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ADMINISTRATION
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HEALTH AND HUMAN SERVICES DEPARTMENT

ADMINISTRATION

627 N.E. Evans – McMinnville, OR 97128 – Phone 503-434-7503 – Fax 503-435-2667 – TTY 1-800-735-2900

To: Yamhill County Board of Commissioners, County Administrator
From: Silas Halloran-Steiner, HHS Director
Date: April 24, 2014

Re: Recommendation to Terminate Membership in Mid-Valley Behavioral Healthcare Network
Effective 12/31/14

Background Information: Due to Oregon's Health System Transformation efforts and the passage of HB 3650 in 2011 and SB 1580 in 2012, Yamhill County Health and Human Services (YCHHS) has been actively participating in a community process to build a local Coordinated Care Organization (CCO). This new 501(c)3 organization was officially created when articles of incorporation were filed at the Secretary of State on July 31, 2012. The CCO application was approved in the fall of 2012 with Oregon Health Plan members assigned on November 1, 2012. Initial membership quickly grew from 14,000 to 17,000 by December 2013. Current enrollment is nearly 23,000 local residents and is outlined in the attached handout, pages 3 and 4.

The principle goal of Oregon's CCO efforts is to better coordinate publicly-funded health care services in order to achieve the Triple Aim:

1. Better quality of care
2. Improved population health
3. Reduced cost in the delivery of health care services

Since inception the Yamhill CCO Board of Directors has been engaged in building clinical care models that put members' positive health outcomes first with an eye towards payment models that support value-based purchasing arrangements. Administrative efficiency continues to be a guiding principle.

Current Reality: Conversations are underway between Yamhill CCO and Mid-Valley Behavioral Healthcare (MVBCN) leadership that, if approved, would fundamentally shift the way that resources are allocated to administer the behavioral health plan operations. The current model involves a fully delegated risk contract with MVBCN who in turn delegates all mental health and addictions outpatient risk and services in a sub-capitation contract with YCHHS. Aside from the CCO formation and a shift in the initial contract mechanism between Yamhill CCO and MVBCN, the contractual arrangement between YCHHS and MVBCN follows a longstanding business relationship that has brought high value to the community. This contracting practice ties back to MVBCN's formation in 1997 as a Mental Health Organization dedicated to administering publicly-funded behavioral health programs.

Accepted by Yamhill County
Board of Commissioners on
12.4.14 by Board Order
14-706

Recommendation: Today's MVBCN organization is radically different than it was 17 years ago when it was formed as a five county regional entity with Yamhill, Marion, Polk, Linn and Tillamook. YCHHS has benefited greatly through a wonderful partnership with MVBCN over the years. The MVBCN tagline, "Together inspiring the best we can imagine," has been a lived practice with outstanding program start-ups like Early Assessment Support Alliance (EASA) which today has spread nationwide as a proven way to effectively address first episode psychosis in young people. Despite the deep history and meaningful collaboration, I recommend the Board of Commissioners give notice to terminate our membership in MVBCN, effective 12/31/14, per the guidelines of the Intergovernmental Agreement after review by County Counsel. This will allow ample time for MVBCN, YCHHS and Yamhill CCO to thoughtfully design a transition plan for local behavioral health system management. See attached handout, page 5 for initial ideas about some of the core functions and how to manage most effectively in 2015.

Future consideration: YCHHS plans to work closely with community partners and Yamhill CCO leadership under a newly formed committee of the CCO in the months ahead. The primary purpose of the committee is to review the current behavioral health system and make recommendations by fall of 2014 regarding how to manage the system in 2015. This process will require the Yamhill CCO and YCHHS to consider questions about how to manage financial and clinical risk, and to what extent shared-risk for the key community outcomes might be advantageous to both partners. Policy considerations will be brought to the Board of Commissioners for review and approval.

**MENTAL HEALTH AND SUBSTANCE USE DISORDERS SERVICES
DELEGATION AGREEMENT**

THIS MENTAL HEALTH AND SUBSTANCE USE DISORDERS SERVICES DELEGATION AGREEMENT (this "*Agreement*") dated this first day of January 2015, is entered into by and between Yamhill County Care Organization, Inc., an Oregon nonprofit public benefit corporation dba Yamhill Community Care Organization ("*Yamhill CCO*"), and Yamhill County, a political subdivision of the State of Oregon, acting by and through Yamhill County Health and Human Services Department ("*YCHHS*").

RECITALS

A. Yamhill CCO is a Coordinated Care Organization ("CCO") created to provide services to enrollees in the Oregon Health Plan in accordance with the laws, rules, regulations and contractual requirements that apply to the Oregon Health Plan;

B. Yamhill CCO has entered into Health Plan Services Contract, Coordinated Care Organization Contract #143124 with the State of Oregon, acting by and through its Oregon Health Authority, and as the same may be amended, updated, modified, supplemented, or reissued from time to time (the "CCO Contract");

C. The Board of County Commissioners of Yamhill County is the local mental health authority ("LMHA") for Yamhill County pursuant to ORS 430.630(9)(a). YCHHS is the local community mental health program ("CMHP") for Yamhill County. YCHHS offers comprehensive behavioral health programs to the residents of Yamhill County. YCHHS has the capacity and competency to perform delegated functions to Yamhill CCO in furtherance of Yamhill CCO's fulfillment of its obligations to deliver mental health and substance use disorders services under the CCO Contract;

D. The parties desire to contract with one another such that YCHHS fulfills Yamhill CCO's duties and obligations to provide mental health and substance use disorders services under the CCO Contract, except as otherwise provided herein, all pursuant to the terms and conditions of this Agreement;

E. Prior to 2015, Yamhill CCO subcontracted with Mid-Valley Behavioral Care Network (BCN) to coordinate and manage all chemical dependency, mental health services, alcohol and drug residential services, and Children's Wraparound Services on a direct risk (capitation) basis. Beginning January 1, 2015, YCHHS will be assuming the responsibility for providing these services pursuant to this Agreement. However Yamhill CCO will enter into a separate agreement with BCN commencing January 1, 2015, pursuant to which BCN will provide certain administrative, compliance, and credentialing services;

F. The parties acknowledge that the Oregon Health Authority ("OHA") has developed and will develop performance metrics that Yamhill CCO, through YCHHS and other mental health and other substance use disorders services partners, will be responsible for reporting on and improving. Once details about OHA-mandated metrics and any associated incentive payments

become available, Yamhill CCO intends to collaborate with YCHHS and any other mental health and substance use disorders services partners in the development of any Yamhill CCO policies intended to reward quality, performance or shared savings resulting from mental health system and substance use disorders services effort and innovation;

G. The parties desire to include within the services to be performed by YCHHS certain Substance Use Disorders services that are included in the physical health capitation payments as defined in the CCO Contract and to transfer from BCN to YCHHS the financial risks associated with these services, all as set forth in this Agreement; and

H. Capitalized terms used in this Agreement, but not otherwise defined in the Agreement shall have the same meaning as those in the CCO Contract.

Preamble

A broad range of health care providers and stakeholders came together to establish a Coordinated Care Organization (CCO) for the region, formed as Yamhill County Care Organization, Inc., an Oregon nonprofit public benefit corporation (“Yamhill CCO”) doing business as Yamhill Community Care Organization. Yamhill CCO and YCHHS are jointly committed through the CCO to improving the health of our communities by coordinating health initiatives, seeking efficiencies through blending services and infrastructure, and engaging all stakeholders in a regional effort to steer local health services and systems toward meeting the “Triple Aim” of improving health care: better health, better care, lower costs. We will work to increase quality, reliability, availability of care, and contain the overall increase on the cost of care.

The intent of this Agreement between Yamhill CCO and YCHHS (collectively referred to herein as “Parties” or “parties”) is to establish a collaborative network of behavioral health services for the enrollees of Yamhill CCO.

With the transfer of Medicaid resources from BCN, the region’s existing Mental Health Organization, to Yamhill CCO in 2012, and now further with the transfer of many of these activities to YCHHS under this Agreement in 2015, it is imperative that the health care needs of Yamhill County residents who have been served in mental health and substance use disorders services care settings are met, along with ensuring the stability of “safety net” services for uninsured residents under Yamhill County’s responsibility as the Local Mental Health Authority (LMHA). All parties recognize the shared responsibility created by Oregon’s health care legislation to improve the overall health and safety of our entire community. Such responsibility and accountability carry with them the duty to sustain emergency services and protect public safety.

Purpose

This Agreement is designed to facilitate advantageous use of the system of public behavioral health care under Yamhill County’s direct services currently available through local community mental health and addictions programs and the management its provider network; and to build upon the strengths of current resources. The Local Mental Health Authority has statutory

authority under ORS 430.620 to operate a community mental health program, the duties of which are delineated in ORS 430.630 and are incorporated into this document by reference. Further, ORS 414.153 directs that there be a written agreement between each CCO and the local health authority in the areas served by the CCO and recognizes the shared responsibility for the full continuum of health care services in the region served by the CCO. The parties are currently operating under the CCO Contract # 143124.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Effective Date. The effective date of this Agreement shall be January 1, 2015 (the "*Effective Date*").

2. Delegation and Authority. Yamhill CCO hereby delegates to YCHHS and YCHHS hereby accepts delegation of, and agrees to fulfill and perform, certain duties and provide certain services, all as provided in this Agreement during the Term as defined in Section 6.1.

2.1. Interpretation and Administration of Agreement. The parties acknowledge and agree that this Agreement is subject to the terms and conditions of the CCO Contract and as further defined in Recital B. The parties shall interpret and administer this Agreement in accordance with the CCO Contract, Section VI titled "Interpretation and Administration of Contract" which shall be incorporated herein by reference.

2.2. Yamhill CCO Retains CCO Status. Although Yamhill CCO herein delegates certain functions to YCHHS during the Term, the parties understand and agree that Yamhill CCO shall continue to own and have full and final authority and control over Yamhill CCO's business. YCHHS shall have no duty or power to act on behalf of Yamhill CCO other than as expressly provided for in this Agreement. Nothing in this Agreement is intended to alter or modify the duties, obligations, responsibilities, rights and privileges of Yamhill CCO as a CCO. Without limiting the foregoing and pursuant to Exhibit B, Part 4, Section 10.a(2) the CCO Contract, Yamhill CCO expressly reserves to itself oversight and monitoring of Quality Improvement activities and adjudication of final appeals in its Member grievance and appeal process.

2.3. Subcontractor Accountability. The parties acknowledge that some of YCHHS's Delegated Functions hereunder may be performed by one or more subcontractors of YCHHS. To the extent YCHHS contracts with other entities to perform any of the Delegated Functions (defined in Section 3.1) hereunder, YCHHS shall ensure that any such subcontract contains all provisions required by applicable law, is consistent with the terms of this Agreement and is in compliance with the CCO Contract. Notwithstanding the foregoing, YCHHS shall remain ultimately responsible for fulfilling and performing the Delegated Functions hereunder. YCHHS shall timely pay all subcontractors amounts owing when due. Exhibit B, Part 4, Section 7, and Exhibit C, Sections 23 and 23A attached hereto, contain additional Subcontract Requirements.

3. Description and Scope of Delegated Functions.

3.1. Delegated Functions. Yamhill CCO hereby delegates to YCHHS, and YCHHS accepts such delegation, and agrees to perform the duties, fulfill the obligations, and provide the services set forth in Exhibit B attached hereto (referred to herein as the "Delegated Functions"). For purposes of clarity, Delegated Functions do not include Acute Detoxification occurring as part of Inpatient Hospital services, or outpatient medications covered as Prescription Drugs.

YCHHS shall immediately report to Yamhill CCO any "Material Change" as that term is defined in Exhibit A of the CCO Contract. Prior to making any material change to its performance of the Delegated Functions hereunder due to a Material Change, or for any other reason, YCHHS shall obtain the written consent of Yamhill CCO. The parties acknowledge that, pursuant to the CCO Contract, Yamhill CCO will adopt a Community Health Improvement Plan, which may include modifications to the manner of performance of the Delegated Functions. YCHHS shall cooperate in implementing such modifications.

3.2. Employer-Related Functions and Obligations. Unless otherwise subcontracted as provided herein, YCHHS shall be, and will remain during the Term, the employer of all personnel performing the Delegated Functions hereunder ("*Personnel*"). YCHHS shall be responsible for income and employment tax reporting and withholding on wages paid to Personnel. To the maximum extent permitted by Article XI, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 through 30.400), YCHHS shall indemnify and hold Yamhill CCO harmless from any and all employment-related claims, taxes, fees, penalties and/or interest that may be imposed upon Yamhill CCO by the Personnel arising under or relating to YCHHS's performance of services under this Agreement. YCHHS shall comply with all applicable employment-related laws with respect to the Personnel. Yamhill CCO shall indemnify and hold YCHHS harmless from any and all claims, taxes, fees, penalties and/or interest arising under or relating to Yamhill CCO's performance of services under this Agreement.

3.3. Reserved Functions. In addition to the powers and duties reserved by Yamhill CCO in Section 2 hereof, the duties and functions under the CCO Contract set forth in Exhibit A hereto are expressly not delegated to YCHHS hereunder and shall be retained and performed by Yamhill CCO, unless Yamhill CCO delegates any of such duties and functions to another entity, which may or may not be BCN.

3.4. Grievances. Pursuant to Exhibit B, Part 4, Section 10 of the CCO Contract, Yamhill CCO shall provide YCHHS with its OHA approved written procedures for its Grievance System. YCHHS shall implement the Grievance System, subject to Yamhill CCO's reservation of authority over final appeals pursuant to such Grievance System.

4. Obligations of YCHHS.

4.1. Medicare/Medicaid Participation. YCHHS hereby represents and warrants that no Personnel, YCHHS or YCHHS's directors or officers, nor anyone who will provide services to Yamhill CCO pursuant to this Agreement, is presently debarred, suspended, proposed

for debarment, declared ineligible, or excluded from participation in any federally funded health care program, including Medicare and Medicaid, or under investigation by any federally or state funded health care program. YCHHS hereby agrees to immediately notify Yamhill CCO of any threatened, proposed, or actual debarment, suspension, or exclusion from any federally funded health care program, including Medicare and Medicaid, that affects any Personnel or subcontractor providing Delegated Functions hereunder.

4.2. Compliance with Laws. YCHHS shall at all times during the Term, comply with all laws, rules, regulations, reporting requirements, policies and procedures of and/or pertaining to the Medicare and Medicaid programs ("*Laws*"), and promulgated by CMS and the Oregon Health Authority, as such Laws apply to the performance of the Delegated Functions. In the event that a regulatory change requires a Material Change to the nature or scope of the Delegated Functions, the parties shall confer to determine whether adjustments to the compensation payable to YCHHS is necessary to maintain the fair market value of the Delegated Functions subsequent to any such change in the nature or scope thereof; provided, however, absent an agreement of the parties, and except as stated in this Section 4.2, the existing compensation shall remain in effect. Notwithstanding the foregoing, in the event a regulatory change occurs that requires Yamhill CCO to institute new functions pursuant to the CCO Contract that may not be delegated to YCHHS and/or requires Yamhill CCO to itself perform certain functions that the parties had contemplated would be performed by YCHHS hereunder, and if the parties are unable to agree on an adjustment to compensation hereunder, Yamhill CCO may increase or reduce the compensation specified in Exhibit E hereto by an amount that reasonably reflects the cost to Yamhill CCO to perform the functions.

4.3. Compliance with CCO Contract. YCHHS shall ensure that the Delegated Functions provided hereunder shall be performed in a manner that is consistent with the obligations of Yamhill CCO under the CCO Contract, as such obligations may apply to the Delegated Functions. Pursuant to Exhibit D, Section 18 of the CCO Contract, YCHHS shall ensure that OHA shall receive the benefit of YCHHS's performance hereunder as if YCHHS were Yamhill CCO with respect to Exhibit D, Sections 1, 2, 3, 4, 13, 14, 17, 18 and 21 of the CCO Contract. YCHHS shall comply with the provisions of Exhibit B hereto. Further, to the extent the CCO Contract provisions regarding subcontractors requires this Agreement to incorporate specific provisions of the CCO Contract, such provisions are hereby incorporated herein. To the extent the CCO Contract requires Yamhill CCO to cause its subcontractors to comply with certain provisions of the CCO Contract, YCHHS shall comply with applicable provisions of the CCO Contract as a subcontractor.

4.4. HIPAA. YCHHS agrees to hold all individually identifiable patient health information ("*PHI*") that may be shared, transferred, transmitted, or otherwise obtained pursuant to this Agreement strictly confidential, and provide all reasonable protections to prevent the unauthorized use or disclosure of such information, including, but not limited to the protection afforded by applicable federal, state and local laws and/or regulations regarding the security and the confidentiality of PHI. YCHHS agrees to abide by the terms of the Business Associate Agreement attached hereto as Exhibit D.

4.5. YCHHS Work Standards. YCHHS shall use commercially reasonable efforts to further the mission of Yamhill CCO in fulfilling its obligations under the CCO Contract, and

agrees to maintain high professional standards in the performance of YCHHS's duties under this Agreement.

4.6. Insurance. YCHHS shall maintain policies, and name Yamhill CCO as an additional insured, on all of the following forms of insurance in reasonable amounts: general commercial liability; workers' compensation; errors and omissions (including limited coverage for data/privacy breaches, IT network security, media and electronic content, and professional liability); employment practices; and property. If requested to do so by Yamhill CCO, YCHHS shall provide certificates evidencing required coverage. YCHHS has in effect and shall maintain during the Term, endorsements to Yamhill CCO naming Yamhill CCO as an additional insured on policies required to be maintained by YCHHS pursuant to this Section 4.6, and such endorsements shall be effective as of the Effective Date. All insurance shall be maintained without interruption to cover acts and omissions that may occur at any time during the term of this Agreement. Such insurance shall require 30 days notification to Yamhill CCO by YCHHS prior to any cancellation. Yamhill CCO shall maintain the same policies, and name YCHHS as an additional insured, on the same forms of insurance in reasonable amounts and under the same terms and conditions outlined above.

4.7. Provider Subcontracts. YCHHS shall ensure that its subcontracts with providers meet the requirements of Exhibit B, Part 4, Section 10 of the CCO Contract and, in addition, YCHHS shall require all providers with whom it contracts to provide services anticipated by this Agreement to maintain reasonable professional liability insurance policies.

4.8. Access and Maintenance of Records. YCHHS shall maintain all financial records related to the performance of the Delegated Functions in accordance with generally accepted accounting principles or National Association of Insurance Commissioners accounting standards. In addition, YCHHS shall maintain any other records, books, documents, papers, plans, records of shipment and payments and writing of Yamhill CCO, whether in paper, electronic or other form, that are pertinent to the CCO Contract ("*Records*") and the performance of the Delegated Functions in such manner to clearly document YCHHS's performance of its obligations set forth in this Agreement. YCHHS shall provide timely and reasonable access to Records to: (i) the Oregon Health Authority; (ii) the Oregon Secretary of State's Office; (iii) CMS; (iv) the Comptroller General of the United States; (v) the Oregon Department of Justice Medicaid Fraud Control Unit; (vi) all of the foregoing's duly authorized representatives; and (vii) Yamhill CCO, to perform examinations and audits, make excerpts and transcripts, and evaluate the quality, appropriateness and timeliness of services performed pursuant to this Agreement. YCHHS shall, upon request and without charge, provide a suitable work area and copying capabilities to facilitate such a review or audit. YCHHS shall retain and keep accessible all Records for the longer of (a) six years following final payment and termination of the CCO Contract; (b) the period as may be required by applicable law, including records retention schedules set forth in Oregon Administrative Rules Chapter 166; or (c) until the conclusion of any audit, controversy or litigation arising out of or related to the CCO Contract. The rights of access in this Section 4.8 are not limited to the required retention period, but shall last as long as the Records are retained. The obligations set forth in this Section 4.8 shall survive the expiration or termination of this Agreement. YCHHS shall notify Yamhill CCO of any request by any governmental agency for Records pertaining to this Agreement or the Delegated Functions.

4.9. Reporting.

4.9.1. Written Reports. YCHHS shall timely provide to Yamhill CCO such data as Yamhill CCO may reasonably require from time-to-time as necessary to prepare reports necessary to fulfill Yamhill CCO's reporting obligations pursuant to the CCO Contract; including without limitation, YCHHS shall submit to Yamhill CCO no later than ninety (90) days after the last day of the quarter Quarterly Financial Reports that meet the requirements of Exhibit G of the CCO Contract.

4.9.2. Attendance at Board Meetings. Upon request and reasonable notice by Yamhill CCO, and no less frequently than once each quarter, a YCHHS representative shall attend the Yamhill CCO meeting of its Board of Directors and shall provide an oral report regarding the operations of YCHHS and any material developments in the performance of the Delegated Functions hereunder.

5. Compensation.

5.1. Payment. Yamhill CCO shall compensate YCHHS for the Delegated Functions on a monthly basis. Within two (2) business days of receiving the capitated payment from OHA, Yamhill CCO shall electronically transfer payment to an account designated by YCHHS.

5.2. Amounts. Yamhill CCO shall pay compensation to YCHHS for the Delegated Functions as specified in Exhibit E hereto. The compensation paid pursuant to Exhibit E hereto shall be payment in full for all Delegated Functions performed and provided by YCHHS hereunder. In the event the cost to YCHHS of providing the Delegated Functions exceeds the compensation YCHHS receives hereunder, YCHHS shall bear that loss in direct proportion to the risk sharing target percentages as described in Exhibit E.

6. Term and Termination.

6.1. Term. This Agreement shall be effective as of the Effective Date and shall continue until July 1, 2017, at which time it shall terminate, subject to earlier termination as provided herein.

6.2. Termination. This Agreement may be terminated as follows:

6.2.1. Without Cause. Either party may terminate this Agreement without cause upon written notice to the other party at least one hundred eighty (180) days prior to termination; provided, however, Yamhill CCO shall terminate this Agreement without cause pursuant to this Section 6.2.1 only after obtaining the affirmative vote of at least three quarters of the directors of Yamhill CCO who are present at a meeting of the Board of Directors of Yamhill CCO and do not have a conflict of interest with respect to voting upon a termination of this Agreement.

6.2.2. With Cause. Either party may terminate this Agreement upon written notice to the other party upon the material breach by the other party of any provision of this Agreement and if such breach continues for a period beyond thirty (30) days after delivery of written

notice specifying such breach, provided, however, that in the event the breaching party provides written notice to the non-breaching party that the default cannot reasonably be cured by the defaulting party within said thirty (30) day period and the breaching party provides written certification that it is, in good faith, endeavoring to cure the default, then the thirty (30) day cure period shall be extended for an additional reasonable period to allow for the cure, but such extended period shall not exceed 90 additional days, unless otherwise mutually agreed in writing by both parties. In addition (as required by Exhibit B Part 4, Section 10(a)(7) of the CCO Contract), this Agreement may be terminated by Yamhill CCO due to the inadequacy of YCHHS's performance to meet the requirements of this Agreement. Termination pursuant to this Section 6.2.2 shall not preclude the party initiating the termination from seeking other remedies available at law or in equity as a result of the other party's breach of this Agreement.

6.2.3. Immediate Termination. This Agreement may be terminated immediately by either party upon written notice to other party, as follows:

6.2.3.1. If the other party engages in any act that would subject either party to criminal liability in the reasonable opinion of a party.

6.2.3.2. Upon dissolution of either party.

6.2.3.3. Upon or following: (i) the insolvency of a party; (ii) the filing of a voluntary or involuntary petition by or on behalf of a party under federal bankruptcy law; (iii) upon a party entering into an agreement with creditors for the liquidation of its assets; or (iv) upon the appointment of a receiver or trustee to take charge of all the assets of a party.

6.2.3.4. Upon the cancellation, termination or expiration of the CCO Contract.

6.2.3.5. In addition to the foregoing, Yamhill CCO only may immediately terminate this Agreement in the event that YCHHS personnel, YCHHS or YCHHS's members, directors or officers, or anyone who provides Delegated Functions to Yamhill CCO pursuant to this Agreement is debarred, declared ineligible or excluded from participation in any federally funded health care program, including the Medicare or Medicaid. The right of termination pursuant to this Section 6.2.3.5 may only be exercised after written demand by Yamhill CCO to YCHHS to take immediate action to terminate the excluded individual or entity and YCHHS's refusal or failure to do so within thirty (30) days.

6.2.4. Mutual Agreement. By the mutual written agreement of the parties, on such terms as are set forth therein.

6.3. Consequences of Termination. Upon the termination of this Agreement, the rights and obligations of the parties under this Agreement shall terminate, except (i) for liabilities or obligations of each party which are accrued as of the date of termination; (ii) for all obligations of Yamhill CCO to pay YCHHS compensation for Delegated Functions rendered prior to termination of this Agreement; (iii) obligations that survive termination of this Agreement; and (iv) as otherwise expressly agreed by the parties to the contrary. Upon termination or expiration of

this Agreement, YCHHS shall cooperate with and shall not interfere in the transfer of the Delegated Functions to Yamhill CCO or a successor entity designated by Yamhill CCO.

7. Liability. Each of the parties agrees to be liable for its own conduct and, subject to applicable constitutional and statutory limitations, to indemnify the other party against any and all losses therefor. In the event that loss or damage results from the conduct of more than one party, each party agrees to be responsible for its own proportionate share of the claimant's total damages under the laws of the State of Oregon. This section shall survive termination of this Agreement.

8. Relationship of the Parties. Nothing in this Agreement shall create, nor be construed to create, a partnership or joint venture between Yamhill CCO and YCHHS, and neither party shall have any right, power or authority to create any obligation, expressed or implied, on behalf of the other unless expressly provided in this or another agreement between the parties. The relationship of the parties is that of independent contractors.

9. Confidential Information. In the course of performing their obligations pursuant to this Agreement, each party may obtain the other party's Confidential Information, as defined herein. Each party shall keep confidential and shall not use or disclose, except for the purpose of performing their obligations hereunder or as otherwise required by law, Confidential Information of the other party. "*Confidential Information*" shall mean confidential information a party receives or learns from the other party hereunder that is the subject of efforts that are reasonable under the circumstances to maintain its secrecy and that relates to the party's business, services, personnel, contracts, subcontracts, suppliers, patients, providers, business partners, marketing plans or strategies, or finances.

10. Miscellaneous Provisions.

10.1. Notices. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be deemed given upon delivery by hand or sent by facsimile transmission, or upon deposit in the United States mail, certified, return receipt requested, postage prepaid, to the parties at the following addresses:

If to Yamhill CCO:

Yamhill County Care Organization, Inc.
807 N.E. Third Street
McMinnville, OR 97128
Attention: CEO

If to YCHHS:

Yamhill County Health and Human Services Department
627 N.E. Evans
McMinnville, OR 97128
Attention: Director

Either party may change its address for notice purposes by giving written notice of the change in accordance with this section.

10.2. Entire Agreement; Binding Effect; and Amendment. This Agreement (and all attachments and exhibits hereto) contains the entire understanding between the parties as it relates to the subject matter hereof. This Agreement shall inure to the benefit of, and be binding upon the parties, their respective successors, heirs, legal representatives or personal representatives. No amendment or modification to the terms of this Agreement is valid unless made in writing and signed by each of the parties hereto.

10.3. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon.

10.4. Dispute Resolution. The parties shall in good faith attempt to resolve any dispute arising out of relating to this Agreement by informal negotiation, and, if desired by the parties, use of a mediator to solve the dispute. Either party may at any time provide ten (10) days' written notice to the other party of a desire to arbitrate the dispute as provided herein. Upon mutual agreement of the parties, arbitration shall be conducted by a single arbitrator mutually agreed upon by the parties, in accordance with the rules of the Arbitration Service of Portland, Inc. The arbitration shall be held in Yamhill County, Oregon. The decision of the arbitrator shall be final and judgment on any award rendered by the arbitrator may be entered in any court having proper jurisdiction. Each party shall pay an equal share of the costs of the arbitration services, including its own expenses and attorneys' fees. If within ten (10) days of a party's written request to arbitrate, the parties have not entered into a written agreement to submit the dispute to arbitration, then either party may file an action in the appropriate state or federal court in Oregon. Each party shall be responsible for its own costs and expenses, including but not limited to attorneys' fees.

10.5. Waiver of Breach. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party. All waivers shall be in writing to be effective.

10.6. Assignment. Unless otherwise specified in this Agreement, neither party may assign its interest in this Agreement or delegate its duties without the prior written consent of the other party, which shall not be unreasonably withheld. This Section 10.6 pertains, without limitation, to any subcontracts from YCHHS to a third person or entity. Yamhill CCO's consent to any subcontract by YCHHS shall not relieve YCHHS of any of its duties or obligations under this Agreement.

10.7. Severability. If any term of this Agreement is held to be invalid or unenforceable, it shall be severed from this Agreement and the balance of the Agreement shall be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

10.8. No Third-Party Beneficiaries. Except as expressly provided herein, nothing contained in this Agreement is intended, nor shall it be construed to create rights for the benefit of third parties.

10.9. Captions. Captions contained in this Agreement are inserted only as a matter of convenience, and in no way define, limit, or extend the scope or intent of this Agreement or any provision hereof.

10.10. Exhibits. All exhibits and schedules referenced herein are incorporated herein, including without limitation Exhibits A through I.

10.11. Counterparts. This document may be executed in two or more counterparts, each part taken together constituting the whole.

10.12. Recitals. The Recitals, Preamble, and Purpose set forth above are incorporated into this Agreement as a material and substantive part of this Agreement.

10.13. Time Essence. Time is of the essence in the performance of this Agreement

The parties hereto have caused this Agreement to be duly executed by their duly authorized officers as of the date set forth above.

YAMHILL COUNTY CARE
ORGANIZATION, INC.

By: 
Name: James D. Carlough, Jr.
Title: Chief Executive Officer
Date: 02 DECEMBER 2014

APPROVED AS TO FORM

By: 
Christian Boenisch
County Counsel
Date: 12/3/14

YAMHILL COUNTY BOARD OF
COMMISSIONERS

By: 
, Chair
Date: 12-4-14


Silas Halloran-Steiner, Director
Department of Health and
Human Services

Date: 12/2/14

Accepted by Yamhill County
Board of Commissioners on
12.4.14 by Board Order
14-706

EXHIBIT A

Reserved Functions

(Reference Section 3.3)

The following duties/functions are not included in the Delegated Functions and shall be performed/retained by Yamhill CCO, except as specifically provided in Exhibit B.

1. Legal Compliance. CCO's Compliance with applicable state and federal requirements for CCOs.
2. Financial Services. Financial administrative services for CCO, including accounting, bookkeeping, operational and capital budgeting and analysis, implementation of accounting systems/software, processing accounts receivable and accounts payable and cash disbursement, financial reporting, management of CCO cash and investments, prepare CCO tax filings (including, but not limited to, Forms 990, 940, and 941), tax compliance, development and execution of internal financial controls.
3. Enrollment. Administration of Member enrollment, including establishment of file transfer agreements with OHP, receipt of enrollment files, and prompt availability of these files to Subcontractors.
4. Payment. Receipt and administration of CCO Payments delivered from OHP to CCO pursuant to the CCO Contract, establish CCO bank accounts and fund transfer agreements, administer CCO's payments to Subcontractors, and reconcile all payments with OHP pursuant to CCO Contract requirements.
5. Reporting. Performance of all required financial, clinical, encounter data, and CCO reporting to OHP as required by the CCO Contract, subject to receipt of necessary data from Subcontractors.
6. Customer Services. Providing customer services to CCO Members consistent with the requirements of the CCO Contract. Customer services shall include interaction with CCO Members, including by telephone.
7. Marketing and Communications. Development of Member materials and web site content in compliance with CCO regulatory requirements.
8. Delegation Oversight. Delegation oversight activities with respect to CCO Subcontractors with respect to those functions necessary to comply with CCO requirements.
9. Quality Improvement Activities and Adjudication of Final Appeals in Member Grievance and Appeal Process. As provided in Exhibit B, Part 4, Section 10.a(2) of the CCO Contract, CCO shall perform Oversight and monitoring of Quality Improvement activities, and adjudication of final Appeals in a Member Grievance and Appeal process.

EXHIBIT B

Statement of Work

(Reference Section 3.1)

Part 1—Governance and Organizational Relationships

- 1. Community Advisory Council.** YCHHS shall provide Yamhill CCO with data, reports and information related to CAC activities, as reasonably requested by Yamhill CCO.
- 2. Clinical Advisory Panel.** YCHHS shall provide representatives to serve on the CAP, or its subcommittees, as reasonably requested by Yamhill CCO.
- 3. Early Learning Council.** YCHHS shall provide representatives to serve on the ELC, or its subcommittees, as reasonably requested by Yamhill CCO.

Yamhill CCO Retains CCO Status. As provided in Section 2.2 of this Agreement, although Yamhill CCO herein delegates certain functions to YCHHS during the Term, the parties understand and agree that Yamhill CCO shall continue to own and have full and final authority and control over Yamhill CCO's business. YCHHS shall have no duty or power to act on behalf of Yamhill CCO other than as expressly provided for in this Agreement. Nothing in this Agreement is intended to alter or modify the duties, obligations, responsibilities, rights and privileges of Yamhill CCO as a CCO. Without limiting the foregoing and pursuant to the CCO Contract, Yamhill CCO expressly reserves to itself oversight and monitoring of Quality Improvement activities and adjudication of final appeals in its Member grievance and appeal process.

The Delegated Functions set forth in this Agreement shall Create Obligations for YCHHS only as to those Members Assigned to YCHHS by Yamhill CCO.

Part 2—Benefits and Covered Services

- 1. Covered Services.** Yamhill CCO hereby delegates to YCHHS and YCHHS hereby accepts delegation of, and agrees to provide for the provision of and pay for, Mental Health and Substance Use Disorder Services that are Covered Services, as defined in Exhibit B, Part 2, Section 6, Subsection n of the CCO Contract, for Members assigned by Yamhill CCO to YCHHS, during the Term and, in addition, shall perform the duties specified in Exhibit B of this Agreement. Subject to YCHHS's Enrollment Limit and Service Area, YCHHS expressly assumes the duties, obligations, rights and privileges applicable to "Contractor" as described in the designated exhibits, parts and sections of the CCO Contract, as they relate to providing Mental Health and Substance Use Disorder Services that are Covered Services.
- 2. Benefit Packages of Covered Services.** Exhibit B, Part 2, Section 2 of the CCO Contract shall be delegated to YCHHS, as it applies to the provision of Mental Health and Substance Use Disorder Services that are Covered Services for Members assigned by Yamhill CCO to YCHHS.

3. **Provision of Covered Services.** Exhibit B, Part 2, Section 3 of the CCO Contract shall be delegated to YCHHS as it applies to the provision of Mental Health and Substance Use Disorder Services that are Covered Services for Members assigned by Yamhill CCO to YCHHS.

4. **Authorization or Denial of Covered Services.** Exhibit B, Part 2, Section 4 of the CCO Contract shall be delegated to YCHHS, as it applies to the provision of Mental Health and Substance Use Disorder Services that are Covered Services for Members assigned by Yamhill CCO to YCHHS.

5. **Services Coordination for Non-Covered Health Services.** YCHHS shall cooperate with Yamhill CCO in assisting Members in gaining access to health services not covered under the CCO Payment all as provided under Exhibit B, Part 2, Section 5 of the CCO Contract, as it applies to the provision of Mental Health and Substance Use Disorder Services that are Covered Services. YCHHS will not be financially responsible for these non-covered health services that are part of the Physical and Oral Health activities under the CCO contract with OHA.

6. **Covered Service Components.** The following subsections only of Exhibit B, Part 2, Section 6, of the CCO Contract shall be delegated to YCHHS, as they apply to the provision of Mental Health and Substance Use Disorder Services that are Covered Services for Members assigned by Yamhill CCO to YCHHS:

- a. Emergency and Urgent Care Services;
- h. Mental Health Conditions that may Result in Involuntary Psychiatric Care
- i. Covered Services for Members and Long Term Psychiatric Care
- j. Acute Inpatient Hospital Psychiatric Care
- k. Adult Mental Health
- l. Children's Mental Health
- m. Children's Wraparound Demonstration Project Responsibilities
- n. Substance Use Disorders
- o. Medication Management
- p. Intensive Case Management (Mental Health Case Management services only)
- q. Tobacco Dependency

Part 3—Patient Rights and Responsibilities, Engagement and Choice

1. **Member and Member Representative Engagement and Activation.** Exhibit B, Part 3, Section 1 of the CCO Contract shall be delegated to YCHHS, as it applies to the provision of Mental Health and Substance Use Disorder Services that are Covered Services.

2. **Member Rights under Medicaid.** Exhibit B, Part 3, Section 2 shall be delegated to YCHHS, as it applies to Mental Health and Substance Abuse Disorder Services that are Covered Services.

3. Provider's Opinion. Exhibit B, Part 3, Section 3 of the CCO Contract shall be delegated to YCHHS, as it applies to Mental Health and Substance Use Disorder Services that are Covered Services.

4. Informational Materials. Yamhill CCO shall develop and provide written informational materials and educational programs, in accordance with the requirements of Exhibit B, Part 3, Section 4 of the CCO Contract, to help Members and Potential Members understand the requirements and benefits of coordinated and integrated care. YCHHS shall assist Yamhill CCO in the development of the content of such written informational materials and educational programs, as they apply (directly or indirectly) to the provision of Mental Health and Substance Use Disorder Services that are Covered Services, in accordance with applicable policies and procedures adopted by Yamhill CCO.

5. Grievance System. Subject to Yamhill CCO's reservation of authority over final adjudication of grievances and appeals, and subject to Yamhill CCO's regular oversight activities, YCHHS and its direct in-network providers, shall have a process for collecting and responding to Member grievances, supported with written procedures, for Members that includes a grievance process, appeal process and access to Contested Case Hearings. Yamhill CCO shall provide written instruction to YCHHS as to what is expected for coordination between the parties in order to fully comply with regulatory functions and work flows related to all health system partners in the Yamhill CCO network in order to create alignment across the delivery system. YCHHS shall provide Yamhill CCO with copies of its grievance process, as reasonably requested, for Yamhill CCO's delegation oversight activities, or in order for Yamhill CCO to respond to the OHA in its oversight capacity. YCHHS agrees to participate in the integrated grievance process administered by Yamhill CCO or its delegated Administrative Services Organization. See Exhibit I of the CCO Contract for Grievance System responsibilities that are held at Yamhill CCO.

6. Enrollment, Assignment and Disenrollment

a. Assignment. Once a Member is enrolled with Yamhill CCO, assignment is the process by which Yamhill CCO assigns Member(s) to YCHHS. YCHHS shall provide Mental Health and Substance Use Disorders Services that are Covered Services to Members as required by the terms and conditions of this Agreement as of the effective date of the Member's assignment with YCHHS. An individual becomes an assigned Member of YCHHS for purposes of this Agreement as of the eligibility date of the Member when Yamhill CCO assigns the individual to YCHHS.

(1) **Initial Assignment.** Upon the Effective Date of this Agreement, Yamhill CCO shall assign to YCHHS all of the Members who were enrolled with YCHHS one day prior to the Effective Date. YCHHS shall accept assignment, without restriction, the initial population of Members assigned by Yamhill CCO from YCHHS's Service Area to provide Mental Health and Substance Use Disorders Services that are Covered Services as required by the terms and conditions of this Agreement, unless YCHHS's enrollment becomes closed as described under Paragraph 6(a)(3) below.

Part 4—Providers and Delivery System

1. Integration and Coordination.

a. YCHHS shall support and assist the Yamhill CCO to develop, support, promote and implement Yamhill CCO's efforts to integrate and coordinate care among providers to create a continuum of care that integrates mental health, addiction treatment, oral health, physical health and community based interventions seamlessly and holistically.

b. YCHHS shall support and assist Yamhill CCO in the development and implementation of integration and coordination activities including but not limited to the following in support of this arrangement:

(1) Enhanced communication and coordination between Yamhill CCO, Mental Health care organizations, health providers, mental health, providers of all types, including Substance Use Disorders Providers, and community service organizations;

(2) Implementation of integrated Prevention, Early Intervention, and wellness activities;

(3) Development of infrastructure support for sharing information, coordinating care and monitoring results;

(4) Use of screening tools, treatment standards and guidelines that support integration; and

(5) Support of a shared culture of integration among all the CCO's participating providers.

2. Access to Care. Exhibit B, Part 4, Section 2 shall be delegated to YCHHS, as it applies to the provision of Mental Health and Substance Use Disorders Services that are Covered Services.

3. Delivery System and Provider Capacity.

a. Delivery System Capacity

(1) YCHHS shall maintain and monitor Participating Providers, supported with written agreements (as specified in Exhibit D, Section 17 of this Agreement, and Exhibit B, Part 4, Section 7 of the CCO Contract), and that collectively have sufficient capacity and expertise to provide adequate, timely and appropriate access to Mental Health and Substance Use Disorders Covered Services, as required by this Agreement and OHA rules, to Members across the age span from child to older adult, including Members who are Fully Dual Eligible. In establishing and maintaining the Participating Provider Panel, YCHHS shall consider, at a minimum, the following:

(a) An appropriate range of preventive and specialty services for the population enrolled or expected to be enrolled in the YCHHS Service Area;

(b) The expected utilization of Mental Health and Substance Use Disorders Services, taking into consideration the characteristics and Behavioral Health care needs of Members;

(c) The number and types (in terms of training, experience, and specialization) of Providers required to provide services under this Agreement;

(d) The geographical location of Participating Providers and Members considering distance, travel time, the means of transportation ordinarily used by Members and whether the location provides physical access for Members with disabilities;

(e) That Participating Providers are sufficient in numbers and areas of practice and geographically distributed in a manner that the Mental Health and Substance Use Disorders Services that are Covered Services provided under this Agreement are reasonably accessible to Members;

(f) The number of Providers who are not accepting new Members; and

(g) Yamhill CCO's approach to integrated care and care coordination.

(2) YCHHS shall complete relevant portions and submit to Yamhill CCO an initial Delivery System Network (DSN) report as described in Exhibit G, Section 1 of the CCO Contract. Yamhill CCO will retain final review and approval, as well as responsibility for any Yamhill CCO contracted services for intensive services, residential or other acute care contracts for Mental Health and Substance Use Disorders services. A copy of an Exhibit K Provider Capacity Report that was submitted to and accepted by the OHA any time in the previous nine (9) months will be accepted for the initial DSN report. YCHHS shall also complete and submit updates of the DSN report to Yamhill CCO as soon as reasonably possible following any Material Change in YCHHS's operations that could affect adequacy of capacity and services. YCHHS shall submit a DSN report annually, as described in Exhibit G, Section 1 of this Agreement.

(3) YCHHS shall allow each Member to choose a Provider within YCHHS's Provider Network to the extent possible and appropriate based on the level of care placement system that will be used across the entire network, as well as medical necessity and acuity of any illness so that Members are linked to appropriate care.

(4) YCHHS shall identify training needs of its Provider Network and shall address such needs to improve the ability of the Provider Network to deliver Covered Services to Members. Yamhill CCO may assist in identification of training needs through the Quality Improvement functions held at Yamhill CCO, as well as sponsor network training activities, as long as both Yamhill CCO and YCHHS are mutually agreeable to the training plans and any shared expenses.

(5) If YCHHS is unable to provide necessary Covered Services that are culturally and linguistically and appropriate Mental Health or Substance Use Disorders to a particular Member within its Provider Panel, YCHHS shall adequately and timely cover these services out of network for the Member, for as long as YCHHS is unable to provide them. Non-Participating Providers must coordinate with YCHHS with respect to payment. YCHHS shall participate in Yamhill CCO's and OHA's efforts to promote the delivery of services in a Culturally Competent manner to Members, including those with limited English proficiency and diverse cultural and ethnic backgrounds.

b. **Provider Selection.** YCHHS shall establish written policies and procedures which comply with the CCO Contract rule for credentialing and re-credentialing, OAR 410-141-3120, and the requirements specified in 42 CFR 438.214, which include selection and retention of Providers, credentialing and re-credentialing requirements, and nondiscrimination.

(1) In establishing and maintaining its network, YCHHS shall:

(a) Use Provider selection policies and procedures, in accordance with 42 CFR 438.12 and 42 CFR 438.214, that do not discriminate against particular Providers that serve high-risk populations or specialize in conditions that require costly treatment. If YCHHS declines to include individual or groups of Providers in its Provider Network, it must give the affected Providers written notice of the reason for its decision; and

(b) Assure that Certified Traditional Health Workers, who may be employed by YCHHS or subcontractors, have met the requirements for background checks as described in OAR 410-180-0325.

4. **Delivery System Features.**

a. **Patient-Centered Primary Care**

(1) YCHHS shall require its Participating Providers to communicate and coordinate care with the PCPCH in a timely manner. When technologically available and feasible, YCHHS shall encourage providers to use electronic health information.

b. **Delivery System Dependencies. Intensive Care Coordination for Special Health Members.** Exhibit B, Part 4, Section 5(b) of the CCO Contract shall be delegated to YCHHS, as it applies to the provision of Mental Health and Substance Use Disorders Services that are Covered Services. The term "Case Management Services" used in Exhibit B, Part 4, Section 5(b) of the CCO Contract shall be replaced with "Mental Health and Substance Use Disorders Case Management Services."

5. **Evidence-Based Clinical Practice Guidelines.** YCHHS shall develop and adopt evidence-based clinical practice guidelines for Mental Health and Substance Use Disorders Services consistent with Exhibit B, Part 4, Section 6 of the CCO Contract. In addition, YCHHS shall participate in CAP activities to develop, support and implement the spread of evidence-based clinical practice guidelines adopted by Yamhill CCO.

6. Health Promotion and Prevention. YCHHS shall participate in Yamhill CCO's development of and assistance with implementing and delivering to Members policies or practices that adhere to Exhibit B, Part 4, Section 7 of the CCO Contract with respect to Mental Health and Substance Use Disorders Services.

7. Subcontract Requirements. The parties acknowledge that some of YCHHS's duties and obligations hereunder may be performed by one or more subcontractors of YCHHS. To the extent YCHHS contracts with other entities to perform any of the duties and obligations hereunder, YCHHS shall ensure that any such subcontract contains all provisions required by applicable law, is consistent with the terms of this Agreement and Exhibit B, Part 4, Section 10 of the CCO Contract. The only exceptions are noted as those related to compliance and credentialing activities and functions that Yamhill CCO will be providing internally or with another administrative contract with another party. Notwithstanding the foregoing, YCHHS shall remain ultimately responsible for fulfilling and performing the Delegated Functions hereunder. YCHHS shall timely pay all subcontractors amounts owing when due. Yamhill CCO acknowledges and agrees that YCHHS has existing contracts with YCHHS Providers that may need to be updated based on the terms of this Agreement. Yamhill CCO agrees to grant YCHHS a period of 12 months after the Effective Date of this Agreement to update its provider contracts so as to reflect the terms of this Agreement.

8. Adjustments in Service Area or Enrollment

a. Enrollment Decrease. If YCHHS reasonably anticipates experiencing a reduction in its network or capacity due to: (i) the occurrence of a Material Change or other significant change; (ii) engaging in the termination or loss of Participating Providers; or (iii) decreased access in YCHHS's Service Area, YCHHS shall notify Yamhill CCO at least 120 days, or as soon as reasonably practicable, prior to the date of such anticipated loss or reduction.

(1) In such an event, YCHHS shall cooperate with and assist Yamhill CCO to develop a written plan for removing or reassigning the Members, and to cooperate and assist in the preparation of any written reports required by the CCO Contract or the OHA related to the removal or reassignment. If Yamhill CCO must notify affected Members of the change, YCHHS shall provide Yamhill CCO with the name, phone number, and at least one address label for each of the affected Members not less than 45 days prior to the effective Disenrollment date.

(2) YCHHS shall remain responsible for maintaining sufficient capacity and solvency, and providing Covered Services through such 120-day period, without limitation, for all Members for which YCHHS received Compensation.

(3) If YCHHS cannot demonstrate sufficient capacity to provide Covered Services to Members during such 120-day period, Yamhill CCO may seek other avenues to provide Covered Services to Members, including, but not limited to, reassigning Members to another Mental Health and Substance Use Disorders Services provider.

Yamhill CCO will hold the Agreement for Mental Health and Substance Use Disorders encounter data and claims management activities with a third party administrator (TPA).

YCHHS and its subcontractors will participate in any necessary reconciliation process as a provider of Mental Health and Substance Use Disorders Services to ensure valid encounter data is received by Yamhill CCO or its TPA.

Part 5—Health Equity and Elimination of Health Disparities. YCHHS shall cooperate with and assist Yamhill CCO to fulfill its obligations under the CCO Contract, Exhibit B, Part 5 titled “Health Equity and Elimination Health Disparities” as it relates to Mental Health and Substance Use Disorders Services that are Covered Services. Specifically, YCHHS shall assist Yamhill CCO to track and report on any quality performance improvements and outcome measures by demographic factors and develop, implement, and evaluate and implement strategies to improve health equity and address health disparities as they relate to Mental Health and Substance Use Disorders Services that are Covered Services.

Part 6—Alternative Payment Methodologies. YCHHS shall cooperate and assist Yamhill CCO to fulfill its obligations under the CCO Contract, Exhibit B, Part 6 titled “Alternative Payment Methodologies.” YCHHS shall support and assist Yamhill CCO to develop alternative payment methods that may be alone or in combination with delivery system changes intended to improve care and control cost for Members.

Part 7—Health Information Systems

1. Exhibit B, Part 7 of the CCO Contract shall be delegated to YCHHS, as it relates to Mental Health and Substance Use Disorders Services that are Covered Services. YCHHS shall implement, to the extent feasible, all policies and procedures adopted by Yamhill CCO related to health information systems.

Part 8—Operations

1. Accountability and Transparency of Operations

a. Exhibit B, Part 8, Section 1 of the CCO Contract shall be delegated to YCHHS, Sections 1(c) 1(f) and 1(g) excepted.

b. YCHHS shall assist Yamhill CCO with the development of and distribution to Members assigned to YCHHS survey instruments and participate in other evaluation procedures described in the CCO Contract, Exhibit B, Part 8, Section 1, Subsection c.

c. Yamhill CCO may review YCHHS’s internal policies and procedures on an annual basis.

d. YCHHS shall make best efforts to submit timely, accurate and complete reports, to the extent feasible, to Yamhill CCO as Yamhill CCO may reasonably request from YCHHS in writing.

2. Privacy, Security and Retention of Records. Exhibit B, Part 8, Section 2 of the CCO Contract shall be delegated to YCHHS as it relates to Mental Health and Substance Use Disorders Services that are Covered Services. Yamhill CCO understands that information prepared, owned, used or retained by YCHHS is subject to the Public Records Law, ORS 192.410 et. seq.

3. Payment Procedures. Exhibit B, Part 8, Section 3 of the CCO Contract shall be delegated to YCHHS, as it relates to Mental Health and Substance Use Disorders Services that are Covered Services; Section 3, Subsections (e) and (f) excepted. YCHHS shall notify Yamhill CCO immediately upon identification of any known or suspected overpayment to YCHHS.

4. Claims Payment. Exhibit B, Part 8, Section 4 of the CCO Contract shall be delegated to YCHHS, as it relates to Mental Health Services that are Covered Services; Section 4 (c), (d) and (f) excepted. YCHHS shall pay claims from Indian Health Care Providers for Covered Services provided to any American Indian/Alaska Native (AI/AN) Member assigned to YCHHS who is eligible to receive services from such providers, in accordance with the following:

a. If YCHHS has executed a subcontractor arrangement with an Indian Health Care Provider in accordance with Exhibit B, Part 4, Section 10 of this Agreement, YCHHS shall pay claims of such Indian Health Care Provider in accordance with the terms and conditions of that specific subcontract.

b. If YCHHS has not executed a subcontractor arrangement with the Indian Health Care Provider that furnished Covered Services to the AI/AN Member assigned to YCHHS, and YCHHS does not have its own policy of paying claims to Indian Health Care Providers, YCHHS shall work with Yamhill CCO to establish and implement a process by which any claims received from an Indian Health Care Provider that furnished Covered Services to an AI/AN Member assigned to YCHHS are sent directly to Yamhill CCO for processing and payment.

5. Encounter Data. YCHHS shall cooperate with and assist Yamhill CCO to fulfill its obligations under the CCO Contract, Exhibit B, Part 8, Section 7 entitled "Encounter and Pharmacy Data," as it applies to Mental Health and Substance Use Disorders Services that are Covered Services. Specifically, YCHHS via Yamhill CCO's TPA shall provide to Yamhill CCO valid Encounter Data and other necessary reports and information referenced in Exhibit B, Part 8, Section 7 of the CCO Contract in the time, manner and form directed by Yamhill CCO.

6. Third Party Liability and Personal Injury Liens. Yamhill CCO and YCHHS shall work together to develop a mutually agreeable system to ensure that Mental Health and Substance Use Disorders Services rendered that are eligible for payment by a third party are appropriately identified and processed, pursuant to existing regulations and the CCO Contract.

7. All Payers All Claims ("APAC") Reporting Program. YCHHS via Yamhill CCO's TPA shall cooperate with and assist Yamhill CCO in its participation in the APAC reporting

system established under ORS 442.464 and 442.466 as is required of the Yamhill CCO for reporting of Mental Health and Substance Use Disorders Services that are Covered Services. Encounter Data submitted pursuant to Section 5 above will meet the Yamhill CCO's APAC reporting requirements, as they apply to Mental Health and Substance Use Disorders Services that are Covered Services reportable to the APAC database. So for the purposes of this APAC section, there will not be any additional reporting requirements beyond that which is required for Encounter Data.

8. Prevention/Detection of Fraud and Abuse. Pursuant to Exhibit B, Part 8, Section 11 of the CCO contract this is not delegated and will remain a function of Yamhill CCO or its management services entities.

9. Abuse Reporting and Protective Services. Exhibit B, Part 8, Section 12 of the CCO Contract shall be delegated to YCHHS.

10. Credentialing. YCHHS shall cooperate and assist Yamhill CCO or its management services entities, in the compliance with and execution of its credentialing process. If Participating Providers are not required to be licensed or certified by a State of Oregon board or licensing agency, YCHHS shall document, certify and report to Yamhill CCO, or its administrative credentialing partner BCN the date that the person's education, experience, competence, and supervision are adequate to permit the person to perform his or her specific assigned duties.

11. Subrogation. YCHHS shall subrogate to Yamhill CCO and OHA any and all claims pursuant to this Agreement as it pertains to Mental Health and Substance Use Disorders Services.

Part 9—Quality Performance Outcomes and Accountability

1. Quality Assurance and Performance Improvement Program Requirements. YCHHS shall assist and cooperate with Yamhill CCO in the development and implementation of a Quality Assurance and Performance Improvement Program, as required in the CCO Contract, Exhibit B, Part 9, Section 2. YCHHS shall implement the quality assurance and performance improvement measures that are mutually developed by Yamhill CCO and YCHHS as part of Yamhill CCO's Quality Assurance and Performance Improvement Program.

2. Quality and Performance Outcomes. As required by Health System Transformation and the CCO Contract, YCHHS shall assist and cooperate with Yamhill CCO in the development and implementation of a system that, in accordance with schedules established for performance measures, must:

a. Measure and report to Yamhill CCO performance, using standard measures required by OHA; and

b. Submit data, as specified by OHA, or as reasonably requested by Yamhill CCO, that enables Yamhill CCO to measure YCHHS's performance, based on the metrics established by the OHA Metrics and Scoring Committee as it relates to Mental Health and Substance Use Disorders Services, and enables the OHA to measure Yamhill CCO's overall performance.

3. Performance Measurement and Reporting Requirements. YCHHS shall plan for and implement the necessary organizational infrastructure to report on and address performance standards established by OHA for the CCO Contract, as provided in the Exhibit B, Part 9, Section 4 of the CCO Contract, and adopted by the OHA's Metrics and Scoring Committee, as they apply to Mental Health and Substance Use Disorders Services metrics and reporting.

4. Performance Improvement Projects. To the extent that they apply to Mental Health and Substance Use Disorders Services, YCHHS shall assist and cooperate with Yamhill CCO in the development and implementation of ongoing performance improvement projects ("**PIPs**") that Yamhill CCO designs to achieve, through ongoing measurements and intervention, significant improvement, sustained over time, in clinical and non-clinical areas that are expected to have favorable effect on health outcomes and Member satisfaction.

5. External Quality Review. YCHHS shall, and shall require its subcontractors and Participating Providers, to cooperate with Yamhill CCO and OHA by providing access to records and facilities for the purpose of an annual external, independent professional review of the quality outcomes and timeliness of, and access to Covered Services furnished under this Agreement, pursuant to CCO Contract Exhibit B, Part 9, Section 7.

6. Monitoring and Compliance Review

a. Subject to Section 6.2.2 of the Agreement, upon Yamhill CCO's identification of YCHHS performance issues, indications that quality, access or expenditure management goals are being compromised, deficiencies, or issues that affect Member rights or health, or any other material breach of this Agreement, YCHHS shall cooperate with Yamhill CCO in developing and implementing, within 30 days, a plan to remediate the identified issue(s) and establish care improvements. Such remediation could include additional analysis of underlying data and gathering supplementary data to identify causes and trends, followed closely by interventions that are targeted to improve outcomes in the problem areas defined.

b. If the interventions undertaken in subparagraph (a) of this section do not result in improved performance in identified areas of concern within 90 days, Yamhill CCO may require YCHHS to intensify the rapid cycle improvement process. Subsequent actions may include Corrective Action Plans.

c. The actions in this section are in addition to any other rights Yamhill CCO may have under the Agreement, at law, or in equity.

Exhibit B – Part 9 – Statement of Work – Attachment 1 – Quality Baselines.

Yamhill CCO and YCHHS agree to amend this section of the Agreement when OHA implements quality metrics for Mental Health and Substance Use Disorders Services established by the OHA Metrics Committee. Based on the requirements set by OHP, both parties shall mutually determine how to define, implement, and measure the OHA required quality metrics that affect Mental Health and Substance Use Disorders Services. Yamhill CCO and YCHHS shall mutually agree on how to define, implement and measure any locally developed quality baselines and metrics. It is anticipated that this section will include a clear statement describing the quality metric(s) imposed, the timeframes for implementation, the baselines and the target/goal YCHHS is required to achieve. It is agreed by the parties that, unless required by OHA or mutually agreed to by the parties, the quality metrics shall not start until January 1, 2015. However, prior year performance measures for calendar year 2014 will be awarded in 2015 in the same manner as the calendar year 2013 pay for performance measures that were awarded in 2014 in which the percentage of capitated payments were calculated between Physical Health and Mental Health and Substance Use Disorders Services and the ratio applied for the payment to BCN. In this manner, YCHHS will receive calendar year 2014 payment.

EXHIBIT C**CCO Contract Provisions Applicable to Subcontractors**

Contractor: Yamhill County Care Organization, Inc.

SubContractor: Yamhill County Health and Human Services Department

Contractor has entered into a Health Plan Services Contract, Coordinated Care Organization Contract with the State of Oregon, acting by and through its Oregon Health Authority ("OHA"), to provide and pay for Coordinated Care Services (the "CCO Contract"). The CCO Contract requires that the provisions in this Exhibit be included in any subcontracts and contracts with Participating Providers. This Exhibit is incorporated by reference into and made part of the Mental Health and Substance Use Disorders Services Delegation Agreement (the "Agreement") with respect to goods and services rendered under the Agreement by YCHHS (the "Subcontractor") to enrollees of Contractor who are enrolled in the Oregon Health Plan Medicaid managed care program ("Members"). In the event of a conflict or inconsistency with any term or condition in the Agreement, this Exhibit shall control. For ease of reference, the applicable CCO Contract provision is referenced in brackets below.

Subcontractor shall comply with the provisions in this Exhibit to the extent that they are applicable to the goods and services provided by Subcontractor under the Agreement; provided, however, that the Agreement shall not terminate or limit Contractor's legal responsibilities to OHA for the timely and effective performance of Contractor's duties and responsibilities under the CCO Contract. Capitalized terms used in this Exhibit, but not otherwise defined in the Agreement shall have the same meaning as those terms in the CCO Contract, including definitions incorporated therein by reference.

1. OHA. To the extent any provision in the CCO Contract applies to Contractor with respect to the Work Contractor is providing to OHA through the Agreement, that provision shall be incorporated by reference into the Agreement and shall apply equally to Subcontractor.

2. Termination for Cause. In addition to pursuing any other remedies allowed at law or in equity or by the Agreement, the Agreement may be terminated by Contractor, or Contractor may impose other sanctions against Subcontractor, if the Subcontractor's performance is inadequate to meet the requirements of the CCO Contract. [Exhibit B Part 4, Paragraph 10].

3. Monitoring.

3.1. *By Contractor*. Contractor will monitor the Subcontractor's performance on an ongoing basis and perform at least once a year a formal review of compliance with delegated responsibilities and Subcontractor's performance, deficiencies or areas for

improvement, in accordance with 42 CFR 438.230. Upon identification of deficiencies or areas for improvement, Subcontractor shall take the Corrective Action identified by Contractor. [Exhibit B, Part 4, Paragraph 10(a)(6)].

3.2. *By OHA.* Subcontractor agrees that OHA is authorized to monitor compliance with the requirements in the Statement of Work under the CCO Contract and that methods of monitoring compliance may include review of documents submitted by Subcontractor, CCO Contract performance review, Grievances, on-site review of documentation or any other source of relevant information. Subcontractor shall cooperate in making records and facilities available for such review. [Exhibit D, Paragraph 31]

4. Federal Medicaid Managed Care. Subcontractor shall comply with the requirements of 42 CFR §438.6 that are applicable to the Work required under the Agreement. [Exhibit B Part 4, Paragraph 10].

5. Hold Harmless. Subcontractor shall not hold OHA nor a Member receiving services liable for any costs or charges related to Contractor-authorized Covered Services rendered to a Member whether in an emergency or otherwise. Furthermore, Subcontractor shall not hold a Member liable for any payments for any of the following: (a) Contractor's or Subcontractor's debt due to Contractor's or Subcontractor's insolvency; (b) Coordinated Care Services authorized or required to be provided under the CCO Contract and the Agreement to a Member, for which (i) OHA does not pay Contractor; or (ii) Contractor does not pay Subcontractor for Covered Services rendered to a Member as set forth in the Agreement; and (c) Covered Services furnished pursuant to the Agreement to the extent that those payments are in excess of the amount that the Member would owe if Contractor provided the services directly. Subcontractor may not initiate or maintain a civil action against a Member to collect any amounts owed by the Contractor for which the Member is not liable to the Subcontractor under the Agreement. Nothing in this paragraph 5 shall impair the right of the Subcontractor to charge, collect from, attempt to collect from or maintain a civil action against a Member for any of the following: (a) deductible, copayment, or coinsurance amounts, (b) health services not covered by the Contractor or the CCO Contract, and (c) health services rendered after the termination of the Agreement, unless the health services were rendered during the confinement in an inpatient facility and the confinement began prior to the date of termination of the Agreement or unless the Subcontractor has assumed post-termination treatment obligations under the Agreement. [Exhibit B, Part 8, Paragraph 3].

6. Continuation. Subcontractor shall continue to provide Covered Services during periods of Contractor insolvency or cessation of operations through the period for which CCO Payments were made to Contractor.

7. Billing and Payment. Subcontractor shall not bill Members for services that are not covered under the CCO Contract unless there is a full written disclosure or waiver on file signed by the Member, in advance of the service being provided, in accordance with OAR 410-141-0420. [Exhibit B Part 4, Paragraph 10].

8. Reports. Subcontractor shall provide timely access to records and facilities and cooperate with OHA in collection of information through consumer surveys, on-site reviews, medical chart reviews, financial reporting and financial record reviews, interviews with staff, and other information for the purposes of monitoring compliance with the CCO Contract, including but not limited to verification of services actually provided, and for developing and monitoring performance and outcomes. [Exhibit B, Part 8, Paragraph 1(b)].

9. Quality Improvement. In conformance with 42 CFR 438 Subpart E, Subcontractor shall cooperate with OHA by providing access to records and facilities for the purpose of an annual, external, independent professional review of the quality outcomes and timeliness of, and access to, Services provided under the CCO Contract. [Exhibit B, Part 9, Paragraph 7(a).]

10. Access to Records. Subcontractor shall maintain all financial records related to the CCO Contract in accordance with generally accepted accounting principles or National Association of Insurance Commissioners accounting standards. In addition, Subcontractor shall maintain any other records, books, documents, papers, plans, records of shipment and payments and writings of Subcontractor, whether in paper, electronic or other form, that are pertinent to the CCO Contract (the "Records") in such a manner to clearly document Subcontractor's performance. Subcontractor shall provide timely and reasonable access to Records to: (a) OHA; (b) the Secretary of State's Office; (c) CMS; (d) the Comptroller General of the United States; (e) the Oregon Department of Justice Medicaid Fraud Control Unit; (g) Contractor and (h) all their duly authorized representatives, to perform examinations and audits, make excerpts and transcripts, and evaluate the quality, appropriateness and timeliness of services performed. Subcontractor shall, upon request and without charge, provide a suitable work area and copying capabilities to facilities for such a review or audit. Subcontractor shall retain and keep accessible all Records for the longer of: (a) six years following final payment and termination of the CCO Contract; (b) the period as may be required by applicable law, including the records retention schedules set forth in OAR Chapter 166; or (c) until the conclusion of any audit, controversy or litigation arising out of or related to the CCO Contract. The rights of access in this paragraph 10 are not limited to the required retention period, but shall last as long as the Records are retained. [Exhibit D, Paragraph 13].

11. Clinical Records and Confidentiality of Member Records. Subcontractor shall comply with Contractor's policies and procedures that ensure maintenance of a record keeping system that includes maintaining the security of records as required by the Health Insurance Portability and Accountability Act, 42 USC 1320d et. seq., and the federal regulations implementing the Act ("HIPAA"), and complete Clinical Records that document the Coordinated Care Services received by the Members. Contractor shall regularly monitor Subcontractor's compliance with these policies and procedures and Subcontractor shall be

subject to and comply with any Corrective Action taken by Contractor that is necessary to ensure Subcontractor compliance. [Exhibit B, Part 8, Paragraph 2(a)].

12. Reporting of Abuse. Subcontractor shall comply with all patient abuse reporting requirements and fully cooperate with the State for purposes of ORS 410.610 et. seq., ORS 419B.010 et. seq., ORS 430.735 et. seq., ORS 433.705 et. seq., ORS 441.630 et. seq., and all applicable Administrative Rules. In addition, Subcontractor shall comply with all protective services, investigation and reporting requirements described in OAR 943-045-0250 through 943-045-0370 and ORS 430.735 through 430.765. [Exhibit B, Part 8, Paragraph 12]

13. Fraud and Abuse. Subcontractor shall comply with Contractor's fraud and Abuse policies to prevent and detect fraud and Abuse activities as such activities relate to the OHP, and shall promptly refer all suspected cases of fraud and Abuse to the Contractor and the Medicaid Fraud Control Unit ("MFCU"). Subcontractor shall permit the MFCU or OHA or both to inspect, evaluate, or audit books, records, documents, files, accounts, and facilities maintained by or on behalf of Subcontractor, as required to investigate an incident of fraud and Abuse. Subcontractor shall cooperate with the MFCU and OHA investigator during any investigation of fraud and Abuse. Subcontractor shall provide copies of reports or other documentation regarding any suspected fraud at no cost to MFCU or OHA during an investigation. [Exhibit B, Part 8, Paragraph 11].

14. Certification. Subcontractor certifies that all Claims data submissions by the Subcontractor, either directly or through a third party submitter, is and will be accurate, truthful and complete in accordance with OAR 410-141-3320 and OAR 410-120-1280.

15. Mental Health Services and Substance Use Disorder Services.

15.1. *Measures and Outcomes Tracking System Data.* If Subcontractor provides Mental Health Services and/or substance use disorders services, Subcontractor shall provide to AMH within 30 days of Member admission or discharge all the information required by AMH's most current publication of "Measures and Outcomes Tracking System." [Exhibit B, Part 2, Paragraph 6(i)].

15.2. *Community Services.* If Subcontractor provides substance use disorders services, Subcontractor shall provide to Members, to the extent of available community resources and as clinically indicated, information and referral to community services which may include, but are not limited to: child care; elder care; housing; transportation; employment; vocational training; educational services; mental health services; financial services; and legal services.[Exhibit B, Part 6(m)(3)].

15.3. *Training.* Where Subcontractor provides substance use disorders services and evaluates Members for access to and length of stay in substance use disorders services, Subcontractor represents and warrants that it has the training and background in substance use disorders services and working knowledge of American Society of Addiction

Medicine Patient Placement Criteria for the Treatment of Substance-Related Disorders, Second Edition-Revised (PPC-2R). [Exhibit B, Part 6(m)(l)].

16. State Provisions. Subcontractor shall comply with all State and local laws, rules, regulations, executive orders and ordinances applicable to the CCO Contract or to the performance of Work under the Agreement, including but not limited to the following: (a) ORS Chapter 659A.142; (b) all other applicable requirements of State civil rights and rehabilitation statutes, rules and regulations; (c) OHA rules pertaining to the provision of prepaid capitated health care and services, OAR Chapter 410, Division 141; and (d) all other OHA Rules in OAR Chapter 410. These laws, rules, regulations, executive orders and ordinances are incorporated by reference herein to the extent that they are applicable to the CCO Contract and required by law to be so incorporated. Subcontractor shall, to the maximum extent economically feasible in the performance of the Agreement pertinent to the OHP Contact, use recycled paper (as defined in ORS 279A.010(l)(gg)), recycled PETE products (as defined in ORS 279A.010(l)(hh)), and other recycled products (as "recycled products" is defined in ORS 279A.010(l)(ii)). [Exhibit D, Paragraph 2].

17. Americans with Disabilities Act. In compliance with the Americans with Disabilities Act of 1990, any written material that is generated and provided by Subcontractor under the CCO Contract to Members, including Medicaid-Eligible Individuals, shall, at the request of such individuals, be reproduced in alternate formats of communication, to include Braille, large print, audiotope, oral presentation, and electronic format. Subcontractor shall not be reimbursed for costs incurred in complying with this provision. [Exhibit D, Paragraph 2(b)].

18. Information/Privacy/Security/Access. If the items or services provided under the Agreement permits Subcontractor to have access to or use of any OHA computer system or other OHA Information Asset for which OHA imposes security requirements, and OHA grants Contractor access to such OHA Information Assets or Network and Information Systems, Subcontractor shall comply with OAR 407-014-0300 through OAR 407-014-0320. [Exhibit D, Paragraph 14].

19. Governing Law, Consent to Jurisdiction. The CCO Contract shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between the OHA (or any other agency or department of the State of Oregon) and Subcontractor that arises from or relates to the CCO Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be conducted solely and exclusively within the United States District Court of the District of Oregon. In no event shall this paragraph 19 be construed as a waiver of the State of Oregon of the jurisdiction of any court or of any form of defense to or immunity from any claim whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise.

SUBCONTRACTOR, BY EXECUTION OF THE AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS. (Exhibit D, Paragraph 1].

20. Independent Contractor.

20.1. *Not an Employee of the State.* Subcontractor represents and warrants that it is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise. [Exhibit D, Paragraph 3].

20.2. *Current Work for State or Federal Government.* If Subcontractor is currently performing work for the State of Oregon or the federal government, Subcontractor by signature to the Agreement represents and warrants that Subcontractor's Work to be performed under the Agreement creates no potential or actual conflict of interest as defined by ORS Chapter 244 and that no statutes, rules or regulations of the State of Oregon or federal agency for which Subcontractor currently performs work would prohibit Subcontractor's work under the Agreement or the CCO Contract. If compensation under the Agreement is to be charged against federal funds, Subcontractor certifies that it is not currently employed by the federal government. [Exhibit D, Paragraph 3]

20.3. *Taxes.* Subcontractor shall be responsible for all federal and State of Oregon taxes applicable to compensation paid to Subcontractor under the Agreement, and unless Subcontractor is subject to backup withholding, OHA and Contractor will not withhold from such compensation any amount to cover Subcontractor's federal or State tax obligations. Subcontractor shall not be eligible for any social security, unemployment insurance or workers' compensation benefits from compensation paid to Subcontractor under the Agreement, except as a self-employed individual. [Exhibit D, Paragraph 3]

20.4. *Control.* Subcontractor shall perform all Work as an independent contractor. Subcontractor understands that OHA reserves the right (i) to determine and modify the delivery schedule for the Work and (ii) to evaluate the quality of the Work Product; however, OHA may not and will not control the means or manner of Subcontractor's performance. Subcontractor is responsible for determining the appropriate means and manner of performing the Work delegated under the Agreement. [Exhibit D, Paragraph 3]

21. Representations and Warranties. Subcontractor represents and warrants to Contractor that: (a) Subcontractor has the power and authority to enter into and perform the Agreement; (b) the Agreement, when executed and delivered, shall be a valid and binding obligation of Subcontractor enforceable in accordance with its terms, (c) Subcontractor has the skill and knowledge possessed by well-informed members of its industry, trade or profession and Subcontractor will apply that skill and knowledge with care and diligence to perform the Work in a professional manner and in accordance with standards prevalent in Subcontractor's industry, trade or profession; and (d) Subcontractor shall, at all times during the term of the Agreement, be qualified, professionally competent, and duly licensed to perform the Work; and (5) Subcontractor prepared its application related to this Contract, if any,

independently from all other applicants, and without collusion, fraud, or other dishonesty. The warranties set forth in this paragraph are in addition to, and not in lieu of, any other warranties provided. [Exhibit D, Paragraph 4].

22. Assignment, Successor in Interest. Subcontractor shall not assign or transfer its interest in the Agreement, voluntarily or involuntarily, whether by merger, consolidation, dissolution, operation of law, or in any other matter, without prior written consent of Contractor. Any such assignment or transfer, if approved, is subject to such conditions and provisions as Contractor and OHA may deem necessary, including but not limited to Exhibit B, Part 8, Section 14 of the CCO Contract. No approval by Contractor of any assignment or transfer of interest shall be deemed to create any obligation of Contractor in addition to those set forth in the Agreement. The provisions of the Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns.

23. Subcontracts. Where Subcontractor is permitted to subcontract certain functions of the Agreement, Subcontractor shall notify Contractor, in writing, of any subcontract(s) for any of the delegated Work required by the CCO Contract other than information submitted in Exhibit G of the CCO Contract. In addition, Subcontractor shall ensure that any subcontracts are in writing and include all the requirements set forth in this Exhibit that are applicable to the service or activity delegated under the subcontract. [Exhibit B, Part 4, Paragraph 10].

23A. YCHHS's Subcontractors.

a. CCO Contract Requirements. In addition to any other provisions Yamhill CCO may require, YCHHS shall include in any permitted subcontract under this Agreement provisions to ensure that OHA will receive the benefit of subcontractor performance as if the subcontractor were the Contractor with respect to Sections 1, 2, 3, 4, 13, 14, 17, 18 and 21 of Exhibit D to the CCO Contract.

b. Additional Subcontractor Requirements:

(1) YCHHS shall demonstrate and certify to Yamhill CCO upon Yamhill CCO's written request at any time during the Term, and in the format specified by Yamhill CCO, that its subcontracts with Participating Providers comply with requirements of this Agreement. YCHHS shall make its best effort to amend any and all of its existing subcontracts with Participating Providers which do not comply with this Agreement by January 1, 2016 and will provide Yamhill CCO with written certification thereof, as requested. Without limiting any other provision of this Agreement, all of Yamhill CCO's subcontracts with Participating Providers shall require Participating Providers to look solely to YCHHS for payment for Covered Services rendered by Participating Providers to Members.

(2) Participating Provider Information. YCHHS shall provide Yamhill CCO with a complete list of its Participating Providers, as requested in Exhibit B, Part 4, Section 3(a)(2) of this Agreement (the "Exhibit G Delivery System Network report").

(3) Notice of Participating Provider Terminations. YCHHS shall provide sixty (60) calendar days' prior written notice to Yamhill CCO of the termination of any of its Participating Providers; provided, however, that if any Participating Providers are terminated with less than sixty (60) calendar days' notice, then YCHHS shall provide written notice to Yamhill CCO within five (5) business days of YCHHS becoming aware of such termination. Notwithstanding the termination of any Participating Providers, YCHHS shall remain responsible for providing or arranging Covered Services through its remaining Participating Provider and shall remain financially responsible for Covered Services furnished to Members under this Agreement.

(4) Restriction, Suspension or Termination of Participating Providers. YCHHS shall, as warranted, immediately restrict, suspend or terminate its Participating Providers from providing or arranging Covered Services to Members in the following circumstances: (i) the Participating Provider ceases to meet the licensing/certification requirements or other professional standards described in this Agreement; or (ii) Yamhill CCO or YCHHS reasonably determines that there are serious deficiencies in the professional competence, conduct or quality of care of the Participating Provider which affects or could adversely affect the health or safety of Members. YCHHS shall immediately notify Yamhill CCO of any of its Participating Providers who cease to meet the licensing/certification requirements or other professional standards described in this Agreement and YCHHS's actions under this Section.

(5) Compliance with Provisions of this Agreement. YCHHS's subcontracts with Participating Providers shall be in writing. All such subcontracts shall be consistent with the terms and conditions of this Agreement. If this Agreement is amended or modified, all such subcontracts shall be amended or modified within ninety (90) calendar days to be consistent with such amendments or modifications, upon the direction of Yamhill CCO.

(6) Compliance with Requirements of State and Federal Law. YCHHS's subcontracts with Participating Providers shall comply with the standards of state and federal law. If there are changes in such requirements, YCHHS shall make its best effort to amend its subcontracts with Participating Providers to comply with such changes within ninety (90) calendar days following notice thereof from Yamhill CCO.

(7) Access by Yamhill CCO and Government Agencies to Subcontracts and Books and Records of Participating Providers. YCHHS shall make available for inspection, examination and copying by Yamhill CCO and Government Agencies during normal business hours (i) its Participating Provider subcontracts and (ii) books and records of its Participating Providers relating to Covered Services provided to Members. YCHHS shall maintain copies of subcontracts, books and records; and if YCHHS does not employ its Participating Providers, YCHHS shall require that its Participating Providers maintain its books and records for at least seven years from the close of the fiscal year in which Covered Services were provided.

(8) YCHHS's Responsibility for Providing or Arranging Covered Services. Notwithstanding the existence of YCHHS's subcontracts with its Participating Providers, YCHHS shall remain responsible for satisfying the obligations of YCHHS set forth in this Agreement. If any of YCHHS's subcontracts with Participating Providers are terminated, YCHHS shall remain responsible for providing or arranging Covered Services through other Participating Providers and shall remain financially responsible for Covered Services provided to Members under this Agreement.

(9) Required Terms of Subcontracts. In addition to the other requirements provided in this Agreement and pursuant to applicable law, Covered Services shall be provided primarily by Participating Providers with whom YCHHS has contracted for the provision of Covered Services. All subcontracts of YCHHS in connection with this Agreement shall contain the following terms:

i. Describe adequately the responsibilities of the Participating Provider and YCHHS in connection with the subcontract;

ii. Require the Participating Provider to comply with the provisions of this Agreement related to billing Members;

iii. Require the Participating Provider to participate in Yamhill CCO's quality initiatives described in Exhibit B, Part 9 of this Agreement;

iv. Require the Participating Providers to provide Covered Services to Members for the period in which YCHHS paid Participating Providers Compensation for such services;

v. Have a term of not less than one (1) year, subject to the termination provisions as may be set forth in the subcontract between YCHHS and the Participating Provider;

vi. Require the Participating Provider to carry insurance as required by YCHHS and to provide certificates of insurance to YCHHS upon its request; and

vii. Set forth provisions consistent with the provisions of Exhibit D, Section 8 of this Agreement and pertaining to either the termination or expiration of this Agreement or the termination/expiration of the subcontract between YCHHS and the Participating Provider.

24. Severability. If any term or provision of the CCO Contract, the Agreement or this Exhibit is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provision shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the CCO Contract, the Agreement or this Exhibit did not contain the particular term or provision held to be unlawful.

25. Limitations of Liabilities. Subcontractor agrees that OHA and Contractor shall not be held liable for any of Subcontractor's debts or liabilities in the event of insolvency. [Exhibit D Paragraph 1].

26. Compliance with Federal Laws. Subcontractor shall comply with federal laws as set forth or incorporated, or both, in the CCO Contract and all other federal laws applicable to Subcontractor's performance relating to the CCO Contract or the Agreement. For purposes of the CCO Contract and the Agreement, all references to federal laws are references to federal laws as they may be amended from time to time. In addition, unless exempt under 45 CFR Part 87 for Faith-Based Organizations, or other federal provisions, Subcontractor shall comply with the following federal requirements to the extent that they are applicable to the CCO Contract and the Agreement: Exhibit E.

26.1. *Federal Provisions.* Subcontractor shall comply with all federal laws, regulations, and executive orders applicable to the CCO Contract or to the delivery of Work under the Agreement. Without limiting the generality of the foregoing, Subcontractor expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the CCO Contract and the Agreement: (a) Title VI and VII of the Civil Rights Act of 1964, as amended, (b) 45 CFR Part 84 which implements Title V, Sections 503 and 504 of the Rehabilitation Act of 1973, as amended, (c) the Americans with Disabilities Act of 1990, as amended, (d) Executive Order 11246, as amended, (e) the Health Insurance Portability and Accountability Act of 1996, as amended, (f) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended, (g) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, (h) all regulations and administrative rules established pursuant to the foregoing laws, (i) all other applicable requirements of federal civil rights and rehabilitation statutes, rules and regulations, and G) all federal law governing operation of community mental health programs, including without limitation, all federal laws requiring reporting of Client abuse. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the CCO Contract and the Agreement and required by law to be so incorporated. No federal funds may be used to provide Work in violation of 42 USC 14402. [Exhibit E, Paragraph 1].

26.2. *Equal Employment Opportunity.* If the CCO Contract, including amendments, is for more than \$10,000, then Subcontractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60). [Exhibit E, Paragraph 2].

26.3. *Clean Air, Clean Water, EPA Regulations.* If the CCO Contract, including amendments, exceeds \$100,000 then Subcontractor shall comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 7606), the Federal Water Pollution Control Act as amended (commonly known as the

Clean Water Act) (33 USC 1251 to 1387), specifically including, but not limited to Section 508 (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (2 CFR Part 1532), which prohibit the use under non exempt federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to 01-IA, the U.S. Department of Health and Human Services and the appropriate Regional Office of the Environmental Protection Agency. Subcontractor shall include in all contracts with subcontractors receiving more than \$100,000, language requiring the subcontractor to comply with the federal laws identified in this subparagraph. [Exhibit E, Paragraph 3].

26.4. *Energy Efficiency.* Subcontractor shall comply with applicable mandatory standards and policies relating to energy efficiency that are contained in the Oregon energy conservation plan issued in compliance with the Energy Policy and Conservation Act, 42 USC 6201 et seq. (Pub. L. 94-163). [Exhibit E, Paragraph 4].

26.5. *Truth in Lobbying.* Subcontractor certifies, to the best of the Subcontractor's knowledge and belief that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of Subcontractor, to any person for influencing or attempting to influence an officer or employee of an 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.

b. If any funds other than federal 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 Subcontractor shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

c. Subcontractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients and Subcontractors shall certify and disclose accordingly. [Exhibit E, Paragraph 5].

26.6. *HIPAA Compliance.* Subcontractor acknowledges and agrees that Contractor is a "covered entity" for purpose of the privacy and security provisions of HIPAA. Accordingly, Subcontractor shall comply with HIPAA and the following:

a. Individually Identifiable Health Information ("IIHI") about specific individuals is protected from unauthorized use or disclosure consistent with the requirement of HIPAA. IIHI relating to specific individuals may be exchanged between Subcontractor and Contractor and between Subcontractor and OHA for purposes directly related to the provision of services to Members which are funded in whole or in part under the CCO Contract. However,

Subcontractor shall not use or disclose any IIIHI about specific individuals in a manner that would violate (i) the HIPAA Privacy Rules in CPR Parts 160 and 164; (ii) the OHA Privacy Rules, OAR 407-014-0000 et. seq., or (iii) the OHA Notice of Privacy Practices, if done by OHA. A copy of the most recent OHA Notice of Privacy Practices is posted on the OHA web site at: <https://apps.state.or.us/Forms/Served/DE2090.pdf>, or may be obtained from OHA.

b. Subcontractor shall adopt and employ reasonable administrative and physical safeguards consistent with the Security Rule in 45 CFR Part 164 to ensure that Member Information is used by or disclosed only to the extent necessary for the permitted use or disclosure and consistent with applicable State and federal laws and the terms and conditions of the CCO Contract and the Agreement. Security incidents involving Member Information must be immediately reported to the Contractor's privacy officer and to the Oregon Department of Human Services' ("DHS") Privacy Officer.

c. Subcontractor shall comply with the HIPAA standards for electronic transactions published in 45 CFR Part 162 and the DHS Electronic Data Transmission Rules, OAR 410-001-0000 through 410-001-0200. If Contractor intends to exchange electronic data transactions with OHA in connection with Claims or encounter data, eligibility or enrollment information, authorizations or other electronic transactions, Subcontractor shall comply with OHA Electronic Data Transmission Rules.

d. If Subcontractor reasonably believes that the Contractor's or OHA's data transactions system or other application of HIPAA privacy or security compliance policy may result in a violation of HIPAA requirements, Subcontractor shall promptly consult Contractor or the OHA HIPAA officer. [Exhibit E, Paragraph 6].

26.7. *Resource Conservation and Recovery.* Subcontractor shall comply with all mandatory standards and policies that relate to resource conservation and recovery pursuant to the Resource Conservation and Recovery Act (codified at 42 USC 6901 et. seq.). Section 6002 of that Act (codified at 42 USC 6962) requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency. [Exhibit E, Paragraph 7].

26.8. *Audits.* Subcontractor shall comply with the applicable audit requirements and responsibilities set forth in the Office of Management and Budget Circular A-133 entitled "Audits of States, Local Governments and Non-Profit Organizations."

26.9. *Debarment and Suspension.* Subcontractor represents and warrants that it is not excluded by the U.S. Department of Health and Human Services Office of the Inspector General or listed on the non-procurement portion of the General Service Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" in accordance with Executive Orders No. 12549 and No. 12689, "Debarment and Suspension." [Exhibit E, Paragraph 9].

26.10. *Drug-Free Workplace.* Subcontractor shall comply with the following provisions to maintain a drug-free workplace:

a. Subcontractor certifies that it will provide a drug-free workplace by publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, except as may be present in lawfully prescribed or over-the-counter medications, is prohibited in Subcontractor's workplace or while providing services to Members. Subcontractor's notice shall specify the actions that will be taken by Subcontractor against its employees for violation of such prohibitions;

b. Establish a drug-free awareness program to inform its employees about: the dangers of drug abuse in the workplace, Subcontractor's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations;

c. Provide each employee to be engaged in the performance of services under the Agreement a copy of the statement mentioned in subparagraph 26.10.a above;

d. Notify each employee in the statement required by subparagraph 26.10.a that, as a condition of employment to provide services under the CCO Contract the employee will: abide by the terms of the statement, and notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

e. Notify OHA and Contractor within ten days after receiving notice under subparagraph 26.10.d from an employee or otherwise receiving actual notice of such conviction;

f. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted as required by Section 5154 of the Drug-Free Workplace Act of 1988;

g. Make a good-faith effort to continue a drug-free workplace through implementation of subparagraphs 26.10.a through 26.10.f;

h. Require any subcontractor to comply with subparagraphs 26.10.a through 26.10.g;

i. Neither Subcontractor, nor any of Subcontractor's employees, officers, agents or subcontractors may provide any service required under the Agreement while under the influence of drugs. For purposes of this provision, "under the influence"

means: observed abnormal behavior or impairments in mental or physical performance leading a reasonable person to believe the Subcontractor or Subcontractor's employee, officer, agent or subcontractor has used a controlled substance, prescription or non-prescription medication that impairs the Subcontractor or Subcontractor's employee, officer, agent or subcontractor's performance of essential job function or creates a direct threat to Members or others. Examples of abnormal behavior include, but are not limited to: hallucinations, paranoia or violent outbursts. Examples of impairments in physical or mental performance include, but are not limited to: slurred speech, difficulty walking or performing job activities;

j. Violation of any provision of this subparagraph 26.10 may result in termination of the Agreement and the CCO Contract. [Exhibit E, Paragraph 10].

26.11. *Pro-Children Act.* Subcontractor shall comply with the Pro-Children Act of 1994 (codified at 20 USC Section 6081 et. seq.). [Exhibit E, Paragraph 11].

26.12. *Clinical Laboratory Improvements.* Subcontractor and any laboratories used by Subcontractor shall comply with the Clinical Laboratory Improvement Amendments (CLIA 1988), 42 CFR Part 493 Laboratory Requirements and ORS 438, which require that all laboratory testing sites providing services under the CCO Contract shall have either a Clinical Laboratory Improvement Amendments ("CLIA") certificate of waiver or a certificate of registration along with a CLIA identification number. Laboratories with certificates of waiver will provide only the eight types of tests permitted under the terms of the waiver. Laboratories with certificates of registration may perform a full range of laboratory tests. [Exhibit E, Paragraph 14].

26.13. *OASIS.* To the extent applicable, Subcontractor shall comply with the Outcome and Assessment Information Set ("OASIS") reporting requirements and patient notice requirements for skilled services provided by Home Health Agencies, pursuant to the CMS requirements published in 64 FR 3764, 64 FR 3748, 64 FR 23846, and 64 FR 32984, and such subsequent regulations as CMS may issue in relation to the OASIS program. [Exhibit E, Paragraph 21].

26.14. *Patient Rights Condition of Participation.* To the extent applicable, Subcontractor shall comply with the Patient Rights Condition of Participation that hospitals must meet to continue participation in the Medicaid program, pursuant to 42 CFR Part 482. For purposes of this Exhibit, hospitals include short-term, psychiatric, rehabilitation, long-term, and children's hospitals. [Exhibit E, Paragraph 22].

26.15. *Federal Grant Requirements.* Subcontractor shall not expend any of the funds paid under the Agreement for roads, bridges, stadiums, or any other item or service not covered under the Oregon Health Plan ("OHP"). [Exhibit E, Paragraph 23].

26.16. *Title II of the Americans with Disabilities Act.* Subcontractor shall comply with the integration mandate in 28 CFR 35.130(d), Title II of the Americans with

Disabilities Act and its implementing regulations published in the Code of Federal Regulations. [Exhibit E, Paragraph 20].

27. Marketing. Subcontractor shall not initiate contact nor Market independently to potential Clients, directly or through any agent or independent contractor, in an attempt to influence an OHP Client's Enrollment with Contractor, without the express written consent of OHA. Subcontractor shall not conduct, directly, door-to-door, telephonic, mail, electronic, or other Cold Call Marketing practices to entice a Client to enroll with Contractor, or to not enroll with another CCO Contractor. Subcontractor shall not seek to influence an Client's Enrollment with the Contractor in conjunction with the sale of any other insurance. Furthermore, Subcontractor understands that OHA must approve, prior to distribution, any written communication by Subcontractor that (a) is intended solely for Members, and (b) pertains to provider requirements for obtaining coordinated care services, care at service site or benefits. [Exhibit B, Part 3, Paragraph 8].

28. Workers' Compensation Coverage. If Subcontractor employs subject workers, as defined in ORS 656.027, then Subcontractor shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirements for an exemption under ORS 656.126(2). [Exhibit F, Paragraph 1].

29. Third Party Resources.

29.1. *Provision of Covered Services.* Subcontractor may not refuse to provide Covered Services to a Member because of a Third Party Resource's potential liability for payment for the Covered Services. [Exhibit B, Part 8, Paragraph 9].

29.2. *Reimbursement.* Subcontractor understands that where Medicare and Contractor have paid for services, and the amount available from the Third Party Liability is not sufficient to satisfy the Claims of both programs to reimbursement, the Third Party Liability must reimburse Medicare the full amount of its Claim before any other entity, including Subcontractor, may be paid. In addition, if a Third Party has reimbursed Subcontractor, or if a Member, after receiving payment from a Third Party Liability, has reimbursed Subcontractor, the Subcontractor shall reimburse Medicare up to the full amount the Subcontractor received, if Medicare is unable to recover its payment from the remainder of the Third Party Liability payment. [Exhibit B, Part 8, Paragraph 9].

29.3. *Confidentiality.* When engaging in Third Party Resource recovery actions, Subcontractor shall comply with federal and State confidentiality requirements, described in Exhibit B of the CCO Contract. [Exhibit B, Part 8, Paragraph 9(m)].

29.4. *No Compensation.* Except as permitted by the CCO Contract including Third Party Resources recovery, Subcontractor may not be compensated for Work performed under the CCO Contract from any other department of the State, nor from any other source including the federal government. [Exhibit D, Paragraph 6].

29.5. *Third Party Liability.* Subcontractor shall maintain records of Subcontractor's actions related to Third Party Liability recovery, and make those records available for Contractor and OHA review.[Exhibit B, Part 8, Paragraph 9].

29.6. *Right of Recovery.* Subcontractor shall comply with 42 USC 1395y(b), which gives Medicare the right to recover its benefits from employers and workers' compensation carriers, liability insurers, automobile or no fault insurers, and employer group health plans before any other entity including Contractor or Subcontractor. [Exhibit B, Part 8, Paragraph 9].

29.7. *Disenrolled Members.* If OHA retroactively disenrolls a Member at the time the Member acquired Third Party Liability insurance, pursuant to OAR 410-141-3080(2)(b)(D) or 410-141-3080(3)(a)(A), Subcontractor may not seek to collect from a Member (or any financially responsible Representative) or any Third Party Liability, any amounts paid for any Covered Services provided on or after the date of Disenrollment. [Exhibit B, Part 8, Paragraph 9].

30. Preventive Care. Where Subcontractor provides Preventive Care Services, all Preventive Care Services provided by Subcontractor to Members shall be reported to Contractor and shall be subject to Contractor's Medical Case Management and Record Keeping responsibilities. [Exhibit B, Part 2, Paragraph 6(c)].

31. Accessibility.

31.1. *Timely Access, Hours.* Subcontractor shall meet OHP standards for timely access to care and services, taking into account the urgency of the need for services as specified in OAR 410-141-3220. This requirement includes that Subcontractor offer hours of operation that are not less than the hours of operation offered to Contractor's commercial members (as applicable) and non-Members as provided in OAR 410-141-3220. [Exhibit B, Part 4, Paragraph 10].

31.2. *Special Needs.* Subcontractor and Subcontractor's facilities shall meet the special needs of Members who require accommodations because of a disability or limited English proficiency. [Exhibit B, Part 3, Paragraph 4].

32. Member Rights.

32.1. *Treating Members with Respect and Equality.* If Subcontractor is a Participating Provider, Subcontractor shall treat each Member with respect and with due consideration for his or her dignity and privacy. In addition, Subcontractor shall treat each Member the same as other patients who receive services equivalent to Covered Services. [Exhibit B, Part 3, Paragraph 2].

32.2. *Information on Treatment Options.* If Subcontractor is a Participating Provider, Subcontractor shall ensure that each Member receives information on available treatment options and alternatives in a manner appropriate to the Member's condition and ability to understand. [Exhibit B, Part 3, Paragraph 2].

32.3. *Participation Decisions.* If Subcontractor is a Participating Provider, Subcontractor shall allow each Member to participate in decisions regarding his or her healthcare, including the right to refuse treatment, and decisions regarding coordination of follow up care. [Exhibit B, Part 3, Paragraph 2].

32.4. *Copy of Medical Records.* Subcontractor shall ensure that each Member is allowed to request and receive a copy of his or her medical records and request that they be amended or corrected as specified in 45 CFR 164.524 and 164.526. [Exhibit B, Part 3, Paragraph 2].

32.5. *Exercise of Rights.* Subcontractor shall ensure that each Member is free to exercise his or her rights, and that the exercise of those rights does not adversely affect the way the Subcontractor, its staff, its subcontractors, its Participating Providers, or OHA treat the Member. [Exhibit B, Part 3, Paragraph 2].

33. Grievance System. Subcontractor shall cooperate with DHS's Governor's Advocacy Office, the OHA Ombudsman and hearing representatives in all of the OHA's activities related to Members' grievances, appeals and hearings including providing all requested written materials. [Exhibit B, Part 3, Paragraph 5].

34. Authorization of Service. Subcontractor shall follow Contractor's procedures for the initial and continuing authorizations for services as defined in OAR 410-141-0000, which requires that any decision to deny a service authorization request or to authorize a service in an amount, duration or scope that is less than requested, be made by a Health Care Professional who has appropriate clinical expertise in treating the Member's health or mental health condition or disease in accordance with 42 CFR 438.210. In addition, Subcontractor must obtain authorization for Covered Services from Contractor, except to the extent prior authorization is not required in OAR 410-141-2420 or elsewhere in the CCO Contract Statement of Work. [Exhibit B, Part 2, Paragraph 4].

35. Non-Discrimination. Subcontractor shall not discriminate between Members and non- OHP persons as it relates to benefits and services to which they are both entitled. [Exhibit B, Part 4, Paragraph 2].

36. Record Keeping System. If Subcontractor is a Participating Provider, Subcontractor shall, based on written policies and procedures, develop and maintain a record keeping system that: (a) includes sufficient detail and clarity to permit internal and external review to validate encounter submissions and to assure Medically Appropriate services are provided consistent with the documented needs of the Member; (b) conforms to accepted

professional practice; and (c) allows the Subcontractor to ensure that data submitted to Contractor is accurate and complete by: (i) verifying the accuracy and timeliness of reported data; (ii) screening the data for completeness, logic, and consistency; and (iii) collecting service information in standardized formats to the extent feasible and appropriate. [Exhibit B, Part 8, Paragraph 1].

37. Enrollment; Unique Provider Identification Number. Each of Subcontractor's Physicians and other qualified providers, if any, shall be enrolled with OHA and have a unique provider identification number that complies with 42 USC 1320d-2(b). [Exhibit B, Part 8, Paragraph 16(h)].

38. Accreditation. If Subcontractor is a Participating Provider and provides programs or facilities that are not required to be licensed or certified by a State of Oregon board or licensing agency, then such programs or facilities operated by Subcontractor shall be accredited by nationally recognized organizations recognized by OHA for the services provided or The Joint Commission where such accreditation is required by OHA rule to provide the specific service or program. [Exhibit B, Part 8, paragraph 16].

39. Advocacy. Except as provided in the CCO Contract, Contractor shall not prohibit or otherwise limit or restrict Subcontractor's Health Care Professionals acting within the lawful scope of practice, from advising or advocating on behalf of a Member, who is a patient of the professional, for the following: (a) for the Member's health status, medical care, or treatment options, including any alternative treatment that may be self-administered, that is Medically Appropriate even if such care or treatment is not covered under the CCO Contract or is subject to Co-Payment; (b) any information the Member needs in order to decide among relevant treatment options; (c) the risks, benefits, and consequences of treatment or non-treatment; and (d) the Member's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions. [Exhibit B, Part 2, Paragraph 4].

40. Health Information Technology. Subcontractor shall comply with Contractor's policies and procedures relating to electronic health information exchange to support the exchange of patient health information among Participating Providers. [Exhibit B, Part 7].

41. No Actions. To the extent Subcontractor is a Participating Provider, Subcontractor represents and warrants that neither the state nor federal government has brought any past or pending investigations, legal actions, administrative actions, or matters subject to arbitration involving the Subcontractor, including key management or executive staff, over the past three years on matters relating to payments from governmental entities, both federal and state, for healthcare or prescription drug services.

42. Notice of Termination. Subcontractor acknowledges and agrees that Contractor will provide written notice of the termination of Subcontractor's agreement with Contractor to provide Covered Services to Members, within 15 days of such termination,

to each Member who received his or her care pursuant to this Agreement, or was seen on a regular basis by, the Subcontractor. [Exhibit B, Part 4, Paragraph 10(a)(8)].

43. Subrogation. Subcontractor agrees to subrogate to OHA any and all claims the Contractor or Subcontractor has or may have against manufacturers, wholesale or retail suppliers, sales representatives, testing laboratories, or other providers in the design, manufacture, marketing, pricing or quality of drugs, pharmaceuticals, medical supplies, medical devices, durable medical equipment or other products. [Exhibit B, Part 8, Paragraph 17].

EXHIBIT D
Business Associate Agreement

(Reference Section 4.4)

Yamhill County Care Organization, Inc.
807 N.E. Third Street
McMinnville, OR 97128

THE COMPANY

Yamhill County Health and Human
Services Department
627 N.E. Evans Street
McMinnville, OR 97128

BUSINESS ASSOCIATE

This Business Associate Agreement ("BAA") is between the Company and Business Associate.

Business Associate and the Company have entered into a *Business Associate Agreement* dated August 20, 2012 ("Agreement"). This Exhibit D supersedes the Agreement reference in the immediately preceding sentence. The parties' activities pursuant to the Agreement sometimes may involve (i) the disclosure of PHI by the Company (or another business associate of the Company) to Business Associate, (ii) the use or disclosure by Business Associate of PHI received from the Company and (iii) the transmission by Electronic Media or the maintenance in Electronic Media of Individually Identifiable Health Information by Business Associate. Accordingly, the relationship between the Company and Business Associate is subject to provisions of the HIPAA Rules. The Company and Business Associate intend to protect the privacy of PHI and the security of electronic PHI held by Business Associate in connection with the Agreement in compliance with this BAA, the HIPAA Rules and other applicable laws.

1. **Definitions**

Capitalized terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Rules.

(a) "Agent" means an agent as used and defined under the HIPAA Rules and federal common law.

(b) "Breach" has the same meaning as in 45 C.F.R. § 164.402.

(c) "Designated Record Set" has the same meaning as in 45 C.F.R. 164.501.

(d) "Discovery" means the first day on which a Breach is known, or reasonably should have been known, to Business Associate (including any person, other than the individual committing the Breach, who is an employee or officer of Business Associate) or any Agent or Subcontractor of Business Associate.

(e) "Effective Date" means the date first written above.

(f) "Electronic Media" means the same as in 45 C.F.R. § 160.103.

(g) "Electronic Protected Health Information" or "EPHI" means the same as in 45 C.F.R. § 160.103, limited for purposes of this BAA to EPHI received by Business Associate from, or received or created by Business Associate on behalf of, the Company.

(h) "Electronic Transactions Rules" means 45 CFR Part 162.

(i) "Fundraising" means raising funds for the Business Associate's own benefit as governed by 45 CFR § 164.514.

(j) "HIPAA Rules" means the Privacy Rules, the Security Rules, and the Electronic Transactions Rules.

(k) "Individual" means a person to which specific PHI applies.

(l) "Marketing" means the same as in 45 CFR § 164.501.

(m) "PHI" or "Protected Health Information" means the same as in 45 CFR § 160.103, limited for purposes of this BAA to PHI received by Business Associate or its Agent or Subcontractor from, or received or created by Business Associate, its Agent or Subcontractor on behalf of, the Company.

(n) "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information in 45 CFR Part 160 and Part 164, Subparts A and E.

(o) "Required by Law" mean the same as in 45 C.F.R. § 164.103.

(p) "Secretary" means the Secretary of the United States Department of Health and Human Services or the Secretary's designee.

(q) "Security Incident" means the same as in 45 CFR § 164.304.

(r) "Security Rule" means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C.

(s) "Subcontractor" means the same as in 45 C.F.R. § 160.103.

(t) "Unsecured PHI" means the same as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

2. Obligations and Activities of Business Associate

(a) Business Associate agrees to not use or disclose PHI other than as permitted or required by this BAA or as Required by Law.

(b) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this BAA.

(c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or a Subcontractor or Agent of Business Associate in violation of the requirements of this BAA.

(d) Business Associate agrees to report to the Company any use or disclosure of PHI by Business Associate or a Subcontractor or Agent of Business Associate not permitted under this BAA within five business days after Business Associate becomes aware of such disclosure.

(e) Business Associate agrees to report to the Company any Security Incident, Breach of Unsecured PHI or any use or disclosure of PHI that is not authorized by this BAA of which Business Associate becomes aware.

(f) Business Associate will ensure that any Subcontractor or Agent of Business Associate using or disclosing PHI has executed a business associate agreement containing substantially the same terms as this BAA, including the same restrictions and conditions that apply through this BAA to Business Associate with respect to such PHI. Business Associate will ensure that any Agent to whom Business Associate provides PHI received from, or created or received by Business Associate on behalf of, the Company has executed an agreement containing substantially the same restrictions and conditions that apply through this BAA to Business Associate with respect to such PHI. Business Associate will provide, upon written request by the Company, a list of any such Subcontractors of Business Associate and any Agents of Business Associate using or disclosing PHI.

(g) Business Associate will ensure that any permitted disclosure will be only as minimally necessary for the purpose of the disclosure.

(h) Business Associate agrees to provide access, at the reasonable request of, and in the time and manner designated by, the Company to PHI in a Designated Record Set, to the Company or, as directed by the Company, to an Individual in order to meet the requirements under 45 CFR § 164.524. If the Company requests an electronic copy of PHI that is maintained electronically in a Designated Record Set in Business Associate's custody or control or the custody or control of a Subcontractor or Agent of Business Associate, Business Associate will provide such PHI in the electronic format requested by the Company unless the PHI is not readily produced in such format, in which case Business Associate will provide another reasonable electronic format as agreed to by the parties and the Individual requesting such PHI.

(i) Within 30 days of receiving a request by the Company, Business Associate will document disclosures of PHI and information related to such disclosures in such form as would be required for the Company to respond to a request by an Individual for an accounting of disclosures in accordance with 45 C.F.R. § 164.528.

(j) Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set as directed or agreed to by the Company pursuant to 45 CFR § 164.526, at the request of the Company or of the Individual concerned.

(k) Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, the Company available to the Company or, at the request of the Company, to the Secretary or other regulatory official as directed by the Company, in a time and manner requested by the Company or such official for the purpose of determining the Company or Business Associate's compliance with the HIPAA Regulations.

(l) Business Associate agrees to implement administrative, physical, and technical safeguards (including written policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it receives from, or creates or receives on behalf of, the Company as required by the Security Rule. Business Associate will ensure that any Agent or Subcontractor to whom Business Associate provides EPHI agrees to implement reasonable and appropriate administrative, physical and technical safeguards to reasonably and appropriately protect the confidentiality, integrity and availability of such EPHI. Business Associate agrees to comply with Sections 164.306, 164.308, 164.310, 164.312, and 164.316 of title 45, Code of Federal Regulations with respect to all EPHI.

(m) In conducting any electronic transaction that is subject to the Electronic Transactions Rule on behalf of the Company, Business Associate agrees to comply with all requirements of the Electronic Transactions Rule that would apply to the Company if the Company were conducting the transaction itself. Business Associate agrees to ensure that any Agent or Subcontractor of Business Associate that conducts standard transactions with PHI of the Company will comply with all of the requirements with the Electronic Transactions Rule that would apply to the Company if the Company were conducting the transaction itself.

(n) Business Associate shall not disclose PHI to any member of its workforce unless Business Associate has advised such person of Business Associate's privacy and security obligations under this BAA, including the consequences for violation of such obligations. Business Associate shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI in violation of this BAA or applicable law.

(o) Business Associate shall notify the Company of any Breach without unreasonable delay, and in no case later than five business days after Discovery of the Breach. Business Associate will require its Subcontractors and Agents to notify the Company of a Discovery of a

Breach at the same time its Subcontractors and Agents notify the Business Associate and the following shall apply:

(1) Notice to the Company shall include, to the extent possible: (i) the names of the Individual(s) affected by the Breach; (ii) a brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known; (iii) a description of the types of Unsecured PHI that were involved in the Breach; (iv) any steps affected Individuals should take to protect themselves from potential harm resulting from the Breach; (v) a description of what Business Associate is doing to investigate the Breach, to mitigate harm to the affected Individual(s), and to protect against further Breaches; (vi) any notice Business Associate has given pursuant to 45 CFR § 164.404 and (vii) any other information that the Company reasonably requests.

(2) After receipt of notice, from any source, of a Breach involving PHI used, disclosed, maintained, or otherwise possessed by Business Associate or any Subcontractor or Agent of Business Associate, the Company may: (i) require Business Associate, at Business Associate's sole expense, to use a mutually agreed upon written notice to notify, on the Company' behalf, the affected Individual(s), in accordance with the notification requirements set forth in 45 CFR § 164.404, without unreasonable delay, but in no case later than sixty (60) days after discovery of the Breach; or (ii) elect to itself provide such notice. Business Associate shall indemnify, hold harmless, and defend the Company from and against any and all costs (including mailing, labor, administrative costs, vendor charges, and any other costs determined to be reasonable by the Company), losses, penalties, fines, and liabilities arising from or associated with the Breach, including without limitation, the costs of the Company' actions taken to: (i) notify the affected Individual(s) of and to respond to the Breach; (ii) mitigate harm to the affected Individual(s); (iii) respond to questions or requests for information about the Breach; and (iv) fines, damages or penalties assessed against the Company on account of the Breach of Unsecured PHI.

(p) Business Associate shall not use or disclose PHI that is genetic information, or sell (or directly or indirectly receive remuneration in exchange for), any PHI in violation of 45 CFR §164.502(a)(5).

(q) Business Associate shall not use or disclose PHI for Marketing or Fundraising purposes without prior written consent from the Company, subject to any conditions of such consent.

3. Permitted Uses and Disclosures by Business Associate

(a) Subject to this BAA and applicable law, Business Associate may use or disclose PHI in connection with functions, activities or services for, or on behalf of, the Company under the Agreement, provided that such use or disclosure would not violate the HIPAA Rules or the Company's own policies and procedures concerning compliance with the "minimum necessary" standard under 45 CFR § 164.502(b) if done by the Company.

(b) Business Associate may use and disclose PHI for the proper management and administration of Business Associate or to carry out the legal obligations of Business Associate, but only if:

(1) The disclosure is required by Law; or

(2) Business Associate receives reasonable assurances from any party to whom the PHI is disclosed that: (i) the PHI will be held confidentially by that party; (ii) the PHI will be used or further disclosed by that party only as required by law or for the purpose for which it was disclosed to that party; and (iii) the party agrees to notify Business Associate of any Breaches of which the party becomes aware.

4. Obligations of the Company

(a) The Company shall provide Business Associate with its notice of privacy practices produced in accordance with 45 CFR § 164.520 and any changes to such notice while this BAA is in effect.

(b) The Company shall provide Business Associate with any changes in or revocation of permission by any Individual for use or disclosure of PHI if such change or revocation affects Business Associate's permitted or required uses and disclosures of the PHI.

(c) The Company shall notify Business Associate of any restrictions on the use or disclosure of PHI that the Company has agreed to in accordance with 45 CFR § 164.522 to the extent that such restrictions affect Business Associate's use or disclosure of PHI.

5. Term and Termination

(a) This BAA shall be effective as of the Effective Date and shall terminate when all PHI provided is destroyed or returned to the Company, or, if it is infeasible to return or destroy PHI, as long as protections are extended to such PHI in accordance with (c)(2).

(b) Upon the Company obtaining knowledge of a material breach or violation of this BAA by Business Associate, the Company shall take one of the following actions:

(1) If the Company determines that the breach or violation is curable, the Company shall provide an opportunity for Business Associate to cure the breach or end the violation within a reasonable time period set by the Company, which shall not exceed 90 days. If the breach or violation is not cured or ended within the time set by the Company, the Company may: (i) immediately terminate this BAA and the Agreement; or (ii) suspend performance by the Company under the Agreement until such breach or violation is cured.

(2) If the Company determines that the breach or violation is not curable, The Company immediately terminate this BAA and the Agreement.

(3) If the Company determines that neither a termination of this BAA and the Agreement nor a cure of a breach or violation is feasible, the Company may take such other appropriate actions to remedy, correct or mitigate the breach or violation as the Company shall determine.

(4) In addition to the forgoing, the Company may immediately terminate this BAA and the Agreement if the Company determines that Business Associate has violated a material term of this BAA concerning the Security Rule.

(c) Effect of Termination.

(1) Except as provided in paragraph (c) (2), upon termination of this BAA for any reason, Business Associate shall return or destroy all PHI in possession of Business Associate, its Agents or Subcontractors. Business Associate, its Agents and Subcontractors shall retain no copies of the PHI.

(2) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to the Company notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this BAA to such PHI (including PHI held by Agents or Subcontractors of Business Associate) and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate, its Agents or Subcontractors maintain such PHI.

6. Indemnification

To the maximum extent permitted by Article XI, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 through 30.400), Business Associate agrees to indemnify and hold harmless the Company from direct losses and damages suffered as a result of Business Associate's breach of its obligations under this BAA, including but not limited to direct losses and damages relating to third party claims. The obligations under this Section 6 regarding indemnification will survive any expiration or termination of this Agreement.

7. Miscellaneous

(a) A reference in this BAA to a section in the HIPAA Rules means the section as in effect or as amended, and for which compliance is required.

(b) The Parties agree to take such action as is necessary to amend this BAA from time to time for the Company to comply with the requirements of the HIPAA Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191, as amended.

(c) The respective rights and obligations of Business Associate under 5 of this BAA shall survive the termination of this BAA.

(d) Any ambiguity in this BAA shall be resolved in favor of a meaning that permits the Company to comply with the HIPAA Rules and other applicable law. The section and paragraph headings of this Agreement are for the convenience of the reader only, and are not intended to act as a limitation of the scope or meaning of the sections and paragraphs themselves.

(e) Subject to the following, this Agreement shall not be assigned or otherwise transferred by a party without the prior written consent of the other party, which consent shall not be unreasonably withheld. However no such consent shall be required for either party's assignment or transfer of this Agreement in connection with a sale or transfer of all or substantially all of the business or assets of the assigning party.

(f) The invalidity of any term or provision of this Agreement will not affect the validity of any other provision. Waiver by any party of strict performance of any provision of this Agreement will not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision on the same or any other occasion.

(g) Any notices permitted or required by this BAA will be addressed to the receiving party at the address shown at the top of this BAA or at such other address as either party may provide to the other.

(h) This BAA may be executed in multiple counterparts, all of which together will constitute one agreement, even though all parties do not sign the same counterpart.

(i) To the extent of any inconsistency between any other agreement between the parties and this BAA, the provisions of this BAA shall prevail.

(j) This BAA supersedes any other business associate agreement in effect among or between the parties to this BAA.

IN WITNESS WHEREOF, the parties have caused this Business Associate Agreement to be executed on their behalf by their duly authorized representatives' signatures as of the dates set forth below.

YAMHILL COUNTY CARE ORGANIZATION, INC.

By: 
Name: James D. Carlough, Jr.
Title: Chief Executive Officer
Date: 02 December 2014

YAMHILL COUNTY BOARD OF COMMISSIONERS

By: 
, Chair
Date: 12-4-14


Silas Halloran-Steiner, Director
Department of Health and
Human Services

Date: 12/2/14

APPROVED AS TO FORM

By: 
Christian Boenisch
County Counsel

Date: 12/3/14

Accepted by Yamhill County
Board of Commissioners on
12-4-14 by Board Order
14-706

EXHIBIT E**Compensation**

(Reference Section 4.2 and 5.2)

Definitions:

The terms in this Agreement are set forth below and intended to align with terminology used by the Oregon Health Authority in CCO Contract # 143124 with Yamhill CCO to identify Behavioral Health Basic Service categories versus physical or dental Basic Service categories.

1. **Behavioral Health (BH)** : Behavioral Health is to include capitation dollar amounts awarded to Yamhill CCO in the following “Basic Service” categories:
 - a. **Mental Health Services**: Includes Inpatient and Non-inpatient Services
 - b. **Substance Use Disorders**: Includes Substance Use Disorders and/or Alcohol & Drug Residential Services.
 - c. **Other Services**: Periodically, components of “Other” services are intended for Behavioral Health (such as MH Children’s Wraparound, Assertive Community Treatment (ACT), and Supportive Employment (SE)) and not included in one of the “parent lines” above.
 - d. **Miscellaneous**: Any new Behavioral Health Service Categories added by OHA in the future.

2. **Shared Risk Services**: Shared Risk Services constitute only a portion of the total Yamhill CCO Behavioral Health capitation service dollars, and are typically funds used for services provided to high risk/ high cost patients. These are commonly alternatives to In-patient services that allow a client to be treated locally or in a less intensive setting.

3. **Shared Risk Target**: Yamhill CCO and YCHHS will meet at the beginning of each calendar year and set Category Targets based on prior year’s claim experience, and adjusted for any emerging material changes to business practices that would predictably impact the claim reimbursement pattern. If mutually agreeable to both parties, these percentages may be revised mid-year and would be included in the subsequent calendar year reconciliation.
 - a. **Categorical Target**: the target set for one of the Risk Service Categories.
 - b. **Total Target**: The sum of the Shared Risk Categorical targets and used in the Year End Risk Sharing Reconciliation.

4. **Shared Risk Service Categories and Sub-components**: Yamhill CCO and YCHHS will monitor the following Service Categories for the purposes of Risk Sharing and setting Risk Targets. Both parties will meet at the beginning of each subsequent new calendar year and define the categories of service to be included in developing the Shared Risk Target.
 - a. **Adult Mental Health Target**- Includes In-Patient & In-Patient Alternatives (IPA) such as Sub Acute Care for Adults as defined in 2014 by BCN, Yamhill CCO’s Behavioral Health delegate plan manager.

- b. **Children's Mental Health Target-** Includes In-Patient & In-Patient Alternatives (IPA) such as Sub Acute Care, PRTS (Psychiatric Residential Treatment Services), Children's Day Treatment, ICTS (Intensive Community Treatment Services- Wraparound), Mentors, or Treatment Foster Care as defined in 2014 by BCN for Yamhill CCO, but excludes Children's New Solutions.
- c. **Substance Use Disorders Target-** Includes Adult and Adolescent Alcohol & Drug Residential Services. Unless a preferred method is agreed to by both parties, the target will be derived from a forecast from the prior year average monthly claims for Alcohol & Drug Residential payments for children, adults, and detox.

Distribution of Behavioral Health Basic Services Capitation:

Monthly Distribution of Behavioral Health funds: Yamhill CCO administrative staff will work with its Administrative Services Organization (ASO) to process weekly 820 file and payments for sub-capitation distribution of Behavioral Health funds on a monthly basis and in the manner outlined below. The 2015 weekly payments for Basic Services shall first be reduced by any appropriate OHA taxes and further reduced by any Yamhill CCO board approved reserve or withhold. The following distribution will be used for 2015 and re-set at the beginning of subsequent calendar years. If mutually agreed to by both parties, these percentages may be revised mid-year.

For Delegated Functions rendered, Yamhill CCO agrees to compensate YCHHS by paying the following percentages of the capitated payment received by Yamhill CCO from OHA for Behavioral Health Services (Mental Health, Substance Use Disorders & Other) less any applicable OHA Adjustments. OHA Adjustments include pass-through payments such as I-IRA and MCO tax, referenced in the CCO Contract in Exhibit C, Attachment 1. In addition, YCHHS agrees to participate in any withhold program adopted by the Yamhill CCO Board of Directors from time to time, which may include a transformation fund, establishment of CCO risk reserves or other mechanisms to fund transformation initiatives, and may be documented in meeting minutes.

For purposes of OHA annual rate setting, Yamhill CCO will include the YCHHS Director, or designee, in OHA's rate evaluation and setting process.

1. OHA Mental Health Basic Service Capitation Distribution:

- a. Adult In-patient and In-Patient Alternatives: 6.28% of MH Revenue will be retained by Yamhill CCO and may be delegated to a Behavioral Health Plan Manager(s) for the payment of related service claims.
- b. Children's In-patient and In-Patient Alternatives: 6.20% of MH Revenue will be paid to YCHHS.
- c. Outpatient Adult and Children's Mental Health Services: 87.52 % of MH Revenue will be paid to YCHHS. Note this includes 100% of children's wraparound services listed Exhibit C, Attachment 1 of the OHA Contract as "Other".

2. OHA Substance Use Disorders Basic Service Capitation Distribution:

a. 100% of SUD Revenue will be paid to YCHHS.

3. Out of Plan or Fee For Service (FFS) MH and SUD claims paid by Yamhill CCO or its TPA: it is anticipated that as part of normal claims submission, Yamhill CCO or its Third Party Administrator (TPA) will pay some claims that are the responsibility of YCHHS. When approved by YCHHS, Yamhill CCO will reduce the monthly payment by the amount of claims paid by its TPA where the payment responsibility belonged to YCHHS.

Distribution of Behavioral Health Administration Capitation:

January 2015 begins a new Yamhill CCO effort to integrate Behavioral Health more closely with Physical and Dental services. To implement this plan, Yamhill CCO will use Behavioral Health administration funds in 2015 to accelerate this effort. The 2015 year's distribution is being set to accelerate the staffing needed for this Behavioral Health plan. Subsequent years will likely allocate Yamhill CCO administrative staff costs across Behavioral Health, Physical Health and Dental health in a more traditional cost allocation method. Both parties agree to review the Behavioral Health administration allocation annually to ensure that behavioral health is specifically supporting behavioral health services and health integration across Yamhill CCO.

Weekly OHA 820 files for Yamhill CCO shall be processed by Yamhill CCO or its delegate Administrative Services Organization (ASO), which calculates the Behavioral Health Administration portion with each file. The 2015 weekly administrative capitation payments shall first be reduced by any applicable OHA adjustments and further reduced by any Yamhill CCO board approved reserve or withhold. The remaining administration funding will be distributed as set forth below.

The 2015 distribution below has been based on the identified parties estimate of the costs to perform the administrative duties outlined in Exhibit E.1 below. If mutually agreeable to the parties in writing, these percentages may be revised mid-year but will be reset each new calendar year.

1. YCHHS – 44.75%
 - a. Authorize and manage Children's Mental Health In-Patient and In-Patient Alternatives,
 - b. Authorize and manage All Outpatient Adult and Children's Mental Health & Substance Use Disorders Services,
 - c. Authorize and manage Prevention, Peer Support Services and Consumer Run Organizations.
 - d. Maintain a reserve as needed for Behavioral Health transformation efforts
2. Yamhill CCO – 55.25%
 - a. Contracts, Quality Assurance, Compliance efforts
 - b. Pay fees to TPA for claims administration and reporting.
 - c. Fiscal and data management for Behavioral Health

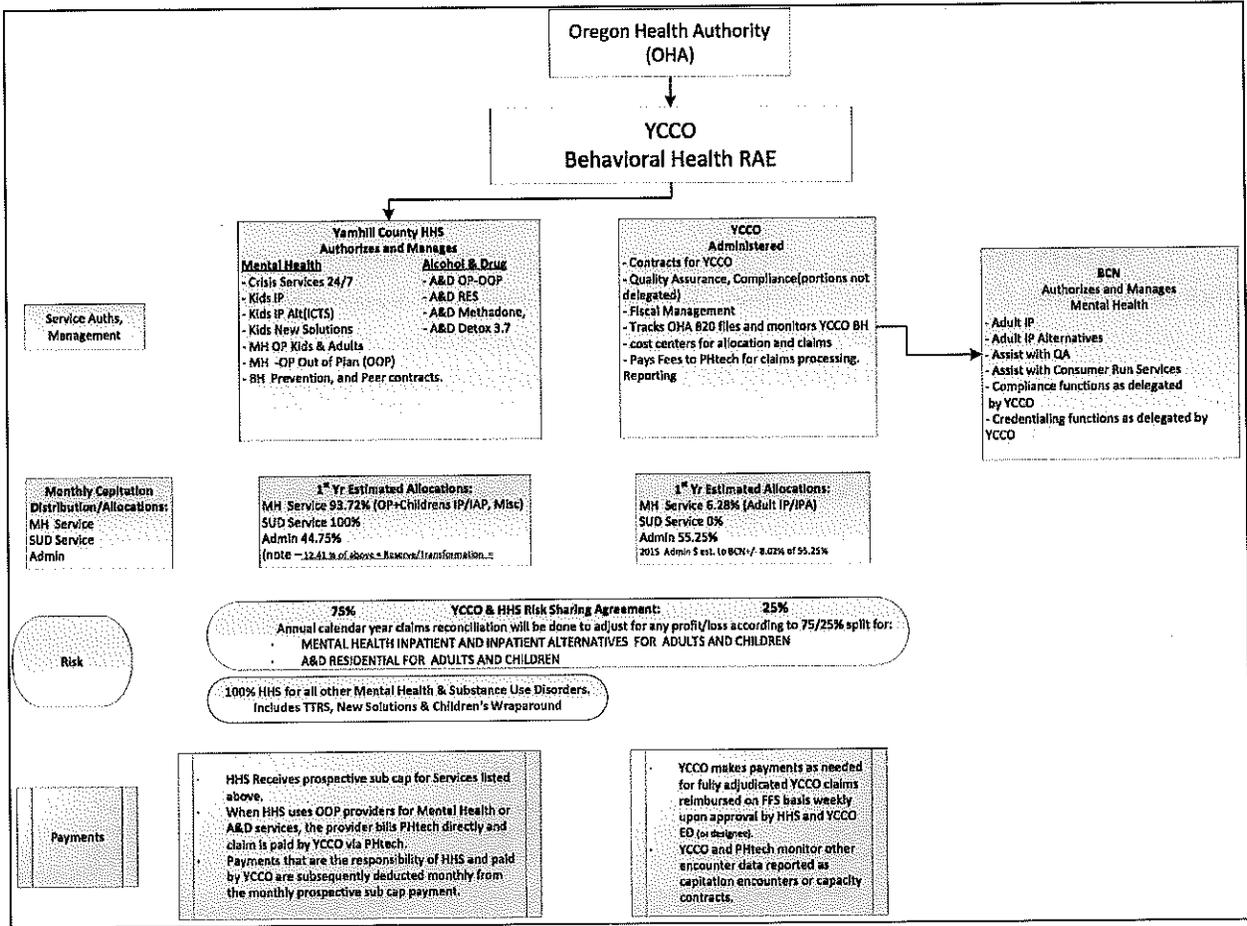
- d. Pay fees (included in the Yamhill CCO 55.25% total) to its delegate Adult In-Patient Plan manager(s) for :
 - i. Authorization, administration and management of Adult Mental Health In-Patient and In-Patient Alternatives Adult
 - ii. Assist in Compliance and Credentialing functions

Risk Sharing:

1. **Yamhill CCO and YCHHS Risk Sharing:** Yamhill CCO and YCHHS agree to establish Shared Risk Targets on specific Shared Risk Services. The parties agree to share the risk in the ratio of Yamhill CCO 25% and YCHHS 75% for any surplus or deficit. Yamhill CCO and YCHHS will meet at the beginning of each subsequent calendar year and set Risk Ratios.
 - A. **Shared Risk Target:** The initial target for 2015 will be as set forth below and revised each succeeding calendar year. The Target Total shall be \$1,852,500
 - B. **Shared Risk Service Categories:**
 1. **Adult Mental Health Target-** \$577,546
 2. **Children's Mental Health Target-** \$570,554
 3. **Substance Use Disorders Target-** \$704,400
2. **Shared Risk Reporting:** Yamhill CCO will produce quarterly reports showing claims paid by month in relation to the Shared Risk Target. In the event the report produces a claims forecast deviating from the Total Target by greater than +/- 15% in a 6 month period, or deviating by +/- 30% for any of the individual Categorical Targets, both parties will reconvene to update the targets.
3. **Shared Risk Annual Reconciliation:** This process will begin 120 days after each calendar year and completed within 180 days after end of that calendar year. Yamhill CCO staff, in conjunction with their behavioral health TPA (third party administrator) and YCHHS, will calculate the prior year's actual paid claims for the shared risk services, plus an estimate of any remaining IBNR (incurred but not reported) claims. Unless another more accurate method is mutually agreeable to both parties, the IBNR calculation will be comprised of an estimate of services authorized in the TPA system for the calendar year being reviewed, reduced by claims paid against those authorizations. Any surplus or deficit will be shared in the percentages set in the section above. If the actual IBNR for a reconciled period is later determined to deviate by more than +/- \$5,000 from estimated IBNR, that amount will be carried forward into the subsequent year annual reconciliation.

4.

Exhibit E.1



B.O. 14-706

EXHIBIT G
Reporting of Delivery System Network Providers,
Cooperative Agreements and Hospital Adequacy
(Reference Exhibit B, Part 4, Section 3(a)(2))

YCHHS shall cooperate with and assist Yamhill CCO to fulfill its obligations under Exhibit G of the CCO Contract entitled "Reporting of Delivery System Network Providers, Cooperative Agreements and Hospital Adequacy." Specifically, YCHHS shall submit to Yamhill CCO, thirty (30) days prior to the dates specified in Exhibit G of the CCO Contract, the information and supporting documentation referenced in Exhibit G of the CCO Contract necessary for Yamhill CCO to prepare Delivery System Network ("*DSN*") Reports as it relates to Mental Health Services and Substance Use Disorders Services that are Covered Services and YCHHS's Participating Providers.

EXHIBIT H

Transformation Plan

YCHHS shall assist and advise Yamhill CCO in amending its Transformation Plan in accordance with Exhibit K of the CCO Contract. Subject to the availability of funds, YCHHS shall implement the Yamhill CCO Board of Director-approved plans, timeline, benchmarks, milestones and deliverables included in Yamhill CCO's Transformation Plan, as they relate to the provision of Mental Health Services and Substance Use Disorders Services or coordination or integration of care across systems.

EXHIBIT I

Solvency Plan and Financial Reporting

Overview of Solvency Plan and Financial Reporting

1. **Background/Authority.** YCHHS shall maintain sound financial management procedures and demonstrate to Yamhill CCO through proof of financial responsibility that it is able to perform the delegated activities required under this Agreement efficiently, effectively and economically and is able to comply with the requirements of this Agreement and OAR 410-141-3340 through 410-141-3395. As part of the proof of financial responsibility, YCHHS shall provide assurance satisfactory to Yamhill CCO that YCHHS's provisions against the risk of insolvency are adequate to ensure the ability to comply with the requirements of this Agreement.

2. **Annual Audited Financial Statements.** YCHHS shall submit Audited Financial Statements to Yamhill CCO no later than 180 days following the last day of each YCHHS fiscal year that this Agreement is in effect, except as otherwise specified herein. Audited Financial Statements may be for all or part of YCHHS's business, but must include, at a minimum, financial statements for Yamhill CCO's Service Area and those funds impacted by Mental Health Services and Substance Use Disorders Services that are Covered Services for Members assigned to YCHHS by Yamhill CCO. Audited Financial Statements shall be prepared by an independent accounting firm. It is allowable to use existing financial audits as are required by YCHHS as a unit of local government. YCHHS will use the information from their Audited Financial Statements to assist Yamhill CCO, as needed, in preparing the following information:
 - a. **Balance Sheet(s).** The information specified in Report L5 of the CCO Contract, shall be included in the Audited Annual Balance Sheet of Corporate Activity or the accompanying notes or schedules to Financial Statements. YCHHS shall assist Yamhill CCO in updating the 4th quarter Financial Report for audit adjustments no later than 180 days following the last day of each YCHHS fiscal year that this Agreement is in effect.

 - b. **Statement of Revenue, Expenses and Changes in Fund Balance.** The information specified in Report L6 of the CCO Contract shall be included in the Audited Annual Statement of Revenue, Expenses and Changes in Fund Balance or the accompanying Notes to Financial Statements. YCHHS shall assist Yamhill CCO as needed in amending prior Quarterly Financial Report L8 for audit adjustments no later than 180 days following the last day of each YCHHS fiscal year that this Agreement is in effect.

 - c. **Statement of Cash Flow.** The information specified in Report L9 of the CCO Contract shall be included in the Audited Cash Flow Analysis for Corporate Activity or the accompanying Notes to Financial Statements. YCHHS shall assist Yamhill CCO as needed to allocate cash flow using the Indirect Method of Accounting, as described by Generally Accepted Accounting Principles (GAAP).

- d. Additional supplemental information as requested by Yamhill CCO in order to perform its contractual duties with the OHA contract #143124.
3. **Other Reports.** YCHHS shall assist Yamhill CCO with the following reports on an annual or quarterly basis, however, Yamhill CCO is responsible for reporting this information to OHA:
- (1) Report L2: Members Approaching or Surpassing Stop-Loss Deductible;
 - (2) Report L3: Restricted Reserves;
 - (3) Report L3.1 or L3.2: Secondary Reserve Requirement calculation (information may be provided for the contract activity with Yamhill CCO and/or for consolidated OHP activity, at YCHHS's discretion);
 - (4) Restricted Reserve bank account statement at quarter end;
 - (5) Report L8: Quarterly Statement of Revenue, Expenses and Changes in Net Assets Corporate Total and OHP Line of Business;
 - (6) Report L8.1: Adjusted and Unadjusted Medical Loss Ratios; Net Worth Requirement (information may be provided for the contract activity with Yamhill CCO and/or for consolidated OHP activity, at YCHHS's discretion);
 - (7) Report L10: Corporate Relationships of Contractors;
 - (8) Report L11: Disclosure of Compensation.
 - (9) Report L12: Financial Reporting Related to Alternative Payment Arrangements; and
 - (10) Report L12.1: Financial Reporting Related to Flexible Services.
4. **Assumption of Risk.** YCHHS assumes the risk for providing the Mental Health Services and Substance Use Disorders Services that are Covered Services required under this Agreement pursuant to Exhibit E, Compensation.
5. **Reserves.** Yamhill CCO will hold in its own Restricted Reserve Account an amount no less than the minimum amount required pursuant to Exhibit L of the CCO Contract. Yamhill CCO will not assess YCHHS for any portion of the Restricted Reserve Account required of Yamhill CCO pursuant to its CCO Contract obligations. YCHHS will hold reserves that are sufficient to maintain solvency under this Agreement.

