

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

INTERLOCAL AGREEMENT

WITH

SKAGIT COUNTY

CONTRACT #NORTH SOUND BH-ASO-SKAGIT COUNTY-INTERLOCAL-20

Effective Date January 1, 2020

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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 – Supplemental Provider Service Guide: <http://nsbhaso.org/for-providers/supplemental-provider-service-guide>

Exhibit B – Budget

Exhibit C- Invoice

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INTERAGENCY AGREEMENT

THIS INTERAGENCY AGREEMENT (the "Agreement"), pursuant to RCW Chapter 71.24 and all relevant and associated statutes, as amended, is made and entered into by and between the NORTH SOUND REGIONAL SUPPORT NETWORK, dba THE NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC (North Sound BH-ASO), 301 Valley Mall Way, Suite 110, Mt. Vernon, WA 98273, and SKAGIT COUNTY (Contractor), 1800 Continental Place, Suite 100, Mt. Vernon, WA 98273-3820.

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

I. RECITALS

WHEREAS, Island County, San Juan County, Snohomish County, Skagit County and Whatcom County (the County Authorities), as defined by RCW 71.24.025 (10), 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 Chapter 71.24 (Operating Agreement); and

WHEREAS, North Sound BH-ASO is a governmental limited liability company formed by an operating agreement entered into by the foregoing five (5) County Authorities in response to a request for a detailed plan and to contract with the State of Washington to operate as a regional support network until April 1, 2016 and as a behavioral health organization as of April 1, 2016, and as an administrative services organization as of July 1, 2019 as provided for in RCW 71.24.100 and Chapter 25.15.

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 anticipates increased need for behavioral health services in the community and recognizes the need for expansion of services and strengthening of cooperation among service providers to meet this challenge; and

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

and

WHEREAS, North Sound BH-ASO desires that Contractor provide, market, distribute and otherwise do all things necessary to deliver Services in the County;

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

THE PARTIES AGREE AS FOLLOWS:

II. CONTRACT

The effective date of this Contract is January 1, 2020.

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

WHEREAS, North Sound BH-ASO desires to have certain services performed by the County and/or County's subcontractor as described in Exhibit A;

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

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

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

1 A. DEFINITIONS

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

3 **AGREEMENT**

4 The Contract entered into between North Sound BH-ASO and Contractor, including all attachments and
5 incorporated documents or materials.

6
7 **BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION (BH-ASO)**

8 Behavioral Health Administrative Services Organization" means an entity selected by the Health Care
9 Authority to administer behavioral health programs, including crisis services for individuals in a fully
10 integrated managed care regional service area. The BH-ASO administers crisis services for all individuals in
11 its defined regional service area, regardless of an individual's ability to pay.

12
13 **BEHAVIORAL HEALTH CRISIS SERVICES**

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

17
18 **INDIVIDUAL**

19 Individual means any person in the RSA regardless of income, ability to pay, insurance status or county of
20 residence. With respect to non-Crisis Services, "Individual" means a person who has applied for, is eligible for,
21 or who has received GFS/FBG services through this contract.

22
23 **CRITICAL INCIDENT**

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

27
28 **HEALTHCARE AUTHORITY (HCA)**

29 The Washington State Health Care Authority.

30
31
32 **MANAGED CARE ORGANIZATION (MCO)**

33 Managed Care Organization (MCO) means an organization having a certificate of authority or certificate of
34 registration from the Washington State Office of Insurance Commissioner that contracts with HCA under a
35 comprehensive risk contract to provide prepaid health care services to eligible HCA Enrollees under HCA
36 managed care programs.

37
38
39 **MEMBER**

40 An individual that is eligible to receive crisis, GF-S funded services and/or Federal Block Grant services and is
41 assigned to an MCO.
42

B. DELEGATED FUNCTIONS

Contractor shall furnish the necessary personnel and services and do all things necessary for the performance of the delegated functions set forth herein as presently written or as may be later amended.

1. REGIONAL ADVISORY BOARD (ASO CONTRACT)

Contractor shall appoint individuals with lived experience/advocate representatives to the North Sound BH-ASO Regional Advisory Board in accordance with the Interlocal Agreement forming North Sound BH-ASO, the Prepaid Inpatient Health Plan (PIHP) and State Behavioral Health Contracts (BHSC) and in accordance with WAC 388-865-0222, or any successor.

Contractor shall appoint individuals with Behavioral Health lived experience (mental health, substance use disorder, and/or co-occurring disorders) through their own experiences and/or their experiences as family members. Contractor shall appoint individuals whose experiences reflect the breadth of experience of individuals affected by Behavioral Health Disorders.

Contractor shall appoint representatives that reflect the demographic character of the county which shall include, but not be limited to, representatives of individuals, families, and law enforcement. Composition and length of terms of board members may differ between counties. Regional membership shall be comprised of at least 51% individuals with lived experience or family members as defined in WAC 388-865-0222.

2. GOVERNING BOARD (ASO CONTRACT)

Member Counties shall establish a Governing Body responsible for oversight of the Regional Support Network in compliance with the Interlocal Agreement and the State PIHP and BHSC Agreements. The Governing Body can be an existing executive or legislative body within a county government. Each member of the Governing Body must be free from conflicts of interest and from any appearance of conflicts of interest between personal, professional and fiduciary interests. Members of the Governing Body must act within the best interests of North Sound BH-ASO, individuals and/or families with lived experiences. Contractor shall participate with North Sound BH-ASO in the development and creation of an LLC and any appropriate policies.

3. QUALITY MANAGEMENT SUPPORT (ASO CONTRACT)

Contractor shall invite individuals and their families that are representative of the community being served, including all age groups, to participate in planning activities and in the implementation and evaluation of the public behavioral health system. Contractor must be able to demonstrate how this requirement is implemented.

Member Counties shall encourage local efforts to provide services that are integrated and coordinated with other formal/informal service delivery systems.

Contractor's County Coordinator shall assist North Sound BH-ASO in conducting quality management programs and activities, in accordance with Exhibit A. Activities include quality management processes as appropriate, which are designed to allow North Sound BH-ASO to:

- Assess the degree to which crisis behavioral health services and planning is driven by and incorporates individual and family voice;
- Assess the degree to which crisis behavioral health services are age, culturally, and linguistically competent;
- Assess the degree to which crisis behavioral health services are provided in the least restrictive environment;

- Assess the degree to which uninterrupted linkages occur that move the individual toward recovery and resiliency;
- Assess the continuity in service linkages and integration with other formal/informal systems and settings; and
- Assess the strengths and barriers of resource management mechanism, access standards and the utilization management activities.

Quality management activities specified in this Quality Management Support section shall be subject to requirements of North Sound BH-ASO, including requirements to maintain confidentiality of information in accordance with federal and state privacy laws and requirements applicable to North Sound BH-ASO for maintaining protection of confidentiality under its coordinated quality improvement program (CQIP).

4. ALLIED SYSTEM COORDINATION SUPPORT (ASO CONTRACT)

Contractor shall coordinate with North Sound BH-ASO in the following area to ensure individuals in the community are receiving continuity of care.

Contractor shall develop in collaboration with North Sound BH-ASO a new or update an existing allied system coordination plan with the Criminal Justice (courts, jails, law enforcement, public defender, Department of Corrections [DOC]) and Substance Use Disorder (SUD) service providers in their respective county at least every three (3) years or as requested by North Sound BH-ASO, DSHS or as necessary. The allied system coordination plan must contain all the following elements:

- Contractor shall work with North Sound BH-ASO to identify the need for local resources, including initiatives to address those needs. This will include a process to evaluate progress in cross-system coordination and integration of services.
- Contractor shall work with North Sound BH-ASO on a process for facilitation of community integration from out-of-home placements, Children's Long-term inpatient facilities, Juvenile Rehabilitation facilities, foster care, nursing homes and acute inpatient settings for individuals of all ages.
- Contractor shall, when requested, provide information, referral and training to the community in how to access the public behavioral health system.

5. COMMUNITY COORDINATION (ASO CONTRACT)

Contractor shall coordinate and participate with North Sound BH-ASO in all disaster preparedness activities and respond to emergency/disaster events (e.g., natural disasters, acts of terrorism) when requested by North Sound BH-ASO. Contractor shall work with North Sound BH-ASO in the event of a disaster to ensure the following activities are implemented:

- Participate in local emergency/disaster planning activities when county Emergency Operation Centers and local public health jurisdictions request collaboration;
- Locating persons in need of disaster relief services;
- Engaging or linking persons to an appropriate level of support or disaster relief services;
- Conduct post-disaster outreach to determine the need for disaster related crisis counseling and assess the availability of local resources in meeting those needs;
- Partner in disaster preparedness and response activities with HCA and DSHS entities, the State Emergency Management Division, Federal Emergency Management Administration (FEMA), the American Red Cross and other volunteer organizations; Participation when requested in local and regional disaster planning and preparedness activities; and

- Coordination of disaster outreach activities following an event.

6. HOUSING AND RECOVERY THROUGH PEER SUPPORTS (HARPS) HOUSING SUBSIDIES

Contractor shall provide time-limited financial assistance to individuals and families who are homeless and in need of short-term assistance to acquire and/or sustain housing. This funding is part of a DBHR grant received by North Sound BH-ASO for housing support services and financial housing assistance. For the purposes of this Agreement, the funding is to be used exclusively for financial assistance to individuals and families who are homeless. No administrative costs may be paid out of the HARPS housing assistance allocation.

Statement of Work, deliverables and related policies are found in the North Sound Supplemental Provider Service Guide.

7. DESIGNATED MARIJUANA ACCOUNT (DMA)

Dedicated Marijuana Account (DMA) funds are to be provided within the identified resources in the HCA contract with the North Sound BH-ASO.

DMA Funding can provide:

- Outpatient and residential SUD treatment for youth and children;
- PPW case management, housing supports and residential treatment program;
- Contracts for specialized fetal alcohol services;
- Youth drug courts; and
- Programs that support intervention, treatment, and recovery support services for middle school and high school aged students.

DMA funds shall be used to fund Substance Use Disorder treatment services for youth living at or below two hundred and twenty percent (220%) of the federal poverty level, without insurance coverage or who are seeking services independent of their parent/guardian;

DMA funds may be used for development, implementation, maintenance, and evaluation of programs that support intervention, treatment, and recovery support services for middle school and high school aged students.

All new programs and services must direct at least eighty-five percent (85%) of funding to evidence-based or research-based programs and practices that produce objectively measurable results and are expected to be cost beneficial.

Up to fifteen percent (15%) of the funds appropriated for new programs and new services may be used to provide support to proven and tested practices, emerging best practices or promising practices.

1 The North Sound BH-ASO contracts with Skagit County to provide school-based intervention and
2 prevention within the school district using evidence based/promising practices.
3 Statement of Work, deliverables and related policies are found in the North Sound Supplemental Provider
4 Service Guide.
5

6 **8. JAIL TRANSITION SERVICES**

7 Jail Services funding is provided by the Washington Legislature to provide mental health services for
8 offenders with mental illness while confined in a county or city jail. These services are intended to facilitate
9 access to programs that offer mental health services upon release from confinement. This includes efforts
10 to expedite applications for new or re-instated Medicaid benefits.
11

12 Primary responsibility for direct mental health services and medications for individuals while they are in jail
13 is the responsibility of the county or local jail. Services provided with this funding are intended to facilitate
14 safe transition into community services. To that end, the funding provided through this Contract shall
15 supplement, and not supplant, local or other funding or in-kind resources being used for these purposes
16 that were in effect in April 2005. This restriction does not apply to services previously provided by North
17 Sound BH-ASO savings, which can no longer be used to provide non-Medicaid services.
18

19 Statement of Work, deliverables and related policies are found in the North Sound Supplemental Provider
20 Service Guide.
21

C. CONTRACTOR RESPONSIBILITIES

Contractor shall furnish the necessary personnel and services and do all things necessary for the performance of the work set forth herein as presently written or as may be later amended.

1. APPOINTMENT OF COUNTY COORDINATOR

Contractor Program Manager will act as or appoint a County Coordinator and the County Coordinator or designee will participate in North Sound BH-ASO County Coordinator meetings, provide regular reports to North Sound BH-ASO Advisory Board on county specific activities, and facilitate delivery of the services required under this section. In addition to those outlined in this section, responsibilities of County Coordinators include regularly participating in ad hoc committees, advising North Sound BH-ASO of county-specific areas of concern or need and participation in disaster response preparedness activities.

Participate in strategic planning and other ad hoc planning initiatives for resource management and the ongoing evaluation of services provision with recommendations based on results. Provide county data to the BH-ASO for regional and state behavioral health planning/reporting upon request.

2. RESOURCE MANAGEMENT SUPPORT

Contractor's County Coordinator shall assist North Sound BH-ASO in conducting resource management. Activities include regular participation in strategic planning and other ad hoc planning initiatives, and the ongoing evaluation of service provision in the county and the provision of recommendations to North Sound BH-ASO based on the results. Coordinate locally funded services with the BH-ASO's publicly funded crisis treatment service delivery system to assure coordination of care for County residents where appropriate to meet the behavioral health needs of the residents.

3. LOCAL OVERSIGHT COMMITTEE

Contractor and North Sound BH-ASO shall convene this committee a minimum of twice per year with the function and purpose as outlined below:

- a. This membership will be broad and include all identified stakeholder groups;
- b. Will be Co-Chaired by North Sound BH-ASO and the County Coordinator or their designee;
- c. Meeting will be facilitated by the County Coordinator or their designee;
- d. Will be scheduled by the County Coordinator, but coordinated with North Sound BH-ASO;
- e. Will be called on an as needed basis, but at least twice per year; and
- f. Will cover the following areas:
 - i. Public behavioral health system complaints or concerns;
 - ii. Identifying gaps in the local public behavioral health system, such as; but not limited to outpatient, emergency, or inpatient behavioral health services;
 - iii. Designing county specific protocols, which coordinate services with other community resources, county services and alternative systems of care; and
 - iv. Provide a venue for community input and cross system networking.

4. DELIVERABLES

Contractor shall ensure deliverables are submitted in accordance with Exhibit A.

D. FINANCIAL TERMS AND CONDITIONS

1. GENERAL FISCAL ASSURANCES

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

2. FINANCIAL ACCOUNTING REQUIREMENTS

Contractor shall:

- a. Establish and maintain operating reserves at prudent levels sufficient to ensure Contractor has ability to pay for all expenses incurred during this Agreement period, including those whose disposition occurs after the Agreement has been terminated, and to cover the risk of financial loss resulting in the event that the cost of providing services pursuant to this Agreement exceeds the revenues derived therefrom;
- b. Ensure all funds, including interest earned, provided pursuant to this Agreement are used to support the public behavioral health system within the Service Area; and

3. RULES COMPLIANCE

Contractor shall ensure funds provided to Contractor are used to provide specific services on behalf of North Sound BH-ASO.

4. FINANCIAL PROVISIONS – REIMBURSEMENT REQUIREMENTS

The consideration to be paid by North Sound BH-ASO for the work to be provided by Contractor pursuant to this Agreement shall consist of the available amount from primary funding sources as described in Exhibit B of this Agreement.

- a. The consideration by North Sound BH-ASO to Contractor pursuant to this Agreement shall be paid monthly within 10 working days of North Sound BH-ASO's receipt of payment by HCA.
- b. Administration costs shall be limited to 15%.
- c. Payment Methodology: North Sound BH-ASO shall pay to Contractor monthly all allowable and allocable costs incurred as evidenced by proper invoice of Contractor as submitted to the extent those costs do not exceed each funding source maximum as set forth in Exhibit B.

E. OVERSIGHT, REMEDIES AND TERMINATION

1. OVERSIGHT AUTHORITY

North Sound BH-ASO, HCA, Office of the State Auditor, the Department of Health and Human Services (DHHS), CMS, the Comptroller General, or any of their duly-authorized representatives (e.g., External Quality Review Organizations), 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 Agreement; d) audits regarding the quality, appropriateness, and timeliness of behavioral health services of Contractor and subcontractors; and e) audits and inspections of financial records of Contractor and subcontractors. Contractor 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 Agreement.

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

Contractor shall cooperate with and allow access to North Sound Ombuds to conduct surveys and review activities. Contractor shall cooperate with Skagit County Community Action Agency in resolving any disputes that arise in the provision of Ombuds services.

Findings as a result of North Sound BH-ASO conducted reviews may result in remedial action as outlined below. Federal and State agencies may impose remedial action or financial penalties either directly upon Contractor or through North Sound BH-ASO. Contractor shall comply with the terms of such remedial action and be responsible for the payment of financial penalties.

2. REMEDIAL ACTION

North Sound BH-ASO may require Contractor to plan and execute corrective action. Corrective action plans (CAP) developed by Contractor must be submitted for approval to North Sound BH-ASO within 30 calendar days of notification. CAPs 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.

CAPs must include:

- a. A brief description of the finding; and
- b. 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.

CAPs may:

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

CAPs are subject to approval by North Sound BH-ASO, which may:

- a. Accept the plan as submitted;
- b. Accept the plan with specified modifications;
- c. Request a modified plan; or
- d. Reject the plan.

Contractor agrees North Sound BH-ASO may initiate remedial action with or without a CAP as outlined in subsection below if North Sound BH-ASO determines any of the following situations exist:

- a. A problem exists that negatively impacts enrollees;
- b. Contractor has failed to perform any of the behavioral health services required in this Agreement, including delegated functions, which includes the failure to maintain the required capacity as specified by North Sound BH-ASO to ensure that enrollees receive medically necessary services;
- c. Contractor has failed to develop, produce/deliver to North Sound BH-ASO any of the statements, reports, data, data corrections, accountings, claims/documentation described herein, in compliance with all the provisions of this Agreement;
- d. Contractor has failed to perform any administrative function required under this Agreement, including delegated functions. For the purposes of this section, “administrative function” is defined as any obligation other than the actual provision of behavioral health services; or
- e. Contractor has failed to implement corrective action required by the state and within North Sound BH-ASO prescribed time frames.

North Sound BH-ASO may impose any of the following remedial actions in response to findings of situations as outlined above:

- a. Withhold one (1%) percent of the next monthly payment and each monthly payment thereafter until the corrective action has achieved resolution. North Sound BH-ASO, at its sole discretion, may return a portion or, all of, any payments withheld once satisfactory resolution has been achieved;
- b. Compound withholdings identified above by an additional one-half of one percent for each successive month during which the remedial situation has not been resolved;
- c. Revoke delegation of any function delegated under this contract;
- d. Deny any incentive payment to which Contractor might otherwise have been entitled under this Agreement or any other arrangement by which the DBHR provides incentives; or
- e. Termination for Default, as outlined in this Agreement.

3. ADDITIONAL FINANCIAL PENALTIES – HCA IMPOSED SANCTIONS

Financial penalties imposed by HCA or other regulatory agency due to the action or inaction of Contractor may be paid by North Sound BH-ASO on behalf of Contractor and the amount will be withheld from North Sound BH-ASO’s payments to Contractor.

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

2 In the event funding from State, Federal, or other sources is withdrawn, reduced, or limited in any way
3 after the effective date of this Agreement and prior to its normal completion, North Sound BH-ASO
4 may terminate this Agreement, subject to re-negotiations.
5

6 **5. TERMINATION FOR CONVENIENCE**

7 Except, as otherwise provided in this Agreement, a party may terminate this Agreement upon 90 days
8 written notification by certified mail to the other party. The effective date of termination shall be the
9 90 days after receipt of written notification to the other party or the last day of the calendar month in
10 which the 90 days occurs, whichever is later.
11

12 **6. TERMINATION FOR DEFAULT**

13 North Sound BH-ASO's Program Manager and his/her designee may terminate this Agreement for
14 default, in whole or in part, by written notice to Contractor if North Sound BH-ASO or HCA has a
15 reasonable basis to believe that Contractor has:
16

- 17 a. Failed to meet or maintain any requirement for contracting with North Sound BH-ASO;
- 18 b. Failed to perform under any provision of this Agreement;
- 19 c. Violated any law, regulation, rule, or ordinance applicable to the services provided under this
20 Agreement; and/or
- 21 d. Otherwise breached any provision or condition of this Agreement.
22

23 Before North Sound BH-ASO's Program Manager may terminate this Agreement for default, in whole
24 or in part, North Sound BH-ASO shall provide Contractor with written notice of Contractor's
25 noncompliance with this Agreement which notice shall provide Contractor a reasonable time period to
26 correct its/their noncompliance. If Contractor does not correct the noncompliance within the period
27 of time specified in the written notice of noncompliance, the Program Administrator may then
28 terminate this Agreement. The Program Administrator may terminate this Agreement for default
29 without such written notice and without opportunity for correction, if North Sound BH-ASO has a
30 reasonable basis to believe that a client's health or safety is in jeopardy, and/or:
31

- 32 a. Contractor has violated any law, regulation, rule or ordinance applicable to services provided
33 under this agreement, or
- 34 b. Continuance of this Agreement with Contractor poses a material risk of injury or harm to any
35 person.
36

37 Contractor may terminate this Agreement in whole or in part, by written notice to North Sound BH-
38 ASO, if Contractor has a reasonable basis to believe that North Sound BH-ASO has:
39

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

1
2 **7. TERMINATION PROCEDURE**

3 The following provisions shall survive and be binding on the parties in the event this Agreement is
4 terminated:
5

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

F. GENERAL TERMS AND CONDITIONS FOR CONTRACTOR

1. BACKGROUND

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

2. MUTUAL COMMITMENTS

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

3. ASSIGNMENT

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

4. AUTHORITY

Concurrent with the execution of this Agreement, Contractor shall furnish North Sound BH-ASO with a copy of the explicit written authorization of its governing body to enter into this Agreement and accept the financial risk and responsibility to carry out all terms of this Agreement including the ability to pay for all expenses incurred during the contract period. Likewise, concurrent with the execution of this Agreement, North Sound BH-ASO shall furnish Contractor with a written copy of the motion, resolution, or ordinance passed by North Sound BH-ASO Board of Directors (North Sound BH-ASO Board) authorizing North Sound BH-ASO to execute this Agreement.

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

2 Contractor and its subcontractors shall comply with all applicable federal and state statutes,
3 regulations, and operational policies, as applicable to this Agreement, whether or not, a specific
4 citation is identified in various sections of this Agreement, and all amendments thereto that are in
5 effect when the Agreement is signed, or that come into effect during the term of the Agreement,
6 which may include but are not limited to, the following (“Federal/State Law”):
7

- 8 a. Title XIX and Title XXI of the Social Security Act and Title 42 of the CFR;
9 b. All applicable Office of the Insurance Commissioner (OIC) statutes and regulations;
10 c. All local, State, and Federal professional and facility licensing and certification
11 requirements/standards that apply to services performed under the terms of this Agreement;
12 d. All applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42
13 US 1857(h)), Section 508 of the Clean Water Act (33 US 1368), Executive Order 11738, and
14 Environmental Protection Agency (EPA) regulations (40 CFR Part 15), which prohibit the use of
15 facilities included on the EPA List of Violating Facilities. Any violations shall be reported to DSHS,
16 DHHS, and the EPA;
17 e. Any applicable mandatory standards and policies relating to energy efficiency, which are contained
18 in the State Energy Conservation Plan, issued in compliance with the federal Energy Policy and
19 Conservation Act;
20 f. Those specified for laboratory services in the Clinical Laboratory Improvement Amendments
21 (CLIA);
22 g. Those specified in RCW Title 18 for professional licensing;
23 h. Reporting of abuse as required by RCW 26.44.030;
24 i. Industrial insurance coverage as required by RCW Title 51;
25 j. RCW 38.52, 70.02, 71.05, 71.24, and 71.34;
26 k. 42 CFR 438, including 42 CFR 438.58 (conflict of interest) and 42 CFR 438.106 (physician incentive
27 plans);
28 l. DBHR Quality Strategy;
29 m. Any applicable federal and state laws that pertain to individual rights. Contractor shall ensure its
30 staff takes those rights into account when furnishing services;
31 n. 42 USC 1320a-7 and 1320a-7b (Section 1128 and 1128 (b) of the Social Security Act), which
32 prohibits making payments directly or indirectly to physicians or other providers as an inducement
33 to reduce or limit behavioral health services provided to individuals and/or families; Contractor
34 and any subcontractors must comply with 42-USC 1396u-2 and must not knowingly have a
35 director, officer, partner, or person with a beneficial ownership of more than 5% of Contractor,
36 BHA or subcontractor’s equity, or an employee, Contractor, or consultant who is significant or
37 material to the provision of services under this Agreement, who has been, or is affiliated with
38 someone who has been, debarred, suspended, or otherwise excluded by any federal agency;
39 o. Federal and State non-discrimination laws and regulations;
40 p. HIPAA, 45 CFR parts 160-164;
41 q. HCA-CIS Data Dictionary and its successors; and/or
42 r. Federal funds must not be used for any lobbying activities.
43

44 If Contractor is in violation of a federal law or regulation, and Federal Financial Participation is
45 recouped from North Sound BH-ASO, Contractor shall reimburse the federal amount to North Sound
46 BH-ASO within 20 days of such recoupment.
47

Upon notification from HCA, North Sound BH-ASO shall notify Contractor in writing of changes/modifications in CMS policies and HCA contract requirement changes, if applicable to this Agreement.

6. COMPLIANCE WITH NORTH SOUND BH-ASO SUPPLEMENTAL PROVIDER SERVICE GUIDE (SPSG)

Contractor shall comply with the North Sound BH-ASO SPSG that pertain to the delivery of services under this Agreement that are in effect when the Agreement is signed or that come into effect during the term of the Agreement.

Along with all North Sound BH-ASO stakeholders, Contractor will be included in the process for developing relevant operational policies and procedures. North Sound BH-ASO's SPSG and successors contain a list of North Sound BH-ASO's policies and their applicability to Contractor in accordance with Exhibit A. North Sound BH-ASO's SPSG is posted on North Sound BH-ASO's website. North Sound BH-ASO shall notify Contractor of new and revised policies through its numbered memoranda. Training shall be provided on policies that impact the Contractor.

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

7. CONFIDENTIALITY OF CLIENT INFORMATION

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

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

Contractor shall protect all information, records and data collected from unauthorized disclosure in accordance with 42 CFR 431.300 through 431.307, RCW's 70.02, 71.05, and 71.34, HIPAA and for service recipients receiving alcohol and drug abuse services, in accordance with 42 CFR Part 2. Contractor shall have a process in place to ensure all components of its BHA and system understand and comply with confidentiality requirements for publicly funded behavioral health services.

Contractor shall ensure access to the information is restricted to persons or agency representatives who are subject to standards of confidentiality that are comparable to those of North Sound BH-ASO and HCA.

The parties acknowledge that coordination, planning, screening, and referral require the sharing of information among the various treatment providers. Disclosure of information to verify eligibility, determine the amount of assistance, and to provide medically necessary behavioral health services are

all "purposes directly connected with the administration of the Agreement", and are all appropriate justifications for sharing information.

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

8. CONTRACT PERFORMANCE/ENFORCEMENT

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

9. COOPERATION

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

10. DEBARMENT CERTIFICATION

Contractor, by signature to this Agreement, certifies Contractor and any Owners are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (Debarred) and is not listed in the Excluded Parties List System in the System for Award Management (SAM) website. Contractor shall immediately notify North Sound BH-ASO if, during the term of this Contract, Contractor becomes debarred.

11. DECLARATION THAT CLIENTS UNDER THE MEDICAID AND OTHER BEHAVIORAL HEALTH PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT

Although North Sound BH-ASO, Contractor, and subcontractors mutually recognize that services under this Agreement may be provided by Contractor and/or 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 Contractor, that such individuals, or any other persons, occupy the position of intended third-party beneficiaries of the obligations assumed by either party to this Agreement. Such third parties shall have no right to enforce this Agreement.

12. EXECUTION, AMENDMENT AND WAIVER

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

1 **13. HEADINGS AND CAPTIONS**

2 The headings and captions used in this Agreement are for reference and convenience only, and in no
3 way define, limit, or decide the scope or intent of any provisions or sections of this Agreement.
4

5 **14. INDEMNIFICATION**

6 Contractor shall be responsible for and shall indemnify and hold North Sound BH-ASO harmless
7 (including all costs and attorney fees) from all claims for personal injury, property damage and/or
8 disclosure of confidential information, including claims against North Sound BH-ASO for the negligent
9 hiring, retention and/or supervision of the Contractor and/or from the imposition of governmental
10 fines or penalties resulting from the acts or omissions of Contractor and its subcontractors related to
11 the performance of this contract. North Sound BH-ASO shall be responsible and shall indemnify and
12 hold Contractor harmless (including all costs and attorney fees) from all claims for personal injury,
13 property damage and disclosure of confidential information and from the imposition of governmental
14 fines or penalties resulting from the acts or omissions of North Sound BH-ASO. Each party agrees to be
15 responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of
16 their officials, officers, agents, or employees, to the fullest extent required by law, and further agree to
17 save, indemnify, defend, and hold the other party harmless from any such liability. For the purposes of
18 these indemnifications, the Parties specifically and expressly waive any immunity granted under the
19 Washington Industrial Insurance Act, RCW Title 51. This waiver has been mutually negotiated and
20 agreed to by the Parties. The provision of this section shall survive the expiration or termination of the
21 Agreement.
22

23 **15. INDEPENDENT CONTRACTOR FOR NORTH SOUND BH-ASO**

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

34 **16. INSURANCE**

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

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

1 **17. INTEGRATION**

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

6 **18. MAINTENANCE OF RECORDS**

7 During the term of this Agreement and for ten (10) years following termination or expiration of this
8 Agreement, or if any audit, claim, litigation, or other legal action involving the records set forth below
9 is started before expiration of the ten (10) year period, the records shall be maintained until
10 completion and resolution of all issues arising therefrom or until the end of the ten (10) year period,
11 whichever is later. Contractor shall maintain records sufficient to:
12

- 13 a. Maintain the content of all Medical Records in a manner consistent with utilization control
14 requirements of 42 CFR 456, 434.34 (a), 456.111 and 456.211;
15 b. Document performance of all acts required by law, regulation, or this Agreement;
16 c. Substantiate Contractor statement of its organizations' structures, tax status, capabilities, and
17 performance;
18 d. Demonstrate accounting procedures, practices, and records, which sufficiently and properly
19 document Contractor invoices to North Sound BH-ASO and all expenditures made by Contractor to
20 perform as required by this Agreement;
21 e. Contractor and its subcontractors shall cooperate in all reviews, including but not limited to,
22 surveys, and research conducted by North Sound BH-ASO, HCA or other Washington State
23 Departments; and
24 f. Evaluations shall be done by inspection or other means to measure quality, appropriateness, and
25 timeliness of services performed under this Agreement, and to determine whether Contractor and
26 its subcontractors are providing service to individuals in accordance with the requirements set
27 forth in this Agreement and applicable state and federal regulations as existing or hereafter
28 amended.
29

30 **19. NO WAIVER OF RIGHTS**

31 A failure by either party to exercise its rights under this Agreement shall not preclude that party from
32 subsequent exercise of such rights and shall not constitute a waiver of any other rights under this
33 Agreement unless stated to be such in a writing signed by an authorized representative of the party
34 and attached to the original Agreement.
35

36 Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any
37 subsequent breach and shall not be construed to be a modification of the terms and conditions of this
38 Agreement.
39

40 **20. ONGOING SERVICES**

41 Contractor and its subcontractors shall ensure in the event of labor disputes or job actions, including
42 work slowdowns, so called "sick outs", or other activities, within its service BHA network,
43 uninterrupted services shall be available as required by the terms of this Agreement.
44

1 **21. ORDER OF PRECEDENCE**

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

- 5
- 6 a. State statutes and regulations concerning the operation of the community behavioral health
7 programs;
- 8 b. Federal and State Law;
- 9 c. North Sound BH-ASO-HCA agreement, or its successors, that covers the provision of the
10 behavioral health services covered under this Agreement, which shall include any document or
11 material incorporated by reference. North Sound BH-ASO shall promptly notify Contractor of
12 any amendment to North Sound BH-ASO-HCA agreement which affects any term or condition
13 herein; and
- 14 d. This Agreement.
- 15

16 **22. OVERPAYMENTS**

17 In the event Contractor fails to comply with any of the terms and conditions of this Agreement and
18 that failure results in an overpayment, North Sound BH-ASO may recover the amount due HCA, CMS or
19 other federal or state agency, subject to dispute resolution as set forth in the contract. In the case of
20 overpayment, Contractor shall cooperate in the recoupment process and return to North Sound BH-
21 ASO the amount due upon demand.

22

23 **23. OWNERSHIP OF MATERIALS**

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

32

33 **24. PERFORMANCE**

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

1 **25. RESOLUTION OF DISPUTES**

2 The parties wish to provide for prompt, efficient, final, and binding resolution of disputes and
3 controversies that may arise under this Agreement and therefore establish this dispute resolution
4 procedure. All claims, disputes and other matters in question between the parties arising out of, or
5 relating to, this Agreement shall be resolved exclusively by the following dispute resolution procedure
6 unless the parties mutually agree in writing otherwise:
7

- 8 a. The parties shall use their best efforts to resolve issues prior to giving written Notice of Dispute;
9 b. Within 10 working days of receipt of the written Notice of Dispute, the parties (or a designated
10 representative) shall together or, if both parties agree, with a mediator meet, confer, and
11 attempt to resolve the claim; and
12 c. The terms of the resolution of all claims concluded in meetings shall be memorialized in writing
13 and signed by each party.
14

15 Arbitration: If the claim is not resolved within 30 days, the parties shall proceed to arbitration as
16 follows:
17

- 18 a. Demand for arbitration shall be made in writing to the other party. The parties shall select one
19 person as arbitrator;
20 b. If there is a delay of more than 10 days in the naming of the arbitrator, either party can ask the
21 presiding judge of Skagit County to name the arbitrator;
22 c. The prevailing party shall be entitled to recover from the other party all costs and expenses,
23 including reasonable attorney fees. The arbitrators shall determine which party, if any, is the
24 prevailing party;
25 d. The parties agree that the arbitrators' decision shall be binding, final and appealable to Skagit
26 County Superior Court only as provided in RCW Chapter 7.04A;
27 e. Unless the parties agree in writing otherwise, the unresolved claims in each notice of dispute
28 shall be considered at an arbitration session which shall occur in Skagit County no later than 30
29 days after the close of the meeting described in paragraph (b) at the top of this page;
30 f. The Provisions of this section shall, with respect to any controversy or claim, survive the
31 termination or expiration of this Agreement;
32 g. Nothing contained in this Agreement shall be deemed to give the arbitrator the power to change
33 any of the terms and conditions of this Agreement in any way;
34 h. The prevailing party in any action to compel arbitration or to enforce an arbitration award shall
35 be awarded its costs, including attorney fees. Venue for any such action is exclusively Skagit
36 County Superior Court; and
37 i. This Agreement shall be governed by laws of the State of Washington, both as to interpretation
38 and performance. Washington statutes of limitation apply to arbitration proceedings under this
39 agreement.
40

1 **26. SEVERABILITY AND CONFORMITY**

2 The provisions of this Agreement are severable. If any provision of this Agreement, including any
3 provision of any document incorporated by reference, is held invalid by any court, that invalidity shall
4 not affect the other provisions of this Agreement and the invalid provision shall be considered
5 modified to conform to existing law.
6

7 **27. SINGLE AUDIT ACT**

8 If Contractor or its subcontractor is a subrecipient of Federal awards as defined by 2 CFR 200.501,
9 Contractor and its subcontractors shall maintain records that identify all Federal funds received and
10 expended. Such funds shall be identified by the appropriate 2 CFR 200.501 titles and numbers, award
11 names and numbers, award years if awards are for research and development, as well as, names of the
12 Federal agencies. Contractor and its subcontractors shall make Contractor and its subcontractors'
13 records available for review or audit by officials of the Federal awarding agency, the General
14 Accounting Office and DSHS. Contractor and its subcontractors shall incorporate 2 CFR 200.501 audit
15 requirements into all contracts between Contractor and its subcontractors who are subrecipients.
16 Contractor and its subcontractors shall comply with any future amendments to 2 CFR 200.501 Subpart
17 F and any successor or replacement regulation.
18

19 If Contractor/its subcontractors are a subrecipient and expends \$750,000 or more in Federal awards
20 from any/all sources in any fiscal year, Contractor and applicable subcontractors shall procure and pay
21 for a single or program-specific audit for that fiscal year. Upon completion of each audit, Contractor
22 and applicable subcontractors shall submit to North Sound BH-ASO's Program Administrator the data
23 collection form and reporting package specified in 2 CFR 200.501, reports required by the program-
24 specific audit guide, if applicable, and a copy of any management letters issued by the auditor.
25

26 For purposes of "sub recipient" status under the rules of 2 CFR 200.330 Medicaid payments to a sub
27 recipient for providing patient care services to Medicaid eligible individuals are not considered Federal
28 awards expended under this part of the rule unless a State requires the fund to be treated as Federal
29 awards expended because reimbursement is on a cost-reimbursement basis.
30

31 **28. SUBCONTRACTS**

32 Contractor may subcontract services to be provided under this Agreement subject to the following
33 requirements.
34

- 35 a. Contractor shall be responsible for the acts and omissions of any subcontractor;
36 b. Contractor must ensure the subcontractor neither employs any person nor contracts with any
37 person or BHA excluded from participation in federal health care programs under either 42 USC
38 1320a-7 (§§1128 or 1128A Social Security Act) or debarred or suspended per this Agreement's
39 General Terms and Conditions;
40 c. Contractor shall require subcontractors to comply with all applicable federal and state laws,
41 regulations, and operational policies as specified in this Agreement;
42 d. Contractor shall require subcontractors to comply with all applicable North Sound BH-ASO
43 operational policies as specified in this Agreement;

- e. Contractor shall ensure a process is in place to demonstrate that all third-party resources are identified and pursued;
- f. Contractor shall oversee, be accountable for, and monitor all functions and responsibilities delegated to a subcontractor for conformance with any applicable statement of work in this Agreement on an ongoing basis including written reviews;
- g. Contractor will monitor performance of the subcontractors on an annual basis and notify North Sound BH-ASO of any identified deficiencies or areas for improvement requiring corrective action by Contractor; and
- h. Contractor shall ensure all subcontracts are in writing and subcontracts specify all duties, reports, and responsibilities delegated under this Agreement. Those written subcontracts shall:
 - i. Require subcontractors to hold all necessary licenses, certifications/permits as required by law for the performance of the services to be performed under this Agreement
 - j. Include clear means to revoke delegation, impose corrective action, or take other remedial actions if the subcontractor fails to comply with the terms of the subcontract;
 - k. Require that the subcontractor correct any areas of deficiencies in the subcontractor's performance that are identified by Contractor, North Sound BH-ASO/HCA.

29. SURVIVABILITY

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

30. TREATMENT OF PROPERTY

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

31. WARRANTIES

The parties' obligations are warranted and represented by each to be individually binding, for the benefit of the other party. Contractor warrants and represents it is able to perform its obligations set forth in this Agreement and that such obligations are binding upon Contractor and other subcontractors for the benefit of North Sound BH-ASO.

32. RATIFICATION

This contract will go into effect and shall be fully enforceable when signed by authorized representatives of all parties involved. This contract is subject to ratification after it becomes effective. This contract will be submitted for ratification at the next scheduled meeting of the North Sound BH-ASO Board of Directors. If not ratified by the Board of Directors the North Sound BH-ASO will

1 terminate the contract either immediately or, at the discretion of North Sound BH-ASO, within a
2 reasonable amount of time.

3
4 **33. CONTRACT ADMINISTRATION**

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

7
8 The Program Manager for North Sound BH-ASO is:

9
10 Joe Valentine, Executive Director
11 North Sound Behavioral Health Organization
12 301 Valley Mall Way, Suite 110
13 Mount Vernon, WA 98273

14
15 The Program Manager for Contractor is:

16
17 Sarah Hinman, County Coordinator
18 Skagit County Human Services
19 309 S. 3rd Street
20 Mount Vernon, WA 98273

21
22 Changes in Program Managers or addresses shall be provided to the other party in writing within
23 10 working days.

24
25
26 **THIS AGREEMENT**, consisting of 28 Pages, plus Exhibits, is executed by the persons signing below who warrant
27 that they have the authority to execute this Agreement.

28
29
30 **NORTH SOUND BH-ASO**

SKAGIT COUNTY

31
32
33
34
35 Joe Valentine
36 Executive Director

Date

(see attached signature pages)

Date