

**NORTH SOUND  
BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION, LLC  
(North Sound BH-ASO)**

**CONTRACT  
FOR PARTICIPATION IN THE  
NORTH SOUND INTEGRATED CARE NETWORK**

**WITH**

**AMERICAN BEHAVIORAL HEALTH SERVICES (ABHS)**

**CONTRACT #NORTH SOUND BH-ASO-ABHS-ICN-23**

**EFFECTIVE JANUARY 1, 2023**

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## EXHIBITS

### **Incorporation of Exhibits**

The Provider shall provide services and comply with the requirements set forth in the following attached exhibits, which are incorporated herein by reference. To the extent that the terms and conditions of any Exhibit conflicts with the terms and conditions of this base contract, the terms of such Exhibit shall control.

Exhibit A – Schedule of Services

Exhibit B – Compensation Schedule

Exhibit C – Supplemental Provider Service Guide [Supplemental Provider Service Guide | North Sound BH-ASO \(nsbhaso.org\)](http://nsbhaso.org)

Exhibit D - Provider Deliverables

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**CONTRACT** (the “Contract”), pursuant to Revised Code of Washington (RCW) Chapter 71.24 and all relevant and associated statutes, as amended, is made and entered into by and between the NORTH SOUND BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION, LLC (North Sound BH-ASO), a governmental limited liability company pursuant to RCW Chapter 71.24, 2021 E College Way, Ste. 101, Mount Vernon, WA 98273 and AMERICAN BEHAVIORAL HEALTH SERVICES (ABHS), (Provider), a Washington Behavioral Health Agency, PO BOX 141160, Spokane Valley, WA 99214-1106.

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

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

**WHEREAS**, North Sound BH-ASO is engaged in the administration of services.

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1       **WHEREAS**, North Sound BH-ASO desires that Provider provide, market, distribute and otherwise  
2 do all things necessary to deliver Services in the Counties;

3  
4       **WHEREAS**, the parties to this Contract desire to promote the continuity of care for individuals,  
5 avoid service disruption, ensure the provision of behavioral health services and strengthen the  
6 regional service network; and

7  
8       **WHEREAS**, the parties also wish to enter into a Business Associate Agreement (BAA) to ensure  
9 compliance with the Privacy and Security Rules of the Health Insurance Portability and Accountability  
10 Act (HIPAA) of 1996 (HIPAA Privacy and Security Rules, 45 CFR Parts 160 and 164); now, therefore,

11  
12       **THE PARTIES AGREE AS FOLLOWS:**

13  
14                               **II. CONTRACT**

15  
16 The effective date of this Contract is January 1, 2023.

17  
18       **WHEREAS**, North Sound BH-ASO has been advised that the foregoing are the current funding  
19 sources, funding levels and effective dates as described in Exhibit B; and

20  
21       **WHEREAS**, North Sound BH-ASO desires to have certain services performed by the Provider as  
22 described in Exhibit A;

23  
24       **WHEREAS**, the Provider represents and warrants that North Sound BH-ASO is authorized to  
25 negotiate and execute provider agreements, including this Agreement, and to bind the Provider to  
26 the terms and conditions of this Agreement;

27  
28       **WHEREAS**, North Sound BH-ASO intends to implement mechanisms to ensure the availability of  
29 contracted providers and for establishing standards for the number and geographic distribution of  
30 contracted providers and key specialty providers in accordance with applicable law;

31  
32       **WHEREAS**, Behavioral Health Providers contracted with North Sound BH-ASO for participation in  
33 the North Sound Integrated Care Network (North Sound ICN) will deliver behavioral healthcare  
34 services to individuals within the scope of their licensure or accreditation;

35  
36       **NOW THEREFORE**, in consideration of payments, covenants, and agreements hereinafter  
37 mentioned, to be made and performed by the parties hereto, the parties mutually agree as follows:

## ARTICLE ONE – DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings set forth below.

### 1.1 AGREEMENT

The Contract for participation in the North Sound ICN entered into between North Sound BH-ASO and Provider, including all attachments and incorporated documents or materials, including this North Sound ICN Provider Base Contract

### 1.2 AVAILABLE RESOURCES

Available Resources means funds appropriated for the purpose of providing behavioral health programs. This includes federal funds, except those provided according to Title XIX of the Social Security Act (SSA), and state funds appropriated by the Legislature

### 1.3 BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION (BH-ASO)

BH-ASO means an entity selected by the Medicaid agency to administer behavioral health programs, including crisis services for individuals in a fully integrated managed care regional service area. The BH-ASO administers crisis services for all individuals in its defined regional service area, regardless of an individual's ability to pay.

### 1.4 BEHAVIORAL HEALTH CRISIS SERVICES

Behavioral Health Crisis Services (Crisis Services) means providing evaluation and short-term treatment and other services to individuals with an emergent mental health condition or are intoxicated or incapacitated due to substance use and when there is an immediate threat to the individual's health or safety.

### 1.5 CERTIFIED PEER COUNSELOR

Certified Peer Counselor (CPC) means Individuals who: have self-identified as a consumer of behavioral health services; have received specialized training provided/contracted by HCA's, Division of Behavioral Health and Recovery (DBHR); have passed a written/oral test, which includes both written and oral components of the training; have passed a Washington State background check; have been certified by DBHR; and are a registered Agency Affiliated Counselor with the Department of Health (DOH).

### 1.6 CRITICAL INCIDENT

A situation or occurrence that places an individual at risk for potential harm or causes harm to an individual. Examples include homicide (attempted or completed), suicide (attempted or completed), the unexpected death of an individual, or the abuse, neglect, or exploitation of an individual by an employee or volunteer.

### 1.7 CULTURAL HUMILITY

Cultural Humility means the continuous application in professional practice of self-reflection and self-critique, learning from patients, and partnership building, with an awareness of the limited ability to understand the patient's worldview, culture(s), and communities



- 1    **1.8    CULTURALLY APPROPRIATE CARE**  
2    Culturally Appropriate Care means health care services provided with Cultural Humility and an  
3    understanding of the patient’s culture and community, and informed by Historical Trauma and  
4    the resulting cycle of Adverse Childhood Experiences (ACEs).  
5
- 6    **1.9    GENERAL FUND STATE/FEDERAL BLOCK GRANTS (GFS/FBG)**  
7    General Fund State/Federal Block Grants (GFS/FBGs) means the services provided by the  
8    Provider under this Contract and funded by FBG or GFS.  
9
- 10   **1.10   HEALTHCARE AUTHORITY (HCA)**  
11   “Health Care Authority (HCA)” means the Washington State Health Care Authority, any  
12   division, Section, office, unit, or other entity of HCA or any of the officers or other officials  
13   lawfully representing HCA.  
14
- 15   **1.11   HEALTH PLAN**  
16   A plan that undertakes to arrange for the provision of health care services to subscribers or  
17   enrollees, or to pay for or to reimburse for any part of the cost for those services, in return for  
18   a prepaid or periodic charge paid for by or on behalf of subscribers or enrollees.  
19
- 20   **1.12   INDIVIDUAL**  
21   Individual means any person in the Regional Service Area (RSA) regardless of income, ability to  
22   pay, insurance status or county of residence. With respect to non-Crisis Services, "Individual"  
23   means a person who has applied for, is eligible for, or who has received General Fund –  
24   State/Federal Block Grant (GFS/FBG) services through this contract.  
25
- 26   **1.13   MANAGED CARE ORGANIZATION (MCO)**  
27   MCO means an organization having a certificate of authority or certificate of registration from  
28   the Washington State Office of Insurance Commissioner that contracts with HCA under a  
29   comprehensive risk contract to provide prepaid health care services to eligible HCA Enrollees  
30   under HCA managed care programs.  
31
- 32   **1.14   MEDICALLY NECESSARY SERVICE/MEDICAL NECESSITY**  
33   Medically Necessary Services means a requested service which is reasonably calculated to  
34   prevent, diagnose, correct, cure, alleviate, or prevent worsening of conditions in the individual  
35   that endanger life, or cause suffering of pain, or result in an illness or infirmity, or threaten to  
36   cause or aggravate a handicap, or cause physical deformity, or malfunction. There is no other  
37   equally effective, more conservative, or substantially less costly course of treatment available  
38   or suitable for the individual requesting the service. For the purpose of this section, "course of  
39   treatment" may include mere observation or, where appropriate, no medical treatment at all  
40   (WAC 182-500-0070).  
41
- 42   **1.15   MEDICATION ASSISTED TREATMENT (MAT)**  
43   Medication Management means the prescribing and/or administering and reviewing of  
44   medications and their side effects.

**1.16 MEMBER**

An individual that is eligible to receive crisis and/or FBG services and is assigned to an MCO.

**1.17 MENTAL HEALTH BLOCK GRANT (MHBG)**

MHBG means those funds granted by the Secretary of Health and Human Services (HHS), through the Center for Mental Health Services (CMHS), Substance Abuse and Mental Health Services Administration (SAMHSA), to states to establish or expand an organized community-based system for providing mental health services for adults with Serious Mental Illness (SMI) and children who are seriously emotionally disturbed (SED).

**1.18 NORTH SOUND INTEGRATED CARE NETWORK (NORTH SOUND ICN)**

Alliance formed by Participating Providers and North Sound BH-ASO to operate a clinically integrated crisis, FBG and Legislative Proviso behavioral health network that will provide behavioral health services in the North Sound RSA. North Sound ICN is a reference to the network of behavioral health providers contracted with the North Sound BH-ASO, and neither this Agreement nor any other understanding among participants is intended to create a separate legal entity.

**1.19 OPIOID SUBSTITUTION TREATMENT**

Opioid Substitution Treatment means assessment and treatment to opioid dependent patients. Services include prescribing and dispensing of an approved medication, as specified in 21 CFR Part 291, for opioid substitution services in accordance with WAC 246-341 (The service as described satisfies the level of intensity in ASAM Level 1).

**1.20 OPIOID TREATMENT PROGRAM (OTP)**

Opioid Treatment Program (OTP) means a designated program that dispenses approved medication as specified in 21 CFR Part 291 for opioid treatment in accordance with WAC 246-341-0100.

**1.21 PAYOR**

The entity (including company where applicable) that bears direct financial responsibility for paying from its own funds, without reimbursement from another entity, the cost of crisis services rendered to individuals.

**1.22 PEER SUPPORT SERVICES**

Peer Support Services means behavioral health services provided by Certified Peer Counselors. This service provides scheduled activities that promote socialization, recovery, self-advocacy, development of natural supports, and maintenance of community living skills. Individuals actively participate in decision-making and the operation of the programmatic supports.

- 1 1.23 **PREGNANT, POST-PARTUM OR PARENTING (PPW) HOUSING SUPPORT SERVICES**  
2 Pregnant, Post-Partum or Parenting (PPW) Women’s Housing Support Services means the  
3 costs incurred to provide support services to PPW Individuals with children under the age of 6  
4 in a transitional residential housing program designed exclusively for this population.  
5
- 6 1.24 **PROVIDER**  
7 The behavioral health care person(s) or agency contracting under this Agreement, who meets  
8 all minimum criteria of North Sound BH-ASO’s credentialing plan, including all physicians,  
9 clinicians, allied health professionals, and staff persons who provide crisis care services to  
10 individuals by or through this Agreement.  
11
- 12 1.25 **STABILIZATION/TRIAGE SERVICES**  
13 Stabilization/Triage Services means services provided in a facility licensed by DOH and  
14 certified by DBHR as either Crisis Stabilization Units or Crisis Triage Facilities.  
15
- 16 1.26 **SUBSTANCE ABUSE FEDERAL BLOCK GRANT (SABG)**  
17 SABG means the Federal Substance Abuse Block Grant Program authorized by Section 1921 of  
18 Title XIX, Part B, Subpart II and III of the Public Health Service Act.  
19
- 20 1.27 **SUBSTANCE USE DISORDER**  
21 Substance Use Disorder (SUD) means a problematic pattern of use of alcohol and/or drugs  
22 that causes a clinically and functionally significant impairment, such as health problems,  
23 disability, and failure to meet major responsibilities at work, school or home.  
24
- 25 1.28 **STABILIZATION/TRIAGE SERVICES**  
26 Stabilization/Triage Services means services provided in a facility licensed by DOH and  
27 certified by DBHR as either Crisis Stabilization Units or Crisis Triage Facilities.  
28
- 29 1.29 **WAITING LIST**  
30 Waiting List means a list of clients who qualify for SABG-funded services for whom services  
31 have not been scheduled due to lack of capacity  
32
- 33 1.30 **WARM HANDOFF**  
34 Warm Handoff means a transfer of care between two members of a health care team, where  
35 the handoff occurs in front of the Individual explaining why the other team member can  
36 better address a specific issue emphasizing the other team member’s competence.  
37

## ARTICLE TWO – NETWORK PROVIDER OBLIGATIONS

This Agreement, North Sound BH-ASO’s Supplemental Provider Service Guide, Policies and Procedures (P&P), Contract Exhibits, the Contract Boilerplate, and their revisions each specify North Sound BH-ASO’s requirements for the array of services to be provided. Unless otherwise specified, these materials shall be regarded as the source documents for compliance with program requirements. In the event of any inconsistency between the requirements of such documents, the more stringent shall control.

### 2.1 NETWORK PARTICIPATION

Provider shall participate as part of the North Sound BH-ASO for the (GFS)/(FBG) and Legislative Proviso services specified in this Contract. Provider agrees that its practice information may be used in North Sound BH-ASO MCO and HCA provider directories, promotional materials, advertising and other informational material made available to the public. Such practice information includes, but is not limited to, name, address, telephone number, hours of operation and type of services. Provider shall promptly notify North Sound BH-ASO within 30 days of any changes in this information.

### 2.2 STANDARDS FOR PROVISION OF CARE

#### 2.2.1 Provision of Integrated Care Services

Provider shall provide services to individuals, within the scope of Provider’s business and practice. Such services shall be provided in accordance with this Agreement; North Sound BH-ASO Supplemental Provider Service Guide; HCA standards; North Sound BH-ASO Policies and Procedures (P&P); the terms, conditions and eligibility outlined in Contract Exhibits; and the requirements of any applicable government sponsored program.

#### 2.2.2 Standard of Care

Provider shall provide services to individuals at a level of care and competence that equals or exceeds the generally accepted and professionally recognized standard of practice at the time of treatment, all applicable rules and/or standards of professional conduct, and any controlling governmental licensing requirements.

#### 2.2.3 Facilities, Equipment and Personnel

Provider’s facilities, equipment, personnel and administrative services shall be maintained at a level and quality appropriate to perform Provider’s duties and responsibilities under this Agreement and to meet all applicable legal and BH-ASO contractual requirements, including the accessibility requirements of the Americans with Disabilities Act.

#### 2.2.4 Prior Authorization

Where required or appropriate, the Provider shall work with North Sound BH-ASO to obtain the prior MCO authorization in accordance with MCO’s Provider Manual unless the situation is one involving the delivery of Emergency Services.

1           2.2.5   **Assignments**

2           The Provider shall provide crisis services to all individuals regardless of their ability to  
3           pay.

4           2.2.6   **Capacity**

5           Provider shall ensure availability of services for each of the service populations for  
6           which it is licensed and/or certified by the Department of Health (DOH).

7           2.2.7   **Subcontract Arrangements**

8           Any subcontract arrangement entered into by Provider for the delivery of services to  
9           individuals shall be in writing and shall bind Provider's subcontractors to the terms  
10          and conditions of this Agreement including, but not limited to, Supplemental  
11          Provider Service Guide, terms relating to licensure, insurance, and billing of  
12          individuals for services. North Sound BH-ASO will provide ongoing monitoring and  
13          oversight to any and all sub-delegation relationships.  
14

15   2.3   **TREATMENT ALTERNATIVES**

16          Providers shall in all instances obtain informed consent prior to treatment. Without regard to  
17          Medicaid Benefit Plan limitations or cost, the Provider shall communicate freely and openly  
18          with individuals about their health status, and treatment alternatives (including medication  
19          treatment options); about their rights to participate in treatment decisions (including refusing  
20          treatment); and providing them with relevant information to assist them in making informed  
21          decisions about their health care.  
22

23   2.4   **PROMOTIONAL ACTIVITIES**

24          At the request of North Sound BH-ASO, Provider shall display promotional materials in its  
25          offices and facilities as practical, in accordance with applicable law and cooperate with and  
26          participate in all reasonable marketing efforts. Provider shall not use any North Sound BH-  
27          ASO name in any advertising or promotional materials without the prior written permission of  
28          North Sound BH-ASO.  
29

30   2.5   **LICENSURE, CERTIFICATION AND OTHER STATE AND FEDERAL REQUIREMENTS**

31          Provider shall hold all necessary licenses, certifications, and permits required by law for the  
32          performance of services to be provided under this Agreement. Provider shall maintain its  
33          licensure and applicable certifications in good standing, free of disciplinary action, and in  
34          unrestricted status throughout the term of this Agreement. Provider's loss or suspension of  
35          licensure or other applicable certifications, or its exclusion from any federally funded health  
36          care program, including Medicare and Medicaid, may constitute cause for immediate  
37          termination of this Agreement. Provider warrants and represents that each employee and  
38          subcontractor, who is subject to professional licensing requirements, is duly licensed to  
39          provide Behavioral Health Services. Provider shall ensure each employee and subcontractor  
40          have and maintains in good standing for the term of this Agreement the licenses, permits,  
41          registrations, certifications, and any other governmental authorizations to provide such  
42          services.  
43

1     **2.6     INDEPENDENT MEDICAL/CLINICAL JUDGEMENT**

2     Provider shall exercise independent medical/clinical judgment and control over its  
3     professional services. Nothing herein shall give North Sound BH-ASO, MCO, or HCA authority  
4     over Provider's medical judgment or direct the means by which they practice within the scope  
5     of their licensed, certified, and/or registered practice. Provider retains sole responsibility for  
6     its relationship with each individual it treats, and for the quality of behavioral health care  
7     services provided to its individuals. Provider is solely responsible to each of its individuals for  
8     care provided.  
9

10    **2.7     NON-DISCRIMINATION**

11  
12        **2.7.1     Enrollment.**

13        Provider shall not differentiate or discriminate in providing services to individuals  
14        because of race, color, religion, national origin, ancestry, age, marital status, gender  
15        identity, sexual orientation, physical, sensory or mental handicap, socioeconomic  
16        status, or participation in publicly financed programs of health care services.  
17        Provider shall render services to individuals in the same location, in the same  
18        manner, in accordance with the same standards, and within the same time  
19        availability regardless of payor.

20        **2.7.2     Employment.**

21        Provider shall not differentiate or discriminate against any employee or applicant for  
22        employment, with respect to their hire, tenure, terms, conditions or privileges of  
23        employment, or any matter directly or indirectly related to employment, because of  
24        race, color, religion, national origin, ancestry, age, height, weight, marital status,  
25        gender identity, physical, sensory or mental disability unrelated to the individual's  
26        ability to perform the duties of the particular job or position.  
27

28    **2.8     DATA INFORMATION SYSTEM REQUIREMENTS**

29  
30        **2.8.1     Provider shall:**

- 31  
32            2.8.1.1     Have a Health Information System (HIS) that complies with the  
33                        requirements of 42 CFR Part 438.242 and can report complete and  
34                        accurate data to North Sound BH-ASO as specified in the North Sound BH-  
35                        ASO P&P;  
36            2.8.1.2     Remedy all data errors within 30 days of receipt of an error report from  
37                        the North Sound BH-ASO IS;  
38            2.8.1.3     Provide evidence to North Sound BH-ASO, upon request, that error  
39                        reports have been addressed;  
40            2.8.1.4     Maintain up to date individual contact information in the HIS; and  
41            2.8.1.5     Maintain a written Business Continuity and Disaster Recovery Plan  
42                        (BCDRP) with an identified update process (at least annually) that ensures  
43                        timely restoration of the IS following total or substantial loss of system  
44                        functionality. A copy of the plan submitted by the Provider through the

credentiaing process shall be made available upon request for review and audit by North Sound BH-ASO, MCO, HCA, Department of Social Human Services (DSHS) or External Quality Review Organization (EQRO).

## 2.9 **REPORT DELIVERABLE TEMPLATES**

Templates for all reports that the Provider is required to submit to North Sound BH-ASO are hereby incorporated in Exhibit D into this Contract. North Sound BH-ASO may update the templates from time to time, and any such updated templates will also be incorporated by reference into this Contract. The report templates are located at:

<https://www.nsbhaso.org/for-providers/forms>

## 2.10 **CARE COORDINATION**

### 2.10.1 **Coordinate medical services.**

Provider shall coordinate all services for eligible individuals, including but not limited to medical services, behavioral health services and services associated with the social determinants of health as needed, or as identified by North Sound BH-ASO.

### 2.10.2 **Provision of data and information for purposes of care coordination.**

Provider shall cooperate with, participate in, and provide information and data in accordance to HIPAA, to support North Sound BH-ASO's care coordination activities and to meet HCA care coordination obligations.

## 2.11 **BEHAVIORAL HEALTH SCREENING AND ASSESSMENT REQUIREMENTS**

If Provider provides Behavioral Health Services, Provider shall utilize the Global Appraisal of Individual Needs-Short Screener (GAIN-SS) and assessment process, including use of the quadrant placement. If the results of the GAIN-SS are indicative of the presence of a co-occurring disorder (COD), Provider shall consider this information in the development of the individual's treatment plan, including appropriate referrals. In addition, Provider shall implement, and maintain throughout the term of this Agreement, the Integrated COD Screening and Assessment process, including training for applicable staff. If Provider fails to implement or maintain this process, upon request of North Sound BH-ASO, Provider shall provide a corrective action plan designed to ensure compliance with the requirements of this Section. Such plan shall allow for monitoring of compliance by North Sound BH-ASO.

## 2.12 **RECORDKEEPING AND CONFIDENTIALITY**

### 2.12.1 **Maintaining Individual Medical Record**

Provider shall maintain a medical record for each individual to whom Provider renders behavioral healthcare services. Provider shall establish each individual's medical record upon the individual's first encounter with Provider. The individual's medical record shall contain all information required by state and federal law, generally accepted and prevailing professional practice, applicable government sponsored health programs, and all North Sound BH-ASO P&Ps. Provider shall retain all such records for at least 10 years.

1           2.12.2   **Confidentiality of Individual Health Information**

2           As of the date of this Agreement, each party may be a Business Associate under  
3           HIPAA, as amended, and must comply with the Administrative Simplification  
4           Provisions of HIPAA and with the applicable provisions of the Health Information  
5           Technology for Economic and Clinical Health Act of 2009 (HITECH Act), including the  
6           Privacy Rule, Security Rule, Breach Notification Rule, and Enforcement Rule (the  
7           HIPAA Rules). The parties acknowledge that, in their performance under this  
8           Agreement, each shall have access to and receive from the other party information  
9           protected under HIPAA and RCW Chapter 70.02, the Washington State Health Care  
10          Information Access and Disclosure of 1991 (Protected Health Information or PHI).

11          2.12.3   **Health Information System**

12          Provider shall implement a documented health information system and a privacy  
13          security program that includes administrative, technical and physical safe guards  
14          designed to prevent the accidental or unauthorized use or disclosure of individual  
15          PHI and medical records. The information system and the privacy and security  
16          program shall, at a minimum, comply with applicable HIPAA regulations regarding  
17          the privacy and security of PHI, including but not limited to 42 CFR § 438.242; 45 CFR  
18          § 164.306(a); as well as, HIPAA privacy provisions in Title 13 of the American  
19          Recovery and Reinvestment Act of 2009 (ARRA).

20          2.12.4   **Delivery of Individual Care Information and Individual Access to Health Information**

21          Provider shall give North Sound BH-ASO, MCO, HCA and/or individuals access to  
22          individual health information including, but not limited to, medical records and  
23          billing records, for the purpose of inspection, evaluation, and audit, in accordance  
24          with the requirements of state and federal law, applicable government sponsored  
25          health programs, and North Sound BH-ASO P&P's.

26          2.12.5   **Federal Drug and Alcohol Confidentiality Laws**

27          Provider shall comply with 42 CFR Part 2, as applicable. If Provider is a Part 2  
28          program, as defined under 42 CFR §2.11, Provider shall obtain a signed written  
29          consent that complies with the requirements of 42 CFR Part 2 from each individual,  
30          prior to disclosing the individual's Patient Identifying Information to MCO or HCA.  
31          For the purposes of this section, "Patient Identifying Information" shall have the  
32          same meaning as under 42 CFR §2.11. Such consent shall explicitly name MCO  
33          and/or HCA as an authorized recipient of the individual's Patient Identifying  
34          Information. Provider shall maintain copies of each individual's consent form in  
35          accordance with federal law. North Sound BH-ASO reserves the right to audit  
36          Provider's records to ensure compliance with this Section.

37  
38   2.13   **INDIVIDUAL'S COPAYMENTS, COINSURANCE AND DEDUCTIBLES**

39  
40          2.13.1   **Third-Party Payment**

41          The Provider shall have a written policy regarding third-party payments that  
42          complies with provisions of North Sound BH-ASO's P&P's. The policy shall explain  
43          the process in place to pursue, in accordance with reasonable collection practices,



third-party payments for individuals who are covered by other benefit plans and private pay. The Provider shall document its collections of third-party payments.

**2.13.2 Medicaid enrollment**

The Provider shall aggressively work to convert non-Medicaid individuals to Medicaid status, including helping families to access health insurance coverage for their children under the provisions of the Children's Health Insurance Program.

**2.13.3 Individual financial obligation**

The Provider shall provide notice to individuals of their personal financial obligations for non-covered services, and may bill individuals for non-covered services only if the Provider has:

2.13.3.1 Provided the individual with a full written disclosure of Provider's intent to directly bill the individual for non-covered services (including a clear statement the North Sound BH-ASO and/or the individual's assigned MCO is not financially obligated or otherwise liable to cover or provide any reimbursement, compensation, or other payment related to such non-covered services); and

2.13.3.2 Obtained a written acknowledgement and acceptance of financial responsibility from the individual at the time of denial and prior to services being delivered.

**2.14 CLIENT HOLD HARMLESS**

2.14.1 Provider hereby agrees that in no event, including, but not limited to nonpayment by North Sound BH-ASO, North Sound BH-ASO, or breach of this contract will Provider bill, charge, collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against a client or person acting on their behalf, other than North Sound BH-ASO, for services provided pursuant to this Contract. This provision does not prohibit collection of deductibles, copayments, coinsurance and/or payment for noncovered services, which have not otherwise been paid by a primary or secondary issuer in accordance with regulatory standards for coordination of benefits, from individuals in accordance with the terms of the individual's health plan.

2.14.2 If applicable, Provider agrees in the event of North Sound BH-ASO insolvency, to continue to provide the services promised in this Contract to clients of North Sound BH-ASO for the duration of the period for which premiums on behalf of the individuals were paid to North Sound BH-ASO or until the individual's discharge from inpatient facilities, whichever time is greater.

2.14.3 Notwithstanding any other provision of this Contract, nothing in this contract shall be construed to modify the rights and benefits contained in an Individual's health plan.

2.14.4 Provider may not bill individuals for crisis services where North Sound BH-ASO denies payments because the Provider has failed to comply with the terms or conditions of this Contract.

- 1 2.14.5 Provider further agrees (i) the provisions of this subsection 2.14 shall survive  
2 termination of this contract regardless of the cause giving rise to termination and  
3 shall be construed to be for the benefit of North Sound BH-ASO individuals, and (ii)  
4 this provision supersedes any oral or written contrary agreement now existing  
5 or hereafter entered into between Provider and individuals or persons acting on  
6 their behalf.
- 7 2.14.6 If Provider contracts with other providers or facilities who agree to provide crisis  
8 services to individuals of North Sound BH-ASO with the expectation of receiving  
9 payment directly or indirectly from North Sound BH-ASO, such providers or facilities  
10 must agree to abide by the provisions of this subsection 2.14.

11  
12 Willfully collecting or attempting to collect an amount from an individual knowing that  
13 collection to be in violation of the participating provider or facility contract constitutes a class  
14 C felony under RCW 48.80.030.

15  
16 **2.15 PROGRAM PARTICIPATION**

17  
18 **2.15.1 Participation in Grievance Program**

19 Provider shall implement a Grievance Program that complies with WAC 182-538C  
20 110 or its successors and shall participate in North Sound BH-ASO's Grievance  
21 Program and cooperate in identifying, processing, and promptly resolving all  
22 individual complaints, grievances, or inquiries.

23 **2.15.2 Participation in Quality Improvement Program**

24  
25 2.15.2.1 Provider shall develop and implement a quality management plan to  
26 improve the quality of care received.

27 2.15.2.2 Provider when requested shall cooperate and participate in the North  
28 Sound BH-ASO Quality Assessment and Performance Improvement  
29 activities and Performance Improvement Projects (PIP) identified by  
30 North Sound BH-ASO and/or HCA.

31  
32 **2.15.3 Participation in Utilization Review and Management Program**

33 Provider shall participate in and comply with the North Sound BH-ASO Utilization  
34 Review and Management Program, including all P&P's regarding prior  
35 authorizations, and shall cooperate with HCA in audits to identify, confirm, and/or  
36 assess utilization levels of services.

37  
38 Willfully collecting or attempting to collect an amount from an individual knowing that  
39 collection to be in violation of the participating provider or facility contract constitutes a class  
40 C felony under RCW 48.80.030.

41  
42 **2.16 NOTICES**

1           **2.16.1     Critical Incident Reporting**

2           Provider shall send immediate notification to North Sound BH-ASO and, when  
3           indicated, to the applicable MCO of any Critical Incident involving an individual.  
4           Notification shall be made during the business day on which Provider becomes  
5           aware of the Critical Incident. If Provider becomes aware of a Critical Incident  
6           involving an individual after business hours, Provider shall provide notice to North  
7           Sound BH-ASO and, when indicated, to the applicable MCO as soon as possible the  
8           next business day. Provider shall provide to North Sound BH-ASO and, when  
9           indicated, to the applicable MCO all available information related to a Critical  
10          Incident at the time of notification, including: a description of the event, the date  
11          and time of the incident, the incident location, incident type, information about the  
12          individuals involved in the incident and the nature of their involvement; the  
13          individual's or other involved individuals' service history with Provider; steps taken  
14          by Provider to minimize potential or actual harm; and any legally required  
15          notification made by Provider. Upon North Sound BH-ASO's request, and as  
16          additional information becomes available, Provider shall update the information  
17          provided regarding the Critical Incident and, if requested by MCO, shall prepare a  
18          written report regarding the Critical Incident, including any actions taken in response  
19          to the incident, the purpose for which such actions were taken, any implications to  
20          Provider's delivery system and efforts designed to prevent or lessen the possibility of  
21          future similar incidents. Reporting shall comport with North Sound BH-ASO  
22          Supplemental Provider Service Guide and applicable P&Ps.

23  
24          **2.16.2     Notice of sites/services change**

25          Provider shall, prior to making a public announcement of any site or service changes,  
26          notify North Sound BH-ASO in writing and receive approval at least:

27  
28               2.16.2.1   120 days prior to closing a Provider site or opening any additional site(s)  
29                           providing services under this Agreement.

30               2.16.2.2   30 days prior to any Provider change that would significantly affect the  
31                           delivery of or payment for services provided, including changes in tax  
32                           identification numbers, billing addresses, or practice locations.

33               2.16.2.3   If Provider discontinues services or closes a site in less than 30 days,  
34                           Provider shall notify North Sound BH-ASO as soon as possible and prior to  
35                           making a public announcement.

36               2.16.2.4   Provider shall notify North Sound BH-ASO of any other changes in capacity  
37                           that result in the Provider being unable to meet any requirements of this  
38                           Agreement. Events that affect capacity, include but are not limited to a  
39                           decrease in the number, frequency, or type of a required service to be  
40                           provided; employee strike or other work stoppage related to union  
41                           activities; or any changes that result in Provider being unable to provide  
42                           timely, medically necessary services.

43               2.16.2.5   If any of the above events occurs, Provider shall submit a plan to North  
44                           Sound BH-ASO and, if requested, shall meet with North Sound BH-ASO to

review the plan at least 30 business days prior to the event. The plan should include the following:

- 2.16.2.5.1 Notification of service/site change;
- 2.16.2.5.2 Individual notification and communication plan;
- 2.16.2.5.3 Plan for provision of uninterrupted services by individual; and
- 2.16.2.5.4 Any information that will be released to the media.

#### **2.16.3 Termination of Services**

Provider shall provide North Sound BH-ASO at least 120 calendar days written notice before provider, any clinic, or subcontractor ceases to provide services to individuals.

#### **2.16.4 Reporting Fraud**

Provider shall comply with RCW 48.135 concerning Insurance Fraud Reporting and shall notify North Sound BH-ASO Compliance Department of all incidents or occasions of suspected fraud, waste, or abuse involving Services provided to an individual. Provider shall report a suspected incident of fraud, waste or abuse, including a credible allegation of fraud, within five (5) business days of the date Provider first becomes aware of, or is on notice of, such activity. The obligation to report suspected fraud, waste, or abuse shall apply if the suspected conduct was perpetrated by Provider, Provider's employee, agent, subcontractor, or individual. Provider shall establish P&P's for identifying, investigating, and taking appropriate corrective action against suspected fraud, waste, or abuse. Detailed information provided to employees and subcontractors regarding fraud and abuse P&P's and the false Claims Act and the Washington false claims statutes RCW Chapter 74.66 and 74.09.210. Upon request by North Sound BH-ASO, and/or HCA, Provider shall confer with the appropriate State agency prior to or during any investigation into suspected fraud, waste, or abuse.

### **2.17 PARTICIPATION IN CREDENTIALING**

Provider shall participate in North Sound BH-ASO's credentialing and re-credentialing process that shall satisfy, throughout the term of this Agreement, all credentialing and re-credentialing criteria established by North Sound BH-ASO. Provider shall immediately notify North Sound BH-ASO of any change in the information submitted or relied upon by Provider to achieve credentialed status. If Provider's credentialed status is revoked, suspended, or limited by North Sound BH-ASO, North Sound BH-ASO may, at its discretion, terminate this Agreement and/or reassign individuals to another provider.

### **2.18 PROVIDER TRAINING AND EDUCATION**

Upon the request of North Sound BH-ASO, the Provider shall participate in training when required by the North Sound BH-ASO and/or HCA.

#### **2.18.1 Exception to required training**

1 Requests to allow an exception to participation in a required training must be in  
2 writing and include a plan for how the required information will be provided to  
3 targeted Provider staff;

4 **2.18.2 Safety and violence-prevention training**

5 Provider shall ensure all community behavioral health employees who work directly  
6 with individuals are provided with at least annual training on safety and violence-  
7 prevention topics described in RCW 49.19.030;

8 **2.18.3 Cultural humility training**

9 Provider shall ensure all community behavioral health employees who work for  
10 Providers are provided with at least annual training on cultural humility;

11 **2.18.4 Health Education/Training**

12 Provider shall ensure all community behavioral health employees who work directly  
13 with individuals receive Health Education/Training as requested by North Sound BH-  
14 ASO; and

15 **2.18.5 Provider Non-Solicitation**

16 Provider shall not solicit or encourage individuals to select any particular health plan  
17 for the primary purpose of securing financial gain for Provider. Nothing in this  
18 provision is intended to limit Provider's ability to fully inform individuals of all  
19 available health care treatment options or modalities.  
20

1 **ARTICLE THREE –NORTH SOUND BH-ASO OBLIGATIONS**

2 **3.1 ADMINISTRATIVE SUPPORT**

3 North Sound BH-ASO shall provide the administrative support to the North Sound Integrated  
4 Care Network (ICN) and will collaborate with Providers in:

- 5
- 6 3.1.1 Establishing and maintaining a multispecialty provider network that is geographically  
7 distributed through the service area and promotes individual choice and access to  
8 Participating Providers;
- 9 3.1.2 Developing and supporting the workforce in the provision of active, innovative and  
10 evidence-based chronic conditions management practices;
- 11 3.1.3 Developing and implementing Participating Provider practice protocols and supports;
- 12 3.1.4 Creating alliances with other medical practices/groups and providers to help ensure  
13 the delivery of whole-person and integrated care;
- 14 3.1.5 Participating in performance measurement, including the reporting of state defined  
15 performance measures and HCA identified behavioral health measures;
- 16 3.1.6 Promoting practice transformation and outcome achievement through value-based  
17 purchasing; and
- 18 3.1.7 Providing support and training on proper coding of services and data transmissions  
19 related to encounters.
- 20

21 **3.2 CONTINUUM OF BEHAVIORAL HEALTH CARE**

22 North Sound BH-ASO shall contract with a network of behavioral health providers to ensure a  
23 continuum of crisis behavioral health care to achieve and demonstrate network adequacy.

24

25 **3.3 COLLECTION OF SERVICE ENCOUNTERS**

26 North Sound BH-ASO shall collect service encounters from the Participating Providers and  
27 submit them to HCA and/or MCOs.

28

29 **3.4 PAYMENT**

30 North Sound BH-ASO shall pay Provider for services provided according to the North Sound  
31 BH-ASO established rate schedule, detailed in Exhibit B. Additionally, clean claims shall be  
32 submitted in established timelines.

33

- 34 3.4.1 North Sound BH-ASO shall provide reasonable notice of not less than 60 days of  
35 changes that affect Provider's compensation or the delivery of health care services.
- 36

37 **3.5 SUBMISSION OF CLAIMS**

38 If Provider submits claims for Services rendered under this Contract, the following  
39 requirements shall apply:

40

1           3.5.1   **Clean Claims Standards**

2           Except as agreed to by the parties on a claim-by-claim basis, North Sound BH-ASO  
3           shall pay or deny not less than (i) 95% of Clean Claims received from Provider within  
4           30 days of receipt; (ii) 95% of all claims received from Provider within 60 days of  
5           receipt; and (iii) 99% of all Clean Claims received from Provider within 90 days of  
6           receipt.

7           3.5.2   **Clean Claim – Definition**

8           For purposes of this Section 3.5, "clean claim" means a claim that has no defect or  
9           impropriety, including any lack of any required substantiating documentation, or  
10          particular circumstances requiring special treatment that prevents timely payments  
11          from being made on the claim under this Section 3.5.

12  
13       3.6    **COORDINATION**

14          North Sound BH-ASO shall be responsible for coordinating with Participating Providers to  
15          meet the obligations identified in this Agreement.

## ARTICLE FOUR - TERM AND TERMINATION

### 4.1 TERM

This Agreement is effective on January 1, 2023, and will remain in effect for an initial term of 1 year (Initial Term), after which it will automatically renew for successive terms of 1 year each (Renewal Term), unless this Agreement is sooner terminated as provided in this Agreement or either Party gives the other Party written notice of non-renewal of this Agreement not less than 180 days prior to the end of the current term.

### 4.2 TERMINATION WITHOUT CAUSE

This Agreement may be terminated without cause by either party upon providing at least 90 days written notice to the other party.

### 4.3 TERMINATION WITH CAUSE

Either party may terminate this Agreement by providing the other party with a minimum of 10 business days prior written notice in the event the other party commits a material breach of any provision of this Agreement. Said notice must specify the nature of said material breach. The breaching party shall have 7 business days from the date of the breaching party's receipt of the foregoing notice to cure said material breach. In the event the breaching party fails to cure the material breach within said 7 business day period, this Agreement shall automatically terminate upon expiration of the 10 business days' notice period.

### 4.4 IMMEDIATE TERMINATION

Unless expressly prohibited by applicable regulatory requirements, North Sound BH-ASO may immediately suspend or terminate the participation of a Provider in any or all products or services by giving written notice thereof to Provider when North Sound BH-ASO determines that (i) based upon available information, the continued participation of the Provider appears to constitute an immediate threat or risk to the health, safety or welfare of individual(s), or (ii) Provider's fraud, malfeasance, or non-compliance with any regulatory requirements is reasonably suspected. During such suspension, the Provider shall, as directed by North Sound BH-ASO, discontinue the provision of all or a particular contracted Service to individual(s). During the term of any suspension, Provider shall notify individual(s) that their status as a Provider has been suspended. Such suspension will continue until the Provider's participation is reinstated or terminated.

### 4.5 TERMINATION DUE TO CHANGE IN FUNDING

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

#### 4.5.1 TERMINATION PROCEDURE

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



1 4.5.1.1 Provider and any applicable subcontractors shall cease to perform any  
2 services required by this Contract as of the effective date of termination  
3 and shall comply with all reasonable instructions contained in the notice of  
4 termination which are related to the transfer of individuals, distribution of  
5 property and termination of services. Each party shall be responsible only  
6 for its performance in accordance with the terms of this Contract rendered  
7 prior to the effective date of termination. Provider and any applicable  
8 subcontractors shall assist in the orderly transfer/transition of the  
9 individuals served under this Contract. Provider and any applicable  
10 subcontractors shall promptly supply all information necessary for the  
11 reimbursement of any outstanding Medicaid claims.

12 4.5.1.2 Provider and any applicable subcontractors shall immediately deliver to  
13 North Sound BH-ASO's Program Administrator or their successor, all North  
14 Sound BH-ASO assets (property) in Provider and any applicable  
15 subcontractor's possession and any property produced under this  
16 Contract. Provider and any applicable subcontractors grant North Sound  
17 BH-ASO the right to enter upon Provider and any applicable  
18 subcontractor's premises for the sole purpose of recovering any North  
19 Sound BH-ASO property that Provider and any applicable subcontractors  
20 fails to return within 10 business days of termination of this Contract.  
21 Upon failure to return North Sound BH-ASO property within 10 business  
22 days of the termination of this Contract, Provider and any applicable  
23 subcontractors shall be charged with all reasonable costs of recovery,  
24 including transportation and attorney's fees. Provider and any applicable  
25 subcontractors shall protect and preserve any property of North Sound  
26 BH-ASO that is in the possession of Provider and any applicable  
27 subcontractors pending return to North Sound BH-ASO.

28 4.5.1.3 North Sound BH-ASO shall be liable for and shall pay for only those  
29 services authorized and provided through the date of termination. North  
30 Sound BH-ASO may pay an amount agreed to by the parties for partially  
31 completed work and services, if work products are useful to or usable by  
32 North Sound BH-ASO.

33 4.5.1.4 If the Program Administrator terminates this Contract for default, North  
34 Sound BH-ASO may withhold a sum from the final payment to Provider  
35 that North Sound BH-ASO determines is necessary to protect North Sound  
36 BH-ASO against loss or additional liability occasioned by the alleged  
37 default. North Sound BH-ASO shall be entitled to all remedies available at  
38 law, in equity, or under this Contract. If it is later determined Provider was  
39 not in default, or if Provider terminated this Contract for default, Provider  
40 shall be entitled to all remedies available at law, in equity, or under this  
41 Contract.

42  
43 Should the contract be terminated by either party, North Sound BH-ASO  
44 will require the spend-down of all remaining reserves and fund balances

1 within the termination period. Funds will be deducted from the final  
2 months' payments until reserves and fund balances are spent. Should the  
3 contract be terminated by either party, Provider shall be responsible to  
4 provide all behavioral health services through the end of the month for  
5 which they have received payment.  
6

7 **4.6 TERMINATION NOTIFICATION TO INDIVIDUALS**

8 North Sound BH-ASO will inform affected individuals of any termination pursuant to this  
9 Contract in accordance with the process set forth in the applicable MCO P&P's. Individuals  
10 may be required to select another Provider contracted with North Sound BH-ASO prior to the  
11 effective date of termination of this Contract.  
12

## ARTICLE FIVE - FINANCIAL TERMS AND CONDITIONS

### 5.1 GENERAL FISCAL ASSURANCES

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

### 5.2 FINANCIAL ACCOUNTING REQUIREMENTS

Provider shall:

- 5.2.1 Limit Administration costs to no more than 15% of the annual revenue supporting the public behavioral health system operated by Provider. Administration costs shall be measured on a fiscal year basis and based on the information reported in the Revenue and Expenditure Reports and reviewed by North Sound BH-ASO.
- 5.2.2 The Provider shall establish and maintain a system of accounting and internal controls which complies with generally accepted accounting principles promulgated by the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), or both as is applicable to the Provider's form of incorporation.
- 5.2.3 Ensure all North Sound BH-ASO funds, including interest earned, provided pursuant to this Contract, are used to support the public behavioral health system within the Service Area;
- 5.2.4 Ensure under no circumstances are individuals charged for any covered services, including those out-of-network services purchased on their behalf;
- 5.2.5 Produce annual, audited financial statements upon completion and make such reports available to North Sound BH-ASO upon request.

#### 5.2.1.1 Financial Reporting

Provider shall provide the following reports to North Sound BH-ASO:

- 5.2.1.1.1 The North Sound BH-ASO shall reimburse the Provider for satisfactory completion of the services and requirements specified in this Contract and its attached exhibit(s).
- 5.2.1.1.2 The Provider shall submit an invoice within 30 days from the service month (i.e., services in June invoiced on or before August 1<sup>st</sup>) along with all accompanying reports as specified in the attached exhibit(s), including its final invoice and all outstanding reports. The North Sound BH-ASO shall initiate

1 authorization for payment to the Provider not more than 30  
2 days after a timely, complete and accurate invoice is received.

3 5.2.1.1.3 The Provider shall submit its final invoice and all outstanding  
4 reports as specified in this contract and its attached exhibit(s).  
5 If the Provider's final invoice and reports are not submitted as  
6 specified in this contract and its attached exhibit(s), the North  
7 Sound BH-ASO will be relieved of all liability for payment to  
8 the Provider of the amounts set forth in said invoice or any  
9 subsequent invoice.

10  
11 5.2.1.2 **LIABILITY FOR PAYMENT AND THE PURSUIT OF THIRD-PARTY REVENUE**

12 Provider shall be responsible for developing financial processes that  
13 enable them to reasonably ensure all third-party resources available to  
14 enrollees are identified and pursued in accordance with the reasonable  
15 collection practices, which Provider applies to all other payers for services  
16 covered under this Contract. Ensure a process is in place to demonstrate  
17 all third-party resources are identified and pursued in accordance with  
18 Medicaid being the payer of last resort. North Sound BH-ASO shall  
19 actively provide Provider support in the pursuit of third-party payments  
20 for all crisis services.

21  
22 Provider shall maintain necessary records to document all third-party  
23 resources and report to North Sound BH-ASO on a biennial basis or upon  
24 the request of North Sound BH-ASO, the amount of such third-party  
25 resources collected for all service recipients during the quarter by source  
26 of payment.  
27

## ARTICLE SIX-OVERSIGHT AND REMEDIES

### 6.1 OVERSIGHT AUTHORITY

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

Provider shall notify North Sound BH-ASO when an entity other than North Sound BH-ASO performs any audit described above related to any activity contained in this Contract.

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

### 6.2 REMEDIAL ACTION

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

#### 6.2.1 CAP must include:

6.2.1.1 A brief description of the findings; and

6.2.1.2 Specific actions to be taken, a timetable, a description of the monitoring to be performed, the steps taken and responsible individuals that will reflect the resolution of the situation.

#### 6.2.2 CAP may:

Require modification of any P&P by Provider relating to the fulfillment of its obligations pursuant to this Contract.

1           6.2.3   CAP is subject to approval by North Sound BH-ASO, which may:  
2

3                   6.2.3.1   Accept the plan as submitted;

4                   6.2.3.2   Accept the plan with specified modifications;

5                   6.2.3.3   Request a modified plan; or

6                   6.2.3.4   Reject the plan.  
7

8           6.2.4   Provider agrees North Sound BH-ASO may initiate remedial action as outlined in  
9 subsection (6.2.5) below if North Sound BH-ASO determines any of the following  
10 situations exist:  
11

12                   6.2.4.1   If a problem exists that poses a threat to the health or safety of any person  
13 or poses a threat of property damage/an incident has occurred that  
14 resulted in injury or death to any person/resulted in damage to property.

15                   6.2.4.2   Provider has failed to perform any of the behavioral health services  
16 required in this Contract, which includes the failure to maintain the  
17 required capacity as specified by North Sound BH-ASO to ensure enrolled  
18 individuals receive medically necessary services, including delegated  
19 functions; except, that no remedial action pursuant to subsection (6.2.5)  
20 hereof shall be taken if such failure to maintain required capacity is due to  
21 any interruption in, or depletion of the available amount of money to  
22 Provider as described in Exhibit B of this contract for purposes of  
23 performing services under this contract; however, in such an instance,  
24 North Sound BH-ASO may terminate all or part of this contract on as little  
25 as 30 days written notice.

26                   6.2.4.3   Provider has failed to develop, produce and/or deliver to North Sound BH-  
27 ASO any of the statements, reports, data, data corrections, accountings,  
28 claims and/or documentation described herein, in compliance with all the  
29 provisions of this Contract.

30                   6.2.4.4   Provider has failed to perform any administrative function required under  
31 this Contract, including delegated functions. For the purposes of this  
32 section, "administrative function" is defined as any obligation other than  
33 the actual provision of behavioral health services.

34                   6.2.4.5   Provider has failed to implement corrective action required by the state  
35 and within North Sound BH-ASO prescribed timeframes.  
36

37           6.2.5   North Sound BH-ASO may impose any of the following remedial actions in response  
38 to findings of situations as outlined above.  
39

- 1                   6.2.5.1 Withhold two (2%) percent of the next monthly payment and each monthly  
2                   payment thereafter until the corrective action has achieved resolution.  
3                   North Sound BH-ASO, at its sole discretion, may return a portion or all of  
4                   any payments withheld once satisfactory resolution has been achieved.  
5                   6.2.5.2 Compound withholdings identified above by an additional one-half of one  
6                   percent (1/2 of 2%) for each successive month during which the remedial  
7                   situation has not been resolved.  
8                   6.2.5.3 Revoke delegation of any function delegated under this contract.  
9                   6.2.5.4 Deny any incentive payment to which Provider might otherwise have been  
10                  entitled under this Contract or any other arrangement by which DBHR  
11                  provides incentives.  
12                  6.2.5.5 Termination for Default, as outlined in this Contract.

13  
14 **6.3 NOTICE REQUIREMENTS**

15 Whenever this Contract provides for notice to be provided by one (1) party to another, such  
16 notice shall be in writing and directed to the chief executive office of the Provider and the  
17 project representative of the County department specified on page one (1) of this Contract.  
18 Any time within which a party must take some action shall be computed from the date that  
19 the notice is received by said party.  
20

1 **ARTICLE SEVEN -GENERAL TERMS AND CONDITIONS FOR CONTRACTOR**

2  
3 7.1 **BACKGROUND**

4 North Sound BH-ASO is an entity formed by inter-local agreement between Island, San Juan,  
5 Skagit, Snohomish and Whatcom Counties, each county authority is recognized by the  
6 Director of HCA (Director). These counties entered into an inter-local agreement to allow  
7 North Sound BH-ASO to contract with the Director pursuant to RCW 71.24.025(18), to operate  
8 a single managed system of services for persons with behavioral illness living in the service  
9 area covered by Island, San Juan, Skagit, Snohomish and Whatcom Counties (Service Area).  
10 North Sound BH-ASO is party to an interagency agreement with the Director, pursuant to  
11 which North Sound BH-ASO has agreed to provide integrated community support, crisis  
12 response services to people needing such services in its Service Area. North Sound BH-ASO,  
13 through this Contract, is subcontracting with Provider for the provision of specific behavioral  
14 health services as required by the agreement with the Director. Provider, by signing this  
15 Contract, attests it is willing and able to provide such services in the Service Area.  
16

17 7.2 **MUTUAL COMMITMENTS**

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

25 7.3 **ASSIGNMENT**

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

32 7.4 **AUTHORITY**

33 Concurrent with the execution of this Contract, Provider shall furnish North Sound BH-ASO  
34 with a copy of the explicit written authorization of its governing body to enter into this  
35 Contract and accept the financial risk and responsibility to carry out all terms of this Contract  
36 including the ability to pay for all expenses incurred during the contract period. Likewise,  
37 concurrent with the execution of this Contract, North Sound BH-ASO shall furnish, upon  
38 request, Provider with a written copy of the motion, resolution, or ordinance passed by North  
39 Sound BH-ASO's County Authorities Executive Committee authorizing North Sound BH-ASO to  
40 execute this Contract.  
41



1     **7.5     COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND OPERATIONAL POLICIES**

2     The parties shall comply with all relevant state or federal law, policy, directive, or government  
3     sponsored program requirements relating to the subject matter of this Agreement. The  
4     provisions of this Agreement shall be construed in a manner that reflects consistency and  
5     compliance with such laws, policies and directives. Without limiting the generality of the  
6     foregoing, the parties shall comply with applicable provisions of this Agreement and the  
7     Supplemental Provider Service Guide, incorporated herein:  
8

9             7.5.1     Title XIX and Title XXI of the SSA and Title 42 CFR;

10            7.5.2     All applicable Office of the Insurance Commissioner (OIC) statutes and regulations;

11            7.5.3     Americans with Disabilities Act (ADA) of 1990;

12            7.5.4     Title VI of the Civil Rights Act of 1964;

13            7.5.5     Age Discrimination Act of 1975;

14            7.5.6     All local, State and Federal professional and facility licensing and certification  
15                        requirements/standards that apply to services performed under the terms of this  
16                        Contract;

17            7.5.7     The Patient Protection and Affordable Care Act (PPACA or ACA);

18            7.5.8     All applicable standards, orders, or requirements issued under Section 306 of the  
19                        Clean Air Act (42 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368),  
20                        Executive Order 11738 and Environmental Protection Agency (EPA) regulations (40  
21                        CFR Part 15), which prohibit the use of facilities included on the EPA List of Violating  
22                        Facilities. Any violations shall be reported to HCA/DSHS, DHHS and the EPA.

23            7.5.9     Any applicable mandatory standards and policies relating to energy efficiency, which  
24                        are contained in the State Energy Conservation Plan, issued in compliance with the  
25                        federal Energy Policy and Conservation Act;

26            7.5.10    Those specified in RCW Title 18 for professional licensing;

27            7.5.11    Reporting of abuse as required by RCW 26.44.030;

28            7.5.12    Industrial insurance coverage as required by RCW Title 51;

29            7.5.13    RCW 38.52, 70.02, 71.05, 71.24 and 71.34;

30            7.5.14    WAC 246-341 and 388-865;

31            7.5.15    Provider must ensure it does not: a) operate any physician incentive plan as  
32                        described in 42 CFR §422.208; and b) does not Contract with any subcontractor  
33                        operating such a plan.

34            7.5.16    HCA/MCO Quality Strategy;

35            7.5.17    State of Washington behavioral health system mission statement, value statement  
36                        and guiding principles for the system, hereto as Exhibit D;

37            7.5.18    Office of Management and Budget (OMB) Circulars, Budget, Accounting and  
38                        Reporting System (BARS) Manual and BARS Supplemental Behavioral Health  
39                        Instructions;

40            7.5.19    Any applicable federal and state laws that pertain to individual's rights. Provider  
41                        shall ensure its staff takes those rights into account when furnishing services to  
42                        individuals.

- 1 7.5.20 42 United States Code (USC) 1320a-7 and 1320a-7b (Section 1128 and 1128(b) of the  
2 SSA), which prohibits making payments directly or indirectly to physicians or other  
3 providers as an inducement to reduce or limit behavioral health services provided to  
4 individuals;  
5 7.5.21 Any P&P developed by DSHS/HCA which governs the spend-down of individual's  
6 assets;  
7 7.5.22 Provider and any subcontractors must comply with 42-USC 1396u-2 and must not  
8 knowingly have a director, officer, partner, or person with a beneficial ownership of  
9 more than five (5%) of Provider, BHA or subcontractor's equity, or an employee,  
10 Provider, or consultant who is significant or material to the provision of services  
11 under this Contract, who has been, or is affiliated with someone who has been,  
12 debarred, suspended, or otherwise excluded by any federal agency.  
13 7.5.23 Federal and State non-discrimination laws and regulations;  
14 7.5.24 HIPAA (45 CFR parts 160-164);  
15 7.5.25 Confidentiality of Substance Use Disorder (SUD) 42 CFR Subchapter A, Part 2;  
16 7.5.26 HCA-CIS Data Dictionary and its successors;  
17 7.5.27 Federal funds must not be used for any lobbying activities  
18 7.5.28 Mental Health Parity and Addiction Equity Act (MHPAEA) and final rule  
19

20 If Provider is in violation of a federal law or regulation and Federal Financial Participation is  
21 recouped from North Sound BH-ASO, Provider shall reimburse the federal amount to North  
22 Sound BH-ASO within 20 days of such recoupment.  
23

24 Upon notification from HCA/MCO, North Sound BH-ASO shall notify Provider in writing of  
25 changes/modifications in HCA contract requirements.  
26

## 27 7.6 **COMPLIANCE WITH NORTH SOUND BH-ASO OPERATIONAL GUIDE**

28 Provider shall comply with all North Sound BH-ASO Supplemental Provider Service Guide and  
29 operational policies that pertain to the delivery of services under this Contract that are in  
30 effect when the Contract is signed or come into effect during the term of the Contract. North  
31 Sound BH-ASO shall notify Provider of any proposed change in federal or state requirements  
32 affecting this Contract immediately upon North Sound BH-ASO receiving knowledge of such  
33 change.  
34

## 35 7.7 **CONFIDENTIALITY OF PERSONAL INFORMATION**

36 Provider shall protect all Personal Information, records and data from unauthorized disclosure  
37 in accordance with 42 CFR §431.300 through §431.307, RCWs 70.02, 71.05, 71.34 and for  
38 individuals receiving SUD services, in accordance with 42 CFR Part 2 and WAC 246-341.  
39 Provider shall have a process in place to ensure all components of its provider network and  
40 system understand and comply with confidentiality requirements for publicly funded  
41 behavioral health services. Pursuant to 42 CFR §431.301 and §431.302, personal information  
42 concerning applicants and recipients may be disclosed for purposes directly connected with  
43 the administration of this Contract and the State Medicaid Plan. Provider shall read and  
44 comply with all HIPAA policies.

1  
2     **7.8     CONTRACT PERFORMANCE/ENFORCEMENT**

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

11  
12    **7.9     COOPERATION**

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

15  
16    **7.10    DEBARMENT CERTIFICATION**

17    The Provider, by signature to this Contract, certifies that the Contractor is not presently  
18    debarred, suspended, proposed for Debarment, declared ineligible or voluntarily excluded in  
19    any Washington State or federal department or agency from participating in transactions  
20    (debarred).

21  
22    The Provider agrees to include the above requirement in any and all Subcontracts into which it  
23    enters concerning the performance of services hereunder, and also agrees that it shall not  
24    employ debarred individuals or Subcontract with any debarred providers, persons, or entities.

25  
26    The Provider shall immediately notify North Sound BH-ASO if, during the term of this Contract,  
27    the Provider becomes debarred. North Sound BH-ASO may immediately terminate this  
28    Contract by providing Provider written notice in accord with Subsection 6.3 of this Contract if  
29    the Provider becomes debarred during the term hereof.

30  
31    **7.11    EXCLUDED PARTIES**

32    Provider is prohibited from paying with funds received under this Contract for goods and  
33    services furnished, ordered, or prescribed by excluded individuals and entities SSA section  
34    1903(i)(2) of the Act; 42 CFR 455.104, 455.106 and 1001.1901(b).

35  
36    Provider shall monitor for excluded individuals and entities by:

37  
38       7.11.1    Screening Provider and subcontractor's employees and individuals and entities with  
39                   an ownership or control interest for excluded individuals and entities prior to  
40                   entering into a contractual or other relationship where the individual or entity  
41                   would benefit directly or indirectly from funds received under this Contract.

42       7.11.2    Screening monthly newly added Provider and subcontractor's employees and  
43                   individuals and entities with an ownership or control interest for excluded

1 individuals and entities that would benefit directly or indirectly from funds received  
2 under this Contract.

3 7.11.3 Screening monthly Provider and subcontractor's employees and individuals and  
4 entities with an ownership or control interest that would benefit from funds  
5 received under this Contract for newly added excluded individuals and entities.  
6

7 Report to North Sound BH-ASO:  
8

9 7.11.4 Any excluded individuals and entities discovered in the screening within 10 business  
10 days;

11 7.11.5 Any payments made by Provider that directly or indirectly benefit excluded  
12 individuals and entities and the recovery of such payments;

13 7.11.6 Any actions taken by Provider to terminate relationships with Provider and  
14 subcontractor's employees and individuals with an ownership or control interest  
15 discovered in the screening;

16 7.11.7 Any Provider and subcontractor's employees and individuals with an ownership or  
17 control interest convicted of any criminal or civil offense described in SSA section  
18 1128 within 10 business days of Provider becoming aware of the conviction;

19 7.11.8 Any subcontractor terminated for cause within 10 business days of the effective  
20 date of termination to include full details of the reason for termination;

21 7.11.9 Any Provider and subcontractor's individuals and entities with an ownership or  
22 control interest.  
23

24 Provider must provide a list with details of ownership and control no later than 30 days from  
25 the date of ratification and shall keep the list up-to-date thereafter.  
26

27 Provider will not make any payments for goods or services that directly or indirectly benefit  
28 any excluded individual or entity. Provider will immediately recover any payments for goods  
29 and services that benefit excluded individuals and entities it discovers.  
30

31 Provider will immediately terminate any employment, contractual and control relationships  
32 with an excluded individual and entity it discovers.  
33

34 Civil monetary penalties may be imposed against Provider if it employs or enters into a  
35 contract with an excluded individual or entity to provide goods or services to enrollees (SSA  
36 section 1128A(a) and 42 CFR 1003.102(a)(2)).  
37

38 An individual or entity is considered to have an ownership or control interest if they have  
39 direct or indirect ownership of five percent (5%) or more, or are a managing employee (i.e., a  
40 general manager, business manager, administrator, or director) who exercises operational or  
41 managerial control or who directly or indirectly conducts day-to-day operations (SSA section  
42 1126(b), 42 CFR 455.104(a) and 1001.1001(a)(1)).  
43

44 In addition, if North Sound BH-ASO/MCO/HCA notifies Provider that an individual or entity is

excluded from participation by HCA, Provider shall terminate all beneficial, employment, contractual and control relationships with the excluded individual or entity immediately.

**7.12 DECLARATION THAT INDIVIDUALS UNDER THE MEDICAID AND OTHER BEHAVIORAL HEALTH PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT**

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

**7.13 EXECUTION, AMENDMENT AND WAIVER**

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

**7.14 HEADINGS AND CAPTIONS**

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

**7.15 INDEMNIFICATION**

Provider shall be responsible for and shall indemnify and hold North Sound BH-ASO harmless (including all costs and attorney fees) from all claims for personal injury, property damage and/or disclosure of confidential information, including claims against North Sound BH-ASO for the negligent hiring, retention and/or supervision of Provider and/or from the imposition of governmental fines or penalties resulting from the acts or omissions of Provider and its subcontractors related to the performance of this contract. North Sound BH-ASO shall be responsible and shall indemnify and hold Provider harmless (including all costs and attorney fees) from all claims for personal injury, property damage and disclosure of confidential information and from the imposition of governmental fines or penalties resulting from the acts or omissions of North Sound BH-ASO. Except to the extent caused by the gross negligence and/or willful misconduct of North Sound BH-ASO, Provider shall indemnify and hold North Sound BH-ASO harmless from any claims made by non-participating BHAs related to the provision of services under this Contract. For the purposes of these indemnifications, the Parties specifically and expressly waive any immunity granted under the Washington Industrial Insurance Act, RCW Title 51. This waiver has been mutually negotiated and agreed to by the Parties. The provision of this section shall survive the expiration or termination of the Contract.

1    7.16    **INDEPENDENT CONTRACTOR FOR NORTH SOUND BH-ASO**

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

11  
12    7.17    **INSURANCE**

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

16  
17          By the date of execution of this Contract and post 15 days renewal of said contract, the  
18          Provider shall procure and maintain insurance for the duration of this Contract, Provider shall  
19          carry Commercial General Liability (CGL) Insurance to include coverage for bodily injury,  
20          property damage, and contractual liability, with the following minimum limits: Each  
21          Occurrence - \$1,000,000; General Aggregate - \$3,000,000; shall include liability arising out of  
22          premises, operations, independent contractors, personal injury, advertising injury, and liability  
23          assumed under an insured contract. The costs of such insurance shall be paid by the Provider  
24          or subcontractor. The Provider may furnish separate certificates of insurance and policy  
25          endorsements for each subcontractor as evidence of compliance with the insurance  
26          requirements of this Contract. The Provider is responsible for ensuring compliance with all of  
27          the insurance requirements stated herein. Failure by the Provider, its agents, employees,  
28          officers, subcontractors, providers, and/or provider subcontractors to comply with the  
29          insurance requirements stated herein shall constitute a material breach of this Contract. All  
30          non-risk pool policies shall name North Sound BH-ASO as a covered entity under said policy(s).

31  
32    7.18    **INTEGRATION**

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

36  
37    7.19    **MAINTENANCE OF RECORDS**

38          Provider shall prepare, maintain and retain accurate records, including appropriate medical  
39          records and administrative and financial records, related to this Agreement and to Services  
40          provided hereunder in accordance with industry standards, applicable federal and state  
41          statutes and regulations, and state and federal sponsored health program requirements. Such  
42          records shall be maintained for the maximum period required by federal or state law. North  
43          Sound BH-ASO shall have continued access to Provider's records as necessary for North Sound

BH-ASO to perform its obligations hereunder, to comply with federal and state laws and regulations, and to ensure compliance with applicable accreditation and HCA requirements. Provider shall completely and accurately report encounter data to North Sound BH-ASO and shall certify the accuracy and completeness of all encounter data submitted. Provider shall ensure that it and all of its subcontractors that are required to report encounter data, have the capacity to submit all data necessary to enable the North Sound BH-ASO to meet the reporting requirements in the Encounter Data Transaction Guide published by HCA, or other requirements HCA may develop and impose on North Sound BH-ASO or Provider.

Upon North Sound BH-ASO's request or under North Sound BH-ASO's state and federal sponsored health programs and associated contracts, Provider shall provide to North Sound BH-ASO direct access and/or copies of all information, encounter data, statistical data, and treatment records pertaining to Members who receive Services hereunder, or in conjunction with claims reviews, quality improvement programs, grievances and appeals and peer reviews.

**7.20 NOTICE OF AMENDMENT**

Except when a longer period is requested by applicable law, North Sound BH-ASO may amend this Agreement upon 30 days prior written notice to Provider. If Provider does not deliver to North Sound BH-ASO a written notice of rejection of the amendment within that 30-day period, the amendment shall be deemed accepted by and shall be binding upon Provider.

**7.21 NO WAIVER OF RIGHTS**

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

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

**7.22 ONGOING SERVICES**

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

**7.23 ORGANIZATIONAL CHANGES**

The Provider shall provide North Sound BH-ASO with ninety (90) calendar days' prior written notice of any change in the Provider's ownership or legal status. The Provider shall provide North Sound BH-ASO written notice of any changes to the Provider's executive officers, executive board members, or medical directors within seven (7) Business Days

1    7.24   **OVERPAYMENTS**

2       In the event Provider fails to comply with any of the terms and conditions of this Contract and  
3       results in an overpayment, North Sound BH-ASO may recover the amount due HCA, MCO, or  
4       other federal or state agency subject to dispute resolution as set forth in the contract. In the  
5       case of overpayment, Provider shall cooperate in the recoupment process and return to North  
6       Sound BH-ASO the amount due upon demand.

8    7.25   **OWNERSHIP OF MATERIALS**

9       The parties to this Contract hereby mutually agree that if any patentable or copyrightable  
10      material or article should result from the work described herein, all rights accruing from such  
11      material or article shall be the sole property of North Sound BH-ASO. The North Sound BH-  
12      ASO agrees to and does hereby grant to the Provider, irrevocable, nonexclusive, and royalty-  
13      free license to use, according to law, any material or article and use any method that may be  
14      developed as part of the work under this Contract.

16      The foregoing products license shall not apply to existing training materials, consulting aids,  
17      checklists, and other materials and documents of the Provider which are modified for use in  
18      the performance of this Contract.

20      The foregoing provisions of this section shall not apply to existing training materials,  
21      consulting aids, checklists, and other materials and documents of the Provider that are not  
22      modified for use in the performance of this Contract.

24   7.26   **PERFORMANCE**

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

31   7.27   **RESOLUTION OF DISPUTES**

32      Each Party shall cooperate in good faith and deal fairly in its performance hereunder to  
33      accomplish the Parties' objectives and avoid disputes. The Parties will promptly meet and  
34      confer to resolve any problems that arise. If a dispute is not resolved, the Parties will  
35      participate in and equally share the expense of a mediation conducted by a neutral third-party  
36      professional prior to initiating litigation or arbitration. If the dispute is not resolved through  
37      mediation, the parties agree to litigate their dispute in Skagit County Superior Court. The  
38      prevailing party shall be awarded its reasonable attorneys' fees, and costs and expenses  
39      incurred. This Agreement shall be governed by laws of the State of Washington, both as to  
40      interpretation and performance.

42   7.28   **SEVERABILITY AND CONFORMITY**

43      The provisions of this Contract are severable. If any provision of this Contract, including any  
44      provision of any document incorporated by reference is held invalid by any court, that



invalidity shall not affect the other provisions of this Contract and the invalid provision shall be considered modified to conform to existing law.

#### **7.29 SINGLE AUDIT ACT**

If Provider or its subcontractor is a subrecipient of Federal awards as defined by OMB Uniform Guidance Subpart F, Provider 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, award numbers, and award years (if awards are for research and development), as well as, names of the Federal agencies. Provider and its subcontractors shall make Provider and its subcontractor's records available for review or audit by officials of the Federal awarding agency, the General Accounting Office and DSHS. Provider and its subcontractors shall incorporate OMB Uniform Guidance Subpart F audit requirements into all contracts between Provider and its subcontractors who are sub recipients. Provider and its subcontractors shall comply with any future amendments to OMB Uniform Guidance Subpart F and any successor or replacement Circular or regulation.

If Provider/subcontractors are a sub recipient and expends \$750,000 or more in Federal awards from any/all sources in any fiscal year, Provider and applicable subcontractors shall procure and pay for a single or program-specific audit for that fiscal year. Upon completion of each audit, Provider and applicable subcontractors shall submit to North Sound BH-ASO's Program Administrator the data collection form and reporting package specified in OMB Uniform Guidance Subpart F, reports required by the program-specific audit guide, if applicable and a copy of any management letters issued by the auditor.

For purposes of "sub recipient" status under the rules of OMB Uniform Guidance Subpart F, Medicaid payments to a sub recipient for providing patient care services to Medicaid eligible individuals are not considered Federal awards expended under this part of the rule unless a State requires the fund to be treated as Federal awards expended because reimbursement is on a cost-reimbursement basis.

#### **7.30 SUBCONTRACTS**

Provider may subcontract services to be provided under this Contract subject to the following requirements.

7.30.1 The Provider shall not assign or subcontract any portion of this Contract or transfer or assign any claim arising pursuant to this Contract without the written consent of North Sound BH-ASO Said consent must be sought in writing by the Provider not less than 15 days prior to the date of any proposed assignment.

7.30.2 Provider shall be responsible for the acts and omissions of any subcontractor.

7.30.3 Provider must ensure the subcontractor neither employs any person nor contracts with any person or BHA excluded from participation in federal health care programs under either 42 USC 1320a-7 (§§1128 or 1128A SSA) or debarred or suspended per this Contract's General Terms and Conditions.

- 1 7.30.4 Provider shall require subcontractors to comply with all applicable federal and state  
2 laws, regulations and operational policies as specified in this Contract.
- 3 7.30.5 Provider shall require subcontractors to comply with all applicable North Sound BH-  
4 ASO operational policies as applicable.
- 5 7.30.6 Subcontracts for the provision of behavioral health services must require  
6 subcontractors to provide individuals access to translated information and  
7 interpreter services.
- 8 7.30.7 Provider shall ensure a process is in place to demonstrate all third-party resources  
9 are identified and pursued.
- 10 7.30.8 Provider shall oversee, be accountable for and monitor all functions and  
11 responsibilities delegated to a subcontractor for conformance with any applicable  
12 statement of work in this Contract on an ongoing basis including written reviews.
- 13 7.30.9 Provider will monitor performance of the subcontractors on an annual basis and  
14 notify North Sound BH-ASO of any identified deficiencies or areas for improvement  
15 requiring corrective action by Provider.
- 16 7.30.10 The Provider agrees to include the following language verbatim in every subcontract  
17 for services which relate to the subject matter of this Contract:
- 18

19 “Subcontractor shall protect, defend, indemnify, and hold harmless North Sound BH-ASO its  
20 officers, employees and agents from any and all costs, claims, judgments, and/or awards of  
21 damages arising out of, or in any way resulting from the negligent act or omissions of  
22 subcontractor, its officers, employees, and/or agents in connection with or in support of this  
23 Contract. Subcontractor expressly agrees and understands that North Sound BH-ASO is a  
24 third-party beneficiary to this Contract and shall have the right to bring an action against  
25 subcontractor to enforce the provisions of this paragraph.”

26

27 Those written subcontracts shall:

28

- 29 7.30.11 Require subcontractors to hold all necessary licenses, certifications/permits as  
30 required by law for the performance of the services to be performed under this  
31 Contract;
- 32 7.30.12 Require subcontractors to notify Provider in the event of a change in status of any  
33 required license or certification;
- 34 7.30.13 Include clear means to revoke delegation, impose corrective action, or take other  
35 remedial actions if the subcontractor fails to comply with the terms of the  
36 subcontract;
- 37 7.30.14 Require the subcontractor to correct any areas of deficiencies in the subcontractor’s  
38 performance that are identified by Provider, North Sound BH-ASO/HCA;
- 39 7.30.15 Require best efforts to provide written or oral notification within 15 business days  
40 of termination of a Primary Care Provider (PCP) to individuals currently open for  
41 services who had received a service from the affected PCP in the previous 60 days.  
42 Notification must be verifiable in the individual’s medical record at the  
43 subcontractor.
- 44

1   7.31   **SURVIVABILITY**

2       The terms and conditions contained in this Contract by their sense and context are intended  
3       to survive the expiration of this Contract and shall so survive. Surviving terms include but are  
4       not limited to: Financial Terms and Conditions, Single Audit Act, Contract Performance and  
5       Enforcement, Confidentiality of Individual Information, Resolution of Disputes,  
6       Indemnification, Oversight Authority, Maintenance of Records, Ownership of Materials and  
7       Contract Administration Warranties and Survivability.  
8

9   7.32   **TREATMENT OF INDIVIDUAL'S PROPERTY**

10      Unless otherwise provided in this Contract, Provider shall ensure any adult individual receiving  
11      services from Provider under this Contract has unrestricted access to the individual's personal  
12      property. Provider shall not interfere with any adult individual's ownership, possession, or  
13      use of the individual's property unless clinically indicated. Provider shall provide individuals  
14      under age 18 with reasonable access to their personal property that is appropriate to the  
15      individual's age, development and needs. Upon termination of this Contract, Provider shall  
16      immediately release to the individual and/or guardian or custodian all the individual's  
17      personal property.  
18

19   7.33   **WARRANTIES**

20      The parties' obligations are warranted and represented by each to be individually binding for  
21      the benefit of the other party. Provider warrants and represents it is able to perform its  
22      obligations set forth in this Contract and such obligations are binding upon Provider and other  
23      subcontractors for the benefit of North Sound BH-ASO.  
24

25   7.34   **CONTRACT CERTIFICATION**

26      By signing this Contract, the Provider certifies that in addition to agreeing to the terms and  
27      conditions provided herein, the Provider certifies that it has read and understands the  
28      contracting requirements and agrees to comply with all of the contract terms and conditions  
29      detailed on this contract and exhibits incorporated herein by reference.  
30  
31

1 The Program Administrator for North Sound BH-ASO, LLC is:

2  
3 Joe Valentine, Executive Director  
4 North Sound BH-ASO  
5 2021 E. College Way, Suite 101  
6 Mount Vernon, WA 98273  
7

8 The Program Administrator for ABHS is:

9  
10 Tony Prentice, Director  
11 American Behavioral Health Services  
12 PO Box 141160  
13 Spokane Valley, WA 99214-1106  
14

15 Changes shall be provided to the other party in writing within 10 business days.  
16

17  
18 IN WITNESS WHEREOF, the parties hereby agree to the terms and conditions of this Contract:  
19

20  
21 **NORTH SOUND BH-ASO**

**ABHS**

22  
23  
24  
25 \_\_\_\_\_  
26 Joe Valentine Date  
27 Executive Director

\_\_\_\_\_  
Tony Prentice Date  
Director