makes
5 periodically to a PIHP on behalf of each recipient enrolled under a contract for the provision of medical
6 services under the State Plan. DSHS makes the payment regardless of whether the particular recipient
7 receives the services during the period covered by the payment.

8
9 “Central Costs” means another term for administrative costs.

10
11 “CFR” means the Code of Federal Regulations. All references in this Agreement to CFR chapters or
12 sections shall include any successor, amended, or replacement regulation.

13
14 “Children’s Long Term Inpatient Program” (CLIP): means the state appointed authority for policy and
15 clinical decision-making regarding admission to and discharge from state-funded beds in the Children’s
16 Long Term Inpatient Programs (Child Study and Treatment Center, Pearl Street Center, McGraw Center,
17 Tamarack Center and Martin Center).

18
19 “Community Mental Health Agency” (CMHA) means community mental health centers that are
20 subcontracted by the PIHP and licensed to provide mental health services covered under this Agreement.

21
22 “Consumer” means a person who has applied for, is eligible for or who has received mental health
23 services. For a child, under the age of thirteen, or for a child age thirteen or older whose parents or legal
24 guardians are involved in the treatment plan, the definition of consumer includes parents or legal
25 guardians.

26
27 “Cost Effective” means that the benefits and harms relative to costs represent an economically efficient
28 use of resources. Cost effective does not necessarily mean lowest price.

29
30 “Disaster Outreach” means persons contacted in their place of residence or in non-traditional settings for
31 the purpose of: 1) assessing their mental health, or social functioning following a disaster; 2) or increasing
32 their utilization of human services and resources. There are two basic approaches to outreach: 1) mobile
33 (going to person to person); 2) community settings (e.g. temporary shelters, disaster assistance sites,
34 disaster information forums). Regardless of the approach, the outreach process has five important
35 components:

- 36
- 37 • Locating persons in need of disaster relief services
 - 38 • Assessing their needs
 - 39 • Engaging or linking persons to an appropriate level of support or disaster relief services
 - 40 • Providing follow-up mental health services when clinically indicated

41
42 Disaster outreach can be performed by trained volunteers, peers and/or persons hired under a federal
43 Crisis Counseling Grant. These persons should be trained in disaster crisis outreach, which is different
44 than traditional mental health crisis intervention.

45

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

5 “Enrollee” means a Medicaid recipient who is currently enrolled in a PIHP.
6

7 “Fair Hearing” means a grievance hearing before the Washington State Office of Administrative
8 Hearings.
9

10 “Family” means those the consumer defines as family or those appointed/assigned (e.g. parents, foster
11 parents, guardians, siblings, caregivers, and significant others).
12

13 “Fraud” means “an intentional deception or misrepresentation made by a person with the knowledge that
14 the deception could result in some unauthorized benefit to himself or some other person. It includes any
15 act that constitutes fraud under applicable Federal or State law”. (Medicaid Managed Care Fraud and
16 Abuse Guidelines)
17

18 “Grievance” means an expression of dissatisfaction about any matter other than an action as “action” is
19 defined above. The term is also used to refer to the overall process that includes grievance and appeals
20 handled at the PHIP level and access to the state fair hearing process. Possible subjects for grievances
21 include, but are not limited to, the quality of care or services provided, and aspects of interpersonal
22 relationships such as rudeness, or failure to respect the enrollee’s rights.
23

24 “Local Funds Eligible for Match” means sources of revenue that are eligible to be used as federal match
25 are broad based taxes at the county or other local taxing authority level that are spent and have been
26 certified by the local authority as public funds for mental health services allowable under this Agreement.
27 Funds used for federal match under this Agreement may not be used as match for any other federal
28 program. It can be local funds that have not been previously matched with federal funds at any point.
29 Local funds do not include donations.
30

31 “Medicaid Funds” means funds provided by CMS Authority under the Title XIX program.
32

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

41 Additionally, the individual must be determined to have a mental illness covered by Washington State for
42 public mental health services. The individual’s impairment(s) and corresponding need(s) must be the result
43 of a mental illness. The intervention is deemed to be reasonably necessary to improve, stabilize or prevent
44 deterioration of functioning resulting from the presence of a mental illness. The individual is expected to
45 benefit from the intervention. Any other formal or informal system or support cannot address the
46 individual’s unmet need.
47

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

5 “Operating Reserve” means funds designated from mental health revenue sources that are set aside into an
6 operating reserve account by official action of the RSN/PIHP governing body. Operating reserve funds
7 may only be set aside to maintain adequate cash flow for the provision of mental health services.
8

9 “Premium Payment” means the prepaid monthly capitation rate the Department pays a PIHP for each
10 enrollee under this Agreement for the provision of mental health services under the Medicaid State Plan,
11 whether or not the enrollee receives the services during the Agreement.
12

13 “Public Funds” means state, federal, or local government funds gained by a taxing authority.
14

15 “Qualified Personnel” means as determined by license or certification by the state of Washington to
16 perform services covered in this Agreement.
17

18 “Quality Assurance” means a focus on compliance to minimum requirements (e.g. rules, regulations, and
19 contract terms) as well as reasonably expected levels of performance, quality, and practice.
20

21 “Quality Improvement” means a focus on activities to improve performance above minimum standards/
22 reasonably expected levels of performance, quality, and practice.
23

24 “Quality Strategy” means an overarching system and/or process whereby quality assurance and quality
25 improvement activities are incorporated and infused into all aspects of an organization’s or system’s
26 operations.
27

28 “Request for Services” means a point in time when services are sought or applied for. This can be through
29 a telephone call, referral, walk-in, or written request for service.
30

31 “Reserve Accounts” means an allocation of fund balance at the RSN set aside for a specific purpose by the
32 RSN’s governing board or local legislative authority.
33

34 • Operating Reserve - Funds designated from mental health revenue sources that are set aside into an
35 operating reserve account by official action of the RSN’s governing body. Operating reserve funds
36 may only be set aside to maintain adequate cash flow for the provision of mental health services.
37 • Inpatient Reserve – Funds designated from mental health revenue sources to pay for future inpatient
38 hospital claims.
39

40 “Routine Care” means a setting where evaluation and mental health services are provided to consumers on
41 a regular basis. These services are intended to stabilize, sustain and facilitate consumer recovery within his
42 or her living situation and they do not meet the definition of urgent and emergent care.
43

44 “Routine Services” means non-emergent and non-urgent services are offered within fourteen (14)
45 calendar days to individuals authorized to receive services as defined in the access to care standards,
46 Exhibit A. Routine services are designed to alleviate symptoms, to stabilize, sustain and facilitate progress
47 toward mental health.

1 “Service Area” means the geographic area covered by this Agreement for which the PIHP is responsible.
2
3 “Urgent Care” means a service to be provided to persons approaching a mental health crisis. If services are
4 not received within 24 hours of the request, the person’s situation is likely to deteriorate to the point that
5 emergent care is necessary.
6
7 “Waiver” means a document by which DSHS, MHD, requests sections of the Social Security ACT be
8 waived in order to operate a capitated managed care system to provide services to enrolled recipients.
9 Section 1915(b) of the Act, authorizes the Secretary to waive the requirements of sections 1902 of the Act
10 to the extent he or she finds proposed improvements or specified practices in the provision of services
11 under Medicaid to be cost-effective, efficient, and consistent with the objectives of the Medicaid program.
12

1 **B. REQUIRED SERVICES**

2 CONTRACTOR must provide the following Required Services to individuals in the Service Area:
3 Recovery based service delivery, Comprehensive Mental Health Assessments, Individualized
4 Treatment Planning, Service Coordination, Crisis Assessment and Intervention Services, Symptom
5 Assessment and Management, Medication Prescription, Administration, Monitoring and
6 Documentation, Dual Diagnosis and Substance Abuse Services, Work Related Services, Activities to
7 Daily Living Services, Social and/or Interpersonal and Leisure- Time Skill Training, Supported
8 Employment Services, Peer Support and Wellness Recovery Services, Support Services, Education
9 Support and Consultation with Consumer’s families and Other Major Supports, Consumer Medical
10 Record Maintenance, Consumer’s Rights and Grievance Procedures, Culturally Linguistically and
11 Appropriate Services (CLAS), Performance and Improvement and Program Evaluation and a
12 Stakeholder Advisory Committee.

13
14 In providing PACT Services, CONTRACTOR shall mutually develop and routinely review policies
15 and procedures that address how the availability of resources for these services is determined,
16 including how decisions are made to deny services due to insufficient resources. Other Services are to
17 be provided in accordance with the specific requirements outlined for the service and in accordance
18 with the Washington State PACT Program Standards, Attachment III.

19
20 **1. COMPREHENSIVE MENTAL HEALTH ASSESSMENTS**

- 21 a. The CONTRACTOR must initiate and complete a comprehensive assessment within thirty
22 days of a consumer’s acceptance into the PACT.
- 23 b. Each part of the assessment must be completed by a PACT team member with the skill
24 and knowledge in the area being assessed.
- 25 c. The assessment must include, but not limited to the following; a client interview/self
26 report, family members and other significant parties, written summaries where applicable,
27 such as; law enforcement, courts, outpatient/inpatient services and other community
28 services/supports the consumer may be engaged.

29
30 In collaboration with the consumer, the comprehensive assessment shall include an evaluation in
31 the following areas and in accordance with Attachment III, Washington State PACT Program
32 Standards:

- 33
- 34 a. Psychiatric History, Mental Status and Diagnosis
- 35 b. Physical Health
- 36 c. Use of Drugs and/or Alcohol
- 37 d. Education and Employment
- 38 e. Social Development and Functioning
- 39 f. Activities of Daily Living (ADL)
- 40 g. Family Structure and Relationships

41
42 The service coordinator and team members will be assigned in collaboration with the psychiatric
43 subscriber by the first treatment planning meeting or thirty days after admission, whichever is first.

44
45 **2. INDIVIDUALIZED TREATMENT PLANNING**

46 The treatment plan shall be developed in collaboration with the consumer and the
47 family/significant parties or guardian, when feasible and appropriate. The treatment plan shall be
48 developed in accordance with Attachment III, Washington State PACT Program Standards.

1 The treatment plan shall:
2

- 3 a. Identify individual challenges/problems.
- 4 b. Identify individual strengths.
- 5 c. Include measurable goals.
- 6 d. Be specific in approaches and interventions necessary for the consumer to meet his/her
7 goals.
- 8 e. Focus on achieving the maximum level of recovery.

9
10 The following key areas shall be addressed in every consumer's treatment plan.
11

- 12 a. Psychiatric illness/symptom reduction
- 13 b. Housing
- 14 c. Transportation
- 15 d. Health and Dental care
- 16 e. Income
- 17 f. Drug and/or alcohol treatment
- 18 g. Activities of Daily Living
- 19 h. Daily structure and employment
- 20 i. Family and social relationships

21
22 The Individual Treatment Team (ITI) is responsible to ensure the consumer is actively engaged in
23 the development of his/her recovery oriented treatment and goals. The treatment plan will be
24 reviewed at the request of the consumer, when significant change occurs in the consumer's
25 condition/goals or one hundred eighty days (180) days, whichever occurs first.
26

- 27 a. Be developed collaboratively with the consumer and other people identified by the
28 consumer at the time of the initial assessment. The treatment plan should be in language
29 and terminology that is understandable to consumers and their family, and include goals
30 that are measurable;
- 31 b. Address age, cultural, or disability issues of the consumer;
- 32 c. Include measurable goals for progress toward rehabilitation, recovery and reintegration into
33 the mainstream of social, daily living, employment and educational choices, involving other
34 systems when appropriate;
- 35 d. Document shall be reviewed and signed by the consumer. The plan must be also reviewed
36 and signed/acknowledged by the service coordinator, individual treatment team members,
37 the team leader, psychiatric prescriber and all PACT team members.
- 38 e. Document review and update at least every one hundred eighty days or more often at the
39 request of the consumer and/or as the need arises.

40 3. SERVICE COORDINATION

41 The PACT Team shall operate as a continuous and integrated treatment service. The team shall
42 have the capacity to provide comprehensive treatment, rehabilitation, and support services as a
43 self-contained service unit. Each consumer shall be assigned a service coordinator who will
44 coordinate and monitor the activities of the consumer's Individual Treatment Team and the full
45 PACT team. The responsibility of the Service Coordinator is to ensure the consumer's wishes,
46 rights and preferences are honored. Service Coordinator will provide individual supportive
47 counseling, working with the client to write their treatment plan, offer choice in the treatment plan
48

1 and advocate for the consumer to ensure changes are immediate to address the needs of the
2 consumer in a timely manner.

3 4 **4. CRISIS ASSESSMENT**

5 Crisis assessment and intervention shall be provided 24 hours per day, seven days per week by the
6 PACT team prior to engaging the Integrated Crisis Response System in the North Sound, the
7 PACT team shall be the first responder. These services will include telephone and face to face
8 contact. Mental Health Professionals who are experienced in crisis intervention procedures shall
9 be available on-call for crisis intervention responding by telephone or face to face contact. The
10 goal of these crisis services are to maintain PACT consumers living independently in the
11 community, teach crisis self-management skills and reduce psychiatric hospitalization.

12 13 **5. SYMPTOM ASSESSMENT AND MANAGEMENT**

14 This shall include but is not limited to the following:

- 15
- 16 a. Ongoing comprehensive assessment of the consumer's mental illness symptoms, accurate
17 diagnosis, and the client's response to treatment.
- 18 b. Psycho-education regarding mental illness and the effects and side effects of prescribed
19 medications, when appropriate.
- 20 c. Symptom management efforts to help each consumer identify/target the symptoms and
21 occurrence patterns of his/her mental illness and develop methods (internal, behavioral, or
22 adaptive) to help lessen the effects.
- 23 d. Individual supportive therapy
- 24 e. Psychotherapy
- 25 f. Substantial psychological support to clients, both on a planned and as needed basis, to help
26 accomplish their personal goals, to cope with the stressors for day-to-day living and to
27 recover.

28 29 **6. MEDICAL PRESCRIPTION, ADMINISTRATION, MONITORING AND** 30 **DOCUMENTATION**

31 The PACT team psychiatric prescriber shall:

- 32
- 33 a. Establish an individual clinical relationship with each consumer
- 34 b. Assess each consumer's mental illness symptoms and provide verbal and written
35 information about their particular mental illness. Verbal and written information to be
36 provided in a cultural and educational format acceptable and understood by the consumer.
- 37 c. Make an accurate diagnosis based on the comprehensive assessment which dictates an
38 evidence based medication pathway that the psychiatric prescriber will follow.
- 39 d. Provide education about medication, benefits and risks, and obtain informed consent.
40 Education to be provided in a cultural and educational format acceptable and understood
41 by the consumer.
- 42 e. Assess and document the client's mental illness symptoms and behavior in response to
43 medication and shall monitor and document medication side effects
- 44 f. Provide psychotherapy

45
46 All PACT team members shall assess and document the consumer's mental illness symptoms and
47 behavior in response to medication and shall monitor medication side effects.
48

1 The PACT team shall establish medication policies and procedures which identify processes as
2 described in Attachment III.

3
4 **7. DUAL DIAGNOSIS SUBSTANCE ABUSE SERVICES**

5 Provision of a stage-based treatment model that is non-confrontational, considers interactions of
6 mental illness and substance abuse, and has client-determined goals. This shall include but is not
7 limited to, individual and group interventions in:

- 8
9 a. Engagement
10 b. Assessment
11 c. Motivational enhancement
12 d. Active treatment
13 e. Continuous relapse prevention
14

15 **8. WORK RELATED SERVICES**

16 Work-related services to help clients value, find and maintain meaningful employment in
17 community-based job sites and involve job development and coordination with employers as
18 described in Attachment III.
19

20 **9. ACTIVITIES OF DAILY LIVING SERVICES**

21 Services to support activities of daily living in community based settings include individualized
22 assessment, problem solving, sufficient side-by-side assistance and support, skill training, ongoing
23 supervision (i.e., prompts, assignments, monitoring, encouragement) and environmental
24 adaptations to assist consumers to gain and use the skills needed to accomplish daily living tasks as
25 described in Attachment III.
26

27 **10. SOCIAL/INTERPERSONAL RELATIONSHIP AND LEISURE-TIME SKILL
28 TRAINING**

29 Services to support social/interpersonal relationships and leisure-time skill training include
30 supportive individual therapy, social-skill teaching and assertiveness training; planning, structuring
31 and prompting of social and leisure-time activities to structure consumers' time, increase their
32 social experiences, and provide consumers with opportunities to practice social skills and receive
33 feedback and support.
34

35 **11. PEER SUPPORT AND WELLNESS RECOVERY SERVICES**

36 Services to validate consumer's experiences to guide and encourage consumers to take
37 responsibility for and actively participate in their own recovery. In addition, services to help
38 consumers identify, understand and combat stigma and discrimination against mental illness and
39 develop strategies to reduce clients' self-imposed stigma. Services and strategies include, but are
40 not limited to, Peer Counseling, Wellness Recovery and Action Plan (WRAP) Illness Management
41 and Recovery Services (IMR) as described in Attachment III.
42

43 **12. SUPPORT SERVICES**

44 Support services and/or direct assistance to ensure that clients obtain the basic necessities of daily
45 life, as described in Attachment III Support services is not limited to those listed in Attachment
46 III and should be tailored to consumer need and/or request.
47

1 **13. EDUCATION, SUPPORT AND CONSULTATION TO CONSUMER’S FAMILIES**
2 **AND OTHER MAJOR SUPPORTS**

3 Services provided under this category to consumer’s families and other major supports are with
4 consumer agreement and consent as specified in Attachment III
5

6 **14. CLIENT MEDICAL RECORD**

7 The PACT team shall maintain a treatment record for each PACT consumer. The treatment
8 record is a confidential document that is complete, accurate and contains up-to-date information
9 relevant to the consumer’s care and treatment. The medical record shall be in compliance with
10 Attachment III.
11

12 **15. CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES (CLAS)**

13 PACT team will ensure that consumers receive from all staff members, effective understandable
14 and respectful care that is provided in a manner compatible with their cultural health beliefs and
15 practices and preferred language. CONTRACTOR and subcontracts shall adhere to the CLAS
16 guidelines as specified in Attachment III.
17

18 **16. PERFORMANCE IMPROVEMENT AND PROGRAM EVALUATION**

19 The PACT team shall have a performance improvement and program evaluation plan. The
20 Performance Improvement and Program Evaluation Plan will include all elements listed in the
21 Washington State PACT Program Standards, Attachment III to be submitted to the NSMHA for
22 approval within thirty (30) days of the execution of this agreement. The Performance
23 Improvement and Program Evaluation Plan shall include recommendations from the PACT
24 Stakeholder Advisory Committee.
25

26 CONTRACTOR shall meet the Washington State PACT Standards as the fidelity standard for this
27 evidence-based practice. The CONTRACTOR shall complete a fidelity compliance checklist
28 supplied by NSMHA or MHD every 90 days. When CONTRACTOR or Subcontractors become
29 aware that the PACT is not meeting Washington State PACT fidelity Standard, it shall notify the
30 PACT Stakeholder Advisory Committee and NSMHA in writing of the deficiency within 14 days.
31 Within 30 days after the notice of deficiency, CONTRACTOR shall submit a plan to correct the
32 deficiency and bring the PACT into compliance with the State Standards, to the PACT Advisory
33 Committee and NMSHA.
34

35 CONTRACTOR shall participate in audits by NSMHA, MHD and/or any contractors hired to
36 evaluate compliance with fidelity standards.
37

38 **17. POLICIES AND PROCEDURES**

39 The PACT will in collaboration with NMSHA develop and maintain Policies and Procedures
40 specific to the PACT team and services. The formal adoption of Policies and Procedures will be
41 signed and dated prior to admitting any consumers into the PACT. The following ten content
42 areas requiring Policies and Procedures are identified in the Washington State PACT Program
43 Standards, Attachment III and listed below:
44

- 45 a. Admission and Discharge
- 46 b. Personnel/Staff Competencies, Orientation/Training
- 47 c. Program Operations, Coverage, Staff Communication/Supervision
- 48 d. Assessment and Treatment Planning

- 1 e. Core Services
- 2 f. Medical Records Management
- 3 g. Advance Directive
- 4 h. Consumer Rights/Grievance Procedures
- 5 i. Culturally and Linguistically Appropriate Services
- 6 j. Performance Improvement and Program Evaluation
- 7 k. Stakeholder Advisory Committee
- 8
- 9

1 **C. PERFORMANCE STANDARDS**

2
3 **1. GENERAL OPERATING STANDARDS**

4 CONTRACTOR shall adhere to the Washington State PACT Standards when implementing and
5 providing the PACT in service area.
6

7 CONTRACTOR must provide for the availability of PACT Services on a 24-hour, 7 days per
8 week basis.
9

10 CONTRACTOR shall serve consumers with severe and persistent mental illness that are complex
11 and have devastating effects on functioning.
12

13 CONTRACTOR shall provide seventy-five percent (75%) or more PACT services in the
14 community, rather than the traditional office setting, to enable the consumer to find and live in
15 their own residence and to find and maintain employment. The community setting shall be in
16 locations that are comfortable and convenient to the consumer.
17

18 CONTRACTOR shall deliver services that are on-going rather than time-limited to aid the process
19 of recovery and to ensure continuity.
20

21 CONTRACTOR shall deliver services by a multidisciplinary mental health team that will provide a
22 majority of the treatment, rehabilitation, and support services consumers need to achieve their
23 goals. The PACT team shall be a single integrated team.
24

25 CONTRACTOR shall individually tailor services to each consumer that address their preferences
26 and identified goals. The approach shall enable consumers to build healthy relationships,
27 encourage active involvement in their recovery, teach skills to make improvements in functioning
28 and better manage symptoms.
29

30 CONTRACTOR must ensure that consumers, consumer family members, advocates and
31 stakeholders participate in PACT Stakeholder Advisory Committee in the planning of the PACT
32 program and participate in the implementation and evaluation of the PACT team. The
33 composition of the Stakeholder Advisory Committee must be at least 51% consumer and
34 consumer family members and be representative of the service area cultural population. The
35 Stakeholder Advisory Committee shall include a NSMHA representative and a North Sound
36 Regional Ombuds.
37

38 The Stakeholder Advisory Committee shall promote quality programs; monitor fidelity to the
39 PACT Standards; guide and assist the administering agency's oversight of the PACT program;
40 problem solve and advocate to reduce barriers to PACT implementation; and
41 monitor/review/mediate consumer and family grievances or complaints. This Advisory
42 Committee shall meet on a monthly basis, or more frequent if necessary, meetings shall have a
43 written record of its meetings minutes and actions.
44

45 CONTRACTOR must be able to demonstrate how this requirement is implemented and provide
46 NSMHA a roster identifying members.

47 CONTRACTOR must ensure plans or reports required by this Agreement, included in
48 Attachment IV, Deliverables, are provided to the NSMHA in compliance with the timelines
49 and/or formats indicated.
50

1 CONTRACTOR shall participate in NSMHA and MHD offered training, consultation and
2 program development when requested, including training provided by the Washington Institute
3 for Mental Illness Research and Training (WIMIRT) on the PACT, Evidence Based Practices and
4 Promising Practices and other identified training needs for the PACT team. Ongoing intensive
5 training shall be provided to all PACT team members and training plan shall be submitted within
6 30 days of the execution of this agreement. The training plan shall include at a minimum the
7 following:

- 8
- 9 a. Training participants
- 10 b. Training schedule- current and ongoing
- 11 c. Nationally Recognized PACT Trainer/Training Organization
- 12 d. Other Recovery and Resilience based training
- 13

14 CONTRACTOR shall keep training logs identifying individual PACT team member attendance.
15 These logs shall be available to NSMHA when requested.
16

17 CONTRACTOR shall provide written or oral notification within 10 working days of termination
18 of a PACT team member to NSMHA, the Stakeholder Advisory Committee and current PACT
19 consumers who had received services from the terminated team member. Notification must be
20 verifiable in the consumer's medical record.
21

22 The CONTRACTOR must ensure services are provided in accordance with the State of
23 Washington PACT Standards and are not arbitrarily denied or reduced (e.g. the amount, duration,
24 or scope of a required service) based solely upon the diagnosis, type of mental illness, or the
25 consumer's mental health condition.
26

27 CONTRACTOR shall pay for consumer's medically necessary services outside of the Service Area
28 in a timely manner if services are provided in accordance with NSMHA's policies and procedures
29 and the PACT team is unable to provide the services covered under the Agreement. The
30 CONTRACTOR shall continue to pay for services outside the Service Area until the PACT team
31 is able to provide the service within the Service Area, excluding of Inpatient Services.
32

33 CONTRACTOR shall notify consumers in writing of changes in service, PACT denials and/or
34 changes, or termination in services in accordance with NSMHA policies and procedures.
35

36 CONTRACTOR shall ensure representative payee services are available for those who need them.
37 When the CONTRACTOR performs representative payee services, it shall charge no more than
38 the maximum fee allowed by Social Security regulation and shall ensure that payee functions are
39 independent from and do not have conflicts of interest with clinical service functions.

40 CONTRACTOR shall maintain a list of the names and addresses of all known payee services
41 available in the North Sound region, and shall ensure that before initiation of payee services,
42 CONTRACTOR will provide consumer with the list. The form used by the CONTRACTOR to
43 enroll the consumer in payee services shall require the consumer to acknowledge receipt of the list
44 and the form will offer the assistance of North Sound Regional Ombuds Services. If a free
45 representative payee service is offered, all PACT consumers will be enrolled in the free service,
46 unless the consumer chooses an alternative for fee service.
47

1 CONTRACTOR shall collaboratively participate in NSMHA’s regional coordination meetings,
2 which currently include the NSMHA Quality Management Committee and Western State Hospital
3 Liaison Meeting. CONTRACTOR will participate in the above committee’s subcommittees and
4 workgroups as necessary.
5

6 CONTRACTOR shall provide certification, in a format provided by NSMHA, that the funds
7 provided for PACT are used specifically to fund new programs, staff and not to supplant and/or
8 support current existing programs or staff, including but not limited to existing PACT or PACT
9 like programs, outpatient programs, residential programs, crisis services or Intensive Outpatient
10 Treatment programs in the service area.
11

12 CONTRACTOR shall first obtain written consent from Consumer in the event a Consumer’s
13 picture or personal story will be used.
14

15 CONTRACTOR shall submit outcome data quarterly on individuals served by PACT in a format
16 provided by NSMHA within 45 days of the end of the quarter.
17

18 **2. PACT INITIAL AUTHORIZATION and CONTINUED SERVICE**
19 **AUTHORIZATION**

20 In accordance with NSMHA’s operating policies:
21

- 22 a. Referral and Access to PACT shall be made available to any community
23 member/professional.
- 24 b. NSMHA shall notify CONTRACTOR in writing of those authorized to receive PACT
25 services and will provide a contact person(s) for purposes of NSMHA service
26 authorization. The PACT team shall appoint a team member to receive authorization
27 notification.
- 28 c. If a client is determined by NSMHA to not meet PACT Admission Criteria, NSMHA will
29 notify the Consumer of their rights to file a complaint or grievance in the Notice of
30 Adverse Determination.
31

32 **3. SCREENING, ADMISSION AND DISCHARGE CRITERIA**

33 Consumers wishing to apply for PACT services may do so through NSMHA contracted providers,
34 who will assist them in completing and submitting the PACT referral form.
35

36 Those who are not enrolled consumers may contact Access for an assessment.
37

38 Referrals will go to the NSMHA screening committee, which will include NSMHA quality
39 specialist staff and PACT team leaders. The screening committee will meet as often as necessary.
40

41 The NSMHA PACT Teams will require that people have a LOCUS level 4, 5 or 6 in order to be
42 considered for admission.
43

44 Consumers whose referrals are approved by the screening committee will meet with the PACT
45 team leader for an assessment. After the assessment individuals are either admitted to the program
46 or referred to NSMHA for services that can assist them at the level of care they require.
47

1 Consumers admitted to PACT must have a current diagnosis of a severe and persistent mental
2 illness and are experiencing severe symptoms and have significant impairments. The consumers
3 must also demonstrate continuous high service needs and functional impairments, and have not
4 shown to benefit significantly from other outpatient services currently available.
5

6 Gradually admit and integrate an average of 4-6 new Consumers monthly into the WA-PACT
7 program. Admit Consumers in accordance with the Washington State PACT Program Standards,
8 until the team has reached full capacity. Thereafter admissions shall occur at a rate not to exceed 4-
9 6 Consumers per month to keep the Consumer participation to maintain a minimum monthly
10 average of 42 Consumers for half teams and 90 Consumers for full teams.
11

12 Discharge from the PACT occurs when the consumer, program staff and NSMHA mutually agree
13 to the termination of services.
14

15 Admission and Discharge criteria must be in accordance with the Washington State PACT
16 Program Standards, Attachment III.
17

18 **4. SERVICE INTENSITY AND CAPACITY**

19 PACT teams shall have the organizational capacity to provide a minimum staff to client ratio of at
20 least one full-time equivalent (FTE) staff person to every 8 consumers (not including the
21 psychiatric prescriber and the program assistant).
22

23 Each PACT team shall have sufficient numbers of staff to provide treatment, rehabilitation, and
24 support services 24 hours a day, 7 days a week.
25

26 The PACT team shall have the capacity to rapidly increase service intensity to a consumer when
27 his/her status requires it and/or a consumer requests it.
28

29 The PACT team shall provide a mean of three contacts per week for each consumer. Data shall be
30 collected, reported and reviewed as part of the program's continuous quality improvement.
31

32 **5. STAFF REQUIREMENTS**

33 The PACT team shall have among its staff persons with sufficient individual competence and
34 professional qualifications and experience in adults with severe mental illness to provide the
35 services described in Section VIII of the Washington State PACT Program Standards, Attachment
36 III.
37

38 The PACT team shall employ a minimum of 7 to 8 FTE multidisciplinary clinical staff persons
39 including the team leader. Required staff is listed below; the detailed description of required staff
40 is listed in the Washington State PACT Program Standards, Attachment III.
41

1

| Position | FTE |
|-------------------------------------|------------------------------|
| Team leader | 1 FTE |
| Psychiatric prescriber | 16 Hours for 50 Consumers |
| Registered Nurse | 1.5 – 2 FTE |
| Peer Counselor/Specialist | 1 FTE |
| Master’s level | 2 FTE |
| Other level | 1.5 – 2.5 FTE |
| Program/Administrative Assistant | 1 FTE |

2

3

6. PROGRAM ORGANIZATION AND COMMUNICATION

4

The PACT team shall be available to provide treatment, rehabilitation, and support activities seven days per week. The operation and schedule for staff members shall provide for the availability and service delivery 24 hours a day, seven days a week. Including, but not limited to, a backup prescriber all hours the PACT psychiatric prescriber is not regularly scheduled to work. If availability of the PACT psychiatric prescriber during all hours is not feasible, alternative psychiatric prescriber backup shall be arranged.

5

6

7

8

9

10

11

The PACT team shall conduct daily organization staff meetings at regularly scheduled times. The meeting shall commence with the review of the daily log to update team members on PACT consumer’s status. These meetings will be conducted in accordance with procedures listed in the Washington State PACT Program Standards, Attachment III.

12

13

14

15

16

The PACT team shall maintain a written daily log which provides a roster of consumers, brief documentation of any service or treatment occurring within the last 24 hours.

17

18

19

The Contractor shall maintain and submit a roster of all PACT participants on a quarterly basis. The roster will include Consumer name, Consumer ID, referral source, PACT admit date, PACT discharge date and discharge disposition. The roster will be submitted in comport with a template provided by NSMHA.

20

21

22

23

24

The PACT team shall maintain a weekly consumer schedule for treatment and service contacts the staff must carry out to fulfill the goals and objectives in the consumer’s treatment plan.

25

26

27

The PACT team shall develop a daily staff assignment schedule including direct service and indirect service.

28

29

1 The daily organizational staff meetings will include a review by the shift manager of all the work to
2 be done that day. The shift manager will assign and supervise the staff to carry out the treatment
3 and services scheduled to occur that day.
4

5 The PACT team shall conduct treatment planning meetings under the supervision of the team
6 leader and psychiatric prescriber.
7

8 The PACT team clinical staff shall be supervised by the team leader and psychiatric prescriber.
9

10 **7. CONSUMER CENTERED ASSESSMENT AND INDIVIDUALIZED TREATMENT** 11 **PLANNING**

12 The initial assessment and treatment plan shall be completed the day of the consumer's admission
13 to PACT by the team leader or the psychiatric prescriber.
14

15 The comprehensive assessment shall be completed by a PACT team member with skill and
16 knowledge in the area being assessed. A team member with training and interest in the area does
17 each part and becomes the specialist in that particular area with the client. A comprehensive
18 assessment shall be initiated and completed within one month after the consumer's admission.
19 The comprehensive assessment shall include an evaluation in the following areas:
20

- 21 a. Psychiatric history, mental status and diagnosis
- 22 b. Physical health
- 23 c. Use of drugs and/or alcohol
- 24 d. Education and employment
- 25 e. Social development and functioning
- 26 f. Activities of daily living
- 27 g. Family structure and relationships
28

29 Individualized treatment planning shall be developed in collaboration with the consumer and the
30 family or guardian, if any, when appropriate. The consumer's participation in the development of
31 the plan must be documented. The treatment plan is a fluid document and will be reviewed and
32 rewritten when there is a significant change in condition, progress and goal attainment.
33

34 **8. QUALITY CLINICAL CARE, TIMELY ACCESS, INITIAL AND COMPREHENSIVE** 35 **ASSESSMENT**

36 In addition to requirements listed elsewhere in the contract, CONTRACTOR shall:
37

- 38 a. Provide consumer's access to services based on the individual's needs and medical
39 necessity in accordance with the Washington State PACT Program Standards, Attachment
40 III.
- 41 b. Washington Medicaid Integration Project consumers will be given a secondary priority for
42 PACT admission.
- 43 c. Ensure:
44
45 i. A face-to-face Initial assessment by the PACT team leader or psychiatric prescriber
46 and designated team members shall be initiated and completed the day of the
47 consumer's admission into the PACT program.

- ii. A Comprehensive assessment will be completed within 30 days of admission to the PACT program.
 - iii. When services occur in the CMHA's office, wait time does not exceed one (1) hour beyond the time of the scheduled appointment.
 - iv. A face-to-face appointment is provided to each consumer within seven (7) days of discharge from inpatient care.
 - v. Data and/or reports will be available to substantiate compliance with the above requirements as requested by NSMHA.
- d. Ensure that services are available to consumers admitted into PACT within twenty-four (24) hours of receiving authorization from NSMHA.
 - e. Ensure emergency requirements are met in accordance with 42 CFR.
 - f. Ensure payment for up to two (2) hours of emergency mental health services when/if eligible individuals residing within the Service Area receives said service outside of the Service Area.
 - g. Access Services. In accordance with WAC 388-865-0415, CONTRACTOR must document and otherwise ensure that eligible consumers have access to age and culturally competent services. They must:
 - i. Identify and reduce barriers to people getting the services where and when they need them;
 - ii. Comply with the Americans with Disabilities Act and the Washington State Antidiscrimination Act, chapter 49.60 RCW;
 - iii. Assure that services are timely, appropriate and sensitive to the age, culture, language, gender and physical condition of the consumer;
 - iv. Provide alternative service delivery models to make services more available to underserved persons as defined in WAC 388-865-0150;
 - v. Provide access to telecommunication devices or services and certified interpreters for deaf or hearing-impaired consumers and limited English proficient consumers;
 - vi. Bring services to the consumer or locate services at sites where transportation is available to consumers; and
 - vii. Ensure compliance with all state and federal nondiscrimination laws, rules and plans.

9. CROSS-SYSTEM WORKING RELATIONSHIPS

CONTRACTOR must comply with NSMHA's working agreements with allied systems, including Western State Hospital, Children's Administration, Aging and Disability Services Administration, Juvenile Rehabilitation Administration, Healthy Options Plans, Department of Vocational Rehabilitation and the Criminal Justice System. The working agreements are intended to enable coordination of services and appropriate management of care for consumers.

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

1 **10. CONSUMER AND FAMILY VOICE**

2 CONTRACTOR must ensure all consumers have voice in developing individualized treatment
3 plans, advance directives and crisis plans. This shall include but not be limited to children and
4 their families (e.g. caregivers and significant others, parents, foster parents, assigned/appointed
5 guardians, siblings). At a minimum, treatment goals must be written in the words of the consumer
6 and documentation must be included in the clinical record describing how the consumer sees their
7 progress. CONTRACTOR must be able to demonstrate how this requirement is implemented
8 and monitored.
9

10 **11. CLIENT RIGHTS AND GRIEVANCE PROCEDURES**

11 PACT teams shall be knowledgeable about and familiar with client rights including the rights to:

- 12
- 13 a. Confidentiality
- 14 b. Informed consent to medication and treatment
- 15 c. Treatment with respect and dignity
- 16 d. Prompt, adequate and appropriate treatment
- 17 e. Nondiscrimination
- 18 f. Control of own money
- 19 g. Grieve or complain
- 20

21 PACT teams shall be knowledgeable about and familiar with the mechanisms to implement and
22 enforce client rights:

- 23
- 24 a. Grievance or complaint procedures under state law
- 25 b. Medicaid
- 26 c. Americans with Disabilities Act
- 27 d. Protection and Advocacy for Mentally Ill Individuals
- 28

29 PACT teams shall be prepared and provide consumers appropriate information and referral to the
30 Protection and Advocacy agency and other advocacy groups, including the North Sound Regional
31 Ombuds Services.
32

33 Complaint, Grievance, and Fair Hearing Processes:

34

35 CONTRACTOR must implement a complaint, grievance, and fair hearing processes, policies and
36 procedures that are in conformance with NSMHA policies.
37

38 CONTRACTOR and its subcontractors shall abide by NSMHA complaint, grievance, fair hearing
39 and appeal determinations. CONTRACTOR shall be responsible for paying 100% of all Medical
40 Director and/or Attorney fees incurred by NSMHA when a consumer goes directly to a fair
41 hearing without utilizing NSMHA's grievance processes and when the ruling favors the consumer,
42 in accordance with NSMHA policies and procedures. In addition CONTRACTOR shall:
43

- 44 a. Implement a Grievance process that complies with WAC 388-865 or any successors;
- 45 b. Coordinate with NSMHA grievance process and Ombuds Services;
- 46 c. Provide assistance to clients filing a grievance; and
- 47 d. Incorporate concerns from grievances into CONTRACTOR services without identifying
48 individual clients.

1 **12. LOCAL RESPONSIVENESS AND COMMUNICATIONS**

2 CONTRACTOR shall cooperate with NSMHA and the Counties in the Service Area to provide a
3 locally responsive delivery system. CONTRACTOR shall provide consumers and referral sources
4 information and education about the referral process, service availability, service population,
5 common symptoms of mental illness, and shall post and make known consumer rights and
6 responsibilities including complaint, grievance, and fair hearing procedures, and the availability of
7 North Sound Regional Ombuds services.
8

9 CONTRACTOR shall have written policy and procedures that comply with NSMHA’s policies on
10 consumer rights and that address the following:
11

- 12 a. Individual mental health rights applicable to non-Medicaid individuals as defined in WAC
13 388-865-0410.
- 14 b. Oral interpretation services provided free of charge to the individual.
- 15 c. Information those written materials are available when requested in alternate formats.
16 These materials must be available and easily understood by individuals.
17

18 **13. CRITICAL INCIDENTS**

19 CONTRACTOR and its subcontractors shall comply with NSMHA’s Critical Incident Reporting
20 Policy and Procedure and any successor regarding critical incidents.
21

22 **14. STAFF COMPETENCY AND TRAINING**

23 CONTRACTOR shall comply with NSMHA credentialing policies and procedures and shall
24 ensure that all staff is qualified for the position they hold and have at a minimum the education,
25 experience, and skills to perform their job requirements, per WAC 388-865, including any required
26 licenses or certifications.
27

28 CONTRACTOR shall collaborate with NSMHA to implement, maintain, and revise the Regional
29 Training Plan or any successor, incorporated as Attachment II.
30

31 **15. QUALITY MANAGEMENT**

32 CONTRACTOR shall participate with the NSMHA in the implementation, updates and
33 evaluation of the MHD Quality Strategy located on the MHD website that is hereby incorporated
34 by reference.
35

36 CONTRACTOR shall comply with the NSMHA Quality Management Plan, or any successor,
37 incorporated herein as Attachment II.
38

- 39 a. CONTRACTOR shall ensure their Quality Management (QM) activities comply with all
40 applicable law and standards including, but not limited to: WAC 388-865-0280, -0425 and
41 the NSMHA QM Plan, NSMHA clinical policies and procedures; or their successors. In
42 addition:
43

44 CONTRACTOR shall maintain an ongoing, planned, systematic, organization-wide quality
45 management process to design, measure, analyze and improve its performance, including
46 identification of innovations or best practice.
47

- 1 b. CONTRACTOR quality management plan and process, which shall be reviewed and
2 updated by provider as needed but at a minimum of every six-months, will be audited by
3 NSMHA.
4

5 CONTRACTOR shall present to NSMHA every six (6) months (December 31st and June
6 30th), a Quality Management report integrating all quality management program activities
7 and data, in order to facilitate NSMHA's determination of the effectiveness of the PACT
8 system of care. This report shall be in a mutually agreed format and document the results
9 of the CONTRACTOR Quality Management plan activities and:
10

- 11 i. Identify areas of efficiency and effectiveness of system operations and the quality
12 of care for consumers;
13 ii. Identify areas of deficiency with plans to achieve expected improvement; and
14 iii. Status of implementation of all NSMHA approved corrective action plans.
15

16 **16. ALLEN AND MARR CLASS MEMBERS**

17 The CONTRACTOR and their subcontractors must respond to requests to provide information
18 and staff to participate in meetings as a part of monitoring reviews for Allen and Marr class
19 members.
20

21 Provide a report based on the timeframes in Attachment IV, Deliverables to the MHD of all Allen
22 and Marr class members who are identified by MHD that are receiving services in the PACT
23 Service Area. The report must include a list of all class members served during the quarter
24 indicating if they were opened, closed, or continued during the reporting period.
25

1 **D. CONTRACTOR RESPONSIBILITIES**

2 CONTRACTOR shall have responsibility for the performance of the following duties and
3 responsibilities. CONTRACTOR shall include Stakeholder Advisory Committee input into planning,
4 access and the evaluation of services. CONTRACTOR shall be held fully responsible for the
5 contractual obligations and performance of its PACT team. In the performance of these functions,
6 CONTRACTOR shall maintain written documentation that verifies that each specific responsibility
7 under this section has been performed.
8

9 **1. PACT TEAM**

- 10 a. CONTRACTOR shall have and maintain an effective, efficient, adequate, and accessible
11 PACT team that is licensed/certified, monitored, and capable of providing required
12 comprehensive services and be able to demonstrate its ability to carry out the functions
13 required by this Agreement. The CONTRACTOR must provide for the availability of
14 PACT services on a 24-hour, 7 days a week basis.
- 15 b. The termination of a subcontract that provides PACT any services is considered a
16 significant change. The CONTRACTOR must notify NSMHA 30 days in advance of
17 public written notice to PACT consumers before CONTRACTOR terminate any of their
18 subcontracts with entities that provide direct service.
- 19
- 20 i. The CONTRACTOR must ensure the provision of written notification within 30
21 days to consumers receiving services from the subcontractor upon written
22 notification of termination by either party.
- 23 ii. If either party must terminate a subcontract in less than 30 days, the
24 CONTRACTOR must notify NSMHA as soon as there is a determination to
25 terminate the subcontract and in advance of public notice.
- 26 iii. If a subcontract is terminated, the CONTRACTOR must submit a transition plan
27 within 5 working days for consumers and services in a format requested by
28 NSMHA.
- 29
- 30 c. CONTRACTOR shall demonstrate its performance of this function by the maintenance of
31 written records that show routine review and discussion of PACT maintenance issues by
32 CONTRACTOR members and staff.
33

34 **2. FINANCIAL MANAGEMENT SERVICES**

35 In accordance with the general terms and conditions of this Agreement, the CONTRACTOR shall
36 pay subcontractors monthly for contracted services that meet CONTRACTOR rational funding
37 formula. CONTRACTOR shall demonstrate its performance of this function by the maintenance
38 of written records that show routine review and discussion of financial management issues by
39 CONTRACTOR members and staff.
40

41 **3. CAPACITY**

- 42 a. The CONTRACTOR must notify the NSMHA in writing of any proposed change in
43 capacity. The NSMHA must approve any change that results in reduced capacity.
44 A reduction in capacity is defined as the point in time when CONTRACTOR is not able to
45 meet all the PACT standards as defined in the Washington State PACT Standards and this
46 Agreement. Events that may affect capacity include: loss of a PACT team member or any
47 change that may result in the CONTRACTOR being unable to provide services for those
48 consumers who are covered by this Agreement.

1 If the Contractor is not able to maintain full staffing, the Contractor must immediately notify
2 NSMHA, in writing, if staffing falls below the Washington State PACT Program Standard's
3 staffing pattern.

- 4
- 5 b. Submit a report to NSMHA by October 15, 2009 with current capacity and submission
6 quarterly thereafter. CONTRACTOR shall notify NSMHA 30 days prior to
7 implementation and/or public notice when the CONTRACTOR add, change location, or
8 close a facility, and when the number of staff type/specialty changes at any CMHA facility
9 by 5 staff or more. The report shall identify each CONTRACTOR facility
10 location/address and the number and F.T.E. of individuals providing direct services that
11 are employed or contracted at each location by type, WAC specialty and specialized training
12 and/or expertise in NSMHA identified treatments.
- 13 c. CONTRACTOR will report data into NSMHA's MIS to allow calculation of days from
14 determination of medical necessity to 1st routine appointment for PACT services.
- 15 d. CONTRACTOR shall demonstrate its performance of this function by the maintenance of
16 written records that show routine review and discussion of capacity issues by
17 CONTRACTOR PACT staff.
- 18

19 **4. HOUSING**

- 20 a. CONTRACTOR shall actively pursue housing subsidies, and/or capital development
21 funds to develop long term housing for PACT participants.
- 22 b. CONTRACTOR shall coordinate and participate with the respective county on the 10 year
23 plan to end homelessness.
- 24 c. CONTRACTOR shall provide PACT consumers access and choice in safe and affordable
25 independent housing. The housing options shall primarily include individual studio or one
26 bedroom apartments and may also include cluster homes and single room occupancy units.
- 27 d. CONTRACTOR shall partner with harm-reduction housing resources to develop this need
28 in the service area.
- 29 e. CONTRACTOR shall provide for emergency and planned respite for PACT consumers
30 who need to leave their permanent housing unit on short notice.
- 31 f. CONTRACTOR shall provide housing support services to include regular house meetings,
32 assistance with housing-related paperwork, housekeeping, house maintenance, laundry,
33 cooking, prompt payment of rent, utilities, and other housing bills prior to paying other
34 obligations, mediation between tenants, enforcement of lease and community rules, and
35 community building within the apartment complex.
- 36 g. CONTRACTOR shall ensure the maintenance of the housing units and the repairs which
37 are planned and/or needed be completed in an acceptable time table agreed to by the
38 consumer. Emergency repairs will be initiated and completed on a 24 hour - 7 day a week
39 basis.
- 40 h. CONTRACTOR shall demonstrate its performance of this function by the maintenance of
41 written records that show routine review and discussion of residential service capacity
42 issues by CONTRACTOR staff.
- 43

44 **5. RESOURCE AND UTILIZATION MANAGEMENT ACTIVITIES**

45 CONTRACTOR shall conduct resource and utilization management activities as requested by
46 NSMHA to support NSMHA's resource and utilization management programs, after review and
47 discussion between CONTRACTOR and NSMHA to ensure that such activities are reasonable

1 and cost-effective. Such activities will include planning and reporting in a manner that will allow
2 NSMHA to ensure that its resource and utilization management obligations are met.
3

4 **6. DELIVERABLES, PLANS AND REPORTS**

5 CONTRACTOR must ensure plans or reports required by this Agreement, including those
6 outlined in Attachment IV, Deliverables, are provided to the NSMHA in compliance with the
7 timelines and/or formats indicated.
8

9 If the CONTRACTOR has submitted through a concurrent Agreement with NSMHA a
10 submission under this Agreement is not required.
11

12 **7. MANAGEMENT INFORMATION SYSTEM**

13 CONTRACTOR shall:

- 14 a. Ensure the existence and operation of a single integrated information system. It shall have
15 the ability to collect, use internally and report data as required by NSMHA in order to
16 provide a centralized, seamless system of mental health services and to provide timely
17 monitoring. This data shall be useable as management data for audit purposes, and contain
18 sufficient information to track termination from services (42 CFR 434.53c). NSMHA shall
19 be notified of changes to the information system, at the time planning begins for
20 implementation that have an effect on the data submitted to or otherwise required to be
21 collected for NSMHA.
22
- 23 b. Comply with NSMHA and the PACT policies and procedures regarding quality, accuracy
24 and data reporting.
- 25 c. Comply with HIPAA implementation requirements and standards (i.e. data collection,
26 submission, privacy, and security).
- 27 d. Provide the NSMHA all data described in the NSMHA data dictionary or any successor,
28 incorporated herein by reference. Encounters must be reported by the 10th day of the close
29 of each calendar month, i.e., services rendered in January must be submitted by February
30 10th. Transmission will retain the CONTRACTOR's location identifiers. Upon receipt of
31 the data, the NSMHA will generate an error report and make available to the
32 CONTRACTOR. Upon receipt of the error report, the CONTRACTOR must remedy all
33 data errors within 20 calendar days of the error report being generated and made available.
34 Additional Data Cleanup reports shall be routinely generated. Upon receipt of the Data
35 Cleanup reports, the CONTRACTOR must remedy the Data Cleanup reports within 20
36 calendar days of the receipt of the Data Cleanup report.
- 37 e. Participate in NSMHA decisions to add or delete data elements that will include projected
38 cost analysis.
- 39 f. Implement changes made to the NSMHA data dictionary within 90 days from the date of
40 published changes. The intention of NSMHA is to make NSMHA changes to the data
41 dictionary at 6-month intervals.
- 42 g. CONTRACTOR shall provide certification by the CMHA Program Managers or designees
43 that attest the following based on best knowledge and belief that:
44
 - 45 i. All services rendered during the Reporting Quarter have been successfully
46 submitted to the NSMHA CIS.
 - 47 ii. All related data for the Reporting Quarter have been successfully submitted to the
48 NSMHA CIS.

1 iii. All the data successfully submitted to the NSMHA CIS is complete, accurate, and
2 truthful.

- 3
- 4 h. Ensure that requested information is received in a manner that will allow NSMHA to make
5 a timely response to inquiries from CMS, the legislature, MHD, and other parties about
6 system operations. Such data must be provided in a time frame that NSMHA has
7 developed with the MHD at the time of the request and will take into consideration the
8 needs of the inquiring party.
- 9 i. Submit all data into CMHA database indicating the provision of any emergency service
10 component within three (3) working days from the completion of that service.
- 11 j. CONTRACTOR shall participate in NSMHA Consumer Information System (CIS)
12 Workgroup.
- 13 k. CONTRACTOR shall transmit data to NSMHA MIS, at a minimum, once per week.
- 14 l. Once transactions are final at NSMHA, The CONTRACTOR shall be liable for any costs
15 associated with additional data processing if MHD charges NSMHA.
- 16

17 NSMHA will require CONTRACTOR to provide a business continuity and disaster recovery plan
18 that insures timely reinstatement of the consumer information system following total loss of the
19 primary system or a substantial loss of functionality. The plan must be in written format, have an
20 identified update process (at least annually) within thirty days of execution of this agreement that
21 insures timely reinstatement of the consumer information system following total loss of the primary
22 system or a substantial loss of functionality.

23

24 The business continuity and disaster recovery plan is required and must be submitted by NSMHA
25 to the MHD upon request.

26

27 **8. QUALITY MANAGEMENT**

28 CONTRACTOR shall ensure Quality Assurance and Quality Improvement data is analyzed,
29 reported, and acted upon by its members and affiliates. This shall be demonstrated by written
30 records maintained by CONTRACTOR.

31

32 **9. NSMHA AND MHD REVIEW ACTIVITIES**

33 CONTRACTOR shall ensure that remedial actions required as a result of NSMHA and/or MHD
34 review activities, as discussed in the Oversight, Remedies and Termination section, are reported
35 and acted upon by its members. This shall be demonstrated by written records maintained by
36 CONTRACTOR.

37

38 **10. BUSINESS ASSOCIATES AGREEMENT NSMHA AND CONTRACTOR**

39 CONTRACTOR shall abide by the provisions of the NSMHA and CONTRACTOR Business
40 Associates Agreement, Attachment V.

41

42 **11. STATE PSYCHIATRIC INPATIENT SERVICES**

43 Prioritize the admission of PACT consumers from the State hospitals into the PACT. These
44 agencies will work with NSMHA and its State Hospital liaison staff to maintain an as low as
45 possible state hospital census and under utilization of the region's bed capacity allocation.

46

47 CONTRACTOR shall coordinate with NSMHA any PACT participant admitting or discharging
48 from WSH, a community hospital and/or Evaluation and Treatment Center.

49

1 **E. FINANCIAL TERMS AND CONDITIONS**

2
3 **1. GENERAL FISCAL ASSURANCES**

4 The CONTRACTOR shall comply with all applicable laws and standards, including Generally
5 Accepted Accounting Principles, and maintain, at a minimum, a financial management system that
6 is a viable, single, integrated system with sufficient sophistication and capability to effectively and
7 efficiently process, track, and manage all fiscal matters and transactions.
8

9 **2. FINANCIAL ACCOUNTING REQUIREMENTS**

10 The CONTRACTOR shall:

- 11
- 12 a. Establish and maintain operating reserves at prudent levels sufficient to ensure that
- 13 CONTRACTOR have the ability to pay for all expenses incurred during this Agreement
- 14 period, including those whose disposition occurs after the Agreement has been terminated,
- 15 and to cover the risk of financial loss resulting in the event that the cost of providing
- 16 services pursuant to this Agreement exceeds the revenues derived therefrom;
- 17 b. Ensure that all funds, including interest earned, provided pursuant to this Agreement are
- 18 used to support the PACT within the Service Area.
- 19 c. Reimburse within 60 calendar days subcontractors and any crisis service providers accessed
- 20 by consumers while out of the state.
- 21 d. CONTRACTOR shall produce annual audited financial statements within 180 days of
- 22 fiscal year end and make such reports available to NSMHA upon request.
- 23 e. CONTRACTOR shall report consumers enrolled in the Washington Medicaid Integration
- 24 Project and receiving PACT services.
- 25

26 **3. FINANCIAL REPORTING**

27 CONTRACTOR shall provide the following reports to NSMHA:

- 28
- 29 a. Within 15 days from the effective date of this Agreement, a program-specific budget that
- 30 demonstrates to NSMHA's reasonable satisfaction, compliance with direct service and
- 31 indirect cost requirements.
- 32 b. Report CONTRACTOR and subcontract revenue and expenditure information to
- 33 NSMHA on a quarterly basis. Reports must comply with the provisions in the BARS
- 34 Supplemental Instructions for Mental Health Services promulgated by the Washington
- 35 State Auditor's Office. Reports are due within 35 days of the quarter end (December,
- 36 March, June and September of each year).
- 37 c. CONTRACTOR shall certify PACT funding is used solely for PACT services as specified
- 38 in Section C.1
- 39 d. CONTRACTOR shall participate in MHD Unit Cost Surveys and actuarial studies, when
- 40 required by MHD.
- 41

42 **4. RULES COMPLIANCE**

43 The CONTRACTOR shall:

- 44
- 45 a. Submit the amount spent throughout the Service Area on specific items at the request of
- 46 NSMHA, CMS, the legislature, or DSHS in the timeframe specified.
- 47 b. Limit administration costs incurred by the CONTRACTOR, and all subcontractors to no
- 48 more than 14.58 percent (14.58%) of the consideration provided under this contract in any

1 state fiscal year. Administration costs must be measured on a state fiscal year basis
2 according to the reported information submitted by the CONTRACTOR in their Revenue
3 and Expenditure reports and reviewed by NSMHA.

- 4 c. CONTRACTOR shall ensure that funds provided under this Agreement are not used to
5 provide or subsidize the cost of care provided to Washington Medicaid Integration Project
6 (WMIP) enrollees. CONTRACTOR shall maintain documentation that demonstrates that
7 this term is met. NSMHA and CONTRACTOR administration and finance personnel
8 shall convene a workgroup immediately to determine the documentation required to meet
9 this objective. All necessary documentation will be provided by CONTRACTOR.
10 CONTRACTOR shall provide documentation of the controls they have established to
11 exclude costs applicable to WMIP enrollees.

12
13 **5. LIABILITY FOR PAYMENT AND THE PURSUIT OF THIRD PARTY REVENUE**

14 CONTRACTOR shall be responsible for developing financial processes that enable them to
15 reasonably ensure that all third-party resources available to consumers are identified and pursued in
16 accordance with the reasonable collection practices, which the CONTRACTOR apply to all other
17 payers for services covered under this Agreement. NSMHA shall actively provide
18 CONTRACTOR support in the pursuit of third-party payments for all services including crisis
19 services.

20
21 CONTRACTOR shall maintain necessary records to document that all third-party resources and
22 report to NSMHA on a biennial quarterly basis or upon the reasonable request of NSMHA, the
23 amount of such third-party resources collected for all service recipients during the quarter, by
24 source of payment.

25
26 **6. FINANCIAL PROVISIONS - REIMBURSEMENT REQUIREMENTS**

27 The consideration to be paid by NSMHA for the work to be provided by CONTRACTOR
28 pursuant to this Agreement shall consist of the available amount from primary funding sources as
29 described in this Agreement.

- 30
31 a. CONTRACTOR shall be paid on a cost reimbursement basis, to be paid monthly within
32 ten (10) working days of NSMHA's receipt of the completed A19 Voucher and monthly
33 reports.
34 b. Maximum consideration for this agreement is \$1,225,000.
35 c. CONTRACTOR shall submit invoices using State Form A-19 Invoice Voucher.
36 Consideration shall be payable upon receipt of properly completed invoices using State
37 Form A-19 Invoice Voucher on a monthly basis. The invoices shall describe and
38 document to NSMHA's satisfaction:
39
40 i. Month of reimbursement
41 ii. Total salaries, benefits and detailed costs for the month; and
42 iii. Attach payroll report detailing expenditures of PACT team members.

43
44 Funds for July 1, 2011 through September 30, 2011, following the end of the annual legislative
45 session, NSMHA shall offer an Amendment with the proposed funds for the next fiscal year. If
46 for any reason the Contractor does not agree to continue to provide services using the proposed
47 funds, the Contractor must provide the appropriate notice to NSMHA under the termination
48 requirements of Section F.

1 **7. FRAUD AND ABUSE**

2 The CONTRACTOR shall develop and implement administrative and management procedures
3 that are designed to guard against fraud and abuse including:
4

- 5 a. A mandatory compliance plan;
- 6 b. Designation of a compliance officer or a compliance committee that is accountable to the
7 CONTRACTOR;
- 8 c. Effective ongoing training and education for the compliance officer and the
9 CONTRACTOR ;
- 10 d. Effective lines of communication between the compliance officer and employees and other
11 providers in the CONTRACTOR network;
- 12 e. Enforcement of standards through well-publicized disciplinary guidelines;
- 13 f. Provision of internal monitoring and auditing;
- 14 g. Provision for prompt response to detected offenses and for development of corrective
15 action initiatives;
- 16 h. Participation by the CONTRACTOR in Medicaid fraud and abuse training conducted by
17 the Washington State Attorney General’s Medicaid Fraud Unit.
- 18 i. Written policies, procedures, and standards of conduct that articulate the CONTRACTOR
19 commitment to comply with all applicable Federal and State standards.
20

21 Report fraud and/or abuse information to NSMHA as soon as it is discovered including the
22 source of the complaint, the party complained against, nature of fraud or abuse complaint,
23 approximate dollars involved, and the legal and administrative disposition of the case.
24

25 Complaints and reports should be directed the NSMHA Compliance Officer listed below.
26

27 Charles R Benjamin
28 Executive Director
29 117 N First St., Ste. 8
30 Mt. Vernon, WA. 98273
31 360.416.7013
32 1.800.684.3555
33 charles_benjamin@nsmha.org
34
35
36

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

2
3 **1. OVERSIGHT AUTHORITY**

4 NSMHA, the Department of Social and Health Services (DSHS), Office of the State Auditor, the
5 Department of Health and Human Services, Centers for Medicare and Medicaid Services, the
6 Comptroller General, or any of their duly-authorized representatives (e.g. External Quality Review
7 Organizations and/or PACT Monitoring Authority), have the authority to conduct announced and
8 unannounced: a) surveys; b) audits; c) reviews of compliance with fidelity standards as well as
9 licensing and certification requirements and compliance with this Agreement; d) audits regarding
10 the quality, appropriateness, and timeliness of mental health services of the CONTRACTOR; and
11 e) audits and inspections of financial records of the CONTRACTOR . CONTRACTOR shall
12 notify NSMHA when an entity other than NSMHA performs any audit described above related to
13 any activity contained in this Agreement.
14

15 In addition, NSMHA will conduct reviews in accordance with its oversight of resource, utilization
16 and quality management, as well as to ensure that CONTRACTOR have the clinical,
17 administrative and fiscal structures to enable them to perform in accordance with the terms of the
18 contract. Such reviews may include, but are not limited to encounter data validation, utilization
19 reviews, clinical record reviews, and reviews of administrative structures, fiscal management and
20 contract compliance. Reviews may include desk reviews, requiring CONTRACTOR to submit
21 requested information. NSMHA will also review activities delegated under this contract to
22 CONTRACTOR.
23

24 CONTRACTOR shall cooperate with and allow access to North Sound Regional Ombuds and
25 Quality Review Team (“QRT”) in order to conduct surveys and review activities in accordance
26 with the terms of this contract and Attachment VI. CONTRACTOR shall cooperate with
27 NSMHA in resolving any disputes that arise in the provision of Ombuds and QRT services.
28

29 Findings as a result of NSMHA conducted reviews may result in remedial action as outlined
30 below. Federal and State agencies may impose remedial action or financial penalties either directly
31 upon CONTRACTOR or through NSMHA. CONTRACTOR shall comply with the terms of
32 such remedial action and be responsible for the payment of financial penalties.
33

34 **2. REMEDIAL ACTION**

35 NSMHA may require the CONTRACTOR to plan and execute corrective action. Corrective
36 action plans developed by the CONTRACTOR must be submitted for approval to the NSMHA
37 within 30 calendar days of notification. Corrective action plans must be provided in a format
38 acceptable to NSMHA. The NSMHA may extend or reduce the time allowed for corrective action
39 depending upon the nature of the situation as determined by the NSMHA.
40

41 a. Corrective action plans must include:

- 42
- 43 i. A brief description of the finding.
 - 44 ii. Specific actions to be taken, a timetable, a description of the monitoring to be
45 performed, the steps taken and responsible individuals that will reflect the
46 resolution of the situation.
47
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- b. Corrective action plans may:
 - Require modification of any policies or procedures by the CONTRACTOR relating to the fulfillment of its obligations pursuant to this Agreement.
 - c. Corrective action plans are subject to approval by the 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. The CONTRACTOR agree that NSMHA may initiate remedial action with or without a corrective action plan as outlined in subsection below if the NSMHA determines any of the following situations exist:
 - i. A problem exists that poses a threat to the health or safety of any person or that poses a threat of property damage and/or an incident has occurred that resulted in injury or death to any person and/or that resulted in damage to property;
 - ii. The CONTRACTOR have failed to perform any of the mental health services required in this Agreement, including delegated functions, which includes the failure to maintain the required capacity as specified by NSMHA to ensure that consumers receive medically necessary services, *except*, that no remedial action pursuant to subsection (e) hereof shall be taken if such failure to maintain required capacity is due to any interruption in, or depletion of, the available amount of money to CONTRACTOR as described in 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 thirty (30) days written notice.
 - iii. The CONTRACTOR has failed to develop, produce, and/or deliver to the NSMHA any of the statements, reports, data, data corrections, accountings, claims, and/or documentation described herein, in compliance with all the provisions of this Agreement;
 - iv. The 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. The CONTRACTOR has failed to implement corrective action required by the state and within NSMHA prescribed time frames.
 - e. The 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. The 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 – MHD IMPOSED SANCTIONS

Financial penalties imposed by MHD or other regulatory agency due to the action or inaction of CONTRACTOR may be paid by NSMHA on behalf of the CONTRACTOR and the 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, a party may terminate their portion of this Agreement upon 180 days written notification by certified mail to the other party. The effective date of termination shall be the one hundred-eightieth day after receipt of written notification to the other party or the last day of the calendar month in which the ninetieth day occurs, whichever is later.

6. TERMINATION FOR DEFAULT

NSMHA’s Program Manager may terminate this Agreement for default, in whole or in part, by written notice to the CONTRACTOR if NSMHA or DSHS has a reasonable basis to believe that the 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 the CONTRACTOR with written notice of the CONTRACTOR and Subcontractor’s noncompliance with this Agreement which notice shall provide the CONTRACTOR a reasonable time period to correct its/their noncompliance. If the CONTRACTOR has or have not corrected its/their noncompliance within the period of time specified in the written notice of noncompliance, NSMHA Program Manager may then terminate this Agreement, provided, that the NSMHA Program Manager may terminate this Agreement in whole or in part for default without such written notice and without opportunity for correction if NSMHA and/or DSHS has a reasonable basis to believe that:

- 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.

1 The CONTRACTOR may terminate this Agreement in whole or in part, by written notice to
2 NSMHA, if the CONTRACTOR has a reasonable basis to believe that NSMHA has:
3

- 4 a. Failed to meet or maintain any requirement for contracting with the CONTRACTOR.
- 5 b. Failed to perform under any provision of this Agreement.
- 6 c. Violated any law, regulation, rule, or ordinance applicable to work performed under this
7 Agreement; and/or
- 8 d. Otherwise breached any provision or condition of this Agreement.
9

10 7. **TERMINATION PROCEDURE**

11 The following provisions shall survive and be binding on the parties in the event this Agreement is
12 terminated:
13

- 14 a. The CONTRACTOR and any applicable subcontractors shall cease to perform any
15 services required by this Agreement as of the effective date of termination and shall
16 comply with all reasonable instructions contained in the notice of termination which are
17 related to the transfer of clients, distribution of property, and termination of services.
18 Each party shall be responsible only for its performance in accordance with the terms of
19 this Agreement rendered prior to the effective date of termination. The CONTRACTOR
20 and any applicable subcontractors shall assist in the orderly transfer/transition of the
21 consumers served under this Agreement. The CONTRACTOR and any applicable
22 subcontractors shall promptly supply all information necessary for the reimbursement of
23 any outstanding Medicaid claims.
- 24 b. The CONTRACTOR and any applicable subcontractors shall immediately deliver to
25 NSMHA Program Manager or to his/her successor, all DSHS and NSMHA assets
26 (property) in the CONTRACTOR and any applicable subcontractor's possession and any
27 property produced under this Agreement. The CONTRACTOR and any applicable
28 subcontractors grants NSMHA and DSHS the right to enter upon the CONTRACTOR
29 and any applicable subcontractors premises for the sole purpose of recovering any
30 NSMHA or DSHS property that the CONTRACTOR and any applicable subcontractors
31 fails to return within ten (10) working days of termination of this Agreement. Upon failure
32 to return NSMHA and/or DSHS property within ten (10) working days of the termination
33 of this Agreement, the CONTRACTOR and any applicable subcontractors shall be
34 charged with all reasonable costs of recovery, including transportation and attorney's fees.
35 The CONTRACTOR and any applicable subcontractors shall protect and preserve any
36 property of NSMHA and/or DSHS that is in the possession of the CONTRACTOR and
37 any applicable subcontractors pending return to NSMHA and/or DSHS.
- 38 c. NSMHA shall be liable for and shall pay for only those services authorized and provided
39 through the date of termination. NSMHA may pay an amount agreed to by the parties for
40 partially completed work and services, if work products are useful to or usable by NSMHA.
41

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

2
3 **1. BACKGROUND**

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

17 **2. MUTUAL COMMITMENTS**

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

25 **3. ASSIGNMENT**

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

32 **4. AUTHORITY**

33 Concurrent with the execution of this Agreement, CONTRACTOR shall furnish NSMHA with a
34 copy of the explicit written authorization of its governing body to enter into this Agreement and
35 accept the financial risk and responsibility to carry out all terms of this Agreement including the
36 ability to pay for all expenses incurred during the contract period. Likewise, concurrent with the
37 execution of this Agreement, NSMHA shall furnish CONTRACTOR with a written copy of the
38 motion, resolution, or ordinance passed by NSMHA Board of Directors (NSMHA Board)
39 authorizing NSMHA to execute this Agreement.
40

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

43 The CONTRACTOR and its subcontractors shall comply with all applicable federal and state
44 statutes, regulations, and operational policies whether or not a specific citation is identified in
45 various sections of this Agreement, and all amendments thereto that are in effect when the
46 Agreement is signed, or that come into effect during the term of the Agreement, which may
47 include but are not limited to, the following (“Federal and/or State Law”):
48

- 1 a. Title XIX and Title XXI of the Social Security Act and Title 42 of the Code of Federal
2 Regulations.
- 3 b. All applicable Office of the Insurance Commissioner (OIC) statutes and regulations.
- 4 c. All local, State, and Federal professional and facility licensing and certification
5 requirements/standards that apply to services performed under the terms of this
6 Agreement.
- 7 d. All applicable standards, orders, or requirements issued under Section 306 of the Clean Air
8 Act (42 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368), Executive Order
9 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15), which
10 prohibit the use of facilities included on the EPA List of Violating Facilities. Any
11 violations shall be reported to Department of Social and Health Services (DSHS),
12 Department of Health and Human Service (DHHS), and the EPA.
- 13 e. Any applicable mandatory standards and policies relating to energy efficiency, which are
14 contained in the State Energy Conservation Plan, issued in compliance with the federal
15 Energy Policy and Conservation Act.
- 16 f. Those specified for laboratory services in the Clinical Laboratory Improvement
17 Amendments (CLIA).
- 18 g. Those specified in Title 18 RCW for professional licensing.
- 19 h. Reporting of abuse as required by RCW 26.44.030.
- 20 i. Industrial insurance coverage as required by Title 51 RCW.
- 21 j. RCW 38.52, 70.02, 71.05, 71.24, and 71.34.
- 22 k. WAC 388-865.
- 23 l. 42 CFR 438, including 42 CFR 438.58 (conflict of interest) and 42 CFR 438.106 (physician
24 incentive plans).
- 25 m. The State of Washington Medicaid State Plan and the 1915(b) Medicaid Mental Health
26 Waiver or their successors, which documents are incorporated by reference.
- 27 n. MHD Quality Strategy.
- 28 o. The State of Washington mental health system mission statement, value statement, and the
29 guiding principles for the system, attached hereto as Exhibit C.
- 30 p. The State Medicaid Manual (SMM), Office of Management and Budget (OMB) Circulars,
31 the Budgeting, Accounting, and Reporting System (BARS) Manual, and BARS
32 Supplemental Mental Health Instructions.
- 33 q. Any applicable federal and state laws that pertain to Medicaid enrollee or consumer rights.
34 CONTRACTOR shall ensure that its staff takes those rights into account when furnishing
35 services to consumers.
- 36 r. DSHS Administrative policies, to the extent that they are applicable to this contract, which
37 are attached as Exhibit F, Exhibit G and Exhibit H.
- 38 s. 42 U.S.C. 1320a-7 and 1320a-7b (Section 1128 and 1128 (b) of the Social Security Act),
39 which prohibits making payments directly or indirectly to physicians or other providers as
40 an inducement to reduce or limit mental health services provided to consumers.
- 41 t. Any policies and procedures developed by Medical Assistance Administration for
42 compliance with WAC 388-519-0110, which governs the spend-down of client assets.
- 43 u. The CONTRACTOR and any subcontractors must comply with 42-USC 1396u-2 and
44 must not knowingly have a director, officer, partner, or person with a beneficial ownership
45 of more than 5% of the CONTRACTOR, CMHA or subcontractor's equity, or an
46 employee, contractor, or consultant who is significant or material to the provision of
47 services under this Agreement, who has been, or is affiliated with someone who has been,
48 debarred, suspended, or otherwise excluded by any federal agency.

- v. Federal and State non-discrimination laws and regulations.
- w. The Health Insurance Portability and Accountability Act (HIPAA), 45 CFR parts 160-164.
- x. MHD-CIS Data Dictionary and its successors.
- y. Federal funds must not be used for any lobbying activities.

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

Upon notification from DSHS, NSMHA shall notify CONTRACTOR in writing of changes/modifications in Center for Medicare and Medicaid Services (CMS) policies and DSHS/MHD 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 implement continuous quality improvement efforts determined by the Integrated Quality Management Process as approved by the NSMHA Board. All proposed new policies shall specifically reference the Federal or state requirements they implement and shall be limited 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, but not limited to:

- 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. The CONTRACTOR and its subcontractors 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 NSHMA 7.01 Plan, or any successor (Attachment II).
- c. NSMHA's Strategic 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 consumer 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 Provider Policy & Procedure Grid and successors contain a list of NSMHA's policies and their applicability to CONTRACTOR in accordance with Attachment IV. The Grid and NSMHA's policies and procedures are posted

1 on NSMHA’s website. NSMHA shall notify CONTRACTOR of new and revised policies through
2 its NSMHA Policy Numbered Memoranda. Training will be provided on policies that impact
3 providers.
4

5 In the event there is disagreement between NSMHA and CONTRACTOR in an operational
6 committee regarding a proposed new policy or modification to a current policy, the following
7 process will apply. NSMHA will provide a summary of the regulatory requirement or other
8 rationale for the proposed policy or policy modification. CONTRACTOR will provide an analysis
9 of its objection to the proposed policy or policy modification within 30 days from the receipt of
10 the NSMHA summary. If the objection is primarily due to increased cost, CONTRACTOR will
11 provide substantiation of the additional costs and, if possible, an alternative to achieving the policy
12 goal in a less costly manner. The proposed policy or policy modification will be discussed at the
13 next Regional Management Council. If resolution is not obtained, the proposed policy or policy
14 modification will be discussed at the next Quality Management Oversight Committee meeting. If
15 resolution is not obtained, the proposed policy or policy modification will be discussed at the next
16 NSMHA Board meeting. On a quarterly basis CONTRACTOR will calculate the cumulative fiscal
17 impact of resource reallocation due to new policies or policy modifications since the inception of
18 the contract, and present that information for review and discussion at the next Regional
19 Management Council.
20

21 NSMHA will make best efforts to maintain currency of policies with applicable Federal or State
22 Law, regulation or policy. In the event of a conflict, Federal or State Laws or policies supersede
23 NSMHA policies and procedures and requirements of this contract.
24

25 **7. CONFIDENTIALITY OF CLIENT INFORMATION**

26 Pursuant to 42 CFR 431.301 and 431.302, information concerning applicants and recipients may
27 be disclosed for purposes directly concerning the administration of this Agreement. Purposes
28 include, but are not limited to:

- 29 a. Establishing eligibility.
- 30 b. Determining the amount of medical assistance.
- 31 c. Providing services for recipients.
- 32 d. Conducting or assisting in investigation, prosecution, or civil or criminal proceeding related
33 to the administration of the plan.
- 34 e. Assuring compliance with Federal and State laws, regulations, with terms and requirements
35 of this Agreement.
- 36 f. Improving quality.
- 37

38
39 CONTRACTOR shall protect all information, records and data collected from unauthorized
40 disclosure in accordance with 42 CFR 431.300 through 431.307, RCW’s 70.02, 71.05, and 71.34,
41 HIPAA, and for service recipients receiving alcohol and drug abuse services, in accordance with 42
42 CFR Part 2. CONTRACTOR shall have a process in place to ensure that all components of its
43 Community Mental Health Agency (CMHA) and system understand and comply with
44 confidentiality requirements for publicly funded mental health services.
45

46 CONTRACTOR shall ensure that access to the information is restricted to persons or agency
47 representatives who are subject to standards of confidentiality that are comparable to those of
48 NSMHA and DSHS.

1 The parties acknowledge that coordination, planning, screening, and referral require the sharing of
2 information among the various treatment providers. Disclosure of information to verify eligibility,
3 determine the amount of assistance, and to provide medically necessary mental health services are
4 all “purposes directly connected with the administration of the Agreement”, and are all
5 appropriate justifications for sharing information.
6

7 CONTRACTOR shall assure that all staff and subcontractors providing services under this
8 Agreement receive annual training on confidentiality policies and procedures. In addition,
9 CONTRACTOR shall assure that all staff and subcontractors providing services under this
10 Agreement sign an annual Oath of Confidentiality statement. Signed copies of the Oath of
11 Confidentiality shall be kept in CONTRACTOR’s personnel files.
12

13 **8. CONTRACT PERFORMANCE/ENFORCEMENT**

14 NSMHA shall be vested with the rights of a third party beneficiary, including the "cut through"
15 right to enforce performance should CONTRACTOR be unwilling or unable to enforce action on
16 the part of its subcontractor(s). In the event that CONTRACTOR dissolves or otherwise
17 discontinues operations, NSMHA may, at its sole option, assume the right to enforce the terms
18 and conditions of this Agreement directly with CONTRACTOR’s subcontractors; provided, that
19 NSMHA shall keep CONTRACTOR reasonably informed concerning such enforcement.
20 CONTRACTOR shall include this clause in its contracts with its subcontractors. In the event of
21 the dissolution of CONTRACTOR, NSMHA’s rights in indemnification shall survive.
22

23 **9. COOPERATION**

24 The parties to this Agreement shall cooperate in good faith to effectuate the terms and conditions
25 of this Agreement.
26

27 **10. DEBARMENT CERTIFICATION**

28 The CONTRACTOR certifies that it is not presently debarred, suspended, proposed for
29 debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any
30 federal or state department or agency. If requested by DSHS or NSMHA, the CONTRACTOR
31 shall complete a Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary
32 Exclusion. Any Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary
33 Exclusion pertaining to this Agreement shall be incorporated into this Agreement by reference.
34

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

38 Although NSMHA, CONTRACTOR, and subcontractors mutually recognize that services under
39 this Agreement may be provided by the CONTRACTOR and subcontractors to clients under the
40 Medicaid program, RCW 71.05 and 71.34, and the Community Mental Health Services Act, RCW
41 71.24, it is not the intention of either NSMHA, the CONTRACTOR, that such individuals, or any
42 other persons, occupy the position of intended third-party beneficiaries of the obligations assumed
43 by either party to this Agreement. Such third parties shall have no right to enforce this agreement.
44

45 **12. EXECUTION, AMENDMENT, AND WAIVER**

46 This Agreement shall be binding on all parties only upon signature by authorized representatives
47 of each party. This Agreement, or any provision, may be amended during the contract period, if
48 circumstances warrant, by a written amendment executed by all parties. Only the NSMHA

1 Program Manager or the NSMHA Program Manager's designee has authority to waive any
2 provision of this Agreement on behalf of NSMHA.
3

4 **13. HEADINGS AND CAPTIONS**

5 The headings and captions used in this Agreement are for reference and convenience only, and in
6 no way define, limit, or decide the scope or intent of any provisions or sections of this Agreement.
7

8 **14. INDEMNIFICATION**

9 CONTRACTOR shall be responsible for and shall indemnify and hold NSMHA harmless
10 (including all costs and attorney fees) from all claims for personal injury, property damage and/or
11 disclosure of confidential information and/or from the imposition of governmental fines or
12 penalties resulting from the acts or omissions of CONTRACTOR and its subcontractors related to
13 the performance of this contract. NSMHA shall be responsible and shall indemnify and hold
14 CONTRACTOR harmless (including all costs and attorney fees) from all claims for personal
15 injury, property damage and disclosure of confidential information and from the imposition of
16 governmental fines or penalties resulting from the acts or omissions of NSMHA. For the
17 purposes of these indemnifications, the Parties specifically and expressly waive any immunity
18 granted under the Washington Industrial Insurance Act, Title 51 RCW. This waiver has been
19 mutually negotiated and agreed to by the Parties. The provision of this section shall survive the
20 expiration or termination of the Agreement.
21

22 **15. INDEPENDENT CONTRACTOR FOR NSMHA**

23 The parties intend that an independent contractor relationship be created by this contract. The
24 CONTRACTOR acknowledges that neither the CONTRACTOR nor its employees or
25 subcontractors are not officers, employees, or agents of NSMHA. The CONTRACTOR shall not
26 hold the CONTRACTOR or any of the CONTRACTOR's employees and subcontractors out as,
27 nor claim status as, officers, employees, or agents of NSMHA. The CONTRACTOR shall not
28 claim for the CONTRACTOR or the CONTRACTOR's employees or subcontractors any rights,
29 privileges, or benefits which would accrue to an employee of NSMHA. The CONTRACTOR
30 shall indemnify and hold NSMHA harmless from all obligations to pay or withhold Federal or
31 State taxes or contributions on behalf of the CONTRACTOR or the CONTRACTOR's
32 employees and subcontractors unless specified in this Agreement.
33

34 **16. INSURANCE**

35 NSMHA certifies it is a member of Washington Governmental Entity Pool for all exposure to tort
36 liability, general liability, property damage liability, and vehicle liability, if applicable, as provided by
37 RCW 43.19.
38

39 CONTRACTOR shall maintain a Commercial General Liability Insurance (CGL). If the
40 Contractor is not a member of a risk pool, the Contractor shall carry CGL to include coverage for
41 bodily injury, property damage, and contractual liability, with the following minimum limits: Each
42 Occurrence - \$1,000,000; General Aggregate - \$2,000,000; shall include liability arising out of
43 premises, operations, independent contractors, personal injury, advertising injury, and liability
44 assumed under an insured contract. Contractor shall provide evidence of such insurance to
45 NSMHA within 15 days of execution of this Agreement and 15 days post renewal date thereafter.
46 All non-risk pool policies shall name NSMHA as a covered entity under said policy(s).
47
48

1 **17. INTEGRATION**

2 This Agreement, including Exhibits and Attachments contains all the terms and conditions agreed
3 upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of
4 this Agreement shall be deemed to exist or to bind any of the parties hereto.
5

6 **18. MAINTENANCE OF RECORDS**

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

- 12 a. Maintain the content of all Medical Records in a manner consistent with utilization control
13 requirements of 42 CFR 456, 42 CFR 434.34 (a), 42 CFR 456.111, and 42 CFR 456.211.
- 14 b. Document performance of all acts required by law, regulation, or this Agreement.
- 15 c. Substantiate the CONTRACTOR statement of its organizations' structures, tax status,
16 capabilities, and performance.
- 17 d. Demonstrate accounting procedures, practices, and records, which sufficiently and
18 properly document the CONTRACTOR invoices to NSMHA and all expenditures made
19 by the CONTRACTOR to perform as required by this Agreement.
- 20 e. The CONTRACTOR and its subcontractors shall cooperate in all reviews, including but
21 not limited to, surveys, and research conducted by NSMHA, DSHS or other Washington
22 State Departments.
- 23 f. Evaluations shall be done by inspection or other means to measure quality,
24 appropriateness, and timeliness of services performed under this Agreement, and to
25 determine whether the CONTRACTOR and its subcontractors are providing service to
26 individuals in accordance with the requirements set forth in this Agreement and applicable
27 state and federal regulations as existing or hereafter amended.

28 **19. NO WAIVER OF RIGHTS**

29 A failure by either party to exercise its rights under this Agreement shall not preclude that party
30 from subsequent exercise of such rights and shall not constitute a waiver of any other rights under
31 this Agreement unless stated to be such in a writing signed by an authorized representative of the
32 party and attached to the original Agreement.
33

34 Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of
35 any subsequent breach and shall not be construed to be a modification of the terms and conditions
36 of this Agreement.
37

38 **20. ONGOING SERVICES**

39 CONTRACTOR and its subcontractors shall ensure that in the event of labor disputes or job
40 actions, including work slowdowns, so called "sick outs", or other activities, within its service
41 CMHA network, uninterrupted services shall be available as required by the terms of this
42 Agreement
43
44
45
46
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1 **21. ORDER OF PRECEDENCE**

2 In the event of an inconsistency in the terms of this Agreement, or any inconsistency between the
3 terms of this Agreement and any applicable statute, rule or contract, unless otherwise provided
4 herein, the conflict shall be resolved by giving precedence in the following order, to:
5

- 6 a. The applicable Medicaid 1915(b) Waiver, Provisions of Title XIX of the Social Security Act
7 and Federal regulations concerning the operations of Prepaid Inpatient Health Plans.
- 8 b. State statutes and regulations concerning the operation of the community mental health
9 programs.
- 10 c. Federal and State Law.
- 11 d. The NSMHA-DSHS agreement, or its successors, that covers the provision of the mental
12 health services covered under this Agreement, which shall include any exhibit, document,
13 or material incorporated by reference. NSMHA shall promptly notify CONTRACTOR of
14 any amendment to the NSMHA-DSHS agreement which affects any term or condition
15 herein.
- 16 e. This Agreement.

17
18 **22. OVERPAYMENTS**

19 In the event CONTRACTOR fails to comply with any of the terms and conditions of this
20 Agreement and that failure results in an overpayment, NSMHA may recover the amount due
21 DSHS, CMS or other federal or state agency, subject to dispute resolution as set forth in the
22 contract. In the case of overpayment, CONTRACTOR shall cooperate in the recoupment process
23 and return to NSMHA the amount due upon demand.
24

25 **23. OWNERSHIP OF MATERIALS**

26 Materials created by the CONTRACTOR and its subcontractors and paid for by NSMHA as a
27 part of this Agreement shall be owned by NSMHA and shall be, "works for hire" as defined by the
28 U.S. Copyright Act of 1976. This material includes but is not limited to: books, computer
29 programs, documents, films, pamphlets, reports, sound reproductions, studies, surveys, tapes,
30 and/or training materials. Material which the CONTRACTOR and its subcontractors use to
31 perform this Agreement, but which is not created for or paid for by NSMHA, is owned by the
32 CONTRACTOR or relevant subcontractors; however, NSMHA and DSHS shall have a perpetual
33 license to use this material for DSHS internal purposes at no charge to DSHS.
34

35 **24. PERFORMANCE**

36 CONTRACTOR shall furnish the necessary personnel, materials, and/or mental health services
37 and otherwise do all things for, or incidental to, the performance of the work set forth here and as
38 attached. Unless specifically stated, the CONTRACTOR is responsible for performing or ensuring
39 all fiscal and program responsibilities required in this contract. No subcontract will terminate the
40 legal responsibility of the CONTRACTOR to perform the terms of this Agreement.
41

42 **25. RESOLUTION OF DISPUTES**

43 The parties wish to provide for prompt, efficient, final, and binding resolution of disputes and
44 controversies that may arise under this Agreement and therefore establish this dispute resolution
45 procedure. All claims, disputes, and other matters in question between the parties arising out of,
46 or relating to, this Agreement shall be resolved exclusively by the following dispute resolution
47 procedure unless the parties mutually agree in writing otherwise:
48

- a. The parties shall use their best efforts to resolve issues prior to giving written Notice of Dispute.
- b. Within ten (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 thirty (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 ten (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.

26. 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.

27. SINGLE AUDIT ACT

If the CONTRACTOR or its subcontractor is a sub recipient of Federal awards as defined by OMB Circular A-133, the CONTRACTOR and its subcontractors shall maintain records that identify all Federal funds received and expended. Such funds shall be identified by the appropriate OMB Catalog of Federal Domestic Assistance titles and numbers, award names and numbers, award years, if awards are for research and development, as well as names of the Federal agencies. The CONTRACTOR and its subcontractors shall make the CONTRACTOR and its subcontractors records available for review or audit by officials of the Federal awarding agency, the General Accounting Office, and DSHS. The CONTRACTOR and its subcontractors shall

1 incorporate OMB Circular A-133 audit requirements into all contracts between the
2 CONTRACTOR and its subcontractors who are sub recipients. The CONTRACTOR and its
3 subcontractors shall comply with any future amendments to OMB Circular A-133 and any
4 successor or replacement Circular or regulation.
5

6 If the CONTRACTOR and/or its subcontractors are a sub recipient and expends \$500,000 or
7 more in Federal awards from any and/or all sources in any fiscal year, the CONTRACTOR and
8 applicable subcontractors shall procure and pay for a single or program-specific audit for that fiscal
9 year. Upon completion of each audit, the CONTRACTOR and applicable subcontractors shall
10 submit to NSMHA Program Manager the data collection form and reporting package specified in
11 OMB Circular A-133, reports required by the program-specific audit guide, if applicable, and a
12 copy of any management letters issued by the auditor.
13

14 For purposes of “sub recipient” status under the rules of OMB Circular A-133 205(i) Medicaid
15 payments to a sub recipient for providing patient care services to Medicaid eligible individuals are
16 not considered Federal awards expended under this part of the rule unless a State requires the fund
17 to be treated as Federal awards expended because reimbursement is on a cost-reimbursement
18 basis.
19

20 **28. SUBCONTRACTS**

21 The CONTRACTOR may subcontract services to be provided under this Agreement subject to
22 the following requirements.
23

- 24 a. The CONTRACTOR shall be responsible for the acts and omissions of any subcontractor.
- 25 b. The CONTRACTOR must ensure that the subcontractor neither employs any person nor
26 contracts with any person or Community Mental Health Agency (CMHA) excluded from
27 participation in federal health care programs under either 42 U.S.C. 1320a-7 (§§1128 or
28 1128A Social Security Act) or debarred or suspended per this Agreement’s General Terms
29 and Conditions.
- 30 c. The CONTRACTOR shall require subcontractors to comply with all applicable federal and
31 state laws, regulations, and operational policies as specified in this Agreement.
- 32 d. The CONTRACTOR shall require subcontractors to comply with all applicable NSMHA
33 operational policies as specified in this Agreement, including Access to Care, Exhibit A,
34 standards, travel standards, and access standards.
- 35 e. The CONTRACTOR shall ensure a process is in place to demonstrate that all third-party
36 resources are identified and pursued.
- 37 f. The CONTRACTOR shall oversee, be accountable for, and monitor all functions and
38 responsibilities delegated to a subcontractor for conformance with any applicable statement
39 of work in this agreement on an ongoing basis including written reviews.
- 40 g. CONTRACTOR will monitor performance of the subcontractors on an annual basis and
41 notify NSMHA of any identified deficiencies or areas for improvement requiring corrective
42 action by CONTRACTOR.
- 43 h. The CONTRACTOR shall ensure that all subcontracts are in writing and that subcontracts
44 specify all duties, reports, and responsibilities delegated under this Agreement. Those
45 written subcontracts shall:
46

- 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 the CONTRACTOR, NSMHA, and/or MHD.
- iv. Require best efforts to provide written or oral notification within 15 working days of termination of a Mental Health Care Provider (MHCP) to consumers 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 the CONTRACTOR under this Agreement has unrestricted access to the individual's personal property. The CONTRACTOR shall not interfere with any adult individual's ownership, possession, or use of the individual's property unless clinically indicated. The CONTRACTOR shall provide individuals under age eighteen (18) with reasonable access to their personal property that is appropriate to the individual's age, development, and needs. Upon termination of this Agreement, the 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 warrants and represents that it is able to perform its obligations set forth in this Agreement and that such obligations are binding upon CONTRACTOR and other subcontractors for the benefit of NSMHA.

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:

Charles R. Benjamin, Executive Director
North Sound Regional Support Network
117 North First Street, Suite 8
Mount Vernon, WA 98273

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The Program Manager for CONTRACTOR is:
Gerric Dudley
Executive Director
609 North Shore Dr
Bellingham, WA 98226

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

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

| | | | |
|----|------------------------------------------------|------------------------------------------|------|
| 3 | | | |
| 4 | NORTH SOUND MENTAL HEALTH | LAKE WHATCOM RESIDENTIAL AND | |
| 5 | ADMINISTRATION | TREATMENT CENTER | |
| 6 | | | |
| 7 | _____ | _____ | |
| 8 | Signature | Signature | Date |
| 9 | | | |
| 10 | <u>Charles R. Benjamin, Executive Director</u> | <u>Gerric Dudley, Executive Director</u> | |
| 11 | Name/Title | Name/Title | |