

**NORTH SOUND
MENTAL HEALTH ADMINISTRATION**

STATE CONTRACT

GA-U LEVEL II MENTAL HEALTH SERVICES

WITH

CONTRACT #NSMHA-INTERFAITH-GA-U-09-10

DECEMBER 1, 2009 TO DECEMBER 31, 2010

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**AGREEMENT FOR THE PROVISION
OF
STATE FUNDED
GA-U 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 INTERFAITH the (“CONTRACTOR”), 220 Unity Street, Bellingham, WA 98225

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

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The effective date of this Agreement is December 1, 2009 through December 31, 2010.

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A. DEFINITIONS

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As used anywhere within this Agreement, Exhibits or Attachments, the following terms have the indicated meanings:

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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).

45
46
47

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, as amended, codified at 42 U.S.C. § 301 et seq.

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.

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

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.

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

3
4 Arbitration means the process by which the parties to a dispute submit their differences to the judgment
5 of an impartial person or group appointed by mutual consent or statutory provision.

6
7 Assessment means a process which provides sufficient information to determine medical necessity for
8 mental health services covered under this Agreement.

9
10 Benefit Plan means a health care benefit program offered by or administered by
11 Community Health Plan for the payment of Covered Services provided to Members.

12
13 Clean Claim means a claim that has no defect, impropriety, or any lack of any required substantiating
14 documentation, including the substantiating documentation needed to meet the requirements for
15 encounter data, or particular circumstances requiring special treatment that prevents timely payment from
16 being made on the claim.

17
18 Community Mental Health Agency (CMHA) means community mental health centers that are
19 subcontracted by the RSN and licensed to provide mental health services covered under this Agreement.

20
21 Community Health Plan means the Community Health Plan of Washington,(CHP) a health care services
22 CONTRACTOR organized and operating under the laws of the state of Washington to provide Covered
23 Services to individuals enrolled in Benefit Plans that it offers or administers.

24
25 Complaint means a verbal or written statement by a consumer or enrollee that expresses dissatisfaction
26 with some aspect of services covered under this Agreement, the Primary Care Provider, or
27 CONTRACTOR.

28
29 Computer Information System (CIS) means a business application of the computer. It is made up of the
30 database, application programs and manual and machine procedures. It also encompasses the computer
31 systems that do the processing.

32
33 Consumer means a person who has applied for, is eligible for or who has received mental health services.
34 For a child, under the age of thirteen, or for a child age thirteen or older whose parents or legal guardians
35 are involved in the treatment plan, the definition of consumer includes parents or legal guardians.

36
37 Consumer Choice means the individual/child/family's guaranteed opportunity to choose freely among
38 treatment options and support services (based on identified needs) and to be full partners in the treatment
39 process. "Choice" supports the notion that to the degree possible, individuals/child/families need to play
40 a key role in designing their own service/support "packages", including involvement of natural supports
41 and culturally specific services.

42
43 Consumer Voice means indicators of ownership in and involvement with planning his/her own supports
44 and services. In Individualized Plans, voice is best indicated by the use of "quotations".

45
46 Coordinated Quality Improvement Program (CQIP) Health care institutions and medical facilities, other
47 than hospitals, that are licensed by the department, professional societies or organizations, health care
48 service CONTRACTORS, health maintenance organizations, health carriers approved pursuant to chapter

1 48.43 RCW, and any other person or entity providing health care coverage under chapter 48.42 RCW that
2 is subject to the jurisdiction and regulation of any state agency or any subdivision thereof may maintain a
3 coordinated quality improvement program for the improvement of the quality of health care services
4 rendered to patients and the identification and prevention of medical malpractice as set forth in RCW
5 7041.200.

6
7 Corrective Action/Compliance Review is when findings from a NSMHA and/or Health Recovery
8 Services Administration (HRSA) review or other monitoring efforts or audits show that there are apparent
9 violations of this Agreement, the CONTRACTOR shall implement corrective action within specified
10 timeframes determined by NSMHA and/or HRSA and/or Department's other auditors.

11
12 Corrective Action Plan is a written plan specifying what the CONTRACTOR is required to do to be in
13 compliance. This includes required improvements and a time line for such action(s) to be accomplished.

14
15 Covered Services are the Medically Necessary health care services covered under a Member's Benefit Plan.

16
17 Deliverable means any written information required for submission to NSMHA to satisfy the work
18 requirements of this Agreement and that are due by a particular date or on a regularly occurring schedule.

19
20 Discharge is (1) related to end of consumer's inpatient psychiatric hospital stay; (2) occurs when an eligible
21 consumer has completed an episode of care (or active service) and is no longer receiving services (i.e.,
22 closed).

23
24 Discharge Planning (Hospital) is the processes of developing a care regimen for a patient leaving inpatient
25 care, including appropriate timing and follow-up examinations and treatment. A collaborative event,
26 focusing on the development of a regimen of care, designed to support treatment success through the
27 utilization of natural supports and community resources. This planning phase is critical to success, in both
28 the inpatient and outpatient arenas and needs to begin immediately following intake.

29
30 Discharge Planning (Services) is the process of developing a care regimen and community integration plan
31 for a mental health recipient leaving clinical care including appropriate residential treatment/housing
32 supports and community support services prior to the recipient leaving outpatient care.

33
34 Emergent means a situation where an individual is at imminent risk of substantial harm to him or herself
35 or, others.

36
37 Emergent Care means services provided for a person, that, if not provided, would likely result in the need
38 for crisis intervention or hospital evaluation due to concerns of potential danger to self, others, or grave
39 disability according to RCW 71.05.

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 meaning an employee who works 40 hours 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 HIPAA means Health Insurance Portability and Accountability Act of 1996, as amended, codified at 42
13 U.S.C. §§ 1320d-d8, and its implementing regulations at 45 CFR Parts 160 and 164.

14
15 Medically Necessary means a service or supply that is not limited by this Agreement or by the Member's
16 Benefit Plan and meets the following criteria:

- 17
- 18 a. It is consistent with the symptoms or diagnosis and treatment of the Member's condition;
- 19 b. It is the most appropriate supply or level of service that is essential to the Member's needs and
20 meets the recognized standards of medical care;
- 21 c. When applied to an inpatient Member, it cannot be safely provided to the Member as an
22 outpatient;
- 23 d. It is not experimental or investigative;
- 24 e. It is not provided primarily for the convenience of the Member or Contracted Provider; and
- 25 f. It is the most cost-effective of the alternative levels of service or supplies that are adequate and
26 available.

27
28 Mental Disorder is a disorder as defined in RCW 71.34.020(12) for children and RCW 71.05.020(2) for
29 adults.

30
31 OMB Circular A-133 means the federal Office of Management and Budget Circular No. A-133 "Audits of
32 States, Local Governments and Non-Profit Organizations".

33
34 Primary Care Provider is a contracted provider of Community Health Plan of Washington who is
35 responsible for providing primary health care, initiating referrals for specialist care, and supervising,
36 coordinating and maintaining continuity of Members' health care.

37
38 Quality Assurance means a focus on compliance to minimum requirements (e.g. rules, regulations, and
39 contract terms) as well as reasonably expected levels of performance, quality, and practice.

40
41 Quality Improvement means a focus on activities to improve performance above minimum standards/
42 reasonably expected levels of performance, quality, and practice.

43
44 Quality Management/Strategy means an overarching system and/or process whereby quality assurance and
45 quality improvement activities are incorporated and infused into all aspects of an organization's or system's
46 operations.

47

1 Rehabilitation means to restore to customary activity through education, skill building and therapy. The
2 purpose of rehabilitation is to increase independence and ability to participate in life meaning activities.
3

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

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

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

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

21 Subcontract means any written Agreement between CONTRACTOR and Subcontractor or between
22 CONTRACTOR, Subcontractor, and another Subcontractor to provide services or activities otherwise
23 performed under this Agreement.
24

25 Subcontractor means an individual or entity performing all or part of the services under this Agreement
26 under a separate contract with the CONTRACTOR or its Subcontractors.
27

28 Underserved means persons who are minorities, children, older adults, disabled, and low-income. See
29 WAC 388-865-0150.
30

31 Urgently Needed Services means Covered Services, other than Emergency Services, that are provided:
32

- 33 a. Without a written referral;
- 34 b. When a Member is temporarily absent from the Community Health Plan Service
- 35 c. Area or the Community Health Plan's provider Network is temporarily unavailable or inaccessible;
- 36 d. When it was unreasonable, under the circumstances, for the Member to obtain such services
37 through Community Health Plan Participating Providers;
- 38 e. For an unforeseen, acute illness, injury or medical condition that require immediate treatment to
39 prevent deterioration of condition; and
- 40 f. Outside of a hospital or emergency room.
41

42 Women's Health Care Services is defined to include, but need not be limited to, maternity care,
43 reproductive health services, gynecological care, general examination, and preventive care as medically
44 appropriate, and medically appropriate follow-up visits for these services. General examinations,
45 preventive care, and medically appropriate follow-up care are limited to services related to maternity,
46 reproductive health services, gynecological care, or other health services that are particular to women, such
47 as breast examinations. Women's Health Care Services also include any appropriate health care service for
48 other health problems, discovered and treated during the course of a visit to a women's health care

1 practitioner for a women's health care service, which is within the practitioner's scope of practice and is for
2 purposes of determining a woman's right to directly access health services covered by the plan, maternity
3 care, reproductive health, and preventive services include, contraceptive services, testing and treatment for
4 sexually transmitted diseases, pregnancy termination, breast-feeding, and complications of pregnancy.
5

1 **B. REQUIRED, PRIORITY AND OTHER SERVICES**

2 CONTRACTOR shall provide or purchase age, linguistic and culturally competent specialty mental
3 health services for General Assistance Unemployable (GA-U) for the individual identified for whom
4 services are necessary and appropriate in accordance with the standards established herein.
5

6 **1. CONTRACTED SERVICES**

7 CONTRACTOR shall provide or arrange for the provision of Covered Services to Members in
8 accordance with this Agreement. Covered Services shall be provided in a timely manner, without
9 regard to a Member’s health status or medical condition, and in a manner that is consistent with
10 professionally recognized standards of care. CONTRACTOR is solely responsible for the quality
11 of all health care services it provides to Members.
12

13 CONTRACTOR shall provide or arrange for interpretive services for each Member who is hearing
14 impaired or whose oral or written language creates a barrier to access for all contacts between
15 CONTRACTOR and Member including appointments for provision of any Covered Service
16 (including emergent and urgently needed services), telephone contacts, and assistance with all steps
17 necessary to file member complaints and appeals.
18

19 CONTRACTOR shall assure that all generally available written materials provided to Members are
20 translated into the Member’s primary reading language, or audibly in the Member’s primary
21 language or provided in an alternative medium or format acceptable to the Member.
22

23 CONTRACTOR shall cooperate in informing Members of their right to self refer to Participating
24 Providers for certain specified Covered Services, including Women’s Health Care Services, and
25 shall support Members in selecting any Participating Provider in the Community Health Plan’s
26 provider Network for such services.
27

28 **2. SERVICES AND RESPONSIBILITIES**

29 The Contractor or its designated subcontractor shall provide “Level 2” services as described below to
30 Community Health Plan’s GA-U members who have:
31

- 32 a. Been enrolled in the GA-U Mental Health Integration Program (MHIP) at Level 1; and
- 33 b. Referred by a Level 1 care coordinator (primary care) to CONTRACTOR for Level 2 services,
34 defined as intensive behavioral health services.
35

36 Referrals from Level 1 will be made through the Mental Health Integrated Tracking System (MHITS)
37 and in accordance with Attachment III. Access to Care Standards is waived for GA-U clients referred
38 by the Level 1 care coordinator. The CONTRACTOR must accept the referral through MHITS in
39 order to enroll a client in services.
40

41 The referral from Level 1 will include an appropriate clinical assessment and a note from the Level 1
42 consulting psychiatrist in MHITS.
43

44 In all cases, Level 2 Contractors shall work closely with CMHC Level 1 care coordinators to ensure
45 continuity of care. Services are to be determined by Contractor based on member’s condition and
46 needs, and may include:
47

- 48 a. Brief assessment (psychiatric, substance use);
- 49 b. Psycho-education (learn about illness, what to expect in the future, how to manage it);

- c. Medication evaluation, including the development of a medication plan for the Primary Care Contractor (PCP) at the end of Level 2 treatment, if medications will need to be continued;
- d. Psychotherapy, if needed;
- e. When appropriate, encouragement to return to employment, including supported employment services and associated case management (might include DVR referral);
- f. When appropriate, substance abuse services or referral to DASA;
- g. Plan to help member maintain stability at end of services (primary care and natural supports);
- i. Track end of GA-U program entitlement and facilitate application for renewal if needed or for GAX/SSI, when appropriate.

The Contractor shall ensure that services are:

- a. Sufficient in amount, duration, and scope to reasonably achieve the purpose for which the services are furnished; and
- b. Consistent with the given GA-U benefit period. Intensity of services is expected to be an average 20 hours of service per member over a six month Level 2 enrollment period.

In addition, the Contractor is also required to:

- a. designate a supervisor responsible for MHIP program oversight within the Level 2 agency to coordinate with CHP and respond to any programmatic issues that arise;
- b. use the MHITS online care management tool to track a minimum data set at each member encounter; administer screening tool(s) as appropriate at least three times over the course of a six-month benefit period (beginning, end, and at some point in between);
- c. increase timely access to psychiatrists and psychiatric ARNPs at Level 2:
 - i. appointments should be offered to occur within the first month;
 - ii. enter comprehensive graduation/discharge notes into MHITS, so the primary care clinics will have more detailed information about final diagnoses and further treatment recommendations for clients leaving Level 2.
- d. CONTRACTOR shall work collaboratively and communicate closely with Level 1 care coordinators, consulting psychiatrists, and primary care providers;
- e. ensure that case managers work closely with community providers, including, CHC, DVR, DASA, and CSO providers;
- f. ensure that staff attend MHIP training;
- g. ensure the implementation of the MHIP program according to program guidelines;
- h. CONTRACTOR shall participate on the GA-U MH Advisory Steering Committee
- i. CONTRACTOR shall ensure individuals in NSMHA services continue receiving said services during the transition period as described in Attachment IV.

3. APPOINTMENT/ACCESS STANDARDS

Routine mental health services must be offered to occur within 10 calendar days of referral from the Level 1 Care Coordinator. The time from referral to first appointment must not exceed 28 calendar days without a documented reason for the delay.

Emergent mental health care must occur within 2 hours of a request for mental health services.

1 Urgent care must occur within 24 hours of a request for mental health services.

2
3 Crisis, Emergent, and Urgent Services shall be considered out of the scope of this program, though
4 such services may be the entry point at which a member is identified as eligible for and appropriate for
5 services covered through the GA-U MH Program under conditions to be agreed upon by Contractor
6 and Community Health Plan.

7
8 **4. REPORTING and ADMINSTRATIVE REQUIREMENTS**

9 Contractor shall complete data elements in the MHITS system and provide other data via report as
10 outlined in Section E.5.

11
12 **5. ACCESS**

13 CONTRACTOR must make available to Members access by phone to a licensed health care
14 professional on a 24-hour-a-day, seven-day-a-week basis for the purpose of rendering mental health
15 advice concerning emergent, urgent or routine mental health conditions.

16
17 CONTRACTOR shall maintain an appointment system for Members' prompt access to health care
18 consistent with Policies and Procedures Attachment I on "Prompt Access".

19
20 At least annually and upon Community Health Plan request, CONTRACTOR shall provide a report
21 on its capacity for additional primary care enrollment or capacity to provide specialty services.

22
23 CONTRACTOR shall provide NSMHA and Community Health Plan at least one hundred twenty
24 (120) days written notice before CONTRACTOR, any Clinic or Contracted Provider ceases providing
25 Covered Services to Members. Level 2 providers and individual specialists shall provide timely notice
26 to Members of pending termination or cessation of their practice. Community Health Plan shall notify
27 affected Members prior to the effective date of Contracted Provider's termination.

28
29 CONTRACTOR shall give Community Health Plan at least ninety (90) days written notice before
30 opening any additional sites or satellite facilities that are not currently listed on Exhibit A. Within thirty
31 (30) days of receiving the notice, Community Health Plan shall approve or disapprove in writing the
32 use of such facilities for providing Covered Services to Members.

33
34 CONTRACTOR may provide professional services to persons who are not Members. Nothing herein
35 prevents CONTRACTOR from participating in any other prepaid health care programs or providing
36 professional services to non-members. CONTRACTOR warrants that it will not allow its delivery of
37 professional services to nonmembers to materially reduce Member access to Covered Services or the
38 availability of Contracted Providers to Members.

39
40 NSMHA/Community Health Plan will monitor Member access to and availability of Contracted
41 Providers and inform CONTRACTOR of any concerns or Member complaints about access or
42 availability of Contracted Providers. If a NSMHA/Community Health Plan access study shows
43 excessive Member wait times for appointments, Community Health Plan may suspend further
44 enrollment or referrals of Members with CONTRACTOR until capacity improves and another access
45 study shows acceptable wait times.

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6. MEMBER ELIGIBILITY

Due to ongoing eligibility changes, CONTRACTOR shall verify each Member's eligibility before providing Covered Services by calling Community Health Plan's Customer Service Department at the telephone number printed on the back of Member's Community Health Plan identification card, or by accessing Community Health Plan websites available for verifying eligibility.

7. COPAYMENTS, COINSURANCE AND DEDUCTIBLES

CONTRACTOR shall be responsible for collecting applicable Copayments, Coinsurance and Deductibles in accordance with the conditions of the Members' Benefit Plans for Covered Services provided. Copayments that CONTRACTOR charges a Member shall not exceed the actual cost of providing the services.

8. HOLD HARMLESS AND INSOLVENCY

In no event, including, but not limited to non-payment by Community Health Plan, Community Health Plan insolvency, or breach of this Agreement, shall CONTRACTOR bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Member or person acting on a Member's behalf for services provided pursuant to this Agreement. This provision shall not prohibit collection of copayments, coinsurance and deductibles and/or fees for non-covered services which have not otherwise been paid by a primary or secondary carrier in accordance with regulatory standards for coordination of benefits, from Member in accordance with the terms of Member's Benefit Plan.

In the event of Community Health Plan's insolvency, CONTRACTOR shall continue to provide the services promised in this Agreement to Members for the duration of the period for which premiums on behalf of Members were paid to Community Health Plan or until Member is discharged from inpatient facilities, whichever time is greater.

Notwithstanding any other provision in this Agreement, nothing in this Agreement shall be construed to modify the rights and benefits contained in a Member's Benefit Plan.

CONTRACTOR may not bill Members for Covered Services (except for copayments, coinsurance and deductibles) when Community Health Plan denies payment due to CONTRACTOR's failure to comply with the terms of this Agreement. CONTRACTOR further agrees that this Section shall survive termination of this Agreement regardless of the cause giving rise to such termination and shall be construed to be for the benefit of Community Health Plan's Members and that this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between CONTRACTOR and Members or persons acting on their behalf.

If CONTRACTOR contracts with Participating Providers (other than Contracted Providers) who are in a risk contract with Community Health Plan, CONTRACTOR will look solely to those Participating Providers for payment during the period in which the Member is assigned to such Participating Providers.

If CONTRACTOR willfully collects or attempts to collect an amount from Member under any of the provisions outlined above, the act will constitute a class C felony under RCW 48.80.030(5).

1 **C. ADMINISTRATION**

2
3 **1. UTILIZATION AND QUALITY ASSURANCE**

4 CONTRACTOR will comply with and participate in utilization review, quality improvement and
5 quality assurance programs, necessity of care evaluation programs, coordination of benefit
6 activities, health care coding initiative reviews and cost containment activities as provided in
7 Policies and Procedures, including but not limited to audits and/or reviews by independent quality
8 review and improvement organizations and accreditation agencies.
9

10 CONTRACTOR shall cooperate in Community Health Plan’s collection, production and
11 distribution of comparative data for quality assurance and utilization review purposes within the
12 Community Health Plan of Participating Providers.
13

14 CONTRACTOR will cooperate and communicate openly with Community Health Plan regarding
15 quality assurance issues and shall notify Community Health Plan of any medical situation that may
16 benefit from case management in accordance with Policies and Procedures.
17

18 **2. RECORD KEEPING AND ACCESS**

19 CONTRACTOR shall prepare and maintain all appropriate medical, administrative and financial
20 records related to this Agreement and to health care services provided to each Member in
21 accordance with current professional standards and appropriate record maintenance and retention
22 standards as set forth in applicable federal and state statutes and regulations. Such records shall be
23 maintained for the maximum period required by federal or state law, and in no event for less than
24 ten (10) years from the final date of the term of this Agreement or the completion of any audit
25 being performed by a federal or state agency, whichever is later.
26

27 During the term of this Agreement and for the period of record retention set forth in Section E.9,
28 CONTRACTOR shall cooperate and assist in providing Community Health Plan, their designees,
29 or any federal or state agency with regulatory authority with any and all information and records
30 reasonably required or permitted for inspection, evaluation and audit of such Contractor records.
31 Community Health Plan shall have continued access to Contractor's records necessary for
32 Community Health Plan to perform its obligations under this Agreement, to administer its Benefit
33 Plans, and to comply with federal or state law or regulations and applicable accreditation agency
34 standards. Contractor shall provide copies of such records and information at its own cost.
35

36 **3. MARKETING AND SOLICITATION**

37 CONTRACTOR shall permit Community Health Plan to use the name of Contractor, its Clinics
38 and Contracted Providers for promotional purposes pursuant to this Agreement. Contractor shall
39 display Community Health Plan approved signs and material which relate to Covered Services
40 provided pursuant to this Agreement. Contractor shall obtain prior written approval for any
41 publication or distribution of promotional materials using the Community Health Plan name or
42 logo. Unless such material requires review and approval by applicable State programs or federal
43 Center for Medicare and Medicaid Services (“CMS”), Community Health Plan shall decide whether
44 to provide such approval within fifteen (15) working days of the submission of the material to
45 Community Health Plan
46

1 **4. ADMINISTRATIVE**

2 CONTRACTOR shall designate a contact person who is responsible for all coordination and
3 communication between Contractor and Community Health Plan, including receipt of Policies and
4 Procedures and subsequent updates and performance of other duties reasonably requested by
5 Community Health Plan.
6

7 CONTRACTOR shall immediately notify Community Health Plan of any changes to the contact
8 person designation indicated in Exhibit A. CONTRACTOR shall comply and cooperate with all
9 Policies and Procedures of Community Health Plan, including but not limited DSHS approved
10 fraud and abuse policies and procedures in compliance with 42 CFR 438.608(a) and Section
11 1902(a) (68) of the Social Security Act. Policies and Procedures have been made available to
12 CONTRACTOR and are accessible on the Community Health Plan website.
13

14 **5. NON-DISCRIMINATION**

15 CONTRACTOR agrees to furnish Covered Services to Members on the same basis as such
16 services are made available to individuals who are not Members and without regard to a Member's
17 participation in a health plan as a private purchaser of health care coverage or as a participant in a
18 publicly funded health care program.
19

20 **6. NON-COVERED SERVICES**

21 CONTRACTOR shall provide notice to Members of their personal financial obligations for non-
22 covered services. Contractor may bill a Member for non-covered services if Contractor has, prior
23 to the provision of non-covered services, obtained a written acknowledgement and acceptance of
24 financial responsibility from the Member after full written disclosure of (i) Contractor's intent to
25 bill Member for non-covered services, and (ii) the non-liability of Community Health Plan for such
26 non-covered services
27

1 **D. PERFORMANCE STANDARDS**

2
3 **1. GENERAL OPERATING STANDARDS**

- 4 a. CONTRACTOR must maintain a written Advance Directive policy and procedure that
5 respects enrollees' advance directives for psychiatric care. Policy and procedures must comply
6 with CHP's Advance Directive policy and procedure.
7 b. CONTRACTOR must participate in NSMHA/CHP offered training, consultation and
8 program development when requested as it applies to Level 2 service provision.
9 c. The CONTRACTOR must ensure benefits are provided in accordance with this Agreement
10 and are not arbitrarily denied or reduced (e.g. the amount, duration, or scope of a required
11 service) based solely upon the diagnosis, type of mental illness, or the enrollee's mental health
12 condition.
13 d. The CONTRACTOR shall provide Customer Service that is customer-friendly, flexible,
14 proactive, and responsive to consumers, families, and stakeholders.
15 e. CONTRACTOR shall collaboratively participate in NSMHA's regional coordination meetings,
16 which currently include the NSMHA Integrated Provider Meeting and subcommittees and
17 work groups of these committees as necessary.
18

19 **2. CONSUMER AND FAMILY VOICE**

20 CONTRACTOR must ensure all consumers have voice in developing individualized care plans,
21 and advance directives. At a minimum, care plan goals must be written in the words of the
22 consumer and documentation must be included in the clinical record describing how the enrollee
23 sees their progress. CONTRACTOR must be able to demonstrate how this requirement is
24 implemented and monitored.
25

26 **3. COMPLAINT PROCEDURES**

27 Contractor shall comply with Community Health Plan's Member complaint and appeals
28 procedures as set forth in its Policies and Procedures, for resolution of a Member's complaints or
29 appeals that may arise from Contractor's provision of services. Contractor shall notify Community
30 Health Plan and NSMHA of Member complaints and appeals received by Contractor and the
31 subsequent resolutions. Contractor shall cooperate with Community Health Plan in the
32 investigation and resolution of Member complaints or appeals received by Community Health Plan
33 regarding Contractor or Contracted Providers' Performance.
34

35 **4. DISCRIMINATION**

36 There shall be no discrimination against any person because of race, color, national origin,
37 ancestry, religion, gender, marital status, age, sexual orientation, presence of physical or mental
38 handicaps, and any other reason(s) prohibited by law, in the provision of services or in
39 employment practices by either party.
40

41 **5. MORTALITY REVIEW**

42 CONTRACTOR and its Subcontractors shall comply with CHP's Mortality Reporting Policy and
43 Procedure and any successor.
44

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6. STAFF COMPETENCY AND TRAINING

CONTRACTOR and its Subcontractors shall comply with NSMHA credentialing policies and procedures listed on Attachment I and shall ensure that all staff are qualified for the position they hold and have at a minimum the education, experience, and skills to perform their job requirements, per WAC 388-865, including any required licenses or certifications.

The CONTRACTOR shall require a criminal history background check through the Washington State Patrol for employees and volunteers of the CONTRACTOR who may have unsupervised access to children, people with developmental disabilities or vulnerable adults.

1 **E. CONTRACTOR RESPONSIBILITIES**

2 CONTRACTOR shall have responsibility for the performance of the following duties and
3 responsibilities.

4
5 CONTRACTOR shall be held fully responsible for the contractual obligations and performance of its
6 Subcontractors. In the performance of these functions, CONTRACTOR shall maintain written
7 documentation that verifies that each specific responsibility under this section has been performed.
8

9 **1. COMMUNITY MENTAL HEALTH AGENCY (CMHA)**

- 10 a. CONTRACTOR ensures it is an effective, efficient, adequate, and accessible CMHA that is
11 licensed/certified, monitored, and capable of providing comprehensive services and be able to
12 demonstrate its ability to carry out the functions required by this Agreement.
13 b. CONTRACTOR shall cooperate with NSMHA’s strategic plan and efforts to ensure a
14 sufficient number, mix, and geographic distribution of community mental health agencies,
15 including mental health care providers (MHCPs) to meet the needs of the anticipated number
16 of Members in the Service Area.
17

18 **2. WASHINGTON STATE LAW**

19 This Agreement shall be governed by and construed and enforced in accordance with the laws of
20 Washington State.
21

22 **3. NON-DISCOURAGEMENT**

23 NSMHA/Community Health Plan shall not in any way preclude or discourage CONTRACTOR
24 from informing Members of the care they require, including various treatment options and
25 whether, in CONTRACTOR's view, such care is consistent with medical necessity, medical
26 appropriateness or otherwise covered under the Member's Benefit Plan.
27

28 NSMHA/Community Health Plan shall not prohibit, discourage or penalize CONTRACTOR, if
29 CONTRACTOR is otherwise practicing in compliance with the law, from advocating on behalf of
30 a Member with Community Health Plan. However, nothing in this section shall be construed to
31 authorize Contractor to bind NSMHA/Community Health Plan to pay for any service.
32

33 NSMHA/Community Health Plan shall not preclude or discourage Members, or those paying for
34 their coverage, from discussing with CONTRACTOR the comparative merits of different health
35 carriers, even if such discussion is critical of Community Health Plan.
36

37 NSMHA/Community Health Plan shall not preclude or discourage CONTRACTOR from
38 entering into such discussions with Members.
39

40 Notwithstanding any other provision of this Agreement or law, NSMHA/Community Health
41 Plan shall not prohibit directly or indirectly any Member from freely contracting at any time to
42 obtain any health care services outside a Community Health Plan Benefit Plan on any terms or
43 conditions a Member chooses. Nothing in the section shall be construed to bind
44

45 NSMHA/Community Health Plan for any services delivered outside a Community Health Plan
46 Benefit Plan.
47

1 **4. OBLIGATIONS OF NSMHA/COMMUNITY HEALTH PLAN**

2 NSMHA/Community Health Plan shall reimburse Contractor for Covered Services provided to
3 Members by Contractor in accordance with Section F, Fiscal Assurances, of this Agreement.

4
5 Community Health Plan or NSMHA shall confirm Member's eligibility for Covered
6 Services upon request by Contractor as provided for under Section B.3.

7
8 Each Member shall be given an identification card displaying the Community Health Plan name
9 and/or logo, the Member's name and identifier, group name and/or number, telephone number or
10 website address to confirm eligibility and benefit verification, any applicable co-pay due at time of
11 service and telephone number to confirm required preauthorization for Covered Services.

12
13 **5. DATA and REPORTING REQUIREMENTS**

14 CONTRACTOR shall:

15
16 Track key program data elements via entry into the Mental Health Integrated Tracking System
17 (MHITS) software system.

18
19 Below is the information to be reported on a monthly basis for Level 2 services in a format
20 mutually agreed upon:

- 21
22 a. Client Name
23 b. Client PIC
24 c. Procedure Code (type of service)
25 d. Date of Service
26 e. Duration of service (minutes)
27 f. Provider Name
28 g. And a summary line which should include:
29
30 i. Total unduplicated clients (slots filled)
31 ii. Total number of services per month (number of contacts)
32 iii. Total minutes of service per month
33
34 h. Comply with HIPAA implementation requirements and standards (i.e. data collection,
35 submission, privacy, and security).
36 i. Ensure that requested information is received in a manner that will allow NSMHA to make
37 a timely response to inquiries from CHP, the legislature and other parties about system
38 operations. Such data must be provided in a time frame that NSMHA has developed with
39 the CHP at the time of the request and will take into consideration the needs of the
40 inquiring party.

41
42 **6. NSMHA AND CHP REVIEW ACTIVITIES**

43 CONTRACTOR shall ensure that remedial actions required as a result of NSMHA and/or CHP
44 review activities, as discussed in the Oversight, Remedies and Termination section, are reported
45 and acted upon by its members. This shall be demonstrated by written records maintained by
46 CONTRACTOR.

1 **7. PROPRIETARY and CONFIDENTIAL INFORMATION**

2 Information relating to this Agreement: The existence of this Agreement is not considered to be
3 confidential information. However, both parties agree that all information, including Member and
4 Community Health Plan group information provided by Community Health Plan in the process of
5 negotiation, reimbursement rates and fee schedules, as well as other information identified by
6 either party as confidential or proprietary, shall not be disclosed to any third person or entity in any
7 format without the express prior written consent of the other party. This provision shall not
8 preclude access to such records in order to allow billing and quality assurance review with respect
9 to Covered Services delivered. This section shall survive termination of this Agreement. Upon
10 termination of this Agreement, any documents identified by either party, as proprietary shall be
11 returned or otherwise disposed of as mutually agreed to by the parties.

12
13 Member Health Information:

14 The parties acknowledge that as a result of this Agreement, either party may have access to and
15 receive from the other party health information ("Health Information") as that term is defined
16 under the Health Insurance Portability and Accountability Act of 1996, Section 1171 of Public Law
17 104-191 ("HIPAA"), and Chapter 70.02 RCW, the Washington State Health Care Information
18 Access and Disclosure of 1991. Both parties agree to maintain the confidentiality of such Health
19 Information, and to not use or disclose Health Information other than as necessary to carry out
20 the terms and conditions of this Agreement, or as permitted or required by federal or state law or
21 regulations.

22
23 Each party shall implement a documented information and privacy security program that includes
24 administrative, technical and physical safe guards designed to prevent the accidental or
25 unauthorized use or disclosure of health Information. The information privacy and security
26 program shall, at a minimum, comply with applicable HIPAA regulations regarding the privacy and
27 security of Health Information, including but not limited to 45 CFR § 164.306(a).

28
29 To the extent either party, in carrying out its responsibilities under this Agreement, conducts
30 Standard Transaction(s) as that term is defined under HIPAA, that party shall comply with the
31 HIPAA regulations, "Administrative Requirements for Transactions," 45 CFR 162.200 et seq.
32 Upon termination of this Agreement, at the request of the party that owns
33 Health Information, the other party shall promptly return to the requesting party all
34 Health Information which has been provided to it, or dispose of such Health
35 Information in a manner mutually agreed upon by the parties.

36
37 **8. DELIVERABLES, PLANS AND REPORTS**

38 CONTRACTOR must ensure plans or reports required by this Agreement are provided to the
39 NSMHA in compliance with the timelines and/or formats indicated.

40
41 **9. BUSINESS ASSOCIATES AGREEMENT**

42 CONTRACTOR shall abide by the provisions of the NSMHA and CONTRACTOR Business
43 Associates Agreement, Attachment II.
44

1 **F. 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. OVERPAYMENT and UNDERPAYMENT RECOVERIES**

10 “Refund” means the return, either directly or through offset to a future claim, of some or all of a
11 payment already received by the Contractor.
12

13 NSMHA/Community Health Plan may request a refund from Contractor for overpayment of a
14 previously paid claim within 24 months after the initial payment was made. Such a request must be
15 in writing and specify why Contractor owes the refund. Contractor may contest the request in
16 writing to Community Health Plan within thirty (30) days of receipt in accordance with Section
17 H.23 Resolution of Disputes, of this Agreement. Failure by Contractor to contest a request within
18 this thirty (30) day period shall result in the request being deemed to have been accepted by
19 Contractor as due and owing. Where a request for refund is contested by Contractor, Community
20 Health Plan may not request that the refund be paid any sooner than six (6) months from the date
21 of Contractor’s receipt of the request.
22

23 Except in the case of fraud, or as provided in Section 4 below, Contractor may not: (a) request
24 additional payment from NSMHA/Community Health Plan to satisfy a claim unless Contractor
25 does so in writing to NSMHA within twenty-four (24) months after the date that the claim was
26 denied or payment intended to satisfy the claim was made; or (b) request that the additional
27 payment be made any sooner than six (6) months after receipt of the request. Any such request
28 must specify why the Contractor believes NSMHA/Community Health Plan owes the additional
29 payment. Any dispute arising out of such a request shall be handled in accordance with Section
30 H.23 Resolution of Disputes.
31

32 Where coordination of benefits is involved, a request for refund by NSMHA/Community Health
33 Plan or a request for additional payment by Contractor pursuant to this Subsection F must be
34 made within thirty (30) months after the claim was paid or submitted. The requirements of this
35 Subsection F are not applicable to subrogation claims.
36

37 **3. FINANCIAL ACCOUNTING REQUIREMENTS**

38 The CONTRACTOR shall:

- 39
- 40 a. Establish and maintain operating reserves at prudent levels sufficient to ensure that
 - 41 CONTRACTOR have the ability to pay for all expenses incurred during this Agreement
 - 42 period, including those whose disposition occurs after the Agreement has been terminated,
 - 43 and to cover the risk of financial loss resulting in the event that the cost of providing
 - 44 services pursuant to this Agreement exceeds the revenues derived therefrom;
 - 45 b. Ensure that all funds, including interest earned, provided pursuant to this Agreement are
 - 46 used to support the provision of services outlined in this Agreement.
 - 47 c. CONTRACTOR shall produce annual audited financial statements within 180 days of
 - 48 fiscal year end and make such reports available to NSMHA upon request.

1 **4. COORDINATION of BENEFITS and THIRD PARTY PAYMENT**

2 CONTRACTOR agrees to cooperate with NSMHA/Community Health Plan’s coordination of
3 benefits, subrogation and third party payment policies and programs as set forth in Policies and
4 Procedures.

5
6 CONTRACTOR shall promptly notify NSMHA if Contractor becomes aware that any Member
7 has a subrogation claim or right to reimbursement from a third party, and assist
8 NSMHA/Community Health Plan in arranging for assignment of such right to Community Health
9 Plan for collection.

10
11 Except as otherwise required by Chapter 284-51 WAC, under no circumstances shall NSMHA/
12 Community Health Plan reimburse Contractor any amount greater than provided for under this
13 Agreement. If CONTRACTOR has received payment from another coverage plan or entity which
14 has primary payment responsibility under coordination of benefits rules, and that payment is equal
15 to or greater than the rates set forth in this Agreement, CONTRACTOR may not seek additional
16 reimbursement from NSMHA/Community Health Plan. In addition, CONTRACTOR agrees to
17 promptly refund to NSMHA any amount already paid to CONTRACTOR by NSMHA which,
18 when added to amounts paid by another coverage plan or entity for the same Covered Services, are
19 in excess of the rates set forth in this Agreement. CONTRACTOR shall promptly notify
20 NSMHA/CHP of Members that may approach stop-loss deductibles, have other insurance
21 coverage available, or be eligible for Social Security coverage in accordance with CHP Policies and
22 Procedures.

23
24 **5. FINANCIAL PROVISIONS - REIMBURSEMENT REQUIREMENTS**

25 NSMHA/Community Health Plan shall reimburse Contractor for Covered Services provided to
26 Members according to the applicable program for reimbursement set forth in EXHIBIT B.

27
28 NSMHA/CHP reserves the right to change the reimbursement rates set forth on EXHIBIT B
29 based on changes in rates paid by applicable Federal, State or other third party payers. Such
30 reimbursement shall be accepted by the Contractor as payment in full from Community Health
31 Plan.

- 32
33 a. CONTRACTOR shall submit data per the Mental Health Integrated Tracking System
34 (MHITS).
35 b. CONTRACTOR shall provide approximately 20 hours of service on average during a 6
36 month period per slot.
37 c. CONTRACTOR shall be paid \$200 per slot per month.

38
39 The consideration by NSMHA to CONTRACTOR pursuant to this Agreement shall be paid
40 monthly within fifteen (15) working days of NSMHA’s receipt of payment by CHP.

41
42 **6. PAYMENT and FEDERAL FUNDS**

43 Neither Community Health Plan, nor Contractor shall make any specific payment, directly or
44 indirectly, to a physician or physician group as an incentive to reduce or limit medically necessary
45 services furnished to any particular Member. Indirect payments may include offerings of monetary
46 value (such as stock options or waivers of debt) measured in the present or future.

1 Throughout the term of this Agreement both parties shall remain in good standing with all
2 applicable regulatory agencies, and shall comply with all applicable federal and state laws and
3 regulations. Each party, in fulfilling its obligations under this Agreement, acknowledges that it is
4 subject to certain laws that are applicable to individuals and entities receiving federal funds. Each
5 party agrees to inform all related entities, contractors, and subcontractors that payments that they
6 receive are, in whole or in part, from federal funds.
7

8 **7. FRAUD AND ABUSE**

9 The CONTRACTOR shall develop and implement administrative and management procedures
10 that are designed to guard against fraud and abuse including:
11

- 12 a. A mandatory compliance plan;
- 13 b. Designation of a compliance officer or a compliance committee that is accountable to the
14 CONTRACTOR;
- 15 c. Effective ongoing training and education for the compliance officer and the
16 CONTRACTOR staff;
- 17 d. Effective lines of communication between the compliance officer and employees and any
18 Subcontractors;
- 19 e. Enforcement of standards through well-publicized disciplinary guidelines;
- 20 f. Provision of internal monitoring and auditing;
- 21 g. Provision for prompt response to detected offenses and for development of corrective
22 action initiatives;
- 23 h. Participation by the CONTRACTOR and any Subcontractors in Medicaid fraud and abuse
24 training conducted by the Washington State Attorney General's Medicaid Fraud Unit.
- 25 i. Written policies, procedures, and standards of conduct that articulate the
26 CONTRACTOR's commitment to comply with all applicable Federal and State standards.
27

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

32 Complaints and reports should be directed the NSMHA Compliance Officer listed below.
33

34 Charles R Benjamin
35 Executive Director
36 117 N First St., Ste. 8
37 Mt. Vernon, WA. 98273
38 360.416.7013
39 1.800.684.3555
40 charles_benjamin@nsmha.org
41

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

2
3 **1. OVERSIGHT AUTHORITY**

4 NSMHA, CHP, the Department of Social and Health Services (DSHS), Office of the State
5 Auditor, the Department of Health and Human Services, or any of their duly-authorized
6 representatives, have the authority to conduct announced and unannounced: a) surveys; b) audits;
7 c) reviews of compliance with licensing and certification requirements and compliance with this
8 Agreement; d) audits regarding the quality, appropriateness, and timeliness of mental health
9 services of the CONTRACTOR and Subcontractors; and e) audits and inspections of financial
10 records of the CONTRACTOR and Subcontractors. CONTRACTOR shall notify NSMHA when
11 an entity other than NSMHA performs any audit described above related to any activity contained
12 in this Agreement.

13
14 In addition, NSMHA will conduct reviews in accordance with its oversight of resource, utilization
15 and quality management, as well as to ensure that CONTRACTOR have the clinical,
16 administrative and fiscal structures to enable them to perform in accordance with the terms of the
17 contract. Such reviews may include, but are not limited to encounter data validation, utilization
18 reviews, clinical record reviews, and reviews of administrative structures, fiscal management and
19 contract compliance. Reviews may include desk reviews, requiring CONTRACTOR to submit
20 requested information. NSMHA will also review activities delegated under this contract to
21 CONTRACTOR.

22
23 Findings as a result of NSMHA conducted reviews may result in remedial action as outlined
24 below. Federal and State agencies may impose remedial action or financial penalties either directly
25 upon CONTRACTOR or through NSMHA. CONTRACTOR shall comply with the terms of
26 such remedial action and be responsible for the payment of financial penalties.

27
28 **2. REMEDIAL ACTION**

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

34
35 a. Corrective action plans must include:

- 36
37 i. A brief description of the finding.
38 ii. Specific actions to be taken, a timetable, a description of the monitoring to be
39 performed, the steps taken and responsible individuals that will reflect the
40 resolution of the situation.

41
42 b. Corrective action plans may:

43
44 Require modification of any policies or procedures by the CONTRACTOR relating to the
45 fulfillment of its obligations pursuant to this Agreement.
46

- 1 c. Corrective action plans are subject to approval by the NSMHA, which may:
2
3 i. Accept the plan as submitted.
4 ii. Accept the plan with specified modifications.
5 iii. Request a modified plan; or,
6 iv. Reject the plan.
7
- 8 d. The CONTRACTOR agrees that NSMHA may initiate remedial action with or without a
9 corrective action plan as outlined in subsection below if the NSMHA determines any of the
10 following situations exist:
11
- 12 i. A problem exists that poses a threat to the health or safety of any person or that
13 poses a threat of property damage and/or an incident has occurred that resulted in
14 injury or death to any person and/or that resulted in damage to property;
15 ii. The CONTRACTOR have failed to perform any of the mental health services
16 required in this Agreement, which includes the failure to maintain the required
17 capacity as specified by NSMHA to ensure that consumers receive medically
18 necessary services, including delegated functions; *except*, that no remedial action
19 pursuant to subsection (e) hereof shall be taken if such failure to maintain required
20 capacity is due to any interruption in, or depletion of, the available amount of
21 money to CONTRACTOR as described in Exhibit B of this contract for purposes
22 of performing services to enrollees as described in Section B of this contract;
23 however, in such an instance, NSMHA may terminate all or part of this contract on
24 as little as thirty (30) days written notice.
25 iii. The CONTRACTOR has failed to develop, produce, and/or deliver to the
26 NSMHA any of the statements, reports, data, data corrections, accountings, claims,
27 and/or documentation described herein, in compliance with all the provisions of
28 this Agreement;
29 iv. The CONTRACTOR has failed to perform any administrative function required
30 under this Agreement, including delegated functions. For the purposes of this
31 section, “administrative function” is defined as any obligation other than the actual
32 provision of mental health services;
33 v. The CONTRACTOR has failed to implement corrective action required by the
34 state and within NSMHA prescribed time frames.
35
- 36 e. The NSMHA may impose any of the following remedial actions in response to findings of
37 situations as outlined above:
38
- 39 i. Withhold one percent of the next monthly payment and each monthly payment
40 thereafter until the corrective action has achieved resolution. The NSMHA, at its
41 sole discretion, may return a portion or all of any payments withheld once
42 satisfactory resolution has been achieved;
43 ii. Compound withholdings identified above by an additional one-half of one percent
44 for each successive month during which the remedial situation has not been
45 resolved;
46 iii. Revoke delegation of any function delegated under this contract;

- iv. Deny any incentive payment to which the CONTRACTOR might otherwise have been entitled under this Agreement or any other arrangement by which the CHP/HRSA provides incentives; or
- v. Termination for Default, as outlined in this Agreement.

3. TERM

This Agreement shall take effect on the date specified on page 1 (“Effective Date”), and shall remain in force for an initial term of one year. At the end of the first year, the Agreement shall automatically renew for successive one year terms unless written notice of intent not to renew is given one hundred twenty (120) days prior to the expiration date of any such annual term, or unless otherwise terminated as provided herein.

4. TERMINATION DUE TO CHANGE IN FUNDING

In the event funding from State, Federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this 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 120 days written notification by certified mail to the other party. The effective date of termination shall be on the last day of the month the last day of which is at least 120 days from the date notice of termination is received.

6. TERMINATION UPON BREACH

Either party may terminate this Agreement if a material breach by the other party occurs and is not corrected within thirty (30) days of receipt of written notice to the breaching party of such breach. Further, this Agreement may be terminated immediately if Contractor is excluded from participation in any federal or state funded health care program or, if its license or certification is terminated or suspended, upon the date of such loss or suspension.

7. NOTICE of TERMINATION to MEMBERS

Upon its receipt or issuance of a notice to terminate this Agreement for any reason, Community Health Plan will inform affected Members of such notice and may require such Members to select a different Participating Provider before the effective date of termination.

8. TERMINATION PROCEDURE

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

- a. Neither party shall be released from its obligations under this Agreement prior to the effective termination date of the Agreement, except that Contractor shall continue to provide Covered Services to any Member who is receiving inpatient care at the time this Agreement is terminated;
 - i. Until the Member is discharged from the facility,
 - ii. Community Health Plan's Medical Director determines that the care of the Member can be safely transferred to another facility, or

1 iii. Community Health Plan makes arrangements to transfer the Member's care to
2 another Contractor.
3

4 Further, Members undergoing an active course of treatment with a terminated Contract
5 Provider, including but not limited to treatment for second or third trimester pregnancy and
6 postpartum care, shall be given the option to continue such treatment with the terminated
7 Contract Provider for ninety (90) days following the effective date of Contract Provider's
8 termination or completion of the active course of treatment, whichever occurs first.
9 Contractor shall work with terminating Contract Provider and affected Member to develop
10 a reasonable transition.
11

12 NSMHA/Community Health Plan shall reimburse Contractor in accordance with the
13 reimbursement rate provided for in this Agreement for any services rendered after the
14 termination date.
15

- 16 b. The CONTRACTOR and any applicable Subcontractors shall immediately deliver to
17 NSMHA Program Manager or to his/her successor, all CHP and NSMHA assets (property)
18 in the CONTRACTOR and any applicable Subcontractor's possession and any property
19 produced under this Agreement. The CONTRACTOR and any applicable Subcontractors
20 grants NSMHA and CHP the right to enter upon the CONTRACTOR and any applicable
21 Subcontractors premises for the sole purpose of recovering any NSMHA or CHP property
22 that the CONTRACTOR and any applicable Subcontractors fails to return within ten (10)
23 working days of termination of this Agreement. Upon failure to return NSMHA and/or
24 CHP property within ten (10) working days of the termination of this Agreement, the
25 CONTRACTOR and any applicable Subcontractors shall be charged with all reasonable
26 costs of recovery, including transportation and attorney's fees. The CONTRACTOR and
27 any applicable Subcontractors shall protect and preserve any property of NSMHA and/or
28 CHP that is in the possession of the CONTRACTOR and any applicable Subcontractors
29 pending return to NSMHA and/or CHP.
30 c. NSMHA shall be liable for and shall pay for only those services authorized and provided
31 through the date of termination. NSMHA may pay an amount agreed to by the parties for
32 partially completed work and services, if work products are useful to or usable by NSMHA.
33

1 **H. 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 Each party shall comply in all material respects with requirements of all applicable federal and state
2 laws and regulations, including but not limited to:
3

- 4 a. Applicable Medicare laws and regulations;
- 5 b. Title VI of the Civil Rights Act of 1964 as implemented by regulations at 45 CFR Part 84;
- 6 c. The Age Discrimination Act of 1975 as implemented by regulations at 45 CFR Part 91;
- 7 d. The Rehabilitation Act of 1973;
- 8 e. The Americans with Disabilities Act;
- 9 f. The False Claims Act (32 U.S.C. §3729 et. seq.;
- 10 g. The Anti-kickback Statute (Section 1128B(b) of the Act); and
- 11 h. Other laws applicable to recipients of Federal funds.

12
13 Each party agrees to require that all subcontracts or written agreements will specify that the related
14 entity, Contractor, or subcontractor must comply with all applicable federal and state laws and
15 regulations, as well as all applicable terms of this Agreement.
16

17 **6. COMPLIANCE WITH CHP OPERATIONAL POLICIES**

18 NSMHA/Community Health Plan shall make available to Contractor, information regarding its
19 responsibilities with respect to applicable Policies and Procedures, including but not limited to
20 payment terms, utilization review, quality assessment and improvement programs, credentialing,
21 grievance procedures, billing and data reporting requirements.
22

23 NSMHA/Community Health Plan shall provide timely updates to Contractor of all changes to
24 Policies and Procedures. Community Health Plan shall provide notice of at least sixty (60) days for
25 material changes in its Policies and Procedures that affect Contractor compensation or that affect
26 Contractor's obligations for health care service delivery, unless changes to federal or state law or
27 regulations make such advance notice impossible, in which case notice shall be provided as soon as
28 possible. Subject to the termination and continuity of care provisions of this Agreement,
29 Contractor may terminate this Agreement without penalty if it does not agree with the material
30 changes. No change to a Policy or Procedure, may be made retroactive without the express written
31 consent of Contractor.
32

33 NSMHA/CHP will make best efforts to maintain currency of policies with applicable State Law,
34 regulation or policy. In the event of a conflict, Federal or State Laws or policies supersede CHP
35 policies and procedures and requirements of this contract.
36

37 **7. CONFIDENTIALITY OF CLIENT INFORMATION**

38 Pursuant to 42 CFR 431.301 and 431.302, information concerning applicants and recipients may
39 be disclosed for purposes directly concerning the administration of this Agreement. Purposes
40 include, but are not limited to:
41

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

1 CONTRACTOR shall protect all information, records and data collected from unauthorized
2 disclosure in accordance with 42 CFR 431.300 through 431.307, RCW's 70.02, 71.05, and 71.34,
3 HIPAA, and for service recipients receiving alcohol and drug abuse services, in accordance with 42
4 CFR Part 2. CONTRACTOR shall have a process in place to ensure that all components of its
5 Community Mental Health Agency (CMHA) and system understand and comply with
6 confidentiality requirements for publicly funded mental health services.
7

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

11 The parties acknowledge that coordination, planning, screening, and referral require the sharing of
12 information among the various treatment providers. Disclosure of information to verify eligibility,
13 determine the amount of assistance, and to provide medically necessary mental health services are
14 all "purposes directly connected with the administration of the Agreement", and are all
15 appropriate justifications for sharing information.
16

17 CONTRACTOR shall assure that all staff and Subcontractors providing services under this
18 Agreement receive annual training on confidentiality policies and procedures. In addition,
19 CONTRACTOR shall assure that all staff and Subcontractors providing services under this
20 Agreement sign an annual Oath of Confidentiality statement. Signed copies of the Oath of
21 Confidentiality shall be kept in CONTRACTOR's personnel files.
22

23 **8. CONTRACT PERFORMANCE/ENFORCEMENT**

24 NSMHA shall be vested with the rights of a third party beneficiary, including the "cut through"
25 right to enforce performance should CONTRACTOR be unwilling or unable to enforce action on
26 the part of its Subcontractor(s). In the event that CONTRACTOR dissolves or otherwise
27 discontinues operations, NSMHA may, at its sole option, assume the right to enforce the terms
28 and conditions of this Agreement directly with CONTRACTOR's Subcontractors; provided, that
29 NSMHA shall keep CONTRACTOR reasonably informed concerning such enforcement.
30 CONTRACTOR shall include this clause in its contracts with its Subcontractors. In the event of
31 the dissolution of CONTRACTOR, NSMHA's rights in indemnification shall survive.
32

33 **9. COOPERATION**

34 The parties to this Agreement shall cooperate in good faith to effectuate the terms and conditions
35 of this Agreement.
36

37 **10. DEBARMENT CERTIFICATION**

38 The CONTRACTOR certifies that it is not presently debarred, suspended, proposed for
39 debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any
40 federal or state department or agency. If requested by DSHS or NSMHA, the CONTRACTOR
41 shall complete a Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary
42 Exclusion. Any Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary
43 Exclusion pertaining to this Agreement shall be incorporated into this Agreement by reference.
44

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

4 Although NSMHA, CONTRACTOR, and Subcontractors mutually recognize that services under
5 this Agreement may be provided by the CONTRACTOR and Subcontractors to clients under the
6 Medicaid program, RCW 71.05 and 71.34, and the Community Mental Health Services Act, RCW
7 71.24, it is not the intention of either NSMHA, the CONTRACTOR, that such individuals, or any
8 other persons, occupy the position of intended third-party beneficiaries of the obligations assumed
9 by either party to this Agreement. Such third parties shall have no right to enforce this agreement.
10

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

12 This Agreement shall be binding on all parties only upon signature by authorized representatives
13 of each party. This Agreement, or any provision, may be amended during the contract period, if
14 circumstances warrant, by a written amendment executed by all parties. Only the NSMHA
15 Program Manager or the NSMHA Program Manager's designee has authority to waive any
16 provision of this Agreement on behalf of NSMHA.
17

18 **13. HEADINGS AND CAPTIONS**

19 The headings and captions used in this Agreement are for reference and convenience only, and in
20 no way define, limit, or decide the scope or intent of any provisions or sections of this Agreement.
21

22 **14. INDEMNIFICATION**

23 CONTRACTOR shall be responsible for and shall indemnify and hold NSMHA harmless
24 (including all costs and attorney fees) from all claims for personal injury, property damage and/or
25 disclosure of confidential information and/or from the imposition of governmental fines or
26 penalties resulting from the acts or omissions of CONTRACTOR and its Subcontractors related
27 to the performance of this contract. NSMHA shall be responsible and shall indemnify and hold
28 CONTRACTOR harmless (including all costs and attorney fees) from all claims for personal
29 injury, property damage and disclosure of confidential information and from the imposition of
30 governmental fines or penalties resulting from the acts or omissions of NSMHA. For the
31 purposes of these indemnifications, the Parties specifically and expressly waive any immunity
32 granted under the Washington Industrial Insurance Act, Title 51 RCW. This waiver has been
33 mutually negotiated and agreed to by the Parties. The provision of this section shall survive the
34 expiration or termination of the Agreement.
35

36 **15. INDEPENDENT CONTRACTOR FOR NSMHA**

37 The parties intend that an independent CONTRACTOR relationship be created by this contract.
38 The CONTRACTOR acknowledges that neither the CONTRACTOR nor its employees or
39 Subcontractors are not officers, employees, or agents of NSMHA. The CONTRACTOR shall not
40 hold the CONTRACTOR or any of the CONTRACTOR's employees and Subcontractors out as,
41 nor claim status as, officers, employees, or agents of NSMHA. The CONTRACTOR shall not
42 claim for the CONTRACTOR or the CONTRACTOR's employees or Subcontractors any rights,
43 privileges, or benefits which would accrue to an employee of NSMHA. The CONTRACTOR
44 shall indemnify and hold NSMHA harmless from all obligations to pay or withhold Federal or
45 State taxes or contributions on behalf of the CONTRACTOR or the CONTRACTOR's
46 employees and Subcontractors unless specified in this Agreement.
47

1 **16. INSURANCE**

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

5
6 CONTRACTOR shall maintain a Commercial General Liability Insurance (CGL). If the
7 CONTRACTOR is not a member of a risk pool, the CONTRACTOR shall carry CGL to include
8 coverage for bodily injury, property damage, and contractual liability, with the following minimum
9 limits: Each Occurrence - \$1,000,000; General Aggregate - \$3,000,000; shall include liability arising
10 out of premises, operations, independent CONTRACTORS, personal injury, advertising injury,
11 and liability assumed under an insured contract. CONTRACTOR shall provide evidence of such
12 insurance to NSMHA within 15 days of execution of this Agreement and 15 days post renewal
13 date thereafter. All non-risk pool policies shall name NSMHA as a covered entity under said
14 policy(s).

15
16 **17. INTEGRATION**

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

20
21 **18. MAINTENANCE OF RECORDS**

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

- 27
28 a. Maintain the content of all Medical Records in a manner consistent with utilization control
29 requirements of 42 CFR 456, 42 CFR 434.34 (a), 42 CFR 456.111, and 42 CFR 456.211.
30 b. Document performance of all acts required by law, regulation, or this Agreement.
31 c. Substantiate the CONTRACTOR statement of its organizations' structures, tax status,
32 capabilities, and performance.
33 d. Demonstrate accounting procedures, practices, and records, which sufficiently and
34 properly document the CONTRACTOR invoices to NSMHA and all expenditures made
35 by the CONTRACTOR to perform as required by this Agreement.
36 e. The CONTRACTOR and its Subcontractors shall cooperate in all reviews, including but
37 not limited to, surveys, and research conducted by NSMHA, DSHS or other Washington
38 State Departments.
39 f. Evaluations shall be done by inspection or other means to measure quality,
40 appropriateness, and timeliness of services performed under this Agreement, and to
41 determine whether the CONTRACTOR and its Subcontractors are providing service to
42 individuals in accordance with the requirements set forth in this Agreement and applicable
43 state and federal regulations as existing or hereafter amended.
44

45 **19. NO WAIVER OF RIGHTS**

46 A failure by either party to exercise its rights under this Agreement shall not preclude that party
47 from subsequent exercise of such rights and shall not constitute a waiver of any other rights under

1 this Agreement unless stated to be such in a writing signed by an authorized representative of the
2 party and attached to the original Agreement.
3

4 Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of
5 any subsequent breach and shall not be construed to be a modification of the terms and conditions
6 of this Agreement.
7

8 **20. ONGOING SERVICES**

9 CONTRACTOR and its Subcontractors shall ensure that in the event of labor disputes or job
10 actions, including work slowdowns, so called "sick outs", or other activities, within its service
11 CMHA network, uninterrupted services shall be available as required by the terms of this
12 Agreement
13

14 **21. ORDER OF PRECEDENCE**

15 In the event of an inconsistency in the terms of this Agreement, or any inconsistency between the
16 terms of this Agreement and any applicable statute, rule or contract, unless otherwise provided
17 herein, the conflict shall be resolved by giving precedence in the following order, to:
18

- 19 a. The applicable Medicaid 1915(b) Waiver, Provisions of Title XIX of the Social Security Act
20 and Federal regulations concerning the operations of Prepaid Inpatient Health Plans.
- 21 b. State statutes and regulations concerning the operation of the community mental health
22 programs.
- 23 c. Federal and State Law.
- 24 d. The NSMHA-DSHS agreement, or its successors, that covers the provision of the mental
25 health services covered under this Agreement, which shall include any exhibit, document,
26 or material incorporated by reference. NSMHA shall promptly notify CONTRACTOR of
27 any amendment to the NSMHA-DSHS agreement which affects any term or condition
28 herein.
- 29 e. This Agreement.
30

31 **22. PERFORMANCE**

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

38 **23. RESOLUTION OF DISPUTES**

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

- 45 a. The parties shall use their best efforts to resolve issues prior to giving written Notice of
46 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.

24. 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.

25. 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 incorporate OMB Circular A-133 audit requirements into all contracts between the CONTRACTOR and its Subcontractors who are sub recipients. The CONTRACTOR and its

1 Subcontractors shall comply with any future amendments to OMB Circular A-133 and any
2 successor or replacement Circular or regulation.

3
4 If the CONTRACTOR and/or its Subcontractors are a sub recipient and expends \$500,000 or
5 more in Federal awards from any and/or all sources in any fiscal year, the CONTRACTOR and
6 applicable Subcontractors shall procure and pay for a single or program-specific audit for that
7 fiscal year. Upon completion of each audit, the CONTRACTOR and applicable Subcontractors
8 shall submit to NSMHA Program Manager the data collection form and reporting package
9 specified in OMB Circular A-133, reports required by the program-specific audit guide, if
10 applicable, and a copy of any management letters issued by the auditor.

11
12 For purposes of “sub recipient” status under the rules of OMB Circular A-133 205(i) Medicaid
13 payments to a sub recipient for providing patient care services to Medicaid eligible individuals are
14 not considered Federal awards expended under this part of the rule unless a State requires the fund
15 to be treated as Federal awards expended because reimbursement is on a cost-reimbursement
16 basis.

17 18 **26. SUBCONTRACTS**

19 The CONTRACTOR may subcontract services to be provided under this Agreement subject to
20 the following requirements.

- 21
22 a. Each subcontract shall be submitted to NSMHA and require the approval of
23 NSMHA/Community Health Plan of Washington prior to becoming effective for Covered
24 Services provided under this Agreement.
- 25 b. The CONTRACTOR shall be responsible for the acts and omissions of any Subcontractor.
- 26 c. The CONTRACTOR must ensure that the Subcontractor neither employs any person nor
27 contracts with any person or Community Mental Health Agency (CMHA) excluded from
28 participation in federal health care programs under either 42 U.S.C. 1320a-7 (§§1128 or
29 1128A Social Security Act) or debarred or suspended per this Agreement’s General Terms
30 and Conditions.
- 31 d. The CONTRACTOR shall require Subcontractors to comply with all applicable federal
32 and state laws, regulations, and operational policies as specified in this Agreement.
- 33 e. The CONTRACTOR shall require Subcontractors to comply with all applicable CHP
34 operational policies as specified in this Agreement.
- 35 f. The CONTRACTOR shall ensure a process is in place to demonstrate that all third-party
36 resources are identified and pursued.
- 37 g. The CONTRACTOR shall oversee, be accountable for, and monitor all functions and
38 responsibilities delegated to a Subcontractor for conformance with any applicable
39 statement of work in this agreement on an ongoing basis including written reviews.
- 40 h. The CONTRACTOR will monitor performance of the Subcontractors on an annual basis
41 and notify NSMHA of any identified deficiencies or areas for improvement requiring
42 corrective action by CONTRACTOR.
- 43 i. 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 CHP.

27. 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.

28. 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. 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.

29. 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.

30. 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

The Program Manager for CONTRACTOR is:

Desmond Skubi
Chief Executive Officer
220 Unity Street
Bellingham, WA 98225

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

1 **THIS AGREEMENT**, consisting of 39 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
5 ADMINISTRATION
6

CONTRACTOR
7

8 _____
9 Signature

Signature

10 _____
11 Executive Director

Chief Executive Officer

Title _____ Date

Title _____ Date