

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

MOTION NO. 25-532

APPROVAL OF CONTRACT BETWEEN NORTH SOUND BEHAVIORAL
ADMINISTRATIVE SERVICES ORGANIZATION AND SNOHOMISH COUNTY
FOR AOT LEGAL SERVICES

WHEREAS, Island County, San Juan County, Snohomish County, Skagit County, and Whatcom County (County Authorities) as defined by RCW 71.24.025(18), entered into a Joint County Authority Behavioral Health - Administrative Services Organization (BH-ASO) Interlocal Operating Agreement (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; 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 RCW 71.24.015; 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; and

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, the Prosecuting Attorney's Office (PAO) is engaged in the provision of Assisted Outpatient Treatment legal services within Snohomish County; and

WHEREAS, North Sound BH-ASO seeks to have certain legal services performed by the PAO as outlined in the contract;

NOW, THEREFORE, ON MOTION, the Snohomish County Council authorizes the County Executive to sign the attached contract for the provision of AOT legal services with North Sound BH-ASO for the term July 1, 2025, through June 30, 2026, and by so doing, approves the accompanying budget in Exhibit A of \$16,542, from July 1, 2025, through December 31, 2025.

DATED this _____ day of _____, 2025.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Council Chair

ATTEST:

Deputy Clerk of the Council

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

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

**WITH
SNOHOMISH COUNTY**

CONTRACT #NORTH SOUND BH-ASO-SNOHOMISH COUNTY-AOT-25

EFFECTIVE July 1, 2025

TABLE OF CONTENTS

ARTICLE ONE – DEFINITIONS	7
1.1 AGREEMENT.....	7
1.2 AVAILABLE RESOURCES.....	7
1.3 BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION (BH-ASO).....	7
1.4 Assisted Outpatient treatment services.....	7
1.5 CRITICAL INCIDENT	7
1.6 CULTURAL HUMILITY	7
1.7 HEALTHCARE AUTHORITY (HCA).....	7
ARTICLE TWO – NETWORK PROVIDER OBLIGATIONS	8
2.1 NETWORK PARTICIPATION	8
2.2 PROMOTIONAL ACTIVITIES.....	8
2.3 LICENSURE, CERTIFICATION AND OTHER STATE AND FEDERAL REQUIREMENTS.....	9
2.4 NON-DISCRIMINATION	9
2.5 CLIENT HOLD HARMLESS	9
2.6 NOTICES	10
2.7 PROVIDER TRAINING AND EDUCATION.....	11
ARTICLE THREE – ASSISTED OUTPATIENT TREATMENT LEGAL AND COURT SERVICES	12
3.1 SERVICE POPULATION.....	12
3.2 SERVICES	12
3.3 PROGRAM STAFFING	12
3.4 COORDINATION	12
ARTICLE FOUR - TERM AND TERMINATION	13
4.1 TERM.....	13
4.2 TERMINATION WITHOUT CAUSE	13
4.3 TERMINATION WITH CAUSE	13
4.4 IMMEDIATE TERMINATION	13
4.5 TERMINATION DUE TO CHANGE IN FUNDING	13
ARTICLE FIVE - FINANCIAL TERMS AND CONDITIONS	16
5.1 GENERAL FISCAL ASSURANCES	16
5.2 FINANCIAL ACCOUNTING REQUIREMENTS	16
ARTICLE SIX-OVERSIGHT AND REMEDIES	18
6.1 OVERSIGHT AUTHORITY.....	18
6.2 REMEDIAL ACTION.....	18
6.3 NOTICE REQUIREMENTS.....	20
ARTICLE SEVEN -GENERAL TERMS AND CONDITIONS FOR CONTRACTOR.....	21
7.1 BACKGROUND.....	21
7.2 MUTUAL COMMITMENTS.....	21
7.3 ASSIGNMENT	21
7.4 AUTHORITY	21
7.5 COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND OPERATIONAL POLICIES	22
7.6 COMPLIANCE WITH NORTH SOUND BH-ASO OPERATIONAL GUIDE	23
7.7 CONFIDENTIALITY OF PERSONAL INFORMATION.....	23

1	7.8	CONTRACT PERFORMANCE/ENFORCEMENT.....	23
2	7.9	COOPERATION	23
3	7.10	DEBARMENT CERTIFICATION.....	24
4	7.11	EXCLUDED PARTIES.....	24
5	7.12	DECLARATION THAT INDIVIDUALS UNDER THE MEDICAID AND OTHER BEHAVIORAL	
6		HEALTH PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT	25
7	7.13	EXECUTION, AMENDMENT AND WAIVER	26
8	7.14	HEADINGS AND CAPTIONS	26
9	7.15	INDEMNIFICATION.....	26
10	7.16	INDEPENDENT CONTRACTOR FOR NORTH SOUND BH-ASO	26
11	7.17	INSURANCE	27
12	7.18	INTEGRATION.....	27
13	7.19	MAINTENANCE OF RECORDS.....	27
14	7.20	NOTICE OF AMENDMENT	28
15	7.21	NO WAIVER OF RIGHTS.....	28
16	7.22	ONGOING SERVICES.....	28
17	7.23	OVERPAYMENTS	28
18	7.24	OWNERSHIP OF MATERIALS	28
19	7.25	PERFORMANCE	29
20	7.26	RESOLUTION OF DISPUTES	29
21	7.27	SEVERABILITY AND CONFORMITY.....	29
22	7.28	SINGLE AUDIT ACT	29
23	7.29	SURVIVABILITY	30
24	7.30	TREATMENT OF INDIVIDUAL’S PROPERTY.....	30
25	7.31	WARRANTIES	30
26	7.32	CONTRACT CERTIFICATION.....	30
27			

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- Budget

Exhibit B - Supplemental Provider Service Guide [Supplemental Provider Service Guide | North Sound BH-ASO \(nsbhaso.org\)](#)

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40
- 41

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 SNOHOMISH COUNTY, (Provider), a political subdivision of the State of Washington, 3000 Rockefeller Ave., M/ 504, Everett, WA 98201.

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, North Sound BH-ASO is a governmental limited liability company formed by an operating agreement (the “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 RCW 71.24.015; 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; and

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, Provider is engaged in the provision of Assisted Outpatient Treatment Legal/Court (the “services”) Services within Snohomish County; and

WHEREAS, North Sound BH-ASO desires that Providers provide, market, distribute and otherwise do all things necessary to deliver AOT legal/courts services in Snohomish County;

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 A; and

WHEREAS, North Sound BH-ASO desires to have certain services performed by the Provider as described in contract;

WHEREAS, the Provider 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;

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:

now, therefore,

THE PARTIES AGREE AS FOLLOWS:

II. CONTRACT

The effective date of this Contract is July 1, 2025.

ARTICLE ONE – DEFINITIONS

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

1.1 AGREEMENT

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

1.2 AVAILABLE RESOURCES

Available Resources means funds appropriated for the purpose of providing behavioral health related 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 ASSISTED OUTPATIENT TREATMENT SERVICES

Assisted Outpatient Treatment (AOT) is a form of Less Restrictive Alternative treatment designed to provide court mandated intensive community-based treatment for individuals who suffer from a behavioral health disorder who are unlikely to survive safely in the community and whose condition is deteriorating and/or have a history of lack of compliance with treatment for their behavioral health disorder.

1.5 CRITICAL INCIDENT

A critical incident is a serious or undesirable outcome that occurs in the agency including but not limited to:

- (a) Allegations of abuse, neglect, or exploitation;
- (b) Death, including death by suicide;
- (c) Injuries resulting in admission to a hospital as an inpatient; or
- (d) Outbreak of communicable disease within the agency.

1.6 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 individual's worldview, culture(s), and communities

1.7 HEALTHCARE AUTHORITY (HCA)

"Health Care Authority (HCA)" means the Washington State Health Care Authority, any division, Section, office, unit, or other entity of HCA or any of the officers or other officials lawfully representing HCA.

1 **ARTICLE TWO – NETWORK PROVIDER OBLIGATIONS**

2
3 This Agreement, North Sound BH-ASO’s Supplemental Provider Service Guide, Court Operations
4 Manual, Policies and Procedures (P&P), Contract Exhibits, the Contract Boilerplate, and their revisions
5 each specify North Sound BH-ASO’s requirements for the array of services to be provided. Unless
6 otherwise specified, these materials shall be regarded as the source documents for compliance with
7 program requirements. In the event of any inconsistency between the requirements of such
8 documents, the more stringent shall control.

9 **2.1 NETWORK PARTICIPATION**

10 Provider shall participate as part of the North Sound BH-ASO for the (GFS)/(FBG) and
11 Legislative Proviso services specified in this Contract. Provider agrees that its practice
12 information may be used in North Sound BH-ASO MCO and HCA provider directories,
13 promotional materials, advertising, and other informational material made available to the
14 public. Such practice information includes, but is not limited to, name, address, telephone
15 number, hours of operation and type of services. Provider shall promptly notify North Sound
16 BH-ASO within 30 days of any changes in this information.
17

18 **2.1.1 Facilities, Equipment and Personnel**

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

24 **2.1.2. Assignments**

25 The Provider shall provide legal/court services to all individuals regardless of their
26 ability to pay.

27 **2.1.3 Subcontract Arrangements**

28 Any subcontract arrangement entered into by Provider for the delivery of services to
29 individuals shall be in writing and shall bind Provider’s subcontractors to the terms
30 and conditions of this Agreement including, but not limited to, Supplemental
31 Provider Service Guide, terms relating to licensure, insurance, and billing of
32 individuals for services. North Sound BH-ASO will provide ongoing monitoring and
33 oversight to any and all sub-delegation relationships.
34

35 **2.2 PROMOTIONAL ACTIVITIES**

36 At the request of North Sound BH-ASO, Provider shall display promotional materials in its
37 offices and facilities as practical, in accordance with applicable law and cooperate with and
38 participate in all reasonable marketing efforts. Provider shall not use any North Sound BH-
39 ASO name in any advertising or promotional materials without the prior written permission of
40 North Sound BH-ASO.

1 2.3 **LICENSURE, CERTIFICATION AND OTHER STATE AND FEDERAL REQUIREMENTS**

2 Provider's employees shall hold all necessary licenses, certifications, and permits required by
3 law for the performance of services to be provided under this Agreement. Provider's
4 employees shall maintain their licensure and applicable certifications in good standing, free of
5 disciplinary action, and in unrestricted status throughout the term of this Agreement. The loss
6 or suspension of licensure or other applicable certifications, or their exclusion from any
7 federally funded health care program, including Medicare and Medicaid, may constitute cause
8 for immediate termination of this Agreement. Provider warrants and represents that
9 Provider's employees who are subject to professional licensing requirements, are duly
10 licensed to provide legal services. Provider's employees shall have and maintain in good
11 standing for the term of this Agreement the licenses, permits, registrations, certifications, and
12 any other governmental authorizations to provide such services.
13

14 2.4 **NON-DISCRIMINATION**

15
16 2.4.1 **AOT Participants.**

17 Provider shall not differentiate or discriminate in providing services to individuals
18 because of race, color, religion, national origin, ancestry, age, marital status, gender
19 identity, sexual orientation, physical, sensory or mental handicap, socioeconomic
20 status, or participation in publicly financed programs of health care services.
21 Provider shall render services to individuals in the same location, in the same
22 manner, in accordance with the same standards, and within the same time
23 availability regardless of payor.
24

25 2.4.2 **Employment.**

26 Provider shall not differentiate or discriminate against any employee or applicant for
27 employment, with respect to their hire, tenure, terms, conditions or privileges of
28 employment, or any matter directly or indirectly related to employment, because of
29 race, color, religion, national origin, ancestry, age, height, weight, marital status,
30 gender identity, physical, sensory or mental disability unrelated to the individual's
31 ability to perform the duties of the particular job or position.
32

33 2.5 **CLIENT HOLD HARMLESS**

34 2.5.1 Provider hereby agrees that in no event, including, but not limited to nonpayment by
35 North Sound BH-ASO, North Sound BH-ASO, or breach of this contract will Provider
36 bill, charge, collect a deposit from, seek compensation, remuneration, or
37 reimbursement from, or have any recourse against a client or person acting on their
38 behalf, other than North Sound BH-ASO, for services provided pursuant to this
39 Contract.

40 2.5.2 Provider may not bill individuals for legal/court services where North Sound BH-ASO
41 denies payments because the Provider has failed to comply with the terms or
42 conditions of this Contract.

43 2.5.3 Provider further agrees (i) the provisions of this subsection 2.5 shall survive
44 termination of this contract regardless of the cause giving rise to termination and

shall be construed to be for the benefit of North Sound BH-ASO individuals, and (ii) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Provider and individuals or persons acting on their behalf.

2.5.4 If Provider contracts with other providers or facilities who agree to provide legal/court services to individuals of North Sound BH-ASO with the expectation of receiving payment directly or indirectly from North Sound BH-ASO, such providers or facilities must agree to abide by the provisions of this subsection 2.5.

2.6 NOTICES

2.6.1 Critical Incident Reporting

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

2.6.2 Termination of Services

Provider shall provide North Sound BH-ASO at least 90 calendar days written notice before provider, any clinic, or subcontractor ceases to provide services to individuals.

2.6.3 Reporting Fraud

Provider shall comply with chapter 48.135 RCW 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

1 to report suspected fraud, waste, or abuse shall apply if the suspected conduct was
2 perpetrated by Provider, Provider's employee, agent, subcontractor, or individual.
3 Provider shall establish P&P's for identifying, investigating, and taking appropriate
4 corrective action against suspected fraud, waste, or abuse. Detailed information
5 provided to employees and subcontractors regarding fraud and abuse P&P's and the
6 false Claims Act and the Washington false claims statutes RCW Chapter 74.66 and
7 74.09.210. Upon request by North Sound BH-ASO, and/or HCA, Provider shall confer
8 with the appropriate State agency prior to or during any investigation into suspected
9 fraud, waste, or abuse.

10
11 **2.7 PROVIDER TRAINING AND EDUCATION**

12 Upon the request of North Sound BH-ASO, the Provider shall participate in training when
13 required by the North Sound BH-ASO and/or HCA. Requests to allow an exception to
14 participation in a required training must be in writing and include a plan for how the required
15 information will be provided to targeted Provider staff.

ARTICLE THREE – ASSISTED OUTPATIENT TREATMENT LEGAL AND COURT SERVICES

3.1 SERVICE POPULATION

Individuals who are petitioned for Assisted Outpatient Treatment in Snohomish County.

3.2 SERVICES

The Provider, through the Prosecuting Attorney’s Office, shall represent the individuals or agencies petitioning for AOT orders in all court proceedings in accordance with RCW 71.05. They shall also review AOT petitions for legal sufficiency. Should the petition be found to be not legally insufficient to file, they shall coordinate with the petitioner to address the deficiencies.

3.3 PROGRAM STAFFING

The Snohomish County Prosecuting Attorney’s Office.

3.4 COORDINATION

North Sound BH-ASO shall be responsible for coordinating with Assisted Outpatient Treatment Providers to meet the obligations identified in this Agreement.

ARTICLE FOUR - TERM AND TERMINATION

4.1 TERM

This Agreement is effective on July 1, 2025, 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 the Health Care Authority, Managed Care Organization, 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.

4.5.1 TERMINATION PROCEDURE

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

- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
- 4.5.1.1 Provider's employees shall cease to perform any services required by this Contract as of the effective date of termination and shall comply with all reasonable instructions contained in the notice of termination which are related to the transfer of individuals, distribution of property and termination of services. Each party shall be responsible only for its performance in accordance with the terms of this Contract rendered prior to the effective date of termination. Provider and any applicable subcontractors shall assist in the orderly transfer/transition of the individuals served under this Contract. Provider and any applicable subcontractors shall promptly supply all information necessary for the reimbursement of any outstanding Medicaid claims.
- 4.5.1.2 Provider's employees shall immediately deliver to North Sound BH-ASO's Program Administrator or their successor, all North Sound BH-ASO assets (property) in Provider and any applicable subcontractor's possession and any property produced under this Contract. Provider and any applicable subcontractors grant North Sound BH-ASO the right to enter upon Provider and any applicable subcontractor's premises for the sole purpose of recovering any North Sound BH-ASO property that Provider and any applicable subcontractors fails to return within 10 business days of termination of this Contract. Upon failure to return North Sound BH-ASO property within 10 business days of the termination of this Contract, Provider and any applicable subcontractors shall be charged with all reasonable costs of recovery, including transportation and attorney's fees. Provider and any applicable subcontractors shall protect and preserve any property of North Sound BH-ASO that is in the possession of Provider and any applicable subcontractors pending return to North Sound BH-ASO.
- 4.5.1.3 North Sound BH-ASO shall be liable for and shall pay for only those services authorized and provided through the date of termination. North Sound BH-ASO may pay an amount agreed to by the parties for partially completed work and services if work products are useful to or usable by North Sound BH-ASO.
- 4.5.1.4 If the North Sound BH-ASO's Program Administrator terminates this Contract for default, North Sound BH-ASO may withhold a sum from the final payment to Provider that North Sound BH-ASO determines is necessary to protect North Sound BH-ASO against loss or additional liability occasioned by the alleged default. North Sound BH-ASO shall be entitled to all remedies available at law, in equity, or under this Contract. If it is later determined Provider was not in default, or if Provider terminated this Contract for default, Provider shall be entitled to all remedies available at law, in equity, or under this Contract.
- Should the contract be terminated by either party, North Sound BH-ASO 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.

1 **ARTICLE FIVE - FINANCIAL TERMS AND CONDITIONS**

2 **5.1 GENERAL FISCAL ASSURANCES**

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

10
11 **5.2 FINANCIAL ACCOUNTING REQUIREMENTS**

12 Provider shall:

13
14 5.2.1 Limit Administration costs to no more than 10% of the annual revenue supporting
15 the public behavioral health system operated by Provider. Administration costs shall
16 be measured on a fiscal year basis and based on the information reported in the
17 Revenue and Expenditure Reports and reviewed by North Sound BH-ASO.

18 5.2.2 The Provider shall establish and maintain a system of accounting and internal
19 controls which complies with generally accepted accounting principles promulgated
20 by the Financial Accounting Standards Board (FASB), the Governmental Accounting
21 Standards Board (GASB), or both as is applicable to the Provider's form of
22 incorporation.

23 5.2.3 Ensure all North Sound BH-ASO funds, including interest earned, provided pursuant
24 to this Contract, are used to support the public behavioral health system within the
25 Service Area;

26 5.2.5 Produce annual, audited financial statements upon completion and make such
27 reports available to North Sound BH-ASO upon request.

28
29 **5.2.5.1 Financial Reporting**

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

31 5.2.5.1.1 The North Sound BH-ASO shall reimburse the Provider for
32 satisfactory completion of the services and requirements
33 specified in this Contract and its attached exhibit(s).

34 5.2.5.1.2 The Provider shall submit an invoice within 45 days from the
35 service month (i.e., services in June invoiced on or before
36 August 15th) or as soon thereafter as is practicable, along with
37 all accompanying reports as specified in the attached
38 exhibit(s), including its final invoice and all outstanding
39 reports. The North Sound BH-ASO shall initiate authorization
40 for payment to the Provider not more than 30 days after a
41 timely, complete, and accurate invoice is received.

1 5.2.5.1.3 The Provider shall submit its final invoice and all outstanding
2 reports as specified in this contract and its attached exhibit(s).
3 If the Provider's final invoice and reports are not submitted as
4 specified in this contract and its attached exhibit(s), the North
5 Sound BH-ASO will be relieved of all liability for payment to
6 the Provider of the amounts set forth in said invoice or any
7 subsequent invoice.
8
9

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 services of Provider and e) audits and inspections of financial records of Provider related to the performance of this Agreement.

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 , 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: 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 Policies & Procedures 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/or the
17 project representative. Any time within which a party must take some action shall be
18 computed from the date that the notice is received by said party.
19

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 or
27 transferred by Provider without the express written consent of North Sound BH-ASO and any
28 attempt to transfer or assign this Contract without such consent shall be void. The terms
29 “assigned”, or “transferred” shall include change of business structure to a limited liability
30 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 upon request, with a copy of the explicit written authorization of its governing body to enter
35 into this Contract and accept the financial risk and responsibility to carry out all terms of this
36 Contract including the ability to pay for all expenses incurred during the contract period.
37 Likewise, concurrent with the execution of this Contract, North Sound BH-ASO shall furnish,
38 upon request, Provider with a written copy of the motion, resolution, or ordinance passed by
39 North Sound BH-ASO’s County Authorities Board of Directors authorizing North Sound BH-ASO
40 to execute this Contract.

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

22 7.5.8 Any applicable mandatory standards and policies relating to energy efficiency, which
23 are contained in the State Energy Conservation Plan, issued in compliance with the
24 federal Energy Policy and Conservation Act;

25 7.5.9 Those specified in RCW Title 18 for professional licensing;

26 7.5.10 Reporting of abuse as required by RCW 26.44.030;

27 7.5.11 Industrial insurance coverage as required by RCW Title 51;

28 7.5.12 RCW 38.52, 70.02, 71.05, 71.24 and 71.34;

29 7.5.13 WAC 246-341 and 388-865;

30 7.5.14 Office of Management and Budget (OMB) Circulars, Budget, Accounting and
31 Reporting System (BARS) Manual and BARS Supplemental Behavioral Health
32 Instructions;

33 7.5.15 Any applicable federal and state laws that pertain to individual's rights. Provider
34 shall ensure its staff takes those rights into account when furnishing services to
35 individuals.

36 7.5.16 Provider and any subcontractors must comply with 42-USC 1396u-2 and must not
37 knowingly have a director, officer, partner, or person with a beneficial ownership of
38 more than five (5%) of Provider, BHA or subcontractor's equity, or an employee,
39 Provider, or consultant who is significant or material to the provision of services
40 under this Contract, who has been, or is affiliated with someone who has been,
41 debarred, suspended, or otherwise excluded by any federal agency.

42 7.5.17 Federal and State non-discrimination laws and regulations;

43 7.5.18 HIPAA (45 CFR parts 160-164);

44 7.5.19 Confidentiality of Substance Use Disorder (SUD) 42 CFR Subchapter A, Part 2;

7.5.20 Federal funds must not be used for any lobbying activities

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

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

7.6 COMPLIANCE WITH NORTH SOUND BH-ASO OPERATIONAL GUIDE

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

7.7 CONFIDENTIALITY OF PERSONAL INFORMATION

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

7.8 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 Provider be unwilling or unable to enforce action on the part of its subcontractor(s). In the event Provider 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 Contract directly with subcontractors; provided North Sound BH-ASO keeps Provider reasonably informed concerning such enforcement. Provider shall include this clause in its contracts with its subcontractors. In the event of the dissolution of Provider, North Sound BH-ASO's rights in indemnification shall survive.

7.9 COOPERATION

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

1 7.10 **DEBARMENT CERTIFICATION**

2 The Provider, by signature to this Contract, certifies Provider is not presently debarred,
3 suspended, proposed for Debarment, declared ineligible or voluntarily excluded in any
4 Washington State or federal department or agency from participating in transactions
5 (debarred).

6
7 The Provider agrees to include the above requirement in any and all Subcontracts into which it
8 enters concerning the performance of services hereunder, and also agrees that it shall not
9 employ debarred individuals or Subcontract with any debarred providers, persons, or entities.

10
11 The Provider shall immediately notify North Sound BH-ASO if, during the term of this Contract,
12 the Provider becomes debarred. North Sound BH-ASO may immediately terminate this
13 Contract by providing Provider written notice in accord with Subsection 6.3 of this Contract if
14 the Provider becomes debarred during the term hereof.

15
16 7.11 **EXCLUDED PARTIES**

17 Provider is prohibited from paying with funds received under this Contract for goods and
18 services furnished, ordered, or prescribed by excluded individuals and entities SSA section
19 1903(i)(2) of the Act; 42 CFR 455.104, 455.106 and 1001.1901(b).

20
21 Provider shall monitor for excluded individuals and entities by:

22
23 7.11.1 Screening Provider's employees and individuals and entities with an ownership or
24 control interest for excluded individuals and entities prior to entering into a
25 contractual or other relationship where the individual or entity would benefit
26 directly or indirectly from funds received under this Contract.

27 7.11.2 Screening monthly newly added Provider's employees and individuals and entities
28 with an ownership or control interest for excluded individuals and entities that
29 would benefit directly or indirectly from funds received under this Contract.

30 7.11.3 Screening monthly Provider's employees and individuals and entities with an
31 ownership or control interest that would benefit from funds received under this
32 Contract for newly added excluded individuals and entities.

33
34 Report to North Sound BH-ASO:

35
36 7.11.4 Any excluded individuals and entities discovered in the screening within 10 business
37 days;

38 7.11.5 Any payments made by Provider that directly or indirectly benefit excluded
39 individuals and entities and the recovery of such payments;

40 7.11.6 Any actions taken by Provider to terminate relationships with Provider and
41 subcontractor's employees and individuals with an ownership or control interest
42 discovered in the screening;

- 1 7.11.7 Any Provider and subcontractor's employees and individuals with an ownership or
2 control interest convicted of any criminal or civil offense described in SSA section
3 1128 within 10 business days of Provider becoming aware of the conviction;
4 7.11.8 Any subcontractor terminated for cause within 10 business days of the effective
5 date of termination to include full details of the reason for termination;
6 7.11.9 Any Provider and subcontractor's individuals and entities with an ownership or
7 control interest.
8

9 Provider must provide a list with details of ownership and control no later than 30 days from
10 the date of ratification and shall keep the list up-to-date thereafter. If the provider is a
11 government entity, this requirement does not apply.
12

13 Provider will not make any payments for goods or services that directly or indirectly benefit
14 any excluded individual or entity. Provider will immediately recover any payments for goods
15 and services that benefit excluded individuals and entities it discovers.
16

17 Provider will immediately terminate any employment, contractual and control relationships
18 with an excluded individual and entity it discovers.
19

20 Civil monetary penalties may be imposed against Provider if it employs or enters into a
21 contract with an excluded individual or entity to provide goods or services to enrollees (SSA
22 section 1128A(a) and 42 CFR 1003.102(a)(2)).
23

24 An individual or entity is considered to have an ownership or control interest if they have
25 direct or indirect ownership of five percent (5%) or more, or are a managing employee (i.e., a
26 general manager, business manager, administrator, or director) who exercises operational or
27 managerial control or who directly or indirectly conducts day-to-day operations (SSA section
28 1126(b), 42 CFR 455.104(a) and 1001.1001(a)(1)).
29

30 In addition, if North Sound BH-ASO/MCO/HCA notifies Provider that an individual or entity is
31 excluded from participation by HCA, Provider shall terminate all beneficial, employment,
32 contractual and control relationships with the excluded individual or entity immediately.
33 The list of excluded individuals will be found at: <http://exclusions.oig.hhs.gov/>.
34

35 SSA section 1128 will be found at: http://www.ssa.gov/OP_Home/ssact/title11/1128.htm.
36

37 **7.12 DECLARATION THAT INDIVIDUALS UNDER THE MEDICAID AND OTHER BEHAVIORAL HEALTH**
38 **PROGRAMS ARE NOT THIRD-PARTY BENEFICIARIES UNDER THIS CONTRACT**

39 Although North Sound BH-ASO, Provider and subcontractors mutually recognize that services
40 under this Contract may be provided by Provider and subcontractors to individuals under the
41 Medicaid program, RCW 71.05 and 71.34 and the Community Behavioral Health Services Act,
42 RCW 71.24, it is not the intention of either North Sound BH-ASO or Provider, that such
43 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.

7.16 INDEPENDENT CONTRACTOR FOR NORTH SOUND BH-ASO

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

1
2 **7.17 INSURANCE**

3 North Sound BH-ASO certifies it is a member of Washington Governmental Risk Pool for all
4 exposure to tort liability, general liability, property damage liability and vehicle liability, if
5 applicable, as provided by RCW 43.19.
6

7 Provider maintains a fully funded self-insurance programs as defined in Snohomish County
8 Code 2.90 for the protection and handling of Provider's liabilities, including injuries to persons
9 and damage to property automobile liability, professional liability and workers compensation.
10 The self-funded program will respond in an incident occurs involving negligence of Provider
11 employees acting in the scope of their employment. North Sound BH-ASO acknowledges,
12 agrees and understand that Provider is self-funded for all its liability exposures. Provider
13 agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its
14 liability exposures for this Contract. Provider agrees to provide North Sound BH-ASO at least
15 30 calendar days prior written notice of any material change in its self-funded program and if
16 requested, will provide a letter of self-insurance as adequate proof of coverage. North Sound
17 BH-ASO further acknowledges, agrees and understands that Provider does not purchase
18 Commercial General Liability insurance and is a self-insured governmental entity; therefore,
19 Provider does not have the ability to add any party as an additional insured.
20

21 **7.18 INTEGRATION**

22 This Contract, including Exhibits contains all the terms and conditions agreed upon by the
23 parties. No other understandings, oral or otherwise, regarding the subject matter of this
24 Contract shall be deemed to exist or to bind any of the parties hereto.
25

26 **7.19 MAINTENANCE OF RECORDS**

27 Provider shall prepare, maintain and retain accurate records, including appropriate medical
28 records and administrative and financial records, related to this Agreement and to Services
29 provided hereunder in accordance with industry standards, applicable federal and state
30 statutes and regulations, and state and federal sponsored health program requirements. Such
31 records shall be maintained for the maximum period required by federal or state law. North
32 Sound BH-ASO shall have continued access to Provider's records as necessary for North Sound
33 BH-ASO to perform its obligations hereunder, to comply with federal and state laws and
34 regulations, and to ensure compliance with applicable accreditation and HCA requirements.
35

36 Provider shall completely and accurately report encounter data to North Sound BH-ASO and
37 shall certify the accuracy and completeness of all encounter data submitted. Provider shall
38 ensure that it and all of its subcontractors that are required to report encounter data, have
39 the capacity to submit all data necessary to enable the North Sound BH-ASO to meet the
40 reporting requirements in the Encounter Data Transaction Guide published by HCA, or other
41 requirements HCA may develop and impose on North Sound BH-ASO or Provider.
42

43 Upon North Sound BH-ASO's request or under North Sound BH-ASO's state and federal
44 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 OVERPAYMENTS

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

7.24 OWNERSHIP OF MATERIALS

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

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

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

7.25 PERFORMANCE

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

7.26 RESOLUTION OF DISPUTES

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

7.27 SEVERABILITY AND CONFORMITY

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

7.28 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.

7.29 SURVIVABILITY

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

7.30 TREATMENT OF INDIVIDUAL'S PROPERTY

Unless otherwise provided in this Contract, Provider shall ensure any adult individual receiving services from Provider under this Contract has unrestricted access to the individual's personal property. Provider shall not interfere with any adult individual's ownership, possession, or use of the individual's property unless clinically indicated. Provider 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 Contract, Provider shall immediately release to the individual and/or guardian or custodian all the individual's personal property.

7.31 WARRANTIES

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

7.32 CONTRACT CERTIFICATION

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

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

2
3 JanRose Ottaway Martin, 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 Snohomish County is:

9
10 Ken Klein, Executive Director
11 Snohomish County
12 3000 Rockefeller, MS/305
13 Everett, WA 98201
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**

SNOHOMISH COUNTY

22
23
24 
25 _____ 07/19/2025
26 JanRose Ottaway Martin Date
27 Executive Director

Ken Klein Date
Executive Director