

**NORTH SOUND  
MENTAL HEALTH ADMINISTRATION**

**NORTH SOUND OMBUDS SERVICES**

**WITH**

**SKAGIT COUNTY COMMUNITY ACTION AGENCY**

**CONTRACT #NSMHA-SCCAA-OMBUDS-09-11**

**JULY 1, 2009 TO SEPTEMBER 30, 2011**

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- Exhibit A – Mission Statement
- Exhibit F – DSHS Admin Policy No. 7.21
- Exhibit G – DSHS Admin Policy No. 7.01
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- Attachment III – Provider P&P Grid
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- Attachment VII – Budget

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## INTERAGENCY AGREEMENT

**THIS INTERAGENCY 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 SKAGIT COUNTY COMMUNITY ACTION AGENCY (“CONTRACTOR”) 330 Pacific Place, P.O. Box 1507, Mt. Vernon, WA. 98273.

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 July 1, 2009 through September 30, 2009.

### A. DEFINITIONS

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

**Abuse** means “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).

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

**Access to Care Standards** means the (MHD) Minimum Eligibility Requirements for Medicaid Adults & Medicaid Older Adults Guidelines reflect the most restrictive eligibility criteria that can be applied. NSMHA may expand coverage based on availability of local resources.

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

**Accountability** means responsibility of CONTRACTOR for achieving defined outcomes, goals, and contract obligations

**Act** means the Social Security Act

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

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

5  
6 **Allen and Marr Class Members** means any DDD enrolled client who was admitted to or in Western  
7 State Hospital on or after June 1, 1997 or any DDD enrolled client who was admitted to or in Eastern  
8 State Hospital on or after December 2, 1999. The class members are established based on *Allen, et al. v.*  
9 *WSH, et al. and Marr, et al. v. ESH, et al. cases.*

10  
11 **Allied Systems** means state or local services which provide consumers with assistance to reduce the  
12 impact of disabilities, functional impairments, or skill deficits, and which promote stable community living.

13  
14 **Ancillary Crisis Services** means costs associated with providing medically necessary crisis services which  
15 cannot be covered under the Medicaid state plan including but not limited to the cost of room and board  
16 for individuals in hospital diversion beds.

17  
18 **Annual Revenue** means all revenue received by the CONTRACTOR pursuant to the Agreement for July  
19 of any year through June of the next year.

20  
21 **Arbitration** means the process by which the parties to a dispute submit their differences to the judgment  
22 of an impartial person or group appointed by mutual consent or statutory provision.

23  
24 **Assessment** means a process which provides sufficient information to determine medical necessity for  
25 mental health services covered under this Agreement.

26  
27 **Case Management** means assistance to a recipient and family (or significant other) to obtain, maintain, or  
28 develop appropriate resources. This involves obtaining or providing the full range of outreach and  
29 support services to help recipients establish and maintain respected positions within their community,  
30 including but not limited to: housing, income, employment, and other productive activities. Case  
31 management provides community support and intervention, as well as, crisis services and resolution. A  
32 range of activities to monitor, facilitate and, if necessary, intervene to improve access to and the continuity  
33 and effectiveness of treatment. This may include service coordination and linking clients with other social  
34 and economic resources, including mental health services, medical care, housing employment, education,  
35 and other community services. Some of these activities may be performed without the client present and  
36 may be conducted with other persons important to the client's treatment (i.e., collaterals). (HCPCS  
37 procedure code)

38  
39 **Census Alert** means notification provided to the RSN of near-full census at the state psychiatric hospital.  
40 May include notification of changes in hospital admission criteria.

41  
42 **Center for Medicare and Medicaid Services (CMS)** was (Formerly known as Health Care Finance  
43 Administration (HCFA))

44  
45 **Children's Hospital Alternative Program (CHAP)** is the acronym for, a cooperative program of  
46 NSMHA and Division of Children and Family Services, to serve high-need children and their families.  
47 (Foster home and in-home services)

48

1 **Children’s Long Term Inpatient Program (CLIP)**: means the state appointed authority for policy and  
2 clinical decision-making regarding admission to and discharge from state-funded beds in the Children’s  
3 Long Term Inpatient Programs (Child Study and Treatment Center, Pearl Street Center, McGraw Center,  
4 Tamarack Center and Martin Center).

5  
6 **Child Study and Treatment Center (CSTD)** means the Department of Social and Health Services,  
7 Mental Health Division (MHD) child psychiatric hospital.

8  
9 **Community Mental Health Agency (CMHA)** means community mental health centers that are  
10 subcontracted by the RSN and licensed to provide mental health services covered under this Agreement.

11  
12 **Community Support Services** is all community-based, outpatient services. As defined in RCW  
13 71.24.025(8) and WAC 388-865 – case management services; 388-865 – residential services; 388-865-0464  
14 – employment services; 388-865 – psychiatric and medical services; 388-865 – In-home services; and 388-  
15 865 – Consumer or advocate-run services.

16  
17 **Complaint** means a verbal or written statement by a consumer or enrollee that expresses dissatisfaction  
18 with some aspect of services covered under this Agreement, the Primary Care Provider, or  
19 CONTRACTOR.

20  
21 **Computer Information System (CIS)**

22  
23 **Consultation** is the review and recommendations regarding the task responsibilities, activities, and  
24 decisions of administrative, clerical, and clinical staff, along with contracted employees, volunteers, and  
25 interns, by persons with appropriate knowledge and experience, in the pursuit of quality services.

26  
27 **Consumer** means a person who has applied for, is eligible for or who has received mental health services.  
28 For a child, under the age of thirteen, or for a child age thirteen or older whose parents or legal guardians  
29 are involved in the treatment plan, the definition of consumer includes parents or legal guardians.

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

36  
37 **Consumer Voice** means indicators of ownership in and involvement with planning his/her own supports  
38 and services. In Individualized Plans, voice is best indicated by the use of “quotations”.

39  
40 **Corrective Action/Compliance Review** is when findings from a NSMHA and/or MHD review or other  
41 monitoring efforts or audits show that there are apparent violations of this Agreement, the  
42 CONTRACTOR shall implement corrective action within specified timeframes determined by NSMHA  
43 and/or MHD and/or Department’s other auditors.

44  
45 **Corrective Action Plan** is a written plan specifying what the CONTRACTOR is required to do to be in  
46 compliance. This includes required improvements and a time line for such action(s) to be accomplished.

47

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

3  
4 **Crisis Plan** is a blueprint for action in the case of an individual (or child/family) who is experiencing  
5 imminent or substantial risk of harm to self/others or who is at risk of decompensation that could lead to  
6 future use of psychiatric inpatient services. Plans are developed in collaboration with the individual and  
7 natural supports. An adequate crisis plan reflects a blend of formal and informal supports and is amended  
8 as frequently as needed to be a meaningful resource. Crisis plans with updated information must be  
9 documented as a consumer completes an episode of care and becomes “inactive” or “closed”.

10  
11 **Crisis Respite** means support and stabilization services that may include, but are not limited to, Crisis  
12 Residential Service Options. Crisis respite may include in-home support services and brief periods of  
13 services by crisis aide staff to provide relief to a parent or primary in-home care provider.

14  
15 **Crisis Services** means a face-to-face evaluation and treatment of mental health emergencies and crises to  
16 non-enrolled, as well as, enrolled individuals experiencing a crisis as defined by the WAC. Crisis services  
17 shall be available on a 24-hour basis with the goal of stabilizing the person in crisis and providing  
18 immediate or short-term treatment and support in the least restrictive environment available. Crisis  
19 services may be provided prior to an intake evaluation/assessment.

20  
21 **Cross-System Team meetings and consultations** is participation and involvement with systems beyond  
22 the mental health system, who are also providing services to a mental health consumer, i.e., DCFS, DDD,  
23 JRA, DOC, Schools, etc., to assure communication, and integrated, coordinated treatment planning and  
24 provision.

25  
26 **“D” Coupons** are medical assistance coupons for children in foster care.

27  
28 **Detention** is (Juvenile) Pursuant to RCW 13.16, a staffed, locked detention room, or house of detention  
29 for dependent, wayward, and delinquent children, separate and apart from the detention facilities for  
30 adults.

31  
32 **Deliverable** means any written information required for submission to NSMHA to satisfy the work  
33 requirements of this Agreement and that are due by a particular date or on a regularly occurring schedule.

34  
35 **Disaster Outreach** means persons contacted in their place of residence or in non-traditional settings for  
36 the purpose of:

- 37
- 38 a) Assessing their mental health, or social functioning following a disaster; or
  - 39 b) Increasing their utilization of human services and resources.
  - 40 c) There are two basic approaches to outreach:
    - 41 i) Mobile (ongoing to person to person);
    - 42 ii) Community settings (e.g. temporary shelters, disaster assistance sites, disaster information
    - 43 forums).
    - 44
  - 45 d) Regardless of the approach, the outreach process has five important components:
    - 46 i) Locating persons in need of disaster relief services;
    - 47
    - 48

- 1           ii) Assessing their needs;
- 2           iii) Engaging or linking persons to an appropriate level of support or disaster relief services; and
- 3           iv) Providing follow-up mental health services when clinically indicated.
- 4           v) Disaster outreach can be performed by trained volunteers, peers, and/or persons hired under a
- 5           Federal Crisis Counseling Grant. These persons should be trained in disaster outreach, which
- 6           is different than traditional mental health crisis intervention.

7  
8   **Discharge** is (1) related to end of consumer’s inpatient psychiatric hospital stay; (2) occurs when an  
9 eligible consumer has completed an episode of care (or active service) and is no longer receiving services  
10 (i.e., closed).

11  
12   **Discharge Planning (Hospital)** is the processes of developing a care regimen for a patient leaving  
13 inpatient care, including appropriate timing and follow-up examinations and treatment. A collaborative  
14 event, focusing on the development of a regimen of care, designed to support treatment success through  
15 the utilization of natural supports and community resources. This planning phase is critical to success, in  
16 both the inpatient and outpatient arenas and needs to begin immediately following intake.

17  
18   **Discharge Planning (Services)** is the process of developing a care regimen and community integration  
19 plan for a mental health recipient leaving clinical care including appropriate residential treatment/housing  
20 supports and community support services prior to the recipient leaving outpatient care.

21  
22   **Diversions** means to redirect an individual from being placed in a restrictive setting (i.e., Jail, inpatient  
23 services) to clinically appropriate less restrictive alternative(s).

24  
25   **Emergent** means a situation where an individual is at imminent risk of substantial harm to him or herself  
26 or, others.

27  
28   **Emergent Care** means services provided for a person, that, if not provided, would likely result in the  
29 need for crisis intervention or hospital evaluation due to concerns of potential danger to self, others, or  
30 grave disability according to RCW 71.05.

31  
32   **Evaluation and Treatment Facility (E&T)** These are not-for-profit organizations. At a minimum,  
33 services include evaluation, stabilization and treatment provided by or under the direction of licensed  
34 psychiatrists, nurses and other Mental Health Professionals, and discharge planning involving the  
35 individual, Family, significant others so as to ensure continuity of mental health care. Nursing care includes  
36 but is not limited to performing routine blood draws, monitoring vital signs, providing injections,  
37 administering medications, observing behaviors and presentation of symptoms of mental illness.

38  
39   **Fair Hearing** means a grievance hearing before the Washington State Office of Administrative Hearings.

40  
41   **Family** means those the consumer defines as family or those appointed/assigned (e.g. parents, foster  
42 parents, guardians, siblings, caregivers, and significant others).

43  
44   **Fraud** means “an intentional deception or misrepresentation made by a person with the knowledge that  
45 the deception could result in some unauthorized benefit to himself or some other person. It includes any  
46 act that constitutes fraud under applicable Federal or State law”. (Medicaid Managed Care Fraud and  
47 Abuse Guidelines).

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

3  
4 **Geographic Area** is the NSMHA Service Area consisting of the following geographic areas:

- 5
- 6 a) Island County
- 7 b) San Juan County
- 8 c) Skagit County
- 9 d) Snohomish County
- 10 e) Whatcom County

11  
12 **Grievance** means an expression of dissatisfaction about any matter. Possible subjects for grievances  
13 include, but are not limited to, the quality of care or services provided, and aspects of interpersonal  
14 relationships such as rudeness of a provider or employee, or failure to respect the mental health  
15 Consumer's rights.

16  
17 **Group Treatment Services** means a set of face-to-face activities provided by one or more provider staff  
18 to two or more attending members that are designed to help an individual attain goals as prescribed in the  
19 individual's treatment plan. These group activities shall be consistent with the age and cultural framework  
20 of the individuals participating, and may include family members or others who play necessary roles in the  
21 lives of the group members.

22  
23 **HIPAA** means Health Insurance Portability and Accountability Act of 1996.

24  
25 **In-Residence Census (IRC)** means the in-residence census of all voluntary and involuntary consumers,  
26 regardless of where in the state hospital they are housed. Consumers who are committed to the state  
27 hospital under RCW 10.77 are not included in the IRC. Consumers who are committed by municipal or  
28 district court judges after failed competency restoration are considered committed under RCW 10.77 until  
29 a petition for 90 day civil commitment under RCW 71.05 has been filed in court.

30  
31 **Involuntary Treatment** means treatment provided under the Involuntary Treatment Act (WAC 388-865  
32 for individuals age 13 and older, who do not agree to treatment/hospitalization and are detained against  
33 will after having been evaluated by a CDMHP (Designated Mental Health Professional) and court hearing  
34 and found to need treatment/hospitalization by meeting one of the following criteria (danger to self,  
35 others, or gravely disabled) and therefore ordered or remanded to treatment by court decision.

36  
37 **JRA** means the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration.

38  
39 **Local Funds Eligible for Match** means sources of revenue that are eligible to be used as federal match  
40 are broad based taxes at the county or other local taxing authority level that are spent and have been  
41 certified by the local authority as public funds for mental health services allowable under this Agreement.  
42 Funds used for federal match under this Agreement may not be used as match for any other federal  
43 program. It can be local funds that have not been previously matched with federal funds at any point.  
44 Local funds do not include donations.

45  
46 **Medicaid Waiver** is a waiver granted by the Secretary of DSHS to requirements of 42 USC 1396a for the  
47 purpose of permitting the DSHS Mental Health Division to operate a capitated managed care system to  
48 provide services to enrolled recipients of the Medicaid program. Under 42 USC 1396n, the Secretary is

1 authorized to grant such waivers to the extent he/she finds proposed improvements or specified practices  
2 in the provision of services under Medicaid to be cost-effective, efficient, and consistent with objectives of  
3 the Medicaid program.  
4

5 **Medical Necessity** or **Medically Necessary** means a term for describing a requested service which is  
6 reasonably calculated to prevent, diagnose, correct, cure, alleviate or prevent the worsening of conditions  
7 in the recipient that endanger life, or cause suffering or pain, or result in illness or infirmity, or threaten to  
8 cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally  
9 effective, more conservative or substantially less costly course of treatment available or suitable for the  
10 person requesting service. "Course of treatment" may include mere observation or, where appropriate no  
11 treatment at all.  
12

13 Additionally, the individual must be determined to have a mental illness covered by Washington State for  
14 public mental health services. The individual's impairment(s) and corresponding need(s) must be the result  
15 of a mental illness. The intervention is deemed to be reasonably necessary to improve, stabilize or prevent  
16 deterioration of functioning resulting from the presence of a mental illness. The individual is expected to  
17 benefit from the intervention. Any other formal or informal system or support cannot address the  
18 individual's unmet need.  
19

20 **Mental Disorder** as defined in RCW 71.34.020(12) for children and RCW 71.05.020(2) for adults.  
21

22 **Mental Health Care Provider (MHCP)** means an individual with primary responsibility for  
23 implementing an individualized service plan for mental health rehabilitation services.  
24

25 **OMB Circular A-133** means audits of States, Local Governments and Non-Profit Organizations.  
26

27 **Outcome** means the results of a service period of treatment. The extents to which services are provided  
28 to individuals experiencing emotional and behavioral disorders have a positive or negative effect on their  
29 well-being, circumstances, and capacity for self-management and recovery.  
30

31 **Outreach** means a mental health service where consumers with severe and persistent mental illness or  
32 serious emotional disturbance are contacted in their place of residence or in non-traditional settings for the  
33 purpose of:  
34

- 35 a) Improving their mental health, health, or social functioning; or
- 36 b) Increasing their utilization of human services and resources.
- 37 c) There are two basic approaches to outreach:
  - 38 i) Mobile (going to consumer); and
  - 39 ii) Drop-in centers (e.g. shelters, clubhouses, kitchens, clothing banks).
- 40 d) Regardless of the approach, the outreach process has five important components:
  - 41
  - 42 a) Locating individuals in need of services;
  - 43 b) Engaging individuals into service;
  - 44 c) Assessing their needs;
  - 45 d) Linking individuals to an appropriate level of support services; and
  - 46 e) Providing follow-up services.
  - 47
  - 48

1  
2 **Performance Indicator(s)** means system level information on the types of service to consumers, the  
3 duration and intensity of services, staffing patterns, and fiscal viability.  
4

5 **Pre-Admission Screening and Resident Review (PASARR)**  
6

7 **Prepaid Inpatient Health Plan (PIHP)** means an entity that provides or arranges for:  
8

- 9 a) Mental health services to enrollees under contract with the state on the basis of prepaid  
10 capitation payments, or other payment arrangements that don't use state plan payment rates;  
11 b) Provides, arranges for, or otherwise has responsibility for the provision of any inpatient  
12 hospital or institutional services for its enrollees; or  
13 c) Does not have a comprehensive risk contract.  
14

15 **Private Residence** means a house, apartment, trailer, motel/hotel, dorm, boarding school, barracks, and  
16 single room occupancy.  
17

18 **Psychological Assessment** means all psychometric services provided for evaluation, diagnostic, or  
19 therapeutic purposes by, or under the supervision of, a licensed psychologist.  
20

21 **Quality Assurance** means a focus on compliance to minimum requirements (e.g. rules, regulations, and  
22 contract terms) as well as reasonably expected levels of performance, quality, and practice.  
23

24 **Quality Improvement** means a focus on activities to improve performance above minimum standards/  
25 reasonably expected levels of performance, quality, and practice.  
26

27 **Quality Management/Strategy** means an overarching system and/or process whereby quality assurance  
28 and quality improvement activities are incorporated and infused into all aspects of an organization's or  
29 system's operations.  
30

31 **Region** is known as NSMHA or North Sound Regional Support Network (NSRSN). This region is  
32 comprised of five counties: Island, San Juan, Skagit, Snohomish, and Whatcom  
33

34 **Rehabilitation** means to restore to customary activity through education, skill building and therapy.  
35 Increase independence and ability to participate in life meaning activities.  
36

37 **Reserve Accounts** means an allocation of fund balance at the RSN set aside for a specific purpose by the  
38 RSN governing board or local legislative authority.  
39

- 40 • **Operating Reserve** - Funds designated from mental health revenue sources that are set aside into an  
41 operating reserve account by official action of the RSN's governing body. Operating reserve funds  
42 may only be set aside to maintain adequate cash flow for the provision of mental health services.  
43 • **Capital Reserve** – Funds designated from mental health revenue sources that are set aside into a  
44 capital reserve account by official action of the RSN's governing body. Capital reserve funds may only  
45 be set aside for the construction, purchase or remodel of a building or major asset.  
46 • **Inpatient Reserve** – Funds designated from mental health revenue sources to pay for future inpatient  
47 hospital claims.

1 • **Unobligated Mental Health Fund Balance** – Funds designated from mental health revenue sources  
2 that have not been spent in the fiscal period they were received. These funds have not been set aside  
3 into a specific reserve account by official action of the RSN’s governing body, but they may be  
4 identified by the RSN for a specific use.

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

7  
8 **Risk** means the possibility that the CONTRACTOR may incur a loss because the cost of providing  
9 services may exceed the premium payments made by NSMHA to CONTRACTOR for services covered  
10 under this Agreement. (42 CFR 434.2)

11  
12 **Routine Care** means a setting where evaluation and mental health services are provided to consumers on  
13 a regular basis. These services are intended to stabilize, sustain, and facilitate consumer recovery within  
14 his or her living situation and they do not meet the definition of urgent or emergent care.

15  
16 **Routine Services** means non-emergent and non-urgent services are offered within fourteen (14) calendar  
17 days to individuals authorized to receive services as defined in the access to care standards. Routine  
18 services are designed to alleviate symptoms, to stabilize, sustain and facilitate progress toward mental  
19 health.

20  
21 **Screening** means initial face-to-face or telephonic interview to assess immediate mental health needs of a  
22 client for referral and/or treatment (per HCPCS procedure code). Depending upon level of need, a full  
23 multi-axial assessment frequently follows screening.

24  
25 **Service Area** means the geographic area covered by this Agreement for which the RSN is responsible.

26  
27 **Severely Emotional Disturbed Child** means a child who has been determined by the Regional Support  
28 Network to be experiencing a mental disorder as defined in Chapter 71.34 RCW, including those mental  
29 disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child’s  
30 functioning in family or school or with peers and who meets at least one of the following criteria:

- 31  
32 a) Has undergone inpatient treatment or placement outside of the home related to a mental  
33 disorder within the last two years;  
34 b) Has undergone involuntary treatment under Chapter 71.34 RCW within the last two years;  
35 c) Is currently served by at least one of the following child-serving systems:  
36  
37 i) Chronic family dysfunction involving a mentally ill or inadequate caretaker;  
38 ii) Changes in custodial adults;  
39 iii) Going to, residing in, or returning from any placement outside of the home, for example,  
40 psychiatric hospital, short-term inpatient, residential treatment, group or foster home, or a  
41 correctional facility;  
42 iv) Subject to repeated physical abuse or neglect;  
43 v) Drug or alcohol abuse; or,  
44 vi) Homelessness

45  
46 **Special Population Evaluation** means an evaluation by a specialist as defined by WAC 388-865-0425,  
47 which considers age and cultural variables specific to the individual being evaluated and other culturally

1 and age competent evaluation methods. This evaluation shall provide information relevant to a  
2 consumer’s continuation in appropriate treatment and assist in treatment planning.  
3

4 **Subcontract** means any written agreement between CONTRACTOR and subcontractor or between  
5 CONTRACTOR, subcontractor, and another subcontractor to provide services or activities otherwise  
6 performed under this Agreement.  
7

8 **Subcontractor** means an individual or entity performing all or part of the services under this Agreement  
9 under a separate contract with the CONTRACTOR or its subcontractors.  
10

11 **Title 42** is the CFR Public Health Service.  
12

13 **Title XIX** is grants with states for Medical Assistance Program.  
14

15 **Title XIX Eligible Month** means a calendar month in which an individual is eligible for the Title XIX  
16 program for any part of the month.  
17

18 **Title XXI** is the State Children’s Health Insurance Program.  
19

20 **Transition Youth** means anyone age 17-21.  
21

22 **Underserved** means persons who are minorities, children, elderly, disabled, and low-income. See WAC  
23 388-865-0150.  
24

25 **Urgent Care** means a service to be provided to persons approaching a mental health crisis. If services are  
26 not received within 24 hours of the request, the person’s situation is likely to deteriorate to the point that  
27 emergent care is necessary.  
28

29 **Utilization Management Services** means to provide independent utilization management process that  
30 monitors provider network to ensure services provided are sufficient, but not excessive, which are  
31 predicated on the individual needs of the recipient with respect to that person’s age, culture, language, and  
32 abilities.  
33

34 **Youth** means anyone age 13-17 (13-20 if Medicaid)  
35

1 **B. CONTRACTOR OMBUDS SERVICES**

2 NSMHA is required to ensure the provision of Ombuds services, in accordance with WAC 388-865.  
3 MHD has required NSMHA to no longer employ staff performing these services. CONTRACTOR  
4 has agreed to operate NSMHA’s Ombuds programs in accordance with WAC 388-865 and NSMHA  
5 policies and procedures or any successors. Primary responsibilities of the Ombuds is to receive and  
6 investigate consumer, family member, and other interested party complaints and grievances and assist  
7 consumers in the pursuit of formal resolution of complaints; Ombuds staff and Director,  
8 CONTRACTOR , shall receive annual confidentiality training provided by NSMHA and shall annually  
9 sign an Oath of Confidentiality form which shall be maintained in CONTRACTOR personnel files.  
10

11 **1. POLICIES AND PROCEDURES**

12 Relevant NSMHA policies and procedures include Ombuds Services, Functional Independence,  
13 Anti-Retaliation, NSMHA Privacy, and NSMHA Complaint, Grievance, Fair Hearing and Appeal  
14 Policies and Procedures. CONTRACTOR is required to maintain policies and procedures  
15 implementing each of these NSMHA policies and addressing the Ombuds staff role in the  
16 performance of these functions. Additionally CONTRACTOR shall ensure that it maintains  
17 policies consistent with NSMHA policies that allow a consumer to file a complaint or grievance  
18 against Ombuds staff. When issues arise by Ombuds staff regarding functional independence and  
19 retaliation requires regional review, CONTRACTOR is responsible for cooperating with NSMHA.  
20

21 **2. HUMAN RESOURCES**

22 CONTRACTOR shall employ two FTE to carry out the function of the Ombuds for the North  
23 Sound Region. CONTRACTOR shall be responsible for hiring, supervision, salary and benefit  
24 determinations and performance evaluations. CONTRACTOR shall ensure that Ombuds staff has  
25 independence in the performance of key job responsibilities, which are investigation activities,  
26 findings, recommendations and reports. CONTRACTOR is responsible for coordinating with  
27 NSMHA information systems staff to ensure that databases and other programs developed for use  
28 by Ombuds staff will function on CONTRACTOR computer systems.  
29

30 **3. REQUIRED REPORTING**

31 CONTRACTOR shall ensure that Ombuds staff prepare semi-annual Ombuds reports.  
32 CONTRACTOR shall ensure that Ombuds staff deliver the reports at the NSMHA Board of  
33 Directors, Advisory Board and Quality Management Oversight Committee (QMOC) meetings.  
34 CONTRACTOR shall ensure that Ombuds staff provide necessary data, activity reports and other  
35 information required to for continuous quality improvement and in response to audits and reviews  
36 of NSMHA activities.  
37

38 **4. MEETING ATTENDANCE AND TRAINING**

39 CONTRACTOR shall ensure that Ombuds attend biannual training provided and paid for by  
40 Washington Institute for Mental Illness Research and Training (WIMIRT). WIMIRT also provides  
41 on-site training for new Ombuds staff. CONTRACTOR shall ensure that Ombuds staff receives  
42 training in accordance with the NSMHA Regional Training Plan, or its successor (Attachment IV).  
43 CONTRACTOR shall ensure that Ombuds Lead or designee has the ability to participate in allied  
44 system coordination meetings when necessary to accomplish the primary responsibilities of the  
45 Ombuds office. CONTRACTOR is responsible for ensuring that the Ombuds Lead or designee is  
46 available to attend on a biannual basis NSMHA Board of Directors and Advisory Board meetings,  
47 on a monthly basis the NSMHA Quality Management Oversight Committee and other internal and  
48 external meetings as necessary and agreed upon between the parties.

1 Ombuds meeting attendance and/or participation shall not interfere with the primary  
2 responsibilities of the Ombuds office.  
3

4 **5. NSMHA RESPONSIBILITIES**

5 NSMHA is responsible for maintaining and updating its policies and procedures, including those  
6 outlined in this section, which define the role of Ombuds services in the North Sound Region.  
7 NSMHA is responsible for including language in its provider contracts explaining the function of  
8 Ombuds (Attachment V) and ensuring that Ombuds staff have access to provider sites and staff in  
9 order to conduct their activities. NSMHA is responsible for providing information systems staff  
10 support to develop and ensure the performance of specialized databases and other programs as  
11 requested by Ombuds staff. NSMHA is responsible for reviewing and resolving issues raised by  
12 Ombuds staff regarding functional independence and retaliation, when such issues require regional  
13 review. NSMHA shall provide ongoing technical assistance to the CONTRACTOR and Ombuds  
14 staff as requested.  
15

- 16 6. **BUSINESS ASSOCIATE AGREEMENT** CONTRACTOR shall abide by the provisions of  
17 NSMHA/CONTRACTOR Business Associates Agreement (Attachment VI).  
18

1 **C. FINANCIAL TERMS AND CONDITIONS**

2  
3 **1. GENERAL FISCAL ASSURANCES**

4 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 CONTRACTOR shall:

- 11
- 12 a. Establish and maintain operating reserves at prudent levels sufficient to ensure that
  - 13 CONTRACTOR has 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 public mental health system within the Service Area.
  - 19 c. CONTRACTOR shall produce annual audited financial statements within 180 days of
  - 20 fiscal year end and make such reports available to NSMHA upon request.
- 21

22 **3. RULES COMPLIANCE**

23 The CONTRACTOR shall:

- 24
- 25 a. Funds provided to CONTRACTOR are to be used to provide specific administrative
  - 26 services on behalf of NSMHA and may not be used for direct services.
  - 27 b. Submit the amount spent throughout the Service Area on specific items at the request of
  - 28 NSMHA, CMS, the legislature, or DSHS in the timeframe specified.
  - 29 c. Account for public mental health expenditures under this Agreement in accordance with
  - 30 federal circular A-133 and A-87, and state requirements in accordance with the BARS
  - 31 Manual, and BARS Supplemental Instructions.
  - 32 d. Ensure State or Federal funds are not used to replace local funds from any source, which
  - 33 were being used to finance mental health services in the constituent county/counties in the
  - 34 calendar year prior to January 1, 1990. CONTRACTOR shall not use State or Federal
  - 35 funds to replace local funds used to administer the Involuntary Treatment Program in the
  - 36 constituent county/counties in the calendar year prior to January 1, 1974.
  - 37 e. CONTRACTOR shall participate in MHD Unit Cost Surveys and actuarial studies, when
  - 38 required by MHD.
- 39

40 **4. FINANCIAL PROVISIONS – REIMBURSEMENT REQUIREMENTS**

- 41
- 42 a. NSMHA shall pay the costs of Ombuds services in accordance with the estimated cost
  - 43 provided in Attachment VII, for a maximum consideration of \$
  - 44 b. CONTRACTOR shall submit a monthly invoice and documentation to the NSMHA Fiscal
  - 45 Services department by the 10<sup>th</sup> of the following month. All invoices must contain a Vendor
  - 46 Certification, certifying proper use of funding in accordance with this Agreement.
- 47

- 1 c. CONTRACTOR shall provide, starting July 1, 2009, and quarterly thereafter, reports of actual  
2 expenditures incurred in the previous quarter. If actual expenses incurred exceeds the amount  
3 of quarterly payments, NSMHA shall reimburse the remainder with the next scheduled  
4 monthly payment. If actual expenses incurred are less than the amount of quarterly payments,  
5 NSMHA shall reduce the amount of the next scheduled monthly payment accordingly.  
6 d. If CONTRACTOR fails to provide the required quarterly reports in a timely manner, NSMHA  
7 shall cease all payments specified in this section to CONTRACTOR until such time as the  
8 required report is provided.  
9

1 **D. 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) have the authority to conduct announced and unannounced: a) surveys; b) audits;  
8 c) reviews of compliance with licensing and certification requirements and compliance with this  
9 Agreement; d) audits regarding the quality, appropriateness, and timeliness of mental health  
10 services of the CONTRACTOR and subcontractors; and e) audits and inspections of financial  
11 records of the CONTRACTOR and subcontractors. CONTRACTOR shall notify NSMHA when  
12 an entity other than NSMHA performs any audit described above related to any activity contained  
13 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 NSMHA Ombuds in order to conduct  
25 surveys and review activities in accordance with the terms of this contract. CONTRACTOR shall  
26 cooperate with NSMHA in resolving any disputes that arise in the provision of Ombuds services.  
27

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

33 **2. REMEDIAL ACTION**

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

40 a. Corrective action plans must include:

- 41
- 42 1) A brief description of the finding.
  - 43 2) Specific actions to be taken, a timetable, a description of the monitoring to be  
44 performed, the steps taken and responsible individuals that will reflect the  
45 resolution of the situation.  
46

- 1 b. Corrective action plans may:  
2  
3 Require modification of any policies or procedures by CONTRACTOR relating to the  
4 fulfillment of its obligations pursuant to this Agreement.  
5
- 6 c. Corrective action plans are subject to approval by the NSMHA, which may:  
7  
8 1) Accept the plan as submitted.  
9 2) Accept the plan with specified modifications.  
10 3) Request a modified plan; or,  
11 4) Reject the plan.  
12
- 13 d. CONTRACTOR agrees that NSMHA may initiate remedial action with or without a  
14 corrective action plan as outlined in subsection below if the NSMHA determines any of the  
15 following situations exist:  
16  
17 1) A problem exists that negatively impacts enrollees.  
18 2) CONTRACTOR has failed to perform any of the mental health services required  
19 in this Agreement, including delegated functions, which includes the failure to  
20 maintain the required capacity as specified by NSMHA to ensure that enrollees  
21 receive medically necessary services.  
22 3) CONTRACTOR has failed to develop, produce, and/or deliver to the NSMHA  
23 any of the statements, reports, data, data corrections, accountings, claims, and/or  
24 documentation described herein, in compliance with all the provisions of this  
25 Agreement.  
26 4) CONTRACTOR has failed to perform any administrative function required under  
27 this Agreement, including delegated functions. For the purposes of this section,  
28 “administrative function” is defined as any obligation other than the actual  
29 provision of mental health services.  
30 5) CONTRACTOR has failed to implement corrective action required by the state  
31 and within NSMHA prescribed time frames.  
32
- 33 e. The NSMHA may impose any of the following remedial actions in response to findings of  
34 situations as outlined above.
- 35 f. Withhold one percent of the next monthly payment and each monthly payment thereafter  
36 until the corrective action has achieved resolution. The NSMHA, at its sole discretion,  
37 may return a portion or all of any payments withheld once satisfactory resolution has been  
38 achieved.
- 39 g. Compound withholdings identified above by an additional one-half of one percent for each  
40 successive month during which the remedial situation has not been resolved.
- 41 h. Revoke delegation of any function delegated under this contract.
- 42 i. Deny any incentive payment to which the CONTRACTOR might otherwise have been  
43 entitled under this Agreement or any other arrangement by which the MHD provides  
44 incentives; or
- 45 j. Termination for Default, as outlined in this Agreement.  
46

1 **3. ADDITIONAL FINANCIAL PENALTIES – MHD IMPOSED SANCTIONS**

2 Financial penalties imposed by MHD or other regulatory agency due to the action or inaction of  
3 CONTRACTOR may be paid by NSMHA on behalf of CONTRACTOR and the amount will be  
4 withheld from NSMHA’s payments to CONTRACTOR.  
5

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

7 In the event funding from State, Federal, or other sources is withdrawn, reduced, or limited in any  
8 way after the effective date of this Agreement and prior to its normal completion, NSMHA may  
9 terminate this Agreement, subject to re-negotiations.  
10

11 **5. TERMINATION DUE TO CHANGE IN 1915(B) MENTAL HEALTH SERVICES  
12 WAIVER**

13 In the event that changes to the terms of the 1915(b) (Medicaid) Mental Health Services Waiver  
14 render this Agreement invalid in any way after the effective date of this Agreement and prior to its  
15 normal completion, NSMHA may terminate this Agreement, subject to re-negotiation, if  
16 applicable, under those new special terms and conditions.  
17

18 **6. TERMINATION FOR CONVENIENCE**

19 Except as otherwise provided in this Agreement, a party may terminate this Agreement upon 90  
20 days written notification by certified mail to the other party. The effective date of termination  
21 shall be the ninetieth day after receipt of written notification to the other party or the last day of  
22 the calendar month in which the ninetieth day occurs, whichever is later.  
23

24 **7. TERMINATION FOR DEFAULT**

25 NSMHA’s Program Manager may terminate this Agreement for default, in whole or in part, by  
26 written notice to the CONTRACTOR if NSMHA or DSHS has a reasonable basis to believe that  
27 the CONTRACTOR has or have:

- 28
- 29 a. Failed to meet or maintain any requirement for contracting with DSHS.
  - 30 b. Failed to perform under any provision of this Agreement.
  - 31 c. Violated any law, regulation, rule, or ordinance applicable to the services provided under  
32 this Agreement; and/or
  - 33 d. Otherwise breached any provision or condition of this Agreement.  
34

35 Before NSMHA’s Program Manager may terminate this Agreement for default, in whole or in  
36 part, NSMHA shall provide CONTRACTOR with written notice of CONTRACTOR’s  
37 noncompliance with this Agreement which notice shall provide the CONTRACTOR a reasonable  
38 time period to correct its/their noncompliance. If the CONTRACTOR has or have not corrected  
39 its/their noncompliance within the period of time specified in the written notice of  
40 noncompliance, NSMHA Program Manager may then terminate this Agreement, provided, that  
41 the NSMHA Program Manager may terminate this Agreement in whole or in part for default  
42 without such written notice and without opportunity for correction if NSMHA and/or DSHS has  
43 a reasonable basis to believe that:  
44

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

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

- 4 a. Failed to meet or maintain any requirement for contracting with 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 **8. 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. CONTRACTOR and any applicable subcontractors shall cease to perform any services  
15 required by this Agreement as of the effective date of termination and shall comply with all  
16 reasonable instructions contained in the notice of termination which are related to the  
17 transfer of clients, distribution of property, and termination of services. Each party shall  
18 be responsible only for its performance in accordance with the terms of this Agreement  
19 rendered prior to the effective date of termination. CONTRACTOR and any applicable  
20 subcontractors shall assist in the orderly transfer/transition of the consumers served under  
21 this Agreement. CONTRACTOR and any applicable subcontractors shall promptly supply  
22 all information necessary for the reimbursement of any outstanding Medicaid claims.
- 23 b. CONTRACTOR and any applicable subcontractors shall immediately deliver to NSMHA  
24 Program Manager or to his/her successor, all DSHS and NSMHA assets (property) in  
25 CONTRACTOR and any applicable subcontractor's possession and any property  
26 produced under this Agreement. CONTRACTOR and any applicable subcontractors  
27 grants NSMHA and DSHS the right to enter upon CONTRACTOR and any applicable  
28 subcontractors premises for the sole purpose of recovering any NSMHA or DSHS  
29 property that CONTRACTOR and any applicable subcontractors fails to return within ten  
30 (10) working days of termination of this Agreement. Upon failure to return NSMHA  
31 and/or DSHS property within ten (10) working days of the termination of this Agreement,  
32 CONTRACTOR and any applicable subcontractors shall be charged with all reasonable  
33 costs of recovery, including transportation and attorney's fees. CONTRACTOR and any  
34 applicable subcontractors shall protect and preserve any property of NSMHA and/or  
35 DSHS that is in the possession of CONTRACTOR and any applicable subcontractors  
36 pending return to NSMHA and/or DSHS.
- 37 c. NSMHA shall be liable for and shall pay for only those services authorized and provided  
38 through the date of termination. NSMHA may pay an amount agreed to by the parties for  
39 partially completed work and services, if work products are useful to or usable by NSMHA.
- 40 d. Should the contract be terminated by either party, NSMHA will require the spend-down of  
41 all remaining reserves and fund balances within the termination period. Funds will be  
42 deducted from the final months' payments until reserves and fund balances are spent.  
43

1 **E. 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”):

- 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 A.
- 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. Any risk pool shall provide coverage  
43 with the same minimum limits. Any policy (non-risk pool and risk pool) shall include liability  
44 arising out of premises, operations, independent contractors, personal injury, advertising injury,  
45 and liability assumed under an insured contract. Contractor shall provide evidence of such  
46 insurance to NSMHA within 15 days of execution of this Agreement and 15 days post renewal  
47 date thereafter. All non-risk pool policies shall name NSMHA as a covered entity under said  
48 policy(s).

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

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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 C,  
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

- 1) 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.
- 2) 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.
- 3) Require that the subcontractor correct any areas of deficiencies in the subcontractor's performance that are identified by the CONTRACTOR, NSMHA, and/or MHD.
- 4) 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

1  
2  
3  
4  
5  
6  
7  
8

The Program Manager for SKAGIT COMMUNITY ACTION AGENCY is:  
William B Henkel, Executive Director  
330 Pacific Place  
PO Box 1507  
Mount Vernon, WA 98273

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

1 **THIS AGREEMENT**, consisting of 35 Pages, plus Exhibits and Attachments is executed by the persons  
2 signing below who warrant that they have the authority to execute this Agreement.  
3

4  
5 **FOR NSMHA:**

**FOR SCCAA:**

6  
7  
8 \_\_\_\_\_  
9 Charles R. Benjamin Date  
10 Executive Director

\_\_\_\_\_ Date  
William B Henkel  
Executive Director