

RESOLUTION NO. 2013-15

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN WASHINGTON STATE DEPARTMENT OF SOCIAL AND HEALTH SERVICE (PHD/PUBLIC AUTHORITY INTERPRETER SVC FFP) AND PUBLIC HOSPITAL DISTRICT NO.1 OF MASON COUNTY (MASON GENERAL HOSPITAL) TO WORK COLLABORATIVELY TO PROVIDE CERTAIN HEALTHCARE SERVICES.

WHEREAS, the Board of Commissioners of Public Hospital District No. 1 of Mason County has before it an Interlocal Agreement for 2013-15 pursuant to the Interlocal Cooperative Act Chapter 39.34 RCW which is attached hereto and incorporated by this reference; and

WHEREAS, the Board of Commissioners believes it to be in the best interests of the District to authorize the execution of said Interlocal Agreement; now therefore be it

RESOLVED, that the CEO is hereby authorized and directed to execute the Agreement attached hereto and marked as Exhibit "A" and deliver an executed copy thereof to Washington State Department of Social and Health Service (PHD/Public Authority Interpreter Svc FFP); and be it further

RESOLVED, that the CEO is hereby authorized and directed to take such further action as may be appropriate in order to effect the purpose of this resolution and the Agreement authorized hereby.

Adopted at a regular meeting of the Board of Hospital Commissioners this ____ day of May, 2013.



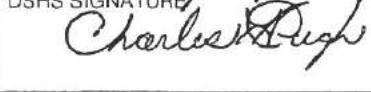
PUBLIC HOSPITAL DISTRICT NO. 1 OF MASON COUNTY, WASHINGTON

BY


Scott Hilburn, President


Don Wilson, Commissioner


Nancy Trucksess, Commissioner

	INTERLOCAL AGREEMENT PHD/Public Authority Interpreter Svcs FFP Medicaid Ad Match	DSHS Agreement Number: 0969-66869		
This Agreement is by and between the State of Washington Department of Social and Health Services (DSHS) and the Contractor identified below, and is issued pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW.		Program Contract Number: Contractor Contract Number:		
CONTRACTOR NAME Hospital Dist #1 Mason County		CONTRACTOR doing business as (DBA) Mason General Hospital		
CONTRACTOR ADDRESS 901 Mt. View Drive Bldg # 1 PO Box 1668 Shelton, WA 98584-		<table border="1"> <tr> <td data-bbox="865 680 1188 823"> WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI) 232-002-969 </td> <td data-bbox="1188 680 1521 823"> DSHS INDEX NUMBER 26367 </td> </tr> </table>	WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI) 232-002-969	DSHS INDEX NUMBER 26367
WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI) 232-002-969	DSHS INDEX NUMBER 26367			
CONTRACTOR CONTACT Paulina Alanis	CONTRACTOR TELEPHONE (360) 427-3679 Ext:	<table border="1"> <tr> <td data-bbox="865 823 1182 907"> CONTRACTOR FAX () - </td> <td data-bbox="1182 823 1521 907"> CONTRACTOR E-MAIL ADDRESS palanis@masongeneral.com </td> </tr> </table>	CONTRACTOR FAX () -	CONTRACTOR E-MAIL ADDRESS palanis@masongeneral.com
CONTRACTOR FAX () -	CONTRACTOR E-MAIL ADDRESS palanis@masongeneral.com			
DSHS ADMINISTRATION Health and Recovery Services Administration	DSHS DIVISION Division of Health Services	DSHS CONTRACT CODE 4740LS-69		
DSHS CONTACT NAME AND TITLE Larry Linn Program Manager		DSHS CONTACT ADDRESS PO Box 45530 636 8th AVE SE Olympia, WA 98504-5530		
DSHS CONTACT TELEPHONE (360) 725-1970 Ext:	DSHS CONTACT FAX (360) 664-4371	DSHS CONTACT E-MAIL ADDRESS linnld@dshs.wa.gov		
IS THE CONTRACTOR A SUBRECIPIENT FOR PURPOSES OF THIS CONTRACT? Yes		CFDA NUMBER(S) 93.778		
AGREEMENT START DATE 7/1/2009	AGREEMENT END DATE 6/30/2019	MAXIMUM AGREEMENT AMOUNT Fee For Service		
EXHIBITS. The following Exhibits are attached and are incorporated into this Agreement by reference: <input type="checkbox"/> Data Security: <input type="checkbox"/> Exhibits (specify): <input checked="" type="checkbox"/> No Exhibits.				
The terms and conditions of this Agreement are an integration and representation of the final, entire and exclusive understanding between the parties superseding and merging all previous agreements, writings, and communications, oral or otherwise regarding the subject matter of this Agreement, between the parties. The parties signing below represent they have read and understand this Agreement, and have the authority to execute this Agreement. This Agreement shall be binding on DSHS only upon signature by DSHS.				
CONTRACTOR SIGNATURE 	PRINTED NAME AND TITLE G. Robert Appel CEO	DATE SIGNED 06/29/2009		
DSHS SIGNATURE 	PRINTED NAME AND TITLE Charles Pugh, Manager Contracts and Supplemental Rebate Agreements Medical Assistance Divisions	DATE SIGNED 30-JUN-09		

DSHS General Terms and Conditions

1. **Definitions.** The words and phrases listed below, as used in this Contract, shall each have the following definitions:
- a. "Central Contract Services" means the DSHS central headquarters contracting office, or successor section or office.
 - b. "Confidential Information" means information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information.
 - c. "Contract" or "Agreement" means the entire written agreement between DSHS and the Contractor, including any Exhibits, documents, or materials incorporated by reference.
 - d. "Contracts Administrator" means the manager, or successor, of Central Contract Services or successor section or office.
 - e. "Contractor" means the individual or entity performing services pursuant to this Contract and includes the Contractor's owners, members, officers, directors, partners, employees, and/or agents, unless otherwise stated in this Contract. For purposes of any permitted Subcontract, "Contractor" includes any Subcontractor and its owners, members, officers, directors, partners, employees, and/or agents.
 - f. "Debarment" means an action taken by a Federal agency or official to exclude a person or business entity from participating in transactions involving certain federal funds.
 - g. "DSHS" or the "Department" means the state of Washington Department of Social and Health Services and its employees and authorized agents.
 - h. "Encrypt" means to encode Confidential Information into a format that can only be read by those possessing a "key"; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 128 bits.
 - i. "Hardened Password" means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.
 - j. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, Social Security Numbers, driver license numbers, other identifying numbers, and any financial identifiers.
 - k. "Physically Secure" means that access is restricted through physical means to authorized individuals only.
 - l. "Program Agreement" means an agreement between the Contractor and DSHS containing special terms and conditions, including a statement of work to be performed by the Contractor and payment to be made by DSHS.
 - m. "RCW" means the Revised Code of Washington. All references in this Contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at <http://apps.leg.wa.gov/rcw/>.

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- n. "Regulation" means any federal, state, or local regulation, rule, or ordinance.
 - o. "Secured Area" means an area to which only authorized representatives of the entity possessing the Confidential Information have access. Secured Areas may include buildings, rooms or locked storage containers (such as a filing cabinet) within a room, as long as access to the Confidential Information is not available to unauthorized personnel.
 - p. "Subcontract" means any separate agreement or contract between the Contractor and an individual or entity ("Subcontractor") to perform all or a portion of the duties and obligations that the Contractor is obligated to perform pursuant to this Contract.
 - q. "Tracking" means a record keeping system that identifies when the sender begins delivery of Confidential Information to the authorized and intended recipient, and when the sender receives confirmation of delivery from the authorized and intended recipient of Confidential Information.
 - r. "Trusted Systems" include only the following methods of physical delivery: (1) hand-delivery by a person authorized to have access to the Confidential Information with written acknowledgement of receipt; (2) United States Postal Service ("USPS") first class mail, or USPS delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail; (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; and (4) the Washington State Campus mail system. For electronic transmission, the Washington State Governmental Network (SGN) is a Trusted System for communications within that Network.
 - s. "Unique User ID" means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
 - t. "WAC" means the Washington Administrative Code. All references in this Contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. Pertinent WAC chapters or sections can be accessed at <http://apps.leg.wa.gov/wac/>.
2. **Amendment.** This Contract may only be modified by a written amendment signed by both parties. Only personnel authorized to bind each of the parties may sign an amendment.
3. **Assignment.** The Contractor shall not assign this Contract or any Program Agreement to a third party without the prior written consent of DSHS.
4. **Billing Limitations.**
- a. DSHS shall pay the Contractor only for authorized services provided in accordance with this Contract.
 - b. DSHS shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were performed.
 - c. The Contractor shall not bill and DSHS shall not pay for services performed under this Contract, if the Contractor has charged or will charge another agency of the state of Washington or any other party for the same services.
5. **Compliance with Applicable Law.** At all times during the term of this Contract, the Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to,

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nondiscrimination laws and regulations.

6. Confidentiality.

- a. The Contractor shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Contractor's performance of the services contemplated hereunder, except:
 - (1) as provided by law; or,
 - (2) in the case of Personal Information, with the prior written consent of the person or personal representative of the person who is the subject of the Personal Information.
- b. The Contractor shall protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the Contractor to employ reasonable security measures, which include restricting access to the Confidential Information by:
 - (1) Allowing access only to staff that have an authorized business requirement to view the Confidential Information.
 - (2) Physically Securing any computers, documents, or other media containing the Confidential Information.
 - (3) Ensure the security of Confidential Information transmitted via fax (facsimile) by:
 - i. Verifying the recipient phone number to prevent accidental transmittal of Confidential Information to unauthorized persons.
 - ii. Communicating with the intended recipient before transmission to ensure that the fax will be received only by an authorized person.
 - iii. Verifying after transmittal that the fax was received by the intended recipient.
 - (4) When transporting six (6) or more records containing Confidential Information, outside a Secure Area, do one or more of the following as appropriate:
 - (a) Use a Trusted System.
 - (b) Encrypt the Confidential Information, including:
 - i. Encrypting email and/or email attachments which contain the Confidential Information.
 - ii. Encrypting Confidential Information when it is stored on portable devices or media, including but not limited to laptop computers and flash memory devices.

Note: If the DSHS Data Security Requirements Exhibit is attached to this contract, this item, 6.b.(4), is superseded by the language contained in the Exhibit.

- (5) Send paper documents containing Confidential Information via a Trusted System.

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- (6) Following the requirements of the DSHS Data Security Requirements Exhibit, if attached to this contract.
 - c. Upon request by DSHS, at the end of the Contract term, or when no longer needed, data shall be returned to DSHS or Contractor shall certify in writing that they employed a DSHS approved method to destroy the information. Contractor may obtain information regarding approved destruction methods from the DSHS contact identified on the cover page of this Contract.
 - d. Paper documents with Confidential Information may be recycled through a contracted firm, provided the contract with the recycler specifies that the confidentiality of information will be protected, and the information destroyed through the recycling process. Paper documents containing Confidential Information requiring special handling (e.g. protected health information) must be destroyed on-site through shredding, pulping, or incineration.
 - e. Notification of Compromise or Potential Compromise. The compromise or potential compromise of Confidential Information must be reported to the DSHS Contact designated on the contract within one (1) business day of discovery. Contractor must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or DSHS.
7. **Debarment Certification.** The Contractor, by signature to this Contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (Debarred). The Contractor also agrees to include the above requirement in any and all Subcontracts into which it enters. The Contractor shall immediately notify DSHS if, during the term of this Contract, Contractor becomes Debarred. DSHS may immediately terminate this Contract by providing Contractor written notice if Contractor becomes Debarred during the term hereof.
8. **Governing Law and Venue.** This Contract shall be construed and interpreted in accordance with the laws of the state of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.
9. **Independent Contractor.** The parties intend that an independent contractor relationship will be created by this Contract. The Contractor and his or her employees or agents performing under this Contract are not employees or agents of the Department. The Contractor, his or her employees, or agents performing under this Contract will not hold himself/herself out as, nor claim to be, an officer or employee of the Department by reason hereof, nor will the Contractor, his or her employees, or agent make any claim of right, privilege or benefit that would accrue to such officer or employee.
10. **Inspection.** The Contractor shall, at no cost, provide DSHS and the Office of the State Auditor with reasonable access to Contractor's place of business, Contractor's records, and DSHS client records, wherever located. These inspection rights are intended to allow DSHS and the Office of the State Auditor to monitor, audit, and evaluate the Contractor's performance and compliance with applicable laws, regulations, and these Contract terms. These inspection rights shall survive for six (6) years following this Contract's termination or expiration.
11. **Maintenance of Records.** The Contractor shall maintain records relating to this Contract and the performance of the services described herein. The records include, but are not limited to, accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. All records and other material relevant to this Contract shall be retained for six (6) years after expiration or termination of this Contract.

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Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

12. **Order of Precedence.** In the event of any inconsistency or conflict between the General Terms and Conditions and the Special Terms and Conditions of this Contract or any Program Agreement, the inconsistency or conflict shall be resolved by giving precedence to these General Terms and Conditions. Terms or conditions that are more restrictive, specific, or particular than those contained in the General Terms and Conditions shall not be construed as being inconsistent or in conflict.
13. **Severability.** If any term or condition of this Contract is held invalid by any court, the remainder of the Contract remains valid and in full force and effect.
14. **Survivability.** The terms and conditions contained in this Contract or any Program Agreement which, by their sense and context, are intended to survive the expiration or termination of the particular agreement shall survive. Surviving terms include, but are not limited to: Billing Limitations; Confidentiality, Disputes; Indemnification and Hold Harmless, Inspection, Maintenance of Records, Notice of Overpayment, Ownership of Material, Termination for Default, Termination Procedure, and Treatment of Property.
15. **Termination Due to Change in Funding.** If the funds DSHS relied upon to establish this Contract or Program Agreement are withdrawn, reduced or limited, or if additional or modified conditions are placed on such funding, DSHS may immediately terminate this Contract by providing written notice to the Contractor. The termination shall be effective on the date specified in the termination notice.
16. **Waiver.** Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default. Any waiver shall not be construed to be a modification of the terms and conditions of this Contract. Only the DSHS Chief Administrative Officer or designee has the authority to waive any term or condition of this Contract on behalf of DSHS.

Additional General Terms and Conditions – Interlocal Agreements:

17. **Disputes.** Disputes shall be determined by a Dispute Board. Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms, and applicable statutes and rules and make a determination of the dispute. As an alternative to this process, either party may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process shall control. Participation in either dispute process shall precede any judicial or quasi-judicial action and shall be the final administrative remedy available to the parties.
18. **Hold Harmless.**
 - a. The Contractor shall be responsible for and shall hold DSHS harmless from all claims, loss, liability, damages, or fines arising out of or relating to the Contractor's, or any Subcontractor's, performance or failure to perform this Agreement, or the acts or omissions of the Contractor or any Subcontractor. DSHS shall be responsible for and shall hold the Contractor harmless from all claims, loss, liability, damages, or fines arising out of or relating to DSHS' performance or failure to

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perform this Agreement.

- b. The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the State and its agencies, officials, agents, or employees.

19. **Ownership of Material.** Material created by the Contractor and paid for by DSHS as a part of this Contract shall be owned by DSHS and shall be "work made for hire" as defined by Title 17 USCA, Section 101. This material includes, but is not limited to: books; computer programs; documents; films; pamphlets; reports; sound reproductions; studies; surveys; tapes; and/or training materials. Material which the Contractor uses to perform the Contract but is not created for or paid for by DSHS is owned by the Contractor and is not "work made for hire"; however, DSHS shall have a perpetual license to use this material for DSHS internal purposes at no charge to DSHS, provided that such license shall be limited to the extent which the Contractor has a right to grant such a license.

20. **Subrecipients.**

- a. General. If the Contractor is a subrecipient of federal awards as defined by Office of Management and Budget (OMB) Circular A-133 and this Agreement, the Contractor shall:
 - (1) Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
 - (2) Maintain internal controls that provide reasonable assurance that the Contractor is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
 - (3) Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
 - (4) Incorporate OMB Circular A-133 audit requirements into all agreements between the Contractor and its Subcontractors who are subrecipients;
 - (5) Comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation;
 - (6) Comply with the applicable requirements of OMB Circular A-87 and any future amendments to OMB Circular A-87, and any successor or replacement Circular or regulation; and
 - (7) Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to www.ojp.usdoj.gov/ocr/ for additional information and access to the aforementioned Federal laws and regulations.)
- b. Single Audit Act Compliance. If the Contractor is a subrecipient and expends \$500,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:

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- (1) Submit to the DSHS contact person the data collection form and reporting package specified in OMB Circular A-133, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor;
- (2) Follow-up and develop corrective action for all audit findings; in accordance with OMB Circular A-133, prepare a "Summary Schedule of Prior Audit Findings."
- c. Overpayments. If it is determined by DSHS, or during the course of a required audit, that the Contractor has been paid unallowable costs under this or any Program Agreement, DSHS may require the Contractor to reimburse DSHS in accordance with OMB Circular A-87.

21. Termination.

- a. Default. If for any cause, either party fails to fulfill its obligations under this Agreement in a timely and proper manner, or if either party violates any of the terms and conditions contained in this Agreement, then the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given 15 working days to correct the violation or failure. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice from the aggrieved party to the other party.
- b. Convenience. Either party may terminate this Interlocal Agreement for any other reason by providing 30 calendar days' written notice to the other party.
- c. Payment for Performance. If this Interlocal Agreement is terminated for any reason, DSHS shall only pay for performance rendered or costs incurred in accordance with the terms of this Agreement and prior to the effective date of termination.

22. **Treatment of Client Property.** Unless otherwise provided, the Contractor shall ensure that any adult client receiving services from the Contractor has unrestricted access to the client's personal property. The Contractor shall not interfere with any adult client's ownership, possession, or use of the client's property. The Contractor shall provide clients under age eighteen (18) with reasonable access to their personal property that is appropriate to the client's age, development, and needs. Upon termination of the Contract, the Contractor shall immediately release to the client and/or the client's guardian or custodian all of the client's personal property.

23. **Disputes.** Disputes shall be determined by a Dispute Board. Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms, and applicable statutes and rules and make a determination of the dispute. As an alternative to this process, either party may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process shall control. Participation in either dispute process shall precede any judicial or quasi-judicial action and shall be the final administrative remedy available to the parties.

24. **Hold Harmless.** The Contractor shall be responsible for and shall hold DSHS harmless from all claims, loss, liability, damages, or fines arising out of or relating to the Contractor's negligent acts or omissions or its performance or failure to perform this Agreement. DSHS shall be responsible for and shall hold the Contractor harmless from all claims, loss, liability, damages, or fines arising out of or relating to DSHS' performance or failure to perform this Agreement.

25. **Ownership of Material.** Copyright in all material created by the Contractor and paid for by DSHS as a part of this Interlocal Agreement shall be the property of the State of Washington. Both DSHS and

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Contractor may use these materials, and permit others to use them, for any purpose consistent with their respective missions as agencies of the state of Washington. This material includes, but is not limited to: books; computer programs; documents; films; pamphlets; reports; sound reproductions; studies; surveys; tapes; and/or training materials. Material that the Contractor uses to perform this Interlocal Agreement but which is not created for or paid for by DSHS shall be owned by Contractor or such other party as determined by Copyright Law and/or Contractor's internal policies. Contractor hereby grants (or, if necessary and to the extent reasonably possible, shall obtain and grant) a perpetual, unrestricted, royalty free, non-exclusive license to DSHS to use the materials for DSHS internal purposes.

26. Subrecipients.

- a. General. If the Contractor is a subrecipient of federal awards as defined by Office of Management and Budget (OMB) Circular A-133 and this Agreement, the Contractor shall:
 - (1) Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
 - (2) Maintain internal controls that provide reasonable assurance that the Contractor is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
 - (3) Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
 - (4) Incorporate OMB Circular A-133 audit requirements into all agreements between the Contractor and its Subcontractors who are subrecipients;
 - (5) Comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation;
 - (6) Comply with the applicable requirements of OMB Circular A-21 and any future amendments to OMB Circular A-21, and any successor or replacement Circular or regulation; and
 - (7) Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to www.ojp.usdoj.gov/ocr/ for additional information and access to the aforementioned Federal laws and regulations.)
- b. Single Audit Act Compliance. If the Contractor is a subrecipient and expends \$500,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:
 - (1) Submit to the DSHS contact person the data collection form and reporting package specified in OMB Circular A-133, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor;

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(2) Follow-up and develop corrective action for all audit findings; in accordance with OMB Circular A-133, prepare a "Summary Schedule of Prior Audit Findings."

- c. Overpayments. If it is determined by DSHS, or during the course of a required audit, that the Contractor has been paid unallowable costs under this or any Program Agreement, DSHS may require the Contractor to reimburse DSHS in accordance with OMB Circular A-87.

27. Termination.

- a. Default. If for any cause, either party fails to fulfill its obligations under this Agreement in a timely and proper manner, or if either party violates any of the terms and conditions contained in this Agreement, then the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given 15 working days to correct the violation or failure. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice from the aggrieved party to the other party.
- b. Convenience. Either party may terminate this Interlocal Agreement for any other reason by providing 30 calendar days' written notice to the other party.
- c. Payment for Performance. If this Interlocal Agreement is terminated for any reason, DSHS shall only pay for performance rendered or costs incurred in accordance with the terms of this Agreement and prior to the effective date of termination.

28. **Treatment of Client Property.** Unless otherwise provided, the Contractor shall ensure that any adult client receiving services from the Contractor has unrestricted access to the client's personal property. The Contractor shall not interfere with any adult client's ownership, possession, or use of the client's property. The Contractor shall provide clients under age eighteen (18) with reasonable access to their personal property that is appropriate to the client's age, development, and needs. Upon termination of the Contract, the Contractor shall immediately release to the client and/or the client's guardian or custodian all of the client's personal property.

29. HIPAA Compliance.

a. Definitions.

- (1) "Business Associate" means the "Contractor", as used in this Contract and as defined in 45 CFR 160.103, who performs or assists in the performance of an activity for or on behalf of the Covered Entity that involves the use or disclosure of client protected health information (PHI). Any reference to Business Associate in this Contract includes Business Associate's employees, agents, officers, subcontractors, third party contractors, volunteers, or directors.
- (2) "Covered Entity" means DSHS, a Covered Entity as defined in 45 CFR 160.103.
- (3) "Designated Record Set" means a group of records maintained by or for a Covered Entity, that is: the medical and billing records about Individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or used in whole or part by or for the Covered Entity to make decisions about Individuals.
- (4) "Electronic Protected Health Information (EPHI)" means protected health information that is transmitted by electronic media or maintained in any medium described in the definition of

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electronic media at 45 CFR 162.103.

- (5) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as codified at 42 USCA 1320d-d8.
- (6) "Individual(s)" means the person(s) who is the subject of PHI and includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- (7) "Minimum Necessary" means the least amount of PHI necessary to accomplish the purpose for which the PHI is needed.
- (8) "Protected Health Information (PHI)" means information created or received by Business Associate from or on behalf of Covered Entity that relates to the provision of health care to an Individual; the past, present, or future physical or mental health or condition of an Individual; or past, present, or future payment for provision of health care to an Individual. 45 CFR 160.103. PHI includes demographic information that identifies the Individual or about which there is reasonable basis to believe can be used to identify the Individual. 45 CFR 160.103. PHI is information transmitted or held in any form or medium. 45 CFR 160.103. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20 USCA 1232g(a)(4)(B)(iv).
- (9) "Use" includes the sharing, employment, application, utilization, examination, analysis, canonization or commingling of PHI with other information.
- b. Compliance. Business Associate shall perform all Contract duties, activities and tasks in compliance with HIPAA and its attendant regulations as promulgated by the U.S. Department of Health and Human Services, the Center for Medicare and Medicaid Services, the Office of the Inspector General, and the Office of Civil Rights.
- c. Use and Disclosure of PHI. Business Associate is limited to the following permitted and required uses or disclosures of DSHS client PHI:
 - (1) Duty to Protect DSHS Client PHI. Business Associate shall protect PHI from, and shall establish appropriate safeguards to prevent, the unauthorized disclosure of PHI in accordance with the terms and conditions of this Contract and state and federal law, including any regulations governing the security of PHI and the transmission, storage or maintenance of electronic data that contains PHI, for as long as the PHI is within its possession and control, even after the termination or expiration of this Contract.
 - (2) Return of DSHS Client PHI. Business Associate shall, within ten (10) working days of termination or expiration of this Contract, in accordance with Contract Termination and Expiration Procedures, and at the discretion of Covered Entity, either return or destroy all PHI, including PHI in possession of third parties under contract to Business Associate. If return or destruction is infeasible, Business Associate shall protect such PHI and limit its further use and disclosure to those purposes that make return or destruction infeasible for as long as the PHI is within the Business Associate's possession and control, even after the termination or expiration of this Contract.
 - (3) Minimum Necessary Standard. Business Associate shall apply the HIPAA minimum necessary standard to any use or disclosure of DSHS client PHI necessary to achieve the purposes of this Contract. See, 45 CFR 164.514 (d)(2) through (d)(5).

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- (4) Disclosure as Part of the Provision of Services. Business Associate shall only use or disclose DSHS client PHI as required to perform the services specified in this Contract or as required by law, and shall not use or disclose such PHI in any manner inconsistent with the use and disclosure restrictions placed on the Covered Entity by HIPAA.
 - (5) Impermissible Use or Disclosure of DSHS client PHI. Business Associate shall report to DSHS in writing all uses or disclosures of PHI not provided for by this Contract within one (1) working day of becoming aware of the unauthorized use or disclosure of the PHI. Upon request by DSHS, Business Associate shall mitigate, to the extent practicable, any harmful effect resulting from the impermissible use or disclosure.
 - (6) Failure to Cure. If DSHS learns of a pattern or practice of the Business Associate that constitutes a violation of the Business Associate's obligations under the terms of this Contract and reasonable steps by DSHS do not end the violation, DSHS shall terminate this Contract. If termination is not feasible, DSHS will report the problem to the Secretary of the federal Department of Health and Human Services (Secretary).
 - (7) DSHS Notice of Requests for Disclosure. DSHS will notify Business Associate when DSHS client PHI is requested from DSHS that has been previously provided to Business Associate by DSHS. The parties will jointly determine whether Business Associate has received a duplicate request or if Business Associate has the original or sole copy of the PHI.
 - (8) Consent to Audit. Business Associate shall give reasonable access to DSHS client PHI, records, books, documents, electronic data and/or all other business information received from, or created or received by Business Associate on behalf of DSHS, to the Secretary and/or to DSHS for use in determining DSHS' compliance with HIPAA privacy requirements.
- d. Individual Rights
- (1) Accounting of Disclosures
 - (a) Business Associate shall document all disclosures of DSHS client PHI and information related to such disclosures.
 - (b) Within ten (10) working days of a request from DSHS, Business Associate shall make available to DSHS the information in Business Associate's possession that is necessary for DSHS to respond in a timely manner to a request for an accounting of disclosures of DSHS client PHI. See, 45 C.F.R. 164.504 and 164.528.
 - (c) At the request of DSHS, Business Associate shall respond, in a timely manner and in accordance with HIPAA, to requests by Individuals for an accounting of disclosures of PHI.
 - (d) If any Individual asks Business Associate for an accounting of disclosures of DSHS client PHI, or for access to or amendment of PHI in a Designated Record Set, Business Associate shall within ten (10) working days forward the request to DSHS for response.
 - (e) Business Associate's record keeping procedures shall be sufficient to respond to a request for an accounting under this section for the six (6) years prior to the date on which the accounting was requested except for disclosures that occurred prior to the HIPAA compliance date for the Covered Entity.

DSHS General Terms and Conditions

- (2) Amendment. If DSHS amends, in whole or in part, a record or PHI contained in an Individual's Designated Record Set and DSHS has previously provided the PHI or record that is the subject of the amendment to Business Associate, then DSHS will inform Business Associate of the amendment pursuant to 45 CFR 164.526 (c)(3).
- e. Third Party Agreements. Business Associate shall enter into a written contract, that contains the same terms, restrictions, and conditions as the HIPAA Compliance provision in this Contract, with any agent, subcontractor, independent contractor, or other third party that has access to the DSHS client PHI accessible to Business Associate under the terms of this Contract.

Special Terms and Conditions

1. **Definitions Specific to Special Terms.** The words and phrases listed below, as used in this Interlocal Agreement or "Agreement", shall each have the following definitions:
- a. "A19-1A Invoice Voucher" means the State of Washington Invoice Voucher used by Contractors to submit claims for reimbursement in return for goods and/or services provided to the Department or its Clients.
 - b. "Access Broker" means an entity that has an active contract with DSHS to provide non-emergent medically necessary interpreter services and/or transportation to DSHS Clients in order to receive Medicaid Covered Services.
 - c. "Activities" means activities defined by Time Study Code Descriptions or Time Study Codes provided in the Manual, and used by the Contractor's employees in an approved Medicaid Administrative Match (MAM) Time Study methodology for determining costs.
 - d. "Administrative Fee" means the amount charged to the Contractor by HRSA based on a percentage of each Contractor FFP reimbursement billing, to offset the HRSA administrative costs incurred in administering the MAM Program and this Agreement.
 - e. "Allowable Cost" means a Direct or Indirect Cost that is reimbursable in accordance with this Agreement, and was incurred by the Contractor to provide Limited English Proficient (LEP) Interpreter Services.
 - f. "Billing Quarter" means a quarter in a state fiscal year in which the Contractor submits claims for FFP reimbursement.
 - g. "Categorically Needy Program" or "CNP" means the state and federally funded Medicaid program that provides the broadest scope of medical coverage for Medicaid Clients.
 - h. "Certified Sign Language Interpreter" means an interpreter who has passed either the Registry of Interpreter for the Deaf (RID) or National Association of the Deaf (ND) certification process for American Sign Language.
 - i. "CMS" means the United States Department of Health and Human Services (DHHS), Centers for Medicare and Medicaid Services.
 - j. "Cognizant Agency" means the federal or state agency responsible for reviewing, negotiating, and approving cost allocation plans or Indirect Cost Rates of the Contractor under the Office of Management and Budget (OMB) Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments" on behalf of all federal agencies.
 - k. "Direct Cost" means an allowable cost directly incurred by the Contractor to provide LEP Interpreter Services.
 - l. "DSHS Authorized Interpreter" means an interpreter who has passed the language fluency test of a DSHS recognized interpreter testing body such as, but not limited to, the State of Washington Administrator of the Courts, or the Federal Courts.
 - m. "DSHS Certified Interpreter" means an interpreter who has passed the DSHS language fluency examination in one of the seven (7) DSHS certified languages (Spanish, Chinese, Vietnamese, Korean, Russian, Cambodian, or Laotian), and is certified as either a medical interpreter or social service interpreter.

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- n. "DSHS Language Interpreter and Translator Code of Professional Conduct" means a document that is agreed to and signed by each interpreter that provides LEP Interpreting Services in accordance with this Agreement. The document can be found in the Manual.
- o. "DSHS Qualified Interpreter" means an interpreter who has passed the DSHS screening examination in languages other than the seven (7) DSHS certified languages or another DSHS recognized qualification process.
- p. "Eligible Designated Support Staff" means an employee of the Contractor whose job description identifies them as staff who will be performing paperwork, clerical activities, tasks involving the scheduling of interpreters, and completing and maintaining Interpreter Service Encounter records in support of providing interpreting services during an Interpreter Service Encounter. A Contractor employee may be part-time Eligible Designated Support Staff and part-time Eligible Interpreting Staff.
- q. "Eligible Interpreting Staff" means an employee of the Contractor who is bi-lingual or multi-lingual and deemed qualified to act as an interpreter because he or she is a DSHS Authorized, Certified, or Qualified Interpreter, or Certified Sign Language Interpreter, and whose job description identifies them as staff that is required to perform interpreting services. A Contractor employee may be part-time Eligible Interpreting Staff and part-time Eligible Designated Support Staff.
- r. "FFP" or "Federal Financial Participation" means the federal matching funds provided for the partial reimbursement of administrative activities that directly support efforts to identify and enroll potential Medicaid clients or directly support the provision of medical services covered under the Medicaid state plan.
- s. "FFP Claimable Amount" means the amount of FFP for each Billing Quarter that the Contractor requests on an A19-1A Invoice Voucher submitted to HRSA in accordance with this Agreement.
- t. "Guide" means the publication of United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, *Medicaid School-Based Administrative Claiming Guide*, dated May 2003, and includes any supplements, amendments or successor documents. The Guide can be viewed at:
<http://fortress.wa.gov/dshs/maa/mam/Interpreter%20MAM/Interpreter%20Billing%20Information.htm>
- u. "Health and Recovery Services Administration" or "HRSA" or "Department" means the Washington State Department of Social and Health Services, Health and Recovery Services Administration.
- v. "Independent Interpreters" means individual interpreters who are self-employed and with whom the Contractor subcontracts to perform Interpreting Services, including signing and translating, under this Agreement.
- w. "Indirect Costs" means those costs incurred by the Contractor for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular cost objective without much more effort than would be apparent based on the results achieved. The Contractor can opt to claim Indirect Costs as part of its FFP Claimable Amount, but cannot apply the Indirect Cost Rate to Subcontractor costs.
- x. "Indirect Cost Rate" means the ratio of Indirect Costs to Direct Costs that complies with OMB Circular A-87, as approved by the Contractor's Cognizant Agency based on the Contractor's current year Indirect Cost Rate Certificate.
- y. "Indirect Cost Rate Certificate" means the documentation the Contractor submits to its Cognizant

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Agency to substantiate its request for an Indirect Cost Rate.

- z. "Interpreter Service Encounter" means an Interpreter Service appointment arranged by the Contractor or Subcontractor to run concurrent with a Medicaid Related Service or Medicaid Covered Service appointment for an LEP Client. The encounter also includes time spent providing necessary interpreting services before and/or after the LEP Client's Medicaid Related Service or Medicaid Covered Service appointment.
- aa. "Interpreting" means the process by which a neutral third party facilitates communication between speakers of different languages, those who are deaf, deaf-blind, or hearing impaired including signing and translating.
- bb. "Interpreting Agencies" means entities or companies with whom the Contractor subcontracts for Interpreting, including signing and translating, under this Agreement.
- cc. "LEP Client" means a person who has a limited ability or an inability to speak, read, or write the English language well enough to understand and communicate effectively; or is deaf, deaf-blind, or hearing impaired; and who may be either a LEP Other Client or a LEP Medicaid Client.
- dd. "LEP Medicaid Client" means a person who is a LEP Client and has been determined to be eligible to receive Medicaid Covered Services.
- ee. "LEP MER" or "LEP Medicaid Eligibility Rate" means the total unduplicated number of LEP Medicaid Clients served during a Billing Quarter divided by the total unduplicated number of LEP individuals seen during the same Quarter.
- ff. "LEP Other Client" means a person who is a LEP Client and has been determined not to be eligible for Medicaid Covered Services, but receives Medicaid Related Services.
- gg. "Limited Casualty – Medically Needy Program" or "Medically Needy Program" or "MN" means the state and federally funded Medicaid program for aged, blind, or disabled Medicaid Clients, as well as pregnant women, children and refugees with income and/or resources above CNP limits.
- hh. "Limited English Proficient" or "LEP" means a limited ability or inability to speak, read, or write the English language well enough to understand and communicate effectively, including deaf, deaf-blind, or hearing impaired.
- ii. "Local Matching Funds" means financial support provided by the Contractor that:
 - (1) Is revenue received by the Contractor from sources other than DSHS, charitable organizations, Enrolled Providers (other than nonfederal revenue provided by health plans and health maintenance organizations to the public hospital organization for patient services rendered), or federal governmental agencies;
 - (2) Is designated/certified to match the FFP rate of reimbursement;
 - (3) Has not and will not be used as matching funds under other federal programs;
 - (4) Meets other applicable federal funding regulations; and
 - (5) The Contractor has included in its budget and within its control.
- jj. "Local Match Certification Form" means DSHS form 06-155 Local Match Certification used to report

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Local Matching Funds information to HRSA annually. The form can be viewed at:
<http://fortress.wa.gov/dshs/maa/mam/Interpreter%20MAM/Interpreter%20Billing%20Information.htm>

- kk. "Local Match Worksheet" means a worksheet to accompany the Local Match Certification Form used to identify the type and source of funds certified as Local Matching Funds. The worksheet can be viewed at:
<http://fortress.wa.gov/dshs/maa/mam/Interpreter%20MAM/Interpreter%20Billing%20Information.htm>
- ll. "MAM Program" or "Medicaid Administrative Match Program" means the program within the Division of Healthcare Services, Health and Recovery Services Administration, Washington State Department of Social and Health Services.
- mm. "MAM Program Manager" or "HRSA MAM Program Manager" means the DSHS/HRSA/MAM Contact identified on page one (1) of this Agreement, or successor Agreement.
- nn. "Manual" or "Public Hospital Medicaid Administrative Match Interpreter Services Manual" means the manual or successor manual wherein required time tracking/ time study processes and billing processes for the State of Washington Public Hospital Medicaid Administrative Match Interpreter Services Program are provided.
- oo. "Matchable Activity" means an activity performed by the Contractor's Eligible Interpreting Staff or Eligible Designated Support Staff or an Independent Interpreter or Independent Interpreting Agency that meets the description of a Medicaid reimbursable activity as provided in the Manual.
- pp. "Medicaid" or "Medicaid Program" means the Categorically Needy Program, CNP, or the Limited Casualty – Medically Needy Program, LC-MNP or MN, or other federal Medicaid programs of HRSA, specifically excluding the following programs:
- (1) G01 (without CNP) (19) – General Assistance – Unemployable (GA-U);
 - (2) W01 and W02 – Alcoholism and Drug Addiction Treatment and Support Act (ADATSA);
 - (3) F08 – Children's Health Program (CHP);
 - (4) M99 – Psychiatric Indigent Inpatient (PII);
 - (5) F07 – State Children's Health Insurance Program (S-CHIP); and
 - (6) That portion of services provided to clients eligible under the Alien Emergency Medical (AEM) Program that are not Medicaid Covered Services.
- qq. "Medicaid Client" or "LEP Medicaid Client" means a person who has been determined by DSHS or its designee to be eligible to receive Medicaid Covered Services.
- rr. "Medicaid Client Interpreter Service Encounter" or "Encounter" means an Interpreter Service Encounter arranged by the Contractor to run concurrent with an appointment to provide a Medicaid Covered Service to a LEP Medicaid Client. The Encounter also includes time spent providing necessary interpreting services before and/or after the LEP Client's Medicaid Related Service or Medicaid Covered Service appointment.
- ss. "Medicaid Covered Service" means a medical service within the scope of care of the Medicaid Client's medical assistance program, and is covered under the Medicaid State Plan.

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tt. "Medicaid Related Service" means a service related to medical, dental, mental health, substance abuse prevention or treatment, or family planning services, that is covered under the Medicaid State Plan.

uu. "Medicaid Related Service Rates" means both of the following calculations, respective to the time units being considered:

(1) "Proportional Medicaid Related Service Rate" or "PM Medicaid Related Service Rate", which is equal to Proportional Medicaid (PM) units divided by the Total Time (TT) units ($PM \div TT$), and

(2) "Total Medicaid Related Service Rate" or "TM Related Service Rate", which is equal to Total Medicaid (TM) units divided by Total Time (TT) units ($TM \div TT$)

vv. "Medicaid State Plan" means the officially recognized statement describing the nature and scope of Washington State's Medicaid program. It is Washington State's agreement with DHHS that it will conform to the requirements under Section 1902 of the Social Security Act and the official issuances of DHHS.

ww. "Non-allowable Activity" means a Contractor's Eligible Interpreting Staff or Eligible Designated Support Staff or an Independent Interpreter or Independent Interpreting Agency activity that does not meet the description of a "Matchable Activity".

xx. "Subcontractor", as used in the context of these Special Terms and Conditions, means an Independent Interpreter or an Interpreting Agency that has a contract with the Contractor to provide interpreting services, including signing and translating, under this Agreement.

yy. "Time Tracking Sheet" or "24 Hour Time Study Form" or "Time Study Form" means the form where the Contractor's Eligible Designated Support Staff and/or Eligible Interpreting Staff record the required data to document the amount of time spent performing Matchable Activities and Non-allowable Activities for paid time and non-paid time on a work day when time tracking occurs.

2. **Purpose.** The purpose of this Agreement is for the Contractor to provide interpreting services to facilitate and improve the delivery of Medicaid Related Services and/or Medicaid Covered Services to LEP Other Clients and LEP Medicaid Clients.

3. **Previous Interlocal Agreement Superseded.** In the event any previous Agreement between the Contractor and HRSA for these services should be in effect upon execution of this Agreement, this Interlocal Agreement shall terminate and supersede that previous Agreement.

4. **Statement of Work.** The Contractor shall comply with all time tracking, time study process, and billing process requirements identified in the Manual. The Contractor shall provide the services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in this Subsection. The Contractor shall:

a. Determine when Interpreting Services for LEP Clients are needed.

b. Initiate any needed Interpreter Service Encounter.

c. Ensure that DSHS contracted Access Brokers do not schedule Interpreter Service Encounters.

d. Conduct the Time Study as required in the Manual.

e. Verify, prior to billing, that the health care service being provided is within the scope of care of the

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LEP Client's health care program at the time the care and Interpreting was provided by:

- (1) Obtaining a photocopy of the Client's Medicaid ID (MAID) Card, Client's Services Card, or successor card; or
 - (2) Verifying the Client's Medicaid eligibility by examining the eligibility files of HRSA.
- f. Use only Eligible Interpreting Staff or Independent Interpreters or interpreters from Interpreting Agencies who are:
- (1) DSHS certified, qualified, or authorized interpreters; or
 - (2) Certified Sign Language Interpreters.
- g. Ensure that any interpreter for which the Contractor bills signs and complies with the "DSHS Language Interpreter and Translator Code of Professional Conduct" found in the Manual.
- h. Document as described in Section 8, Allowable Costs, and the costs of all Matchable Activities identified in the Manual which the Contractor will include in its calculations of FFP Claimable Amount, as follows:
- (1) For each Eligible Designated Support Staff and/or Eligible Interpreting Staff providing services under this Agreement;
 - (a) Payroll records and rates of pay;
 - (b) A copy of the compensation plan;
 - (c) Position description;
 - (d) Certification or qualification documentation within the first three (3) calendar months of the start of their employment, or within the first six (6) calendar months following execution of this Agreement, whichever occurs last; and
 - (e) A copy of the signed DSHS Language Interpreter and Translator Code of Professional Conduct.
 - (2) For Independent Interpreters or Interpreting Agencies, retain invoices for interpreting services provided to LEP Clients when costs for those services are billed to HRSA. (Independent Interpreter and/or Subcontracted Interpreting Agency invoice costs are reduced by the LEP quarterly MER and the Medicaid Related Service Rates).
 - (3) Retain and require the Subcontractor to retain a copy of the DSHS Language Interpreter and Translator Code of Professional Conduct signed by the Independent Interpreter, Interpreting Agency, and each interpreter used by a subcontracted Interpreting Agency, to provide interpreting services to LEP Clients when costs for those services are billed to the Contractor and subsequently billed by the Contractor to HRSA.
- i. Document, at a minimum, all data elements indicated in the Manual as required. Retain in a centrally located Audit file all required data and documentation required of each LEP Client Interpreter Service Encounter; or otherwise make such data and documentation readily accessible to the HRSA MAM Program Manager(s) and state and federal auditors as requested;

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- j. Submit annually, in accordance with Section 9. Indirect Costs, an Indirect Cost Rate Certificate when seeking the inclusion of Indirect Costs in the Contractor's calculation of FFP Claimable Amounts. Retain the documentation used to determine the Indirect Cost Rate. HRSA and/or CMS reserve the right to apply a different Indirect Cost Rate when determined to be appropriate;
- k. Submit annually, in accordance with Section 15. Local Match Certification, Local Match Certification Form and accompanying Local Match Worksheet. Retain the documentation used to determine the Local Matching Funds, and make such documentation available upon request to HRSA MAM Program and fiscal staff, CMS staff, and state or federal auditors.
- l. In support of Contractor's Quarterly Billings for FFP Claimable Amounts, the Contractor shall retain copies of invoices for:
 - (1) Contractor's travel costs necessary to provide LEP Client Interpreter Service Encounters;
 - (2) Contractor's materials acquired, consumed, and expended exclusively for arranging or scheduling Interpreter Service Encounters, and providing Interpreting;
 - (3) Subcontractor's materials acquired, consumed, and expended exclusively for arranging or scheduling Interpreter Service Encounters, and providing Interpreting; and
 - (4) Subcontractor's allowable costs of other activities requested in writing by the Contractor and approved in writing by the HRSA MAM Program Manager.
- m. Accept full fiscal responsibility for all FFP Claimable Amounts billed which were later disallowed, and/or penalties assessed by CMS, resulting from audits of the Contractor's or Subcontractor's records.
- n. Maintain Time Study, staff, billing and backup documentation records, as required in the Manual, for six (6) years after expiration or termination of this Agreement. Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

5. Compliance with Applicable Laws, Regulations and Guidelines Specific to Medicaid Administrative Match.

- a. The Contractor shall perform work under this Agreement in accordance with the following, and all updates, revisions, or replacements:
 - (1) Titles 42 and 45, Code of Federal Regulations.
 - (2) Executive Office of the President of the United States, Office of Management and Budget, Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments.
 - (3) Centers for Medicare and Medicaid Services, Medicaid School-Based Administrative Claiming Guide, dated May 2003.
 - (4) The Manual defined in Subsection 1, nn. of this Agreement.
 - (5) Washington State laws and regulations pertaining to MAM.
- b. Compliance with principles of MAM claiming. The Contractor shall:

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- (1) Claim only activities that are necessary and directly support the administration of Washington State's Medicaid Plan;
 - (2) Track 100% of the actual work activities performed by all staff participating in the Time Study, as required in the Manual. Another Time Study Methodology may be used when authorized in writing by the HRSA MAM Program Manager;
 - (3) Not submit any claims for payment in connection with services and activities that are provided by the Contractor to all clients (both Medicaid and non-Medicaid) as free care, unless expressly authorized by federal law, Washington State law, this Agreement, or the Manual;
 - (4) Not claim activities that are normally covered by other means, such as collateral or related activities; and
 - (5) Not claim activities which are normally performed for the same individuals under another program.
- c. Coordinator and Contact Persons. The Contractor shall send the HRSA MAM Program Manager, the names, phone numbers, and email addresses of the Coordinator, the fiscal contact person, and other Contractor contacts within 10 working days of signing this Agreement.
- d. Activities. The Contractor shall:
- (1) Perform Interpreting Services for LEP Clients in the provision of their Medicaid outreach and health care access activities (also known as an Interpreter Service Encounter).
 - (2) Abide by all limitations, restrictions, and documentation requirements of such activities as specified in the Manual.
- e. LEP Medicaid Eligibility Rate: The Contractor shall:
- (1) Comply with the requirements of establishing the LEP MER, as stated in the Manual; and
 - (2) Apply the quarterly LEP MER to Contractor's costs when claiming for reimbursement.
 - (3) Apply the quarterly LEP MER to reduce the Subcontractor's Direct Costs prior to claiming FFP reimbursement.
- f. Medicaid Related Service Rates. The Contractor shall:
- (1) Comply with the requirements of establishing the Medicaid Related Service Rates, as stated in the Manual; and
 - (2) Apply the Medicaid Related Service Rates to reduce the Subcontractor's Direct Costs prior to claiming FFP reimbursement.
- g. Training. Prior to Time Study participation, the Contractor's MAM coordinator shall:
- (1) Receive authorized MAM Program training, provided by HRSA MAM staff; and
 - (2) Ensure that participating staff is trained on the Time Study and, as appropriate to their position, on how to inform potential Medicaid clients about available Medicaid services, providing them with Medicaid applications and assisting them to complete and submit Medicaid applications to

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DSHS.

- (3) Ensure that participating staff and staff preparing, reviewing or approving claims receive training, prior to participating in the Time Study. Training shall also include, but not be limited to the following Manual sections:
 - (a) Matchable Activities;
 - (b) Medicaid Eligibility; and
 - (c) The Time Study.
- h. Time Study. The Contractor shall:
 - (1) Conduct the Time Study as required in the Manual.
 - (2) Abide by any revisions made by HRSA to the Time Study requirements.
- i. Documentation and Forms. The Contractor shall:
 - (1) Use Time Study forms, billing forms, and processes as indicated in the Manual.
 - (2) Use the current state of Washington A19-1A Invoice Voucher for submitting quarterly claims.
 - (3) Provide or maintain the supporting documents for claiming as required in the Manual.
 - (4) Submit timely copies of documents as requested by HRSA and/or CMS staff.
- j. Compensation and FFP Reimbursement. The Contractor shall:
 - (1) Submit Certification of Indirect Rate Form annually.
 - (2) Submit Local Match Certification Form and accompanying Local Match Worksheet annually.

The Contractor shall ensure that Contractor's monetary share (Local Matching Funds) for Matchable Activities is non-federal revenue which has not been and will not be used as match for federal money by the Contractor or any other agency, and that meet federal regulations. Local Matching Funds shall be available for outreach activities and within the Contractor's control and budget.
 - (3) Ensure all claims are reviewed, approved, and signed by Contractor's authorized staff prior to submission to HRSA.
- k. Consultants/Billing Agents. The Contractor shall:
 - (1) Assume all responsibility for work performed by the Contractor's consultants or billing agents.
 - (2) Notify, in writing, the HRSA MAM Program Manager regarding the role of Contractor's consultants/billing agents.
 - (3) Ensure that consultants and/or billing agents shall not be paid contingent upon, or as a percentage of, the claim or reimbursement amount.

6. Subcontracting.

DSHS Central Contract Services
4740LS Interpreter FFP Administrative Match Program (6-5-09)

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The Contractor may obtain Interpreting Services through written subcontracts with self-employed Interpreters or Interpreting Agencies that provide interpreters that are DSHS Authorized, Certified, Qualified Interpreters and/or Certified Sign Language Interpreters. When the Contractor chooses to provide Interpreting Services, either in whole or in part, through subcontracts, such subcontracts shall include at a minimum, the following required terms and conditions:

a. For all Subcontracts with *Independent Interpreters*:

- (1) Identify the parties to the subcontract (e.g., name, address, type of organization) and their legal basis to do business.
- (2) Describe the payment methodology and applicable rates.
- (3) State other terms and conditions for providing Interpreting Services.
- (4) Require and attach the Subcontractor's signed copy of the DSHS Language Interpreter and Translator Code of Professional Conduct.
- (5) Require and attach the Subcontractor's proof of qualification, certification, or authorization.
- (6) Require and attach a signed statement by the interpreter that he or she will not seek payment separate from DSHS, or from LEP Clients or other contract service providers for Interpreting Services performed under the subcontract.
- (7) Require retention of all invoices for interpreting services provided to LEP Clients when costs for those services are billed by the Contractor to HRSA. Require retention of all documentation used to calculate the invoices, and provide access of such documentation to HRSA MAM Program and fiscal staff, CMS staff, and state or federal auditors upon request. (Independent interpreters are not reimbursed for Interpreter Services provided to LEP Clients for other than Medicaid Related Services).
- (8) Verify, prior to billing, the health care service being provided is within the scope of care of the LEP Client's health care program at the time the care and Interpreting was provided by:
 - (a) Obtaining a photocopy of the Client's Medicaid ID (MAID) Card, Client Services Card, or successor card; or
 - (b) Verifying the Medicaid Client's eligibility by examining the eligibility files of HRSA.
- (9) Accept full fiscal responsibility for all Independent Interpreters' FFP Claimable Amounts billed which were later disallowed, and/or penalties assessed by CMS, resulting from audits of the Contractor's or Subcontractor's records.

b. For all Subcontracts with *Interpreting Agencies*:

- (1) Identify the parties to the subcontract (e.g., name, address, type of organization) and their legal basis to do business.
- (2) Describe the payment methodology and applicable rates.
- (3) State other terms and conditions for providing Interpreters.
- (4) Require and attach a copy of the DSHS Language Interpreter and Translator Code of

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Professional Conduct, signed by an officer duly authorized to represent and sign for the agency.

- (5) Require the agency to maintain an up to date file reviewable by HRSA at any time, for each Interpreter assigned to provide Interpreting Services under this Agreement, or a Subcontractor's contract with another entity, for LEP Clients when costs for those services are billed to the Contractor and subsequently billed by the Contractor to HRSA, to include at a minimum:
 - (a) Proof of qualification, certification, or authorization.
 - (b) A copy of the DSHS Language Interpreter and Translator Code of Professional Conduct, signed by the Interpreter.
 - (c) A signed statement by the interpreter that he or she will not seek payment from DSHS, or from LEP Clients or other contract service providers for Interpreting Services performed under the subcontract when costs for those services are billed to the Contractor and subsequently billed by the Contractor to HRSA.
- (6) Require retention of all invoices for Interpreting Services provided to LEP Medicaid Clients when costs for those services are billed to HRSA. Require retention of all documentation used to calculate the invoices and provide access of such documentation to HRSA Program Manager and fiscal staff, CMS staff, and state or federal auditors upon request. (Interpreting Agencies are not reimbursed for Interpreter Services provided to LEP Clients for other than Medicaid Related Services).
- (7) Verify, prior to billing, the health care service being provided is within the scope of the care of the LEP Client's health care program at the time the care and Interpreting was provided by:
 - (a) Obtaining a photocopy of the Client's Medicaid ID (MAID) Card, Client Services Card, or successor card; or
 - (b) Verifying the Medicaid Client's eligibility by examining the eligibility files of HRSA.
- (8) Accept full fiscal responsibility for all Interpreting Agencies' FFP Claimable Amounts billed which were later disallowed, and/or penalties assessed by CMS, resulting from audits of the Contractor's or Subcontractor's records.

7. Consideration.

- a. Consideration payable to Contractor for satisfactory performance of the work under this Agreement, including any and all expenses, shall be made on a cost reimbursement basis following verification of Contractor's Local Match Certification, and shall be based on the following:
 - (1) There is no maximum consideration payable to Contractor under this Agreement.
 - (2) The FFP is a 50% reimbursement rate.
- b. Source of Funds. The Consideration payable under this Agreement shall be from federal funds received under CFDA #93.778.
- c. Subrecipient Status. As indicated on page one (1) of this Agreement the Contractor is a subrecipient for purposes of this Agreement, and as such, shall comply with the terms and conditions of DSHS General Terms and Conditions Section 20, Subrecipients.

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d. Funding Stipulations. The Contractor shall:

- (1) Cooperate in supplying any information to HRSA staff that may be needed to determine eligibility for federal funding;
- (2) Not use funds payable under this Agreement as match toward federal funds;
- (3) Use these funds to supplement, not supplant the amount of federal, state and local funds otherwise expended for services provided under this Agreement; and
- (4) Not use funds payable under this Agreement for lobbying activities of any nature. The Contractor certifies that no state or federal funds payable under this Contract shall be paid to any person or organization to influence, or attempt to influence, either directly or indirectly, an officer or employee of a state or federal agency, or an officer or member of any state or federal legislative body or committee, regarding the award, amendment, modification, extension, or renewal of a state or federal contract or grant.

8. Allowable Costs.

Requirements for claiming Allowable Costs.

- a. Quarterly, the Contractor shall document the Billing Quarter's Allowable Costs for their Eligible Designated Support Staff and Eligible Interpreting Staff following the requirements provided in the Manual.
- b. Quarterly, the Contractor and Subcontractor shall document the Billing Quarter's Allowable Costs for Independent Interpreters and Interpreting Agencies following the requirements provided in the Manual.

9. Indirect Costs.

Requirements for Claiming Indirect Costs. When the Contractor intends to claim Indirect Costs as part of its FFP Claimable Amount, the Contractor shall submit:

Upon execution of this Agreement and annually thereafter:

- a. A copy of its approved Indirect Cost Rate Certificate, that complies with OMB Circular A-87, from the Contractor's Cognizant Agency for the Contractor's current fiscal year; or
- b. An Indirect Cost Rate Certificate, that complies with OMB Circular A-87, and related documentation, to HRSA Accounting, PO Box 45500, Olympia, Washington 98504-5500; if the Contractor does not have, or does not know the identity of its Cognizant Agency.

10. Billing.

- a. Calculation of Contractor's Billing Quarter FFP Claimable Amount.

The Contractor shall calculate its FFP Claimable Amount for each Billing Quarter as indicated in the Manual.

- b. Contractor's Calculation of Subcontractor's Billing Quarter FFP Claimable Amount.

The Contractor shall calculate its total Subcontractor's FFP Claimable Amount for each Billing

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Quarter by reducing Total Subcontractor Invoice Costs by the LEP MER and the Medicaid Related Service Rates. That amount divided by two (2) indicates the Billing Quarter's Total Subcontractor Claimable Amount, as indicated in the Manual.

c. Each Billing Quarter the Contractor shall:

- (1) Use DSHS form A19-1A Invoice Voucher, to submit to the MAM Program Manager invoices for the Contractor's FFP Claimable Amount for that Quarter.
- (2) Include with each claim supporting documentation that describes the work performed and any supporting Billing Forms and documentation as indicated in the Manual.
- (3) Submit all completed invoice vouchers and Billing Forms no later than three (3) months following the end of a quarter for which an FFP Claimable Amount is being requested to:

MAM Program Manager
Health and Recovery Services Administration
Department of Social and Health Services
PO Box 45530
Olympia, Washington 98504-5530

- (4) Pay each Billing Quarter's administrative fee within forty-five (45) calendar days of the date on the administrative fee invoice. The Contractor shall pay the administrative fee with non-federal dollars. The Contractor shall mail administrative fee payments to the following address:

Medical Assistance Accounting Unit
Division of Rates and Finance Accounting Office
Health and Recovery Services Administration
Washington State Department of Social and Health Services
PO Box 45500
Olympia, Washington 98504-5500

d. HRSA shall:

- (1) Review properly completed invoice vouchers and accompanying Billing Forms for services rendered payable upon receipt and acceptance; and
- (2) Process Contractor submitted and accepted invoice vouchers and accompanying Billing Forms as follows:
 - (a) Review invoice vouchers for accuracy and trends; and
 - (b) Contact the Contractor if any invoices and accompanying Billing Forms are considered incorrect, incomplete, unsubstantiated or inaccurate, to request additional documentation or a corrected claim.
- (3) Submit an invoice to the Contractor for an administrative fee that shall not exceed HRSA's actual costs to administer this Program and Agreement. Administrative fees paid by the Contractor shall be used only to offset the HRSA cost incurred in administering this Program and Agreement.

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11. Payment. HRSA shall:

- a. Reimburse the Contractor in accordance with Section 7, Consideration, of this Agreement.
- b. Send properly computed FFP Reimbursements to the address designated by the Contractor on page one (1) of this Agreement.
- c. Consider payment to be made timely if made by HRSA within thirty (30) calendar days after receipt and acceptance of the properly completed invoices. The April through June invoice each year, and any subsequent invoices received for future Billing Quarters, will not be approved for acceptance or reimbursed until the annual Local Match Certification and Local Match Worksheet for the state fiscal year of the April through June invoice have been received and approved for acceptance by the MAM Program Manager and the HRSA fiscal office.
- d. Consider withholding payment claimed by the Contractor for services rendered if Contractor fails to satisfactorily comply with any term or condition of this Agreement.

12. Background Checks.

This requirement applies to any employees, volunteers and Subcontractors who may have unsupervised access to children or vulnerable adults served under this Agreement.

The Contractor shall ensure a criminal history background check pursuant to RCW 43.43.832, 43.43.834, RCW 43.20A.710 and WAC 388-06 has been completed for all current employees, volunteers, and Subcontractors, and that a criminal history background check shall be initiated for all prospective employees, volunteers and Subcontractors who may have unsupervised access to children or vulnerable adults served under this Agreement. The Contractor shall assist in obtaining additional state or national criminal history and/or child abuse/neglect history, if requested by DSHS. The Contractor shall ensure that no employee, volunteer or Subcontractor, including those provisionally hired pursuant to RCW 43.43.832(7), has unsupervised access to children or vulnerable adults served under this Agreement, until a full and satisfactory background check is completed and documentation, qualifying the individual for unsupervised access, is returned to the Contractor.

13. Inspection.

The Contractor, and all Subcontractors to this Agreement, shall comply with Section 10 of the General Terms and Conditions of this Agreement.

The Contractor shall maintain Time Study, staff, billing and backup documentation records, as required in the Manual, for six (6) years after expiration or termination of the Agreement. Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

HRSA will periodically monitor the Contractor, and any Subcontractor, to ensure compliance with the terms of this Agreement, including but not limited to, monitoring of the Local Match Certification, Indirect Cost Rate Certification, Invoices, and Time Study documents and related back-up documentation.

14. Insurance.

- a. DSHS certifies that it is self-insured under the State's self-insurance liability program, as provided by RCW 4.92.130, and shall pay for losses for which it is found liable.

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b. The Contractor certifies by signing this Agreement that:

- (1) The Contractor is self-insured or insured through a risk pool and shall pay for losses for which it is found liable; or
- (2) The Contractor maintains the types and amounts of insurance identified below and shall, prior to the execution of this Agreement by DSHS, provide certificates of insurance to that effect to the DSHS contact on page one of this Agreement.
 - (a) Commercial General Liability Insurance (CGL) – to include coverage for bodily injury, property damage, and contractual liability, with the following minimum limits: Each Occurrence - \$1,000,000; General Aggregate - \$2,000,000. The policy shall include liability arising out of premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The State of Washington, DSHS, its elected and appointed officials, agents, and employees shall be named as additional insureds.
 - (b) Professional Liability Insurance (PL). The Contractor shall maintain Professional Liability Insurance or Errors & Omissions insurance, including coverage for losses caused by errors and omissions, with the following minimum limits: Each Occurrence - \$1,000,000; Aggregate - \$2,000,000.

15. Local Match Certification.

a. The Contractor shall:

Submit annually certification of "Local Matching Funds", which complies with federal and state cost guidelines and principles. The Contractor shall accomplish this certification through submission to the HRSA MAM Program Manager:

- (1) The signed original hard copy of the April – June A19-1A invoice within three (3) months following the end of a quarter for which an FFP Claimable Amount is being requested;
- (2) The completed original signed copy of the Local Match Certification, and the Local Match Worksheet, supplied by HRSA. These forms when completed indicate the Local Matching Fund totals for the state fiscal year being certified. The forms shall be submitted with the signed original A19-1A invoice for the April - June quarter for the respective state fiscal year.

b. HRSA shall:

Not approve or reimburse the April - June A19-1A invoice each year, and any subsequent invoices received for future quarters, until the required annual Local Match Certification and Local Match Worksheet have been received and approved for acceptance by the HRSA MAM Program Manager and the HRSA fiscal office.

16. Notices.

Whenever one party is required to give notice to the other party under this Agreement, it shall be deemed given if mailed by United States Postal Service, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

- a. In the case of such notice to the Contractor, notice shall be sent to the point of contact submitted to HRSA and named on page one of this Agreement;

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- b. In the case of such notice to HRSA, notice shall be sent to:

MAM Program Manager
Health and Recovery Services Administration
Department of Social and Health Services
PO Box 45530
Olympia, Washington 98504-5530

Said legal notice shall become effective on the date delivered as evidenced by the return receipt or the date returned to sender for non-delivery other than for insufficient postage. Either party may at any time change its address for notification purposes by mailing a notice in accordance with this Section, stating the change and setting forth the new address, which shall be effective on the tenth (10th) day following the effective date of such notice unless a later day is specified in the notice.

17. Professional Credentialing and Licensure.

If the Contractor, its employees, and/or subcontractors who shall be in contact with DSHS clients while performing work under this Agreement must be accredited, certified, licensed or registered according to Washington state laws and regulations, the Contractor shall ensure that all such individuals do not have, and shall remain without during the term of this Agreement, restrictions or sanctions placed on such accreditation, certification, license and/or registration. The Contractor shall notify the DSHS Contact listed on page one of this Agreement within three business days of receipt of information relating to disciplinary action against the accreditation, certification, license and/or registration of the Contractor, an employee, or subcontractor.

RECEIVED

JUN 30 2009

DIVISION OF HEALTHCARE
SERVICES