Washington State Health Care Authority	**CONTRACT**	HCA Contract Number: K1413

THIS AGREEMENT made by and between Washington State Health Care Authority, hereinafter referred to as "HCA," and the party whose name appears below, hereinafter referred to as the "Contractor."

CONTRACTOR NAME	CONTRACTOR doing business as (DBA)	
Pacific County Health & Human Services		
CONTRACTOR ADDRESS PO Box 26 South Bend, WA 98586	WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI)	
CONTRACTOR CONTACT Mary Goelz	CONTRACTOR TELEPHONE 360-875-9343	CONTRACTOR E-MAIL ADDRESS mgoelz@co.pacific.wa.us

HCA PROGRAM	HCA DIVISION/SECTION
Medicaid Administrative Claiming (MAC)	HCS
HCA CONTACT NAME AND TITLE Jennifer Inman	HCA CONTACT ADDRESS PO Box 45506 Olympia, WA 98504
HCA CONTACT TELEPHONE (360) 725-1738	HCA CONTACT E-MAIL ADDRESS Jennifer.inman@hca.wa.gov

IS THE CONTRACTOR A SUBRECIPIENT FOR PURPOSES OF THIS CONTRACT?	CFDA NUMBER(S)	FFATA Form Required
☒YES ☐NO	93.778	☐YES ☒NO

CONTRACT START DATE	**CONTRACT END DATE**	**TOTAL MAXIMUM CONTRACT AMOUNT**
April 1, 2015	March 31, 2017	No max

PURPOSE OF CONTRACT:

The purpose of this Contract is to support Medicaid related outreach and linkage activities performed by Local Health Jurisdictions (LHJ) to Washington State residents who live within its jurisdiction.

ATTACHMENTS/EXHIBITS. When the box below is marked with an X, the following Exhibits/Attachments are attached and are incorporated into this Contract Amendment by reference:

☐ Exhibit(s) (specify):
☒ Attachment(s) (specify): Attachment 1 – Federal Compliance, Certification and Assurances
Attachment 2 – MAC Coordinator Manual (Incorporated by reference)
☒ Schedule(s) (specify): Schedule A – Statement of Work
☐ No Exhibits/Attachment

The terms and conditions of this Contract 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 Contract. The parties signing below warrant that they have read and understand this Contract, and have authority to execute this Contract. This Contract shall be binding on HCA only upon signature by HCA.

CONTRACTOR SIGNATURE	PRINTED NAME AND TITLE	DATE SIGNED
S Rogers	Steve Rogers, Chairman	3/10/15
HCA SIGNATURE	PRINTED NAME AND TITLE	DATE SIGNED

TABLE OF CONTENTS

1 OVERVIEW 4
1.1 PURPOSE 4
1.2 STATEMENT OF WORK (SOW) 4

2 SPECIAL TERMS AND CONDITIONS 4
2.1 TERM 4
2.2 COMPENSATION AND PAYMENT 4
2.3 BILLING AND INVOICE 5
2.4 CONTRACT MANAGER CONTACT INFORMATION 6
2.5 NOTICES 6
2.6 ORDER OF PRECEDENCE 7

3 GENERAL TERMS AND CONDITIONS 8
3.1 DEFINITIONS 8
3.2 ACCESS TO DATA 9
3.3 ADVANCE PAYMENT PROHIBITED 9
3.4 AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35 9
3.5 ASSIGNMENT 9
3.6 ATTORNEYS' FEES 10
3.7 CHANGE IN STATUS 10
3.8 CONFIDENTIAL INFORMATION PROTECTION 10
3.9 CONFIDENTIAL BREACH – REQUIRED NOTIFICATION 11
3.10 CONFLICT OF INTEREST 11
3.11 CONFORMANCE 11
3.12 COVENANT AGAINST CONTINGENT FEES 12
3.13 DEBARMENT 12
3.14 DISPUTES 12
3.15 FORCE MAJEURE 13
3.16 GOVERNING LAW 13
3.17 INDEMNIFICATION 13
3.18 INDEPENDENT CAPACITY OF THE CONTRACTOR 13
3.19 INDUSTRIAL INSURANCE COVERAGE 13
3.20 INSURANCE 14
3.21 LEGAL AND REGULATORY COMPLIANCE 14
3.22 LICENSING, ACCREDITATION AND REGISTRATION 14
3.23 LIMITATION OF AUTHORITY 14
3.24 NO THIRD-PARTY BENEFICIARIES 14
3.25 NONDISCRIMINATION 14
3.26 OVERPAYMENT AND ASSERTION OF LIEN 15
3.27 PUBLICITY 15
3.28 RECORDS, DOCUMENTS, AND REPORTS 15
3.29 REGISTRATION WITH DEPARTMENT OF REVENUE 15
3.30 REMEDIES NON-EXCLUSIVE 15
3.31 RIGHT OF INSPECTION 15
3.32 RIGHTS IN DATA/COPYRIGHT 16
3.33 SAFEGUARDING OF INFORMATION 16
3.34 SEVERABILITY 16
3.35 SITE SECURITY 17

3.36 SUBCONTRACTING 17
3.37 SUBRECIPIENT 17
3.38 SURVIVABILITY 19
3.39 SYSTEM SECURITY 19
3.40 TAXES 19
3.41 TERMINATION 19
3.42 WAIVER 22

Schedules

Schedule A: Statement of Work (SOW)

Attachments

Attachment 1 – Federal Compliance, Certification and Assurances
Attachment 2 – MAC Coordinator Manual (Incorporated by reference)

1 OVERVIEW

1.1 PURPOSE

The purpose of this Contract is to support Medicaid related outreach and linkage activities performed by Local Health Jurisdictions (LHJ) to Washington State residents who live within its jurisdiction. These activities assist residents who have no or inadequate medical coverage, and includes explaining the benefits of the Medicaid program, assisting them in the Medicaid application and renewal processes, and linking them to Medicaid covered services. This Agreement provides a process for partially reimbursing the Contractor for the time its staff spend performing Medicaid Administrative Claiming (MAC) activities.

1.2 STATEMENT OF WORK (SOW)

The Contractor shall provide the goods and/or services and staff as described in Schedule A, Statement of Work.

2 SPECIAL TERMS AND CONDITIONS

2.1 TERM

Subject to its other provisions, the Term under this Contract shall be from April 1, 2015 through March 31, 2017 unless terminated sooner as provided herein.

HCA, at its sole discretion, may extend this Contract for two (2) additional one-year periods unless terminated sooner as provided herein.

Work performed without a contract or amendment, signed by authorized representative of both parties, shall be at the sole risk of the Contractor. HCA shall not pay any costs incurred before a contract or any subsequent amendment is fully executed.

2.2 COMPENSATION AND PAYMENT

Compensation payable to the Contractor for satisfactory performance of the work under this Agreement will be made on a cost reimbursement bases and shall be based on the following:

2.2.1 There is no maximum consideration payable to the Contractor under the Agreement;

2.2.2 The Federal Financial Participation Rate shall be:

2.2.2.1 50%, except;

2.2.2.2 75% for appropriately documented Skilled Professional Medical Personnel and appropriately documented Interpreter staff. See Schedule A, Section 9, d and g, and Section 10.

2.2.3 Federal funds disbursed through this Contract were received by HCA through OMB Catalogue of Federal Domestic Assistance (CFDA) Number: 93.778. Contractor agrees to comply with applicable rules and regulations associated with these federal funds and has signed Attachment 1, Federal Compliance, Certification and Assurances, attached.

2.3 BILLING AND INVOICE

Contractor shall submit correct invoices to the HCA Contract Manager for all amounts to be paid by the HCA hereunder.

All invoices submitted must meet with the approval of the Contract Manager or his/her designee prior to payment, which approval shall not be unreasonably withheld.

Contractor shall only submit invoices for Services or Deliverables as permitted by this section of the Contract. The Contractor shall not bill the HCA for services performed under this Contract, and the HCA shall not pay the Contractor if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for such services/deliverables.

Contractor shall submit properly itemized invoices to include the following information, as applicable:

2.3.1 HCA Contract number K1413;
2.3.2 Contractor name, address, phone number;
2.3.3 Description of Services;
2.3.4 Date(s) of delivery;
2.3.5 Net invoice price for each item;
2.3.6 Applicable taxes;
2.3.7 Total invoice price; and
2.3.8 Payment terms and any available prompt payment discount.

HCA will return incorrect or incomplete invoices, to the Contractor for correction and reissue. The Contract Number must appear on all invoices, bills of lading, packages, and correspondence relating to this Contract.

Invoices shall describe and document to the HCA's satisfaction, a description of the work performed; the progress of the project; and fees. If expenses are invoiced, provide a detailed breakdown of each type.

Payment shall be considered timely if made by the HCA within thirty (30) days of receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor. (Note: Failure to submit a properly completed IRS form W-9 may result in delayed payments.)

Upon expiration of the Contract, any claims for payment for costs due and payable under this Contract that are incurred prior to the expiration date must be submitted by the Contractor to HCA within sixty (60) days after the Contract expiration date. Belated claims shall be paid at the discretion of the HCA and are contingent upon the availability of funds.

The HCA may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract. HCA will not make advance payments or payments in anticipation of services or supplies to be provided under this Contract.

Electronic Payment: The State of Washington prefers to utilize electronic payment in its transactions. Contractor will be expected to register as a statewide vendor. This allows Contractors to receive payments from all participating state agencies by direct deposit, which is the State's preferred method of payment. Forms necessary for registration can be obtained at www.ofm.wa.gov.

2.4 CONTRACT MANAGER CONTACT INFORMATION

The individuals listed below, or their successors shall be the main points of contact for services provided under this Contract. HCA's Contract Manager or his/her successor is responsible for monitoring the Contractor's performance and shall be the contact person for all communications regarding contract performance, deliverables, and invoices. The Contract Manager has the authority to accept or reject the services provided and if satisfactory, certify acceptance of each invoice submitted for payment. Notifications regarding changes to this section must be in writing (e-mail) and maintained in the project file, but will not require a formal contract amendment.

The Contract Manager for HCA is:

Name:	Jennifer Inman
Title:	Program Manager
Address:	PO Box 45506 Olympia, WA 98501
Email:	Jennifer.inman@hca.wa.gov
Phone:	360-725-1738

The Contract Manager for Contractor is:

Name:	Mary Goelz
Address:	PO Box 26 South Bend, WA 98586
Email:	mgoelz@co.pacific.wa.us
Phone:	360-875-9343

2.5 NOTICES

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

2.5.1 In the case of notice to the Contractor, notice will be sent to:

Attention: Mary Goelz
Pacific County Health & Human Services
PO Box 26
South Bend, WA 98586

2.5.2 In the case of notice to HCA, send notice to:

Attention: Contract Administrator
Health Care Authority
Division of Legal and Administrative Services
Contract Services
Post Office Box 42702
Olympia, WA 98504-2702

2.5.3 Notices shall be effective on the date delivered, as evidenced by the return receipt or the date returned to the sender for non-delivery other than for insufficient postage.

2.5.4 Either party may change its address for notification purposes at any time by mailing a notice in accord with this Section, stating the change and setting for the new address, which shall be effective on the tenth (10th) day following the effective date of such notice unless a later date is specified.

2.6 ORDER OF PRECEDENCE

Each of the items listed below is incorporated by reference into this Contract. In the event of an inconsistency, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable Federal and State of Washington statutes and regulations;
- Special Terms and Conditions;
- General Terms and Conditions;
- Schedule A – Statement of Work;
- Attachment 1 – Federal Compliance, Certification and Assurances;
- Attachment 2 – MAC Coordinator Manual; and
- Any other provision, term or material incorporated herein by reference or otherwise incorporated.

3 GENERAL TERMS AND CONDITIONS

3.1 DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

"Allowable Expense" means an expenditure which meets the test of the appropriate OMB Circular (see Section I. Federal Compliance of Attachment 1). The most significant factors affecting allowability of expenses are: 1) they must be necessary and reasonable, 2) they must be allocable, 3) they must be authorized or not published under state or local laws and regulations, and 4) they must be documented.

"Authorized representative" means the person in HCA to whom signature authority has been delegated, in writing, acting within the limits of his/her authority.

"Business Associate" is as defined in 45 CFR, Part 160.103 and includes any entity that performs or assists in performing a function or activity involving the use/disclosure of Individually Identifiable Health Information or involving any other function or activity regulated by HIPAA; or provides legal, accounting, actuarial, consulting, data aggregation, management, accreditation, or financial service where the services involve Individually Identifiable Health Information.

"Business Days and Hours" means Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, except for holidays observed by the state of Washington.

"Confidential Information" means information that may be exempt from disclosure to the public or other unauthorized persons under chapter 42.56 RCW or chapter 70.02 RCW or other state or federal statutes. Confidential Information includes, but is not limited to, any information identifiable to an individual that relates to a natural person's health, finances, education, business, use or receipt of governmental services, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and any other identifying numbers, law enforcement records, HCA source code or object code, or HCA or State security information.

"Contract" means this Contract document, all schedules, exhibits, attachments, and amendments.

"Contractor" means that firm, provider, organization, individual or other entity performing services under this Contract. It shall include any subcontractor retained by the prime contractor as permitted under the terms of this Contract.

"Effective Date" means the first date this Contract is in full force and effect. It may be a specific date agreed to by the parties; or, if not so specified, the date of the last signature of a party to this Contract.

"Equipment" means an article of non-expendable, tangible property having a useful life of more than one year and an acquisition cost of $5,000 or more.

"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.

"Protected Health Information" has the same meaning as in the HIPAA Rules except that in this Contract the term includes only information created by any of its contractors, or received from or on behalf of HCA, and relating to Clients. "PHI" means Protected Health Information.

"Statement of Work" or "SOW" means a detailed description that captures and defines the work activities, deliverables, and timeline the Contractor is required to perform under this Contract. SOW is usually incorporated in a contract, indirectly be reference or directly as an attachment.

"Subrecipient" means a contractor operating a federal or state assistance program receiving federal funds and having the authority to determine both the services rendered and disposition of program. See OMB Circular A-133 for additional detail.

"Successor" means any entity or individual which, through amalgamation, consolidation, or other legal succession becomes invested with rights and assumes burdens of the first contractor/vendor or any person who succeeds to the office, rights, responsibilities or place of another.

3.2 ACCESS TO DATA

In compliance with Chapter 39.26 RCW, the Contractor shall provide access to data generated under this Contract to HCA, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models.

3.3 ADVANCE PAYMENT PROHIBITED

No advance payment shall be made for services furnished by the Contractor pursuant to this Contract.

3.4 AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

3.5 ASSIGNMENT

With the prior written consent of HCA, which consent shall not be unreasonably withheld, Contractor may assign this Contract including the proceeds hereof, provided that such assignment shall not operate to relieve Contractor of any of its duties and obligations hereunder, nor shall such assignment affect any remedies available to HCA that may arise from any breach of the sections of this Contract, Statements of Work, or warranties made herein including but not limited to, rights of setoff.

HCA may assign this Contract or Statements of Work to any public agency, commission, board, or the like, within the political boundaries of the state of Washington, provided that such assignment shall not operate to relieve HCA of any of its duties and obligations hereunder.

3.6 ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.

3.7 CHANGE IN STATUS

In the event of substantive change in the legal status, organizational structure, or fiscal reporting responsibility of the Contractor, Contractor agrees to notify the HCA of the change. Contractor shall provide notice as soon as practicable, but no later than thirty (30) days after such a change takes effect.

3.8 CONFIDENTIAL INFORMATION PROTECTION

Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with this Contract or its performance may consist of Confidential Information. Contractor agrees to hold Confidential Information in strictest confidence and not to make use of Confidential Information for any purpose other than the performance of this Contract, to release it only to authorized employees or Subcontractors requiring such information for the purposes of carrying out this Contract, and not to release, divulge, publish, transfer, sell, disclose, or otherwise make the information known to any other party without HCA's express written consent or as provided by law. Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

Contractors that may come into contact with Protected Health Information will be required to complete a Business Associate agreement, as required by federal or state laws, including HIPAA, prior to the commencement of any work.

Immediately upon expiration or termination of this Contract, Contractor shall, at HCA's option: (i) certify to HCA that Contractor has destroyed all Confidential Information; or (ii) return all Confidential Information to HCA; or (iii) take whatever other steps HCA requires of Contractor to protect HCA's Confidential Information.

HCA reserves the right to monitor, audit, or investigate the use of Confidential Information collected, used, or acquired by Contractor through this Contract. Violation of this section by Contractor or its Subcontractors may result in termination of this Contract and demand for return of all Confidential Information, monetary damages, or penalties.

The obligations set forth in this Section shall survive completion, cancellation, expiration, or termination of this Contract.

3.9 CONFIDENTIAL BREACH – REQUIRED NOTIFICATION

Upon a breach or suspected breach of confidentiality, the Contractor shall immediately notify the HCA Privacy Officer. For the purposes of this Contract, "immediately "shall mean within one calendar day.

The Contractor will take steps necessary to mitigate any known harmful effects of such unauthorized access including, but not limited to, sanctioning employees, notifying subjects, and taking steps necessary to stop further unauthorized access. The Contractor agrees to indemnify and hold harmless HCA for any damages related to unauthorized use or disclosure of Confidential Information by the Contractor, its officers, directors, employees, Subcontractors or agents.

Any breach of this clause may result in termination of the Contract and the demand for return of all Confidential Information.

Contractor acknowledges the HCA is subject to chapter 42.56 RCW and that this Contract and any Work Orders shall be a public record as defined in chapter 42.56 RCW. Any specific information that is claimed by Contractor to be Proprietary Information must be clearly identified as such by Contractor. To the extent consistent with chapter 42.56 RCW, HCA shall maintain the confidentiality of all such information marked Proprietary Information in their possession. If a public disclosure request is made to view Contractor's Proprietary Information, HCA will notify Contractor of the request and of the date that such records will be released to the requester unless Contractor obtains a court order from a court of competent jurisdiction enjoining that disclosure. If Contractor fails to obtain the court order enjoining disclosure, HCA will release the requested information on the date specified

3.10 CONFLICT OF INTEREST

HCA may terminate this Contract, by written notice to the Contractor, if it is found, after due notice and examination, that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts.

In the event this Contract is so terminated, HCA shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor.

3.11 CONFORMANCE

If any provision of this Contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

3.12 COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for the purpose of securing business. HCA shall have the right, in the event of breach of this clause by the Contractor, to annul this Contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

3.13 DEBARMENT

The Contractor, by signing this Contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded in any Washington State or Federal department or agency from participating in transactions (debarred). The Contractor agrees to include the above requirement in any and all subcontracts into which it enters, and also agrees that it will not employ debarred individuals. The Contractor shall immediately notify HCA if, during the term of this Contract, Contractor becomes debarred. HCA may immediately terminate this Contract by providing Contractor written notice, if Contractor becomes debarred during the term hereof.

3.14 DISPUTES

The parties shall use their best, good faith efforts to cooperatively resolve disputes and problems that arise in connection with this Contract. Both parties will continue, without delay, to carry out their respective responsibilities under this Contract while attempting to resolve the dispute under this section. When a genuine dispute arises between HCA and the Contractor regarding the terms of this Contract or the responsibilities imposed herein that cannot be resolved at the project management level, either party may submit a request for a dispute resolution to the HCA Contract Administrator who shall oversee the following Dispute Resolution Process: HCA shall appoint a representative to a dispute panel; the Contractor shall appoint a representative to the dispute panel; HCA's and Contractor's representatives shall mutually agree on a third person to chair the dispute panel. The dispute panel shall thereafter decide the dispute with the majority prevailing.

A party's request for a dispute resolution must:

3.14.1 Be in writing,
3.14.2 State the disputed issues,
3.14.3 State the relative positions of the parties,
3.14.4 State the remedies sought,
3.14.5 State the Contractor's name, address, and his/her department Contract number,
3.14.6 Be mailed to HCA Contracts Office, PO Box 42702, Olympia, WA 98504-2702 within thirty (30) calendar days after the party could reasonably be expected to have knowledge of the issue which he/she now disputes.

This dispute resolution process constitutes the sole administrative remedy available under this Contract. The parties agree that this resolution process shall precede any action in a judicial and quasi-judicial tribunal.

3.15 FORCE MAJEURE

A party shall not be liable for any failure of or delay in the performance of this Contract for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to: acts of God, war, strikes or labor disputes, embargoes, government orders or any other force majeure event.

3.16 GOVERNING LAW

This Contract shall be governed, in all respects, by the law and statutes of the state of Washington, without reference to conflict of law principles. The jurisdiction for any action hereunder shall be exclusively in the Superior Court for the state of Washington and the venue of any action hereunder shall be in the Superior Court for Thurston County, Washington.

3.17 INDEMNIFICATION

Each party shall defend, protect, and hold harmless the other party from and against all claims, suits, and/or actions arising from the negligent or intentional act or omission of that party's employees, agents, and/or authorized subcontractor(S) while performing this contract.

3.18 INDEPENDENT CAPACITY OF THE 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 HCA. The Contractor will not hold himself/herself out as or claim to be an officer or employee of HCA or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

3.19 INDUSTRIAL INSURANCE COVERAGE

Prior to performing work under this Contract, the Contractor shall provide or purchase industrial insurance coverage for the Contractor's employees, as may be required of an "employer" as defined in Title 51 RCW, and shall maintain full compliance with Title 51 RCW during the course of this Contract. Should the Contractor fail to secure industrial insurance coverage or fail to pay premiums, as may be required under Title 51 RCW, HCA may deduct the amount of premiums and any penalties owing from the amount payable to the Contractor under the Contract and transmit the same to the Department of Labor and Industries, Division of Insurance Services. This provision does not waive any right under RCW 51.12.050 to collect from the Contractor amounts paid by HCA.

3.20 INSURANCE

The Contractor shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the State should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the Contractor or subcontractor, or agents of either, while performing under the terms of this Contract.

If the Contractor is self-insured, evidence of its status as a self-insured entity shall be provided to HCA. If requested by HCA, the Contractor must describe its financial condition and the self-insured funding mechanism.

Upon request, Contractor shall submit to HCA, a certificate of self-insurance that outlines the coverage and limits defined in the Insurance section. If a certificate of insurance is requested, Contractor shall submit renewal certificates as appropriate during the term of the contract.

3.21 LEGAL AND REGULATORY COMPLIANCE

During the term of this Contract, Contractor shall comply with all local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this Contract and all other applicable federal, state and local laws, rules, and regulations.

3.22 LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this Contract.

3.23 LIMITATION OF AUTHORITY

Only the HCA Authorized Representative or his/her designee by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this Contract is not effective or binding unless made in writing and signed by the Authorized Representative.

3.24 NO THIRD-PARTY BENEFICIARIES

The HCA and the Contractor are the only parties to this contract. Nothing in this Contract gives or is intended to give any benefit of this contract to third parties or third persons.

3.25 NONDISCRIMINATION

During the performance of this Contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

3.26 OVERPAYMENT AND ASSERTION OF LIEN

In the event that overpayments or erroneous payments have been made to the Contractor under this Contract, HCA shall provide written notice to Contractor and Contractor shall refund the full amount to HCA within thirty (30) days of the notice. HCA may secure repayment, plus interest, if any, through the filing of a lien against the Contractor's real property, or by requiring the posting of a bond, assignment or deposit, or some other form of security acceptable to HCA.

3.27 PUBLICITY

The Contractor agrees to submit to HCA all advertising and publicity matters relating to this Contract wherein HCA's name is mentioned or, in HCA's judgment, the language used may infer or imply a connection with HCA's name. The Contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of HCA.

3.28 RECORDS, DOCUMENTS, AND REPORTS

The Contractor shall maintain books, records, documents, magnetic media, receipts, invoices and other evidence relating to this Contract and the performance of the services rendered, along with accounting procedures and practices, all of which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. At no additional cost, these records including materials generated under this Contract, shall be subject at all reasonable times to inspection, review, or audit by HCA, the Office of the State Auditor, and state and federal officials so authorized by law, rule, regulation, or agreement. The Contractor shall retain such records for a period of six (6) years after the date of final payment.

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.

3.29 REGISTRATION WITH DEPARTMENT OF REVENUE

The Contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this Contract.

3.30 REMEDIES NON-EXCLUSIVE

The remedies provided in this Contract shall not be exclusive, but are in addition to all other remedies available under law.

3.31 RIGHT OF INSPECTION

The Contractor shall provide access to its facilities to HCA, or any of HCA's officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract.

3.32 RIGHTS IN DATA/COPYRIGHT

Unless otherwise provided, all materials produced exclusively under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by HCA. HCA shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, Contractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to HCA effective from the moment of creation of such Materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions that derive exclusively from the Contractor's work under this Contract. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, Contractor hereby grants to HCA a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to HCA.

The Contractor shall exert all reasonable effort to advise HCA, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. HCA shall receive prompt written notice of each notice or claim of copyright infringement received by the Contractor with respect to any data delivered under this Contract. HCA shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

3.33 SAFEGUARDING OF INFORMATION

The use or disclosure by any party, of any information concerning HCA, for any purpose not directly connected with the administration of HCA's or the Contractor's responsibilities with respect to services provided under this Contract, is prohibited except by written consent of HCA.

3.34 SEVERABILITY

If any provision of this Contract, or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect the other provisions or applications of this Contract that can be given effect without the invalid provision, and to this end the provisions or application of this Contract are declared severable.

3.35 SITE SECURITY

While on HCA premises, Contractor, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations. Failure to comply with these regulations may be grounds for revoking or suspending security access to these facilities. HCA reserves the right and authority to immediately revoke security access to Contractor staff for any real or threatened breach of this provision. Upon reassignment or termination of any Contractor staff, Contractor agrees to promptly notify HCA.

3.36 SUBCONTRACTING

Neither the Contractor, nor any Subcontractors, shall enter into subcontracts for any of the work contemplated under this Contract without prior written approval of HCA. In no event shall the existence of the subcontract operate to release or reduce the liability of the Contractor to HCA for any breach in the performance of the Contractor's duties.

Additionally, the Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this Contract are included in any subcontracts. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons confidential information without the express written consent of HCA or as provided by law.

If, at any time during the progress of the work, the HCA determines in its sole judgment that any subcontractor is incompetent or undesirable, the HCA shall notify the Contractor, and the Contractor shall take immediate steps to terminate the subcontractor's involvement in the work.

The rejection or approval by the HCA of any subcontractor or the termination of a subcontractor shall not relieve the Contractor of any of its responsibilities under the Contract, nor be the basis for additional charges to the HCA.

The HCA has no contractual obligations to any subcontractor or vendor under contract to the Contractor. The Contractor is fully responsible for all contractual obligations, financial or otherwise, to their subcontractors.

3.37 SUBRECIPIENT

3.37.1 General

If the Contractor is a sub-recipient of federal awards as defined by Office of Management and Budget (OMB) Circular A-133 and this Contract, the Contractor shall:

3.37.1.1 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;

3.37.1.2 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;

3.37.1.3 Prepare appropriate financial statements, including a schedule of expenditures of federal awards;

3.37.1.4 Incorporate OMB Circular A-133 audit requirements into all agreements between the Contractor and its Subcontractors who are sub-recipients;

3.37.1.5 Comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation;

3.37.1.6 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

3.37.1.7 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 http://ojp.gov/about/offices/ocr.htm for additional information and access to the aforementioned Federal laws and regulations.)

3.37.2 Single Audit Act Compliance

If the Contractor is a sub-recipient 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:

3.37.2.1 Submit to the Authority 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;

3.37.2.2 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."

3.37.3 Overpayments

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

3.38 SURVIVABILITY

The terms and conditions contained in this Contract, which by their sense and context are intended to survive the completion, cancellation, termination, or expiration of the Contract, shall survive.

3.39 SYSTEM SECURITY

Contractor agrees not to attach any Contractor-supplied computers, peripherals or software to the HCA Network without prior written authorization from HCA's Information Systems Manager. Contractor-supplied computer equipment, including both hardware and software, must be reviewed by the HCA Information Services prior to being connected to any HCA network connection and that it must have up to date anti-virus software and personal firewall software installed and activated on it.

Unauthorized access to HCA networks and systems is a violation of HCA Policy 06-03 and constitutes computer trespass in the first degree pursuant to RCW 9A.52.110. Violation of any of these laws or policies could result in termination of the contract and other penalties.

3.40 TAXES

Unless otherwise indicated, HCA will pay sales and use taxes, if any, imposed on the services acquired hereunder. Contractor must pay all other taxes including, but not limited to, Washington Business and Occupation Tax, other taxes based on Contractor's income or gross receipts, or personal property taxes levied or assessed on Contractor's personal property. HCA, as an agency of Washington State government, is exempt from property tax.

3.41 TERMINATION

3.41.1 TERMINATION FOR CAUSE

In the event the Contractor violates any material term or condition of this Contract or any Work Order, or fails to fulfill in a timely and proper manner its material obligations under this Contract or any Work Order, as applicable, then comply with the conditions of this Contract in a timely manner, HCA has the right to suspend or terminate this Contract. HCA shall notify the Contractor, in writing, of the need to take corrective action. If corrective action is not taken within three (3) days, or other time period agreed to in writing, the Contract may be terminated. HCA reserves the right to suspend all or part of the Contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by HCA to terminate the Contract.

In the event of termination, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Contract and the replacement or cover Contract and all administrative costs directly related to the replacement Contract, e.g., cost of the competitive bidding, mailing, advertising, and staff time. If it is determined that the Contractor: (i) was not in default, or (ii) failure to perform was outside of his or her control, fault or negligence, the termination shall be deemed a "Termination for Convenience" and the provisions of Subsection 3.43.3 will apply.

3.41.2 TERMINATION DUE TO CHANGE IN FUNDING, SUSPENSION OR CONTRACT RENEGOTIATION

If the funds HCA relied upon to establish this Contract are withdrawn, reduced or limited, or if additional or modified conditions are placed on such funding, after the effective date of this contract but prior to the normal completion of this Contract:

3.41.2.1 At HCA's discretion, the Contract may be renegotiated under the revised funding conditions.

3.41.2.2 At HCA's discretion, HCA may give notice to Contractor to suspend performance when HCA determines that there is reasonable likelihood that the funding insufficiency may be resolved in a timeframe that would allow Contractor's performance to be resumed prior to the normal completion date of this contract.

3.41.2.2.1 During the period of suspension of performance, each party will inform the other of any conditions that may reasonably affect the potential for resumption of performance.

3.41.2.2.2 When HCA determines that the funding insufficiency is resolved, it will give Contractor written notice to resume performance. Upon the receipt of this notice, Contractor will provide written notice to HCA informing HCA whether it can resume performance and, if so, the date of resumption. For purposes of this subsection, "written notice" may include email.

3.41.2.2.3 If the Contractor's proposed resumption date is not acceptable to HCA and an acceptable date cannot be negotiated, HCA may terminate the contract by giving written notice to Contractor. The parties agree that the Contract will be terminated retroactive to the date of the notice of suspension. HCA shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the retroactive date of termination.

3.41.2.3 HCA 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. HCA shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination. No penalty shall accrue to HCA in the event the termination option in this section is exercised.

3.41.3 TERMINATION FOR CONVENIENCE

When, at HCA's sole discretion, it is in the best interest of the State, HCA may terminate this Contract in whole or in part by providing ten (10) Business Days' notice. If this Contract is so terminated, HCA shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination.

The Contractor, at their discretion, may terminate this Contract in whole or in part by providing fifteen (15) Business Day's written notice to HCA before the beginning of the next calendar quarter.

3.41.4 TERMINATION PROCEDURES

Upon termination of this Contract, HCA, in addition to any other rights provided in this Contract or available under law, may require the Contractor to deliver to HCA any property specifically produced or acquired for the performance of such part of this Contract as has been terminated.

HCA shall pay to the Contractor the agreed upon price, if separately stated, for completed work and service accepted by HCA and the amount agreed upon by the Contractor and HCA for (i) completed work and services for which no separate price is stated; (ii) partially completed work and services; (iii) other property or services which are accepted by HCA; and (iv) the protection and preservation of property, unless the termination is for default, in which case the HCA shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this Contract. HCA may withhold from any amounts due the Contractor such sum as HCA determines to be necessary to protect HCA against potential loss or liability.

Upon receipt of notice of termination, and except as otherwise directed by the HCA, the Contractor shall:

3.41.4.1 Stop work under the Contract on the date, and to the extent specified in the notice;

3.41.4.2 Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Contract that is not terminated;

3.41.4.3 Assign to HCA, in the manner, at the times, and to the extent directed by HCA, all the rights, title, and interest of the Contractor under the orders and subcontracts so terminated; in which case HCA has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

3.41.4.4 Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of HCA the extent HCA may require, which approval or ratification shall be final for all the purposes of this clause;

3.41.4.5 Transfer title to HCA and deliver in the manner, at the times, and to the extent directed by HCA any property which, if the Contract has been completed, would have been required to be furnished to HCA;

3.41.4.6 Complete performance of such part of the work as shall not have been terminated by HCA; and

3.41.4.7 Take such action as may be necessary, or as HCA may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which HCA has or may acquire an interest.

3.41.5 TERMINATION FOR WITHDRAWAL OF AUTHORITY

In the event that the authority of HCA to perform any of its duties is withdrawn, reduced, or limited in any way after the commencement of this Contract and prior to normal completion, HCA may terminate this Contract in whole or in part, under Section 3.41.3 of this Contract. No penalty will accrue to HCA in the event this section is exercised. This Section shall not be construed so as to permit HCA to terminate this Contract in order to acquire similar Services from a third party.

3.42 WAIVER

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing signed by HCA and attached to the original Contract.

SCHEDULE A
STATEMENT OF WORK

1. DEFINITIONS

Definitions specific to this Agreement. The words and phrases listed below, as used in this Agreement, shall each have the following definitions:

a) "A19-1A" or "A19" means the State of Washington Invoice Voucher used by contractors and vendors to submit claims for payment in return for goods and/or services provided to HCA or its Clients.

b) "Activity Code" or "Code" means the code assigned to the daily activities performed by Contractor staff in order to identify the percentage of time spent on any given activity.

c) "Administrative Fee" means the dollar amount charged to the Contractor by HCA based on a percentage of each Contractor's billing for Federal Financial Participation claimed at the federally approved match rate, to offset HCA's costs incurred in administering this Agreement.

d) "Allocated" or "Allocated Cost" means an Operating Expense that is Allocated across more than one cost pool.

e) "Billing Quarter" means a calendar quarter consisting of three (3) consecutive calendar months beginning with the first date of the calendar quarter during which this Agreement starts. The Contractor shall use Billing Quarters as the time periods for which claims for Federal Financial Participation are made.

f) "Centers for Medicare and Medicaid Services" or "CMS" means the federal office under the United States Department of Health and Human Services responsible for the administration of the Medicare, Medicaid and Children's Health Insurance Program.

g) "Centers for Medicare and Medicaid Services School-Based Administrative Claiming Guide" or "CMS Guide" or "Guide" means the document issued by CMS in 2003 and any supplements, amendments or successor; incorporated herein by reference which provides guidance to States for developing and managing Medicaid Administrative Claiming programs.

h) "Certified Public Expenditure" or "CPE" means the sources of funds certified as actual expenditures by a local or public governmental entity and used as the State share in order to receive federal matching Medicaid funds, or Federal Financial Participation (FFP).

i) "CPE Local Match Certification" means HCA's form the Contractor must submit with each quarterly invoice to report the source of funds certified as public expenditures and therefore eligible to be used as match for the MAC program.

j) "Client" means an individual served within budget unit or cost center of the Contractor.

k) "Cognizant Agency" means the single agency representing all others in dealing with grantees in common areas and who reviews and approves grantees' indirect cost rates. OMB published a list of Cognizant Agency assignments for some State agencies, cities and counties on January 6, 1986 (51 FR 552). The Cognizant Agency for governmental units not on that list is the one that provides the most grant funds to the entity.

l) "Coordinator Manual" or "Manual" means the HCA document or its successor including any updates, that describes how the Contractor must manage their MAC program and provides program guidance.

m) "Corrective Action Plan" or "Corrective Action" means the written description of the plan the Contractor will complete in order to correct any finding or deficiency as identified by HCA or government entity.

n) "Cost Allocation Plan" or "CAP" means the HCA document that describes the allocation methodology that includes a description of the procedures HCA will use to identify and measure costs for a MAC program and must be approved by CMS.

o) "Data" means the information that is disclosed or exchanged as described in the CAP, manual or this Agreement.

p) "Direct Charge Method" means the method of accounting for Direct Costs without a step-down allocation for single funding sources expenses wholly attributed to the MAC program.

q) "Direct Cost" means an Operating Expense that is wholly attributable to the MAC program and is not included in an Indirect Cost Rate. Direct costs must be a single cost objective, and must be certified quarterly.

r) "Direct Medical Service" means the provision of a medical, dental, vision, mental health, family planning, pharmacy, substance abuse or a Medicaid covered service and all related activities, administrative or otherwise, that integral to, or an extension of the healthcare service."

s) "Duty Statements" means the form on which the Contractor describes the current duties and responsibilities of a specific position and how it relates to the Medicaid program.

t) "Eligible Staff" or "Participant" or "RMTS Participant" means an employee of the Contractor that is in compliance with all federal, state, and HCA regulations including this agreement, the CAP, the manual, CMS guidance and any other requirements for participation in the Medicaid Administrative Claiming program and whose costs are for eligible for claiming their staff time costs for conducting Medicaid Administrative Claiming activities.

u) "Federal Financial Participation" or "FFP" means the federal payment (or federal "match") that is available at a rate of 50% for amounts expended by a state "as found necessary by the Secretary for the proper and efficient administration of the state plan" per 42 Code of Federal Regulations (CFR § 433.15(b)(7). An enhanced FFP rate of seventy five percent (75%) is available for certain SPMP or interpretation administrative costs. Only permissible, non-federal funding sources are allowed to be used as the state match for FFP.

v) "Fiscal Coordinator" means the Contractor's employee who is assigned to be the liaison between HCA and the Contractor for the accounting purposes of this Agreement. The contractor may assign the fiscal and RMTS coordinator roles to the same staff if desired.

w) "Indirect Cost" means an Operating Expense that is Allocated across more than one program. Indirect costs are only allowable for FFP reimbursement by the application of an Indirect Cost Rate approved by the Contractor's Cognizant Agency. The indirect cost must be certified by the Contractor annually using the HCA Certificate of Indirect Costs form.

x) "Integral Activity" or "Extension Activity" means an activity that is necessary for or incidental to the provision of a direct medical service

y) "MAC Activity" or "Allowable Activity" or "Reimbursable Activity" or "Claimable Activity" means an activity that is administrative in nature, and necessary for the proper and efficient administration for the Medicaid state plan which must be in compliance as described in applicable federal, state, HCA and CMS Regulations, the CAP, Manual, and this Agreement.

z) "Manual" or "Coordinator Manual" means the document that describes how the Contractor must implement the CAP locally and includes detailed instructions for implementing and monitoring the MAC program at the local level. The Manual is incorporated into this Agreement by reference.

aa) "Medicaid Administrative Claiming" or "MAC" means the program within title XIX of the Social Security Act (the Act) authorizing federal grants to states for a proportion of expenditures for medical assistance under the approved Medicaid state plan, and for expenditures necessary for administration of the state plan. This joint federal-state financing of expenditures is described in section 1903(a) of the Act, which sets forth the rates of federal financing for different types of expenditures. In order for Medicaid administrative expenditures to be claimed for federal matching funds an allocation methodology must appears in the state's approved Public Assistance Cost Allocation Plan (42 CFR § 433.34) and be described in detail in a MAC CAP.

bb) "Medicaid Administrative Claiming Program Specialist" means the HCA employee assigned responsibility for oversight and monitoring of the Contractor's MAC program and claiming and identified as the point of contact on this Agreement.

cc) "Medicaid Eligibility Rate" or "MER" means the proportional share of Medicaid individuals to the total number of individuals in the target population (Contractor's jurisdiction) as defined in the CAP, manual and this Agreement.

dd) "Medicaid Outreach Unit" means the unit within HCA's Health Care Services division that administers and monitors Washington State's MAC program.

ee) "National Institutional Reimbursement Team (NIRT)" means the group of individuals comprised from both the CMS central office and regional offices who are responsible for providing technical assistance to the states on Medicaid institutional reimbursement issues and the development and promulgation of all Medicaid institutional reimbursement regulations and policies including review and approval of donated funds certified as public expenditures (CPE).

ff) "Operating Expense" means those costs incurred by the Contractor to perform business activities and includes both Direct Costs and Indirect Costs. Only operating expenses necessary to operate the Contractor's MAC program are allowable for FFP reimbursement.

gg) "Potential Medicaid Client" means a Washington resident who may be determined by HCA to meet the eligibility criteria for enrollment in Medicaid.

hh) "Random Moment Time Study (RMTS)" or "System" or "Time Study" means an electronic System that quantifies the daily activities of eligible time study Participants through a statistically valid sampling methodology and allocates allowable participant costs to the MAC program. The System calculates the amount of FFP reimbursement based on the Contractors RMTS results, staff costs, MER, costs and other applicable calculations as described in the CAP, manual and this Agreement.

ii) "Regulation" means any federal, state, or local Regulation, rule, or ordinance.

jj) "RMTS Consortium" "RMTS Consortia" or "Consortium" or "Consortia" means a group of Contractors who have organized together based on similar duties their staff perform, organizational structure, type of programs, scope of work, or regional working relationships and will participate in a single time study together in order to achieve statistical validity.

kk) "RMTS Coordinator" means an employee of the Contractor who is assigned to be the time study liaison between HCA and the Contractor for purposes of this Agreement. The contractor may assign the fiscal and RMTS coordinator roles to the same staff if desired.

ll) "Skilled Professional Medical Personnel" or "SPMP" means an individual who has completed a two-or-more-year program leading to an academic degree or certificate in a medically related profession, demonstrated by possession of a medical license, certificate or other document issued by a recognized National or State medical licensure or certifying organization or a degree in a medical field issued by a college or university certified by a professional medical organization.

mm) "State Fiscal Year" means a twelve-month period beginning on July 1st of one calendar year and ending on June 30th of the following calendar year.

nn) "State Medicaid Plan" means the comprehensive written commitment by HCA, submitted under 1902(a) of the Social Security Act and approved by the Centers for Medicare and Medicaid Services, to administer or supervise administration of a Medicaid program in accordance with Federal and state requirements.

oo) "Subcontract" means any separate agreement or contract between the Contractor and an individual third party 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.

2. GENERAL

The Contractor shall provide services and deliverables, and otherwise do all things necessary for or incidental to the performance of work as set forth below. The Contractor must:

a) Provide the necessary staff to perform the allowable MAC activities described in the Cost Allocation Plan (CAP), and perform the work necessary to ensure all applicable laws, regulations and guidelines specific to the MAC program and this Agreement are in compliance including, but not limited to:

   i) Code of Federal Regulation (CFR) Title 42 and Title 45.
   ii) 1903(w)(6)(A) of the Social Security Act.
   iii) Medicaid School-Based Administrative Claiming Guide May 2003.
   iv) Revised Code of Washington (RCW).
   v) Washington Administrative Code (WAC).
   vi) The MAC Coordinator Manual.
   vii) OMB 2 CFR 225 Cost Principles for State, Local, and Indian Tribal Governments.
   viii) OMB Circular A-133 Compliance Supplement 2014.
   ix) Washington State Medicaid Plan.
   x) Secretary of State (SOS) records retention schedule.

b) Maintain documentation to support each administrative claim submitted to HCA for reimbursement as required by federal, state, HCA and CMS Regulations, the CAP, the Manual and this Agreement. The documentation must be sufficiently detailed in order to determine whether the activities are necessary for the proper and efficient administration of the Medicaid State Plan and support the appropriateness of the administrative claim. The Contractor must:

   i) Maintain all documentation related to staff participation in the RMTS according to section 1902(a)(4) of the Act and 42 CFR § 431.17; see also 45 CFR § 74.53 and 42 CFR § 433.32(a) (requiring source documentation to support accounting records) and 45 CFR § 74.20 and 42 CFR § 433.32(b and c) (retention period for records) and as described in the Medicaid School-Based Administrative Claiming Guide May 2003;

   ii) Maintain all documentation related to MAC claiming, according to section 1902(a)(4) of the Act and 42 CFR § 431.17; see also 45 CFR § 74.53 and 42 CFR § 433.32(a) (requiring source documentation to support accounting records) and 45 CFR § 74.20 and 42 CFR § 433.32(b and c) (retention period for records) and as described in Medicaid School-Based Administrative Claiming Guide May 2003;

   iii) Comply with the SOS records retention schedule;

   iv) Assure all documentation is immediately accessible and available, must be in a useful and readable format, and must be stored electronically within the System at every opportunity as determined by HCA;

   v) Provide any and all information and documentation requested by HCA within thirty (30) business days, or within a written, mutually agreed upon time frame; and

vi) Submit any audit related to its MAC program to HCA within thirty (30) business days of receipt of the final report. This includes but is not limited to SAO Audits, OMB Circular A-133 Compliance Supplement 2014 Audits, Federal Reviews or Federal Audits. The contractor must provide to HCA, any corrective action related to MAC findings and questioned costs within thirty (30) business days of submission.

c) Abide by all roles, responsibilities, limitations, restrictions, and documentation requirements including but not limited to those described in the CAP, Manual, and this Agreement.

3. RESPONSIBILITIES

a) Contractor:

The Contractor is responsible for monitoring its MAC program and any subcontractor MAC participation, to ensure compliance with all applicable laws, regulations and guidelines specific to the MAC program as described in this Agreement and comply with all roles, responsibilities, limitations, restrictions, and documentation requirements described in the CAP, Manual, and this Agreement that includes, but is not limited to, the following. The Contractor must:

i) Only include staff in the claimed reimbursement (through the RMTS or direct charge method) who are eligible to participate. The Contractor is prohibited from including any staff in the RMTS or the claimed reimbursement unless their job positions comply with the criteria described in the CAP, the Manual and this Agreement. These requirements extend to Subcontractor staff. Staff who may be eligible to be included in the RMTS or claimed reimbursement must:

(1) Not be included in another MAC time study or reimbursement claim;

(2) Be directly employed or contracted by the LHJ, or an HCA approved Subcontractor;

(3) Be reasonably expected to perform MAC related activities;

(4) Have all federal dollars appropriately off-set according to the CAP and Manual;

(5) Not be included in the calculation of an indirect cost rate that is used to calculate FFP reimbursement;

(6) Not include any Federally Qualified Health Clinic (FQHC) staff whose costs are included in the FQHC cost report;

(a) Subcontract FQHC staff are prohibited from being included in the RMTS or claimed reimbursement;

(7) Be job positions that fit within these job categories: nurses, other medical professionals, other professional classifications, community outreach and linkage classifications, manager/supervisor/administrator classifications, or administrative support classifications as described in the CAP and manual; and

(8) Have a duty statement on file for the job position and maintained in the RMTS and claiming System (System).

ii) Designate staff for each of the following roles: RMTS Coordinator and Fiscal Coordinator to be responsible for daily oversight and management of the Contractor's MAC program;

(1) The RMTS and Fiscal Coordinator roles may be assumed by one individual if desired.

(2) The Contractor must submit contact information to the HCA Contract Manager for each coordinator, including their assigned role, name, telephone number, fax number, email, and address prior to participation in the MAC program, thirty (30) business days before any changes are made.

(3) The Coordinators must ensure federal, state and HCA MAC policies are implemented.

(4) The Contractor must ensure the Coordinators accurately perform all responsibilities listed in the CAP, Manual and this Agreement.

iii) Certify all data entered into the System is true and accurate, and based on actual expenditures incurred during the period of performance of the invoice. This certification must be maintained within the System. This includes, but is not limited to: calendaring, Staff/Participant lists, salary and benefits, direct charges or other claimed costs, indirect rate, MER and any other data used to generate a claim to HCA for reimbursement;

iv) Verify all data that is determined necessary to be stored electronically within the System or other associated websites, or databases as described in the CAP, Manual and this Agreement is physically entered and stored according to the SOS Retention Schedule. This data includes, but is not limited to: calendaring, Staff/Participant lists, salary and benefits, direct charges or other claimed costs, indirect rate, MER and any other data used to generate a claim to HCA for reimbursement;

v) Prepare an annual MER proposal to include the MER calculation and formula, the data sources used to determine the MER, the data collection process, the Contractor's monitoring process to ensure accuracy of the MER and any other relevant information;

(1) The proposal must be submitted to HCA at least thirty (30) business days prior to January first.

(2) The proposal must be updated and re-submitted if the data source or collection, calculations, or monitoring changes thirty (30) business days prior to the change.

vi) Submit to the HCA Contract Manager a quarterly MER certification with each invoice validating the accuracy of the MER;

vii) Submit a quarterly CPE certification with each invoice validating the accuracy of the CPE;

viii) Submit a certificate of indirect costs and approval letter from their Cognizant Agency annually;

ix) Certify the accuracy of all data used to determine a quarterly MAC reimbursement by signing the A19 by an authorized representative. This certification extends to all RMTS data and financial data;

x) Complete a one hundred percent (100%) code review of all RMTS moments to ensure the code and narrative correlate, within forty five (45) days after the end of the quarter;

xi) Monitor the RMTS non response rate and identify any deficiencies in staff responses. Corrective action must:

(1) Be implemented within ten (10) business days; and

(2) Be documented and available to HCA upon request.

xii) Use a System that is statistically valid and in compliance with all state, and federal laws and Regulations whether through a third-party or other means as stated in the CAP;

xiii) Not participate in an RMTS consortium without prior written approval from HCA;

(1) If identified as a Lead Agency for the RMTS Consortium, the Contractor must perform the Lead Agency duties described in the CAP and Manual;

xiv) Ensure all interpreter staff have been tested and certified by Washington State Department of Social and Health Services (DSHS) as defined by DSHS;

(1) The contractor is prohibited from claiming the enhanced seventy five percent (75%) rate for any interpretation activities unless the staff has been certified by DSHS;

(2) The contractor is prohibited from claiming the enhanced seventy five percent (75%) rate for any interpretation activities unless MAC activities performed is part of the staff's assigned job duties; and

(3) The contractor is prohibited from claiming the enhanced seventy five percent (75%) rate unless an allowable MAC activity was performed on behalf of children under twenty one (21).

xv) Ensure all Coordinators and Participants have completed and have certified their understanding of the training prior to participating in the MAC program, and annually thereafter. The contractor is prohibited from allowing any staff to participate in the program unless they have completed and have certified their understanding of the training. The Contractor must:

(1) Ensure all Coordinators receive HCA approved training prior to participation;

(2) Ensure all Participants certify completion of the online training before performing any duties within the System or participating in the RMTS;

(3) Ensure all Participants fully understand each activity code and how to answer moments according to what activity they are doing exactly at the sampled moment;

(4) Train all Participants to maintain proper documentation for MAC related activities;

(5) Only use training materials that have been approved in writing by HCA; and

(6) Track the completion and certification of training within the System, and must be available upon request by HCA.

xvi) Comply with all HCA revisions and RMTS/claiming requirements as described in the Manual;

xvii) Be prohibited from entering into a Subcontract without prior written approval from HCA, and assumes all responsibility for its Subcontractors; and

xviii) Only use the activity codes (or their successor) in the Manual as approved by HCA, for participation in MAC and are responsible for ensuring all Participating Staff understand each code.

b) Health Care Authority

HCA is responsible for performing oversight of the Contractor's MAC program to ensure the effective administration of the MAC program and complying with all roles, responsibilities, limitations, restrictions, and documentation requirements described in the CAP, Manual, and this Agreement includes, but is not limited to, the following. HCA must:

i) Maintain oversight of the Contractor's MAC program and monitoring activities including review of all components of the time study, claiming, training, or anything MAC related. The contractor is required to monitor its own MAC program to ensure compliance with all applicable Regulations and facilitating HCA's oversight of the program;

ii) Direct the MAC activities reimbursable at the enhanced seventy five percent (75%) rate for all Skilled Professional Medical Personnel (SPMP) participating in the Contractor's MAC program. The contractor is prohibited from claiming the enhanced rate for any SPMP activities without express, written approval from HCA, see section 10 below;

iii) Review the Contractor's monitoring activities to ensure monitoring is occurring and any identified issues are addressed as deemed appropriate by HCA. This includes, but is not limited to, review of time study responses, accuracy of coding, appropriateness of code changes, sufficiency of backup documentation, non-response rates;

iv) Verify the Contractor has entered all necessary data into the System and verify all data entered was certified by the Contractor as accurate;

v) Review all MAC Subcontracts to ensure all Subcontractor requirements are in compliance and issue prior written approval for the MAC Contractor to enter into a Subcontract for work contemplated within this Agreement. Subcontract review extends to all entities Subcontracted to perform MAC activities, including but not limited to, billing agents, vendors, associations, or any entity entering into an Agreement with the Contractor for any purpose related to MAC. HCA does not perform a legal review of the subcontracts;

vi) Review the Contractor's annual monitoring report and/or corrective action plans for all Subcontractors;

vii) Review the RMTS Consortia organization and membership, including the Lead Agency identified, annually and issuing an official notice of approval or denial. The Contractor is prohibited from participating in a Consortium without express, written approval of the Consortia organization and membership;

viii) Review all MAC related training materials prior to their use in the MAC program and issuing an official notice of approval or denial. This includes multimedia video, audio, digital or other electronic sources, and paper based training materials. The Contractor is prohibited from using any training materials without express, written approval from HCA;

ix) Evaluate RMTS and claiming data prior to issuing quarterly reimbursements to ensure the RMTS results and claimed costs are appropriate according to all applicable laws, Regulations and guidelines specific to the MAC program. This evaluation will also be used to identify trends, best practices for the MAC program, quality assurance, training needs, areas in need of improvement, or other concerns related to the MAC program and HCA's oversight responsibilities;

x) Issue corrective action plans as necessary and determined by HCA's oversight capacity that includes but is not limited to, quarterly reviews of RMTS and claiming data, the contractor's failure to be in compliance with all applicable laws, Regulations and guidelines specific to the MAC program and this Agreement, or other quality assurance needs. The contractor is required to comply with any corrective action plan issued. Failure to do so will result in sanctions that may include, but is not limited to, reduced reimbursement and/or termination of this Agreement; and

xi) Produce and update the CAP, manual, contracts, training materials, or other MAC related documentation as needed and make it available to the Contractor.

4. SUBCONTRACTING

For purposes of the MAC program and this Agreement all entities contracted to perform MAC activities, including but not limited to, billing agents, vendors, associations, or any entity entering into an Agreement with the Contractor for any purpose related to MAC are considered a Subcontractor. As described in this section, the Contractor is prohibited from entering into a Subcontract without prior written approval from HCA and assumes all responsibility for any and all Subcontracts. Prior written approval from HCA is not a legal review of the Contractor's subcontract.

a) In order to obtain prior written approval to enter into a Subcontract, the Contractor must complete and submit the Medicaid Administrative Claiming Subcontractor Requirements and Questionnaire HCA form 09-021 at least thirty (30) business days prior to implementation or execution.

i) The Subcontract must comply with all requirements described in HCA form 09-021;

ii) The Subcontract must not begin participating in MAC mid-quarter; and

iii) A signed copy of the Subcontract must be submitted to the HCA Contract Manager within the (10) business days of execution.

b) Once HCA has granted authorization for the Contractor to enter into a Subcontract, the Contractor is responsible for ensuring:

i) Any amendments to the Subcontract are submitted to HCA at least thirty (30) business days prior to implementation using HCA form 09-021;

ii) The Subcontractor is not paid contingent upon, or as a percentage of, the claim or reimbursement amount;

iii) The Subcontractor is not charged an Administrative Fee for participation in MAC;

iv) The Subcontractor abides by all limitations, restrictions, and documentation requirements of MAC activities as specified in the CAP, Manual, this Agreement and the Subcontract; and

v) The Subcontractor MAC coordinator monitors the Subcontractor's MAC program and participation.

c) The Contractor is required to monitor their Subcontracts to ensure program integrity, and produce an annual monitoring report compliant with the terms and conditions of the Subcontract to be submitted to the HCA Contract Manager.

d) **Other outreach/linkage contracts.** The Contractor must submit copies of any other outreach and linkage Subcontracts prior to implementation. Examples of these Subcontracts include, but are not limited to:

i) In-person assister or Navigator contracts
ii) School districts
iii) Hospitals.

5. MINIMUM RESPONSE RATE AND NON-RESPONSES

Non-responses are moments not completed by Participant within five (5) business days, with the exception of expired moments where the Participant was on paid or unpaid leave. The return rate of valid responses for the RMTS must be a minimum of eighty five percent (85%). The following remedial action is required of the Contractor if the RMTS response rate drops below eighty five percent (85%).

a) Non-response rates greater than fifteen percent (15%):

i) HCA will send written notification to the Contractor requesting a Corrective Action Plan to ensure a minimum eighty five percent (85%) compliance rate for the RMTS is achieved in subsequent quarters.

ii) The Contractor must develop and submit the plan to HCA for approval within thirty (30) business days of HCA's notification.

iii) Failure to provide a timely corrective action plan within thirty (30) business days may result in the Contractor being prohibited from participation in MAC for the following quarter.

iv) An eighty five percent (85%) compliance rate for the RMTS must be met in the following quarter.

b) Non-response rates greater than fifteen percent (15%) for two (2) consecutive quarters:

i) HCA will reduce reimbursement by thirty five percent (35%) for the second consecutive quarter.

ii) The Contractor will be notified via Certified Mail of the reduced reimbursement.

iii) Eighty five percent (85%) compliance rate for the RMTS must be met in the following quarter.

c) Non-response rates greater than fifteen percent (15%) for three (3) consecutive quarters:

i) HCA will notify the affected Contractor via certified mail of the denied reimbursement for the third consecutive quarter and prohibited participation in MAC.

ii) None of the affected Contractors may claim for any denied or reduced reimbursement from the three consecutive quarters of non-compliance. The Contractor may be prohibited from participating in MAC for the following quarter (4th consecutive quarter), and will be notified as such through the HCA notification.

6. CORRECTIVE ACTION PLANS

HCA will pursue a corrective action plan if a Contractor fails to meet any MAC program requirements described in the CAP, Manual, this Agreement or as determined by HCA. HCA will peruse a corrective action plan if the contractor fails to address or correct any problems timely and sufficiently as determined by HCA. The Contractor must develop and submit a corrective action plan response to HCA for approval within thirty (30) days of HCA's notification. If a Contractor fails to meet the requirements outlined in the corrective action plan, HCA will impose sanctions that may include, but are not limited to; conducting more frequent reviews, delayed or denied payment of MAC claims, recoupment of funds, or termination of this Agreement.

Examples of Contractor actions that may result in corrective action and/or sanctions include, but are not limited to:

a) Repeated and/or uncorrected errors in financial reporting;
b) Failure to maintain adequate documentation;
c) Failure to cooperate with state or federal staff;
d) Failure to provide accurate and timely information to state or federal staff as required; and
e) Failure to meet time study minimum response rates.

7. ADMINISTRATIVE FEE

a) Two times per year, HCA will invoice the Contractor for an Administrative Fee. This fee offsets and will not exceed the costs for administering the MAC program for the State of Washington. Administrative Fees charged to MAC contractors are used to provide the state share of match required to operate the program.

b) The Contractor must submit payment of Administrative Fees within forty-five (45) business days of the date on the Administrative Fee invoice. The Administrative Fee must be paid with non-federal dollars. HCA will not process any A19s until the Administrative Fee is paid to HCA.

c) The Administrative Fee is an unallowable expense and the Contractor is prohibited from including any portion of the Administrative Fee in their calculations for FFP reimbursement.

Contractor must mail Administrative Fee payment to the following address:

Health Care Authority
Financial Services/Accounting
PO Box 45500
Olympia, Washington 98504-5500

8. TIMELY FILING AND OVERPAYMENT REQUIREMENTS:

The Contractor must submit invoices for reimbursement within one hundred twenty (120) calendar days following the end of each Billing Quarter.

a) Invoices submitted after one hundred twenty (120) calendar days following the end of the Billing Quarter may result in corrective action.

b) HCA will not offset negative balances against future A19s. The contractor must immediately remit a check to HCA for any funds requiring repayment.

c) HCA is not a recovery agent and any overpayments that are at or beyond the one hundred eighty (180) calendar day mark will be turned over to the Office of Financial Recovery (OFR).

9. CALCULATING THE FFP AND GENERATING AN INVOICE

a) The Contractor is responsible for ensuring all data (including all RMTS and financial data) used to calculate the amount of FFP submitted to HCA for reimbursement is accurate, based on actual expenses incurred during the period of performance, and complies with all federal, state, HCA and CMS Regulations, the CAP, Manual and this Agreement. The Contractor must certify the accuracy of all data used to calculate the amount of FFP by an authorized representative signing the A-19. The Contractor must use a System that is statistically valid and in compliance with all state, and federal laws and Regulations whether through a third-party or other means as stated in the CAP to calculate the amount of FFP and generate a claim. This extends to all Subcontractors participating in MAC.

i) The Contractor must submit invoices to HCA for FFP on a quarterly basis;

ii) All data used to calculate the FFP must be from the same period of service;

iii) All data used to calculate the FFP must be the actual cost/expenditure and not approximated;

iv) The FFP is determined by calculating the total adjusted costs, multiplying these costs by the adjusted RMTS results, and the applicable Medicaid Eligibility Rate (MER), adding any direct charges, and then applying the appropriate FFP rate;

v) The invoice must be generated within one hundred twenty (120) business days of the end of the quarter; and

vi) The invoice is generated based on following five components:

(1) Cost pool construction;

(2) Calculating allowable Medicaid administrative time via the System or direct charge method and documentation;

(3) Calculation and application of the pertinent MER;

(4) Calculation and application of the indirect cost rate; and

(5) Application of the appropriate FFP rate.

b) **Cost pool construction**

i) The Contractor must comply with all federal, state, HCA and CMS Regulations, the CAP, Manual, and this Agreement when constructing cost pools.

ii) The Contractor is prohibited from including any unallowable costs in any cost pool.

iii) The Contractor must include all costs used to calculate the FFP reimbursement to one of these six cost pools:

(1) Cost Pool 1: MAC SPMP;

(2) Cost Pool 2: MAC Non-SPMP;

(3) Cost Pool 3a and 3b: Non-MAC;

(4) Cost Pool 4: MAC Direct Charge – enhanced;

(5) Cost Pool 5: MAC Direct Charge – non-enhanced; and

(6) Cost Pool 6: Allocated.

iv) Costs included in the calculation of an indirect cost rate are prohibited from being assigned to any of the six cost pools except by application of the indirect cost rate.

v) All costs assigned to each cost pool must be allowable and comply with the descriptions in the CAP and manual.

c) **Calculating allowable Medicaid Administrative Time**

i) The Contractor must only use the RMTS or the Direct Charge method to calculate the percent of reimbursable time.

ii) The Contractor must use the RMTS for all eligible staff who are not certified as a Single Cost Objective.

(1) The Contractor must use the RMTS results produced by the System.

(2) The Contractor is prohibited from altering the RMTS results and certifies the accuracy of the data by signing the A19 by an authorized Contractor representative.

iii) The Contractor may only use the Direct Charge method for staff who are certified as a Single Cost Objective.

(1) These staff are required to document their daily work activities in fifteen (15) minute increments.

(a) Daily logs must be maintained according to the SOS record's retention schedule.

(b) All daily logs must have a quarterly summary rolling up all time over the quarter.

(2) These staff must complete a single cost objective certification quarterly using an HCA approved form.

(3) Each single cost objective staff must be reported individually on the invoice.

(4) The invoice must report the name, the actual amount of time spent performing allowable MAC activities, and total dollar amount claimed for reimbursement for each staff.

d) **Direct Charge for Interpretation Service Contracts**

iv) The Contractor may only direct charge for a portion of Interpretation Service contracts for allowable interpretation activities as described in this Agreement.

(1) Services direct charged must be for interpretation activities identified as allowable activities within the Manual, the CAP, and this Agreement. The Contractor is prohibited from including any other portion of an Interpretation Services Contract in the calculation for FFP reimbursement.

(2) Each interpretation activity must be documented to HCA's satisfaction, in fifteen (15) minute increments, using an HCA approved form.

(a) The form must be maintained according to SOS Record's retention schedule.

(b) All forms must have a quarterly summary rolling up all time over the quarter by interpreter.

(c) The contractor is prohibited from altering the information on the form and certifies the accuracy of the data by signing the A19 by an authorized Contractor representative.

(3) The invoice must report the name of the interpreting staff, the amount of time spent performing allowable MAC activities, and total dollar amount claimed for reimbursement individually for each Interpretation Service contract.

e) **Calculation and application of the pertinent MER.**

i) All MERs must be calculated quarterly;

ii) All MERs must be based on the quarter claimed;

iii) All MAC activities that that benefit the Contractors Clients directly and are performed within a program that identifies Clients must use a Client-based MER as described in the CAP and manual;

iv) All MAC activities that benefit the Contractors Clients directly and are performed within a program that operates a primary care or specialty clinic must use a clinic-based MER as described in the CAP and manual;

v) All MAC activities that benefit a larger population in the geographical region served by the Contractor, or in programs that do not identify Clients or collect demographic data must use the modified county-wide MER; and

vi) The Contractor is required to collect and maintain demographic data used to determine Medicaid enrollment for all Clients served within budget units whose costs are included in the FFP reimbursement. The Contractor is prohibited from including clients from any budget unit that is not allowable within the MAC program.

(1) All data related to Medicaid enrollment and the MER must be maintained according to the SOS records retention schedule;

(2) The information collected must be sufficiently detailed to determine Medicaid enrollment through HCA's ProviderOne System;

(3) The information must be entered in the Contractor's Client information System or data base;

(4) The Contractor must produce a single electronic list of all unduplicated Clients served over the quarter within thirty (30) business days of the end of the quarter;

(5) The Contractor is prohibited from including the same Client more than once (duplicating) on the quarterly list; and

(6) The Contractor must submit the quarterly list to either their third party System operator or other System operator which calculates the Client-based and clinic-based MER.

f) **Calculation and application of the indirect cost rate**

i) All indirect cost rates must be developed in accordance with all applicable regulations and guidelines including the Office of Management and Budget 2 CFR Chapter I, Chapter II, part 200, et al (OMNI Circular);

ii) The Contractor is required to have an indirect cost rate proposal approved by their Cognizant Agency;

iii) The Contractor is required to certify the accuracy of the indirect cost rate annually using HCA form 02-568 Certificate of Indirect Costs;

iv) The Contractor is required to verify all costs submitted to HCA for reimbursement are not duplicated through the indirect rate or any other mechanism; and

v) The Contractor is prohibited from requesting duplicate FFP for any cost.

g) **Application of the appropriate FFP rate**

The Contractor is:

i) Permitted to claim seventy five percent (75%) enhanced FFP only for specific allowable MAC activities accurately reported to SPMP or Interpretation activity codes as described in the Manual. The Contractor is:

(1) Required to verify the accuracy of activities reported to activity codes 12b and 7d; and

(2) Prohibited from claiming seventy five percent (75%) FFP for any other activities.

ii) Permitted to claim fifty percent (50%) for all other accurately reported MAC activity codes; and

iii) Required to certify the accuracy of the FFP claimed for reimbursement by signing the A19.

h) **Certified Public Expenditures**

The Contractor is:

i) Is prohibited from using any source of funds that do not comply with federal, state, HCA and CMS Regulations, the CAP, Manual and this Agreement as CPE;

ii) Is required to certify all sources of funds used as for CPE are accurate, allowable, and in compliance with all federal, state, HCA and CMS Regulations, the CAP, Manual and this Agreement by signing the A19;

iii) Is required to ensure the source of all CPE funds are not federal tax money and are not used as a match for federal money (by the Contractor or any other agency);

iv) Must only use these funds to supplement, not supplant the amount of federal, state and local funds otherwise expended or services provided under this Agreement;

v) Must have funds available for MAC activities and the funds must be within the Contractor's control and budget;

vi) Is prohibited from using provider-related donations or impermissible heath care related tax source for CPE;

vii) Is prohibited from using any private donations or non-public funds as a source for CPE without authorization from CMS' Center for Medicaid and State Operations' National Institutional Reimbursement Team (NIRT);

viii) Is prohibited from requiring or allowing private non-profits to participate in the financing of the non-federal share of expenditures;

(1) Is prohibited from allowing non-governmental units to voluntarily provide, or be contractually required to provide, any portion of the non-federal share of the Medicaid expenditures.

ix) Is prohibited from using funds payable under this Agreement for lobbying activities of any nature. The contractor certifies that no state or federal funds payable under this Agreement 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 o committee regarding the award, amendment, modification, extension, or renewal of a state or federal contract grant; and

x) Must reimburse the total computable cost to Subcontractors for performance of allowable MAC activities.

(1) The Contractor is prohibited from submitting a request for FFP reimbursement to HCA until they have actually incurred the total computable cost; and

(2) The Contractor is prohibited from requiring the Subcontractor to provide the non-federal share of the payment, or return any portion of the total computable cost to the Contractor.

i) **Revenue Offset**

The Contractor is:

i) Prohibited from submitting a request for FFP reimbursement to HCA unless all funds are appropriately offset according to all federal, state, HCA and CMS Regulations, the CAP, Manual and this Agreement;

ii) Required to certify the accuracy of the funds that are offset and the accuracy of the requested FFP reimbursement by signing the A19;

iii) Required to ensure there is no duplication in FFP reimbursement between programs or cost objectives;

iv) Financially responsible for repayment of any duplicated funds;

v) Required to provide documentation that Coordinators have been trained and fully understands the scope of work and terms of each funding source; and

vi) The Contractor is required to perform an assessment to determine whether each cost objective contained within the MAC budget unit(s) has potential to overlap with MAC;

(1) The Contractor is prohibited from using any source of funds contained within the MAC budget unit until they have been assessed and determined appropriate;

(2) The Contractor must complete the assessment annually and submit the assessment to the HCA Contract Manager no later than January 31st or within thirty (30) business days of completion, whichever comes soonest;

(3) If the assessment determines any portion of the scope of work overlaps with MAC activities, the entire cost objective is deemed to overlap and is prohibited from being used as CPE; and

(4) Required to identify costs that must be offset, and verify the remaining net costs are allowable for inclusion in the MAC program and eligible for FFP reimbursement.

10. SKILLED PROFESSIONAL MEDICAL PERSONNEL (SPMP)

Contractor staff who have completed a two-or-more-year program leading to an academic degree or certificate in a medically related profession, demonstrated by possession of a medical license, certificate or other document issued by a recognized National or State medical licensure or certifying organization, or a degree in a medical field issued by a college or university certified by a professional medical organization are eligible for a seventy five percent (75%) enhanced reimbursement for specific MAC activities. Years of experience in the administration, direction, or implementation of the Medicaid program is not considered the equivalent of professional training in a field of medical care. The Contractor is permitted to perform SPMP activities as directed by HCA's Chief Medical Officer (CMO) to assist in achieving HCA's goals and administering the Medicaid State Plan. The Contractor must:

a) Monitor and ensure that FFP reimbursement for SPMP activities are in compliance with all federal, state, HCA and CMS Regulations, the CAP, Manual and this Agreement. Federal requirements include 42 CFR § 432.2, 432.45, 432.50, and 433.15;

b) Have all forms and documents supporting the designation of an SPMP entered into the System and retained according to the SOS record's retention schedule;

c) Not, and is prohibited from requesting seventy five percent (75%) enhanced reimbursement for:

i) Any staff who are not certified as an SPMP, as stated above;

ii) Any staff whose position descriptions do not require certified SPMP duties or responsibilities;

iii) Any staff who are not directly employed by the Contractor;

iv) Medical assistance expenditures;

v) Any SPMP activities that are not directed by HCA's CMO and explicitly described in this Agreement (All other allowable MAC activities performed by an SPMP are eligible for 50% FFP); and

vi) Any activities that are not directly related to the administration of the State Medicaid plan.

d) Track all SPMP activities within the System and provide the System generated report to HCA with each quarterly A19 or more often if requested by HCA;

e) Provide HCA with a written report documenting progress, accomplishments, barriers and suggested recommendations related to the performance of SPMP activities as requested by HCA, within a mutually agreed upon time frame;

f) Participate in program planning and policy development meetings as requested by HCA;

i) The meetings will include discussions related to, but not limited to, reviewing the SPMP reports and related topics or the effectiveness of the activities performed in support of HCA's goals and the Medicaid State Plan.

g) Comply with any changes to the allowable SPMP activities as directed by the CMO;

i) Failure to comply with CMO directives may result in termination of SPMP participation in the MAC program.

h) Monitor and ensure that all activities reimbursed at the seventy five percent (75%) enhanced FFP are in support of the Medicaid State Plan and fall within the categories below. All other allowable MAC activities performed by an SPMP are eligible for fifty percent (50%) FFP;

i) Comply with any changes to allowable SPMP activities as directed by the CMO that may include, but is not limited to:

i) Clinical consultation with medical providers regarding best practices and adequacy of medical care covered by Medicaid. Includes, but is not limited to the following areas:

(1) Pediatric immunization issues.

(2) Access to Baby and Child Dentistry (ABCD) Emerging treatment/therapies for high risk populations.

ii) Coordination of Medicaid-covered medical services for medically at-risk populations.

(1) Medically fragile children.

(2) High risk pregnant women.

(3) Homeless individuals.

(4) Individuals with multiple medical conditions.

iii) Case staffing on the medical aspects of cases requiring Medicaid-covered services.

(1) Medically involved children in foster care.

(2) High risk pregnant women.

(3) Individual with communicable diseases requiring extraordinary/non-standard medical care.

iv) Planning and coordination with local medical providers to facilitate earlier referrals and treatment for high-risk populations.

(1) Children in foster care.

(2) Homeless individuals.

(3) Children with developmental delays or behavioral challenges

v) Providing medical consultation to the state regarding the Medicaid state plan.

(1) Consultation with medical providers to improve birth outcomes for Medicaid children.

(2) Consultation with school personnel to improve health outcomes for children exhibiting developmental delays or behavioral challenges due to medical condition, family stress or other factors.

vi) Pediatric immunizations.

ATTACHMENT 1

FEDERAL COMPLIANCE, CERTIFICATIONS, AND ASSURANCES

In the event federal funds are included in this agreement, the following sections apply: I. Federal Compliance and II. Standard Federal Assurances and Certifications. In the instance of inclusion of federal funds, the Contractor may be designated as a sub-recipient and the effective date of the amendment shall also be the date at which these requirements go into effect.

I. **FEDERAL COMPLIANCE** - The use of federal funds requires additional compliance and control mechanisms to be in place. The following represents the majority of compliance elements that may apply to any federal funds provided under this contract. For clarification regarding any of these elements or details specific to the federal funds in this contract, contact the Health Care Authority

a. *Source of Funds:* Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number **93.778.** The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA IA Contract No. **K1413**.

b. *Period of Availability of Funds:* Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in **CFDA 93.778,** unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.

c. *Single Audit Act*: A sub-awardee (including private, for-profit hospitals and non-profit institutions) shall adhere to the federal Office of Management and Budget (OMB) Circular A-133, as well as all applicable federal and state statutes and regulations. A sub-awardee who expends $500,000 or more in federal awards during a given fiscal year shall have a single or program-specific audit for that year in accordance with the provisions of OMB Circular A-133.

d. *Modifications:* This agreement may not be modified or amended, nor may any term or provision be waived or discharged, including this particular Paragraph, except in writing, signed upon by both parties.
   1. Examples of items requiring Health Care Authority prior written approval include, but are not limited to, the following:
      i. Deviations from the budget and Project plan.
      ii. Change in scope or objective of the agreement.
      iii. Change in a key person specified in the agreement.
      iv. The absence for more than three months or a 25% reduction in time by the Project Manager/Director.
      v. Need for additional funding.
      vi. Inclusion of costs that require prior approvals as outlined in the appropriate cost principles.
      vii. Any changes in budget line item(s) of greater than twenty percent (20%) of the total budget in this agreement.
   2. No changes are to be implemented by the Sub-awardee until a written notice of approval is received from the Health Care Authority.

e. *Sub-Contracting:* The sub-awardee shall not enter into a sub-contract for any of the work performed under this agreement without obtaining the prior written approval of the Health Care Authority. If sub-contractors are approved by the Health Care Authority, the subcontract, shall contain, at a minimum, sections of the agreement pertaining to Debarred and Suspended Vendors, Lobbying certification, Audit requirements, and/or any other project Federal, state, and local requirements.

f. *Condition for Receipt of Health Care Authority Funds:* Funds provided by Health Care Authority to the sub-awardee under this agreement may not be used by the sub-awardee as a match or cost-sharing provision to secure other federal monies without prior written approval by the Health Care Authority.

g. *Unallowable Costs:* The sub-awardees' expenditures shall be subject to reduction for amounts included in any invoice or prior payment made which determined by HCA not to constitute allowable costs on the basis of audits, reviews, or monitoring of this agreement.

h. *Citizenship/Alien Verification/Determination:* The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193) states that federal public benefits should be made available only to U.S. citizens and qualified aliens. Entities that offer a service defined as a "federal public benefit" must make a citizenship/qualified alien determination/ verification of applicants at the time of application as part of the eligibility criteria. Non-US citizens and unqualified aliens are not eligible to receive the services. PL 104-193 also includes specific reporting requirements.

i. *Federal Compliance:* The sub-awardee shall comply with all applicable State and Federal statutes, laws, rules, and regulations in the performance of this agreement, whether included specifically in this agreement or not.

j. *Civil Rights and Non-Discrimination Obligations* During the performance of this agreement, the Contractor shall comply with all current and future federal statutes relating to nondiscrimination. These include but are not limited to: Title VI of the Civil Rights Act of 1964 (PL 88-352), Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1683 and 1685-1686), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-6107), the Drug Abuse Office and Treatment Act of 1972 (PL 92-255), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (PL 91-616), §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-3), Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), and the Americans with Disability Act (42 U.S.C., Section 12101 et seq.) http://www.hhs.gov/ocr/civilrights

HCA Federal Compliance Contact Information

Federal Grants and Budget Specialist
Health Care Policy
Washington State Health Care Authority
Post Office Box 42710
Olympia, Washington 98504-2710

II. **CIRCULARS 'COMPLIANCE MATRIX'** - The following compliance matrix identifies the OMB Circulars that contain the requirements which govern expenditure of federal funds. These requirements apply to the Washington State Health Care Authority (HCA), as the primary recipient of federal funds and then follow the funds to the sub-awardee, **Pacific County Health & Human Services**. The federal Circulars which provide the applicable administrative requirements, cost principles and audit requirements are identified by sub-awardee organization type.

III.

	OMB CIRCULAR		
ENTITY TYPE	**ADMINISTRATIVE REQUIREMENTS**	**COST PRINCIPLES**	**AUDIT REQUIREMENTS**
State. Local and Indian Tribal Governments and Governmental Hospitals	A-102 & Common Rule	A-87	A-133
Non-Profit Organizations and Non-Profit Hospitals	A-110	A-122	A-133
Colleges or Universities and Affiliated Hospitals	A-110	A-21	A-133
For-Profit Organizations	A-110	48 CFR 31.2	Requirements established by the pass-through entity, pursuant to A-133, § .210(e)

Definitions:
"Sub-recipient"; means the legal entity to which a sub-award is made and which is accountable to the State for the use of the funds provided in carrying out a portion of the State's programmatic effort under a sponsored project. The term may include institutions of higher education, for-profit corporations or non-U.S. Based entities.

"Sub-award and Sub-grant" are used interchangeably and mean a lower tier award of financial support from a prime awardee (e.g., Washington State Health Care Authority) to a Sub-recipient for the performance of a substantive portion of the program. These requirements do not apply to the procurement of goods and services for the benefit of the Washington State Health Care Authority.

IV. STANDARD FEDERAL CERTIFICATIONS AND ASSURANCES - Following are the Assurances, Certifications, and Special Conditions that apply to all federally funded (in whole or in part) agreements administered by the Washington State Health Care Authority.

CERTIFICATIONS

1. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

The undersigned (authorized official signing for the contracting organization) certifies to the best of his or her knowledge and belief, that the contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

b) have not within a 3-year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c) are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

d) have not within a 3-year period preceding this contract had one or more public transactions (Federal, State, or local) terminated for cause or default.

Should the contractor not be able to provide this certification, an explanation as to why should be placed after the assurances page in the contract.

The contractor agrees by signing this contract that it will include, without modification, the clause titled "Certification Regarding Debarment, Suspension, In eligibility, and Voluntary Exclusion--Lower Tier Covered Transactions" in all lower tier covered transactions (i.e., transactions with sub-grantees and/or contractors) and in all solicitations for lower tier covered transactions in accordance with 45 CFR Part 76.

2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The undersigned (authorized official signing for the contracting organization) certifies that the contractor will, or will continue to, provide a drug-free workplace in accordance with 45 CFR Part 76 by:

a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b) Establishing an ongoing drug-free awareness program to inform employees about
(1) The dangers of drug abuse in the workplace;
(2) The contractor's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c) Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by paragraph (a) above;

d) Notifying the employee in the statement required by paragraph (a), above, that, as a condition of employment under the contract, the employee will—
(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e) Notifying the agency in writing within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every contract officer or other designee on whose contract activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d) (2), with respect to any employee who is so convicted—
(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

For purposes of paragraph (e) regarding agency notification of criminal drug convictions, Authority has designated the following central point for receipt of such notices:

Legal Services Manager
WA State Health Care Authority
PO Box 42700
Olympia, WA 98504-2700

3. CERTIFICATION REGARDING LOBBYING

Title 31, United States Code, Section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions," generally prohibits recipients of Federal grants and cooperative agreements from using Federal (appropriated) funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a SPECIFIC grant or cooperative agreement. Section 1352 also requires that each person who requests or receives a Federal grant or cooperative agreement must disclose lobbying undertaken with non-Federal (nonappropriated) funds. These requirements apply to grants and cooperative agreements EXCEEDING $100,000 in total costs (45 CFR Part 93).

The undersigned (authorized official signing for the contracting organization) certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. (If needed, Standard Form-LLL, "Disclosure of Lobbying Activities," its instructions, and continuation sheet are included at the end of this application form.)

(3) The undersigned shall require that the language of this certification be included in the award documents for all subcontracts at all tiers (including subcontracts, subcontracts, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

4. CERTIFICATION REGARDING PROGRAM FRAUD CIVIL REMEDIES ACT (PFCRA)

The undersigned (authorized official signing for the contracting organization) certifies that the statements herein are true, complete, and accurate to the best of his or her knowledge, and that he or she is aware that any false, fictitious, or fraudulent statements or claims may subject him or her to criminal, civil, or administrative penalties. The undersigned agrees that the contracting organization will comply with the Public Health Service terms and conditions of award if a contract is awarded.

5. CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds. The law does not apply to children's services provided in private residence, portions of facilities used for inpatient drug or alcohol treatment, service providers whose sole source of applicable Federal funds is Medicare or Medicaid, or facilities where WIC coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

By signing the certification, the undersigned certifies that the contracting organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

The contracting organization agrees that it will require that the language of this certification be included in any subcontracts which contain provisions for children's services and that all sub-recipients shall certify accordingly.

The Public Health Services strongly encourages all recipients to provide a smoke-free workplace and promote the non-use of tobacco products. This is consistent with the PHS mission to protect and advance the physical and mental health of the American people.

6. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS INSTRUCTIONS FOR CERTIFICATION

1) By signing and submitting this proposal, the prospective contractor is providing the certification set out below.
2) The inability of a person to provide the certification required below will not necessarily result in denial of participation in

this covered transaction. The prospective contractor shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective contractor to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3) The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.
4) The prospective contractor shall provide immediate written notice to the department or agency to whom this contract is submitted if at any time the prospective contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the person to whom this contract is submitted for assistance in obtaining a copy of those regulations.
6) The prospective contractor agrees by submitting this contract that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by Authority.
7) The prospective contractor further agrees by submitting this contract that it will include the clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," provided by HHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List (of excluded parties).
9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10) Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, Authority may terminate this transaction for cause or default.

7. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

1) The prospective contractor certifies to the best of its knowledge and belief, that it and its principals:
   a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
   b) Have not within a three-year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under

a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d) Have not within a three-year period preceding this contract had one or more public transactions (Federal, State or local) terminated for cause or default.

2) Where the prospective contractor is unable to certify to any of the statements in this certification, such prospective contractor shall attach an explanation to this proposal.

CONTRACTOR SIGNATURE REQUIRED

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL S Rogers	TITLE Chairman
Please also print or type name: Steve Rogers	
ORGANIZATION NAME: (if applicable) Pacific County	DATE 3/10/15