

**INTERLOCAL AGREEMENT  
BETWEEN THE COUNTIES OF: ADAMS, FERRY, LINCOLN, OKANOGAN,  
PEND OREILLE, STEVENS, AND SPOKANE  
FOR MENTAL HEALTH AND SUBSTANCE USE DISORDER TREATMENT AND  
SERVICES**

**1. PARTIES**

- 1.1. This Interlocal Agreement (hereinafter "AGREEMENT" or "ILA") is made by and between Adams County, Ferry County, Lincoln County, Okanogan County, Pend Oreille County, Stevens County and Spokane County (hereinafter referred to jointly as the "COUNTIES" or "PARTIES" or "PARTY"), each individually political subdivisions of the State of Washington, pursuant to Chapter 71.24 RCW (Community Mental Health Services Act) and Chapter 39.34 RCW (the Interlocal Cooperation Act).

**2. PURPOSE AND RECITALS**

- 2.1. Purpose of Agreement. This AGREEMENT acknowledges the mutual interest in jointly planning and coordinating mental health and substance use disorder treatment and services for individuals with mental illness and/or substance abuse disorders under agreements with the Department of Social Health Services (DSHS), the Division of Behavioral Health and Recovery (DBHR) and, potentially, other funders. The PARTIES desire to integrate and coordinate their respective mental health and substance use disorder services, strategies, actions and responsibilities within their respective jurisdictions. The PARTIES believe that it is in the public interest to cooperate in carrying out state and federal mental health and substance use treatment and services funding priorities, conducting meetings to determine and evaluate the performance outcomes, and plan for allocated funding. The purpose of this AGREEMENT is to facilitate an orderly transition of responsibility for administration of a Behavioral Health Organization (BHO) that will operate within the geographic boundaries of Adams, Ferry, Lincoln, Okanogan, Pend Oreille, Spokane, and Stevens Counties (jointly referred to as the COUNTIES) and the operation of the Spokane County Regional Behavioral Health Organization (SCRBHO) as the BHO for mental health and substance use disorder treatment and services provided pursuant to this agreement.
- 2.2. Agreement application. This AGREEMENT applies to all powers and duties of SCRBHO pursuant to RCW 71.24. 045, and such agreements as may hereafter be entered into between SCRBHO and the Department of Social and Health Services of the State of Washington, the Health Care Authority (HCA), the Department of Commerce (DOC), and/or any other state department or agency thereof.
- 2.3. Guiding Principles for SCRBHO Administration. SCRBHO will administer a BHO within and on behalf of the COUNTIES under the following guiding principles:

- 2.3.1. The primary goal is to ensure access to mental health and substance use disorder treatment and services for individuals of all ages in all COUNTIES, based on local need under SCRBHO;
- 2.3.2. The successful performance of this AGREEMENT will require partnerships designed to provide adequate access and care to individuals with mental illness and/or substance use disorders, and will include all levels of government;
- 2.3.3. SCRBHO will be responsible for coordinating and developing regional solutions to ensure that within available funding there are programs and services within the region for mental health and substance use disorder treatment;
- 2.3.4. All levels of government and the SCRBHO system of care must work cooperatively to provide the needed access and care to individuals with mental illness within the available resources, guidelines, contracts, and state and federal requirements set upon SCRBHO;
- 2.3.5. The PARTIES will collaborate regarding SCRBHO'S regional and county local common interests, needs, and concerns to facilitate communication with state legislators and each COUNTY'S community;
- 2.3.6. The PARTIES will collaborate as a collective body with significant interest in regional improvements associated with behavioral and physical health; and
- 2.3.7. Decisions must be outcome-based and sustainable within available resources.

### 3. ADMINISTRATION

- 3.1. For purposes of governing the SCRBHO, the Spokane Board of County Commissioners will act and function as the SCRBHO governing board.
- 3.2. The Spokane County Community Services, Housing, and Community Development Department (CSHCD) shall administer SCRBHO for the COUNTIES in accordance with the DSHS/DBHR guidelines, and General Terms and Conditions.
  - 3.2.1. The Spokane Board of County Commissioners, as necessary, will convene a workgroup of commissioners from each of the COUNTIES to respond to request of the COUNTIES or SCRBHO from DSHS/DBHR/HCA, particularly requests for letters of intent to be mid adopters of a fully integrated managed care model (FIMC). Each county retains its independent authority to determine whether it intends to be a mid-adopter of FIMC. To be a mid-adopter of FIMC, all counties in a Regional Service Area (RSA) must agree to the decision.
  - 3.2.2. SCRBHO shall continue to exist as a Prepaid Inpatient Health Plan, bearing the risk for the mental health and substance use disorder treatment services, and inpatient costs for the covered persons, pursuant to the DSHS/DBHR Contract for the COUNTIES.
  - 3.2.3. In the context of this AGREEMENT, SCRBHO is referred to as SCRBHO.

- 3.2.4. SCRBHO shall enter into contracts with the DSHS/DBHR, HCA, or DOC, or any other state department or agency.
- 3.2.5. Each COUNTY shall bear a share of the cost of mental health and substance use disorder services. Each COUNTY shall spend its funding allocation on mental health and substance use disorder services, per the contract with SCRBHO.
- 3.2.6. Pursuant to RCW 71.24.100, the Spokane County Treasurer shall be the custodian of the funds made available for the purposes of mental health and substance abuse services provided under this AGREEMENT. The Treasurer may make payment from such funds upon audit by the appropriate auditing officer of Spokane County, to ensure the provision of services under this AGREEMENT.
- 3.2.7. Upon execution of a contract with the DSHS/DBHR:
  - 3.2.7.1. SCRBHO shall fund SCRBHO administration, utilization management, information systems, Quality Review Team, Ombudsman, operating and risk reserves, and all other services that are not for direct mental health and substance use disorder treatment programs as permitted under the state contracts.
  - 3.2.7.2. Any reductions in DSHS/DBHR funding to SCRBHO will result in a separate reduction in each COUNTY'S funding under this AGREEMENT. Mental health and substance use disorder program reduction amounts will not be co-mingled unless funding is determined to be inadequate to meet the COUNTIES mental health and substance use disorder programs, SCRBHO state and federal contract requirements, and performance outcomes. Any reductions in funding allocations described in this paragraph shall be determined in a meeting described in paragraph 6.1 of this AGREEMENT.
- 3.2.8. Administration costs of SCRBHO shall not exceed the limits set by the contracts between SCRBHO and DSHS/DBHR. SCRBHO will be responsible for determining the needs, requirements, and cost of the administration of SCRBHO.
- 3.2.9. SCRBHO will be responsible for determining the needs, requirements, and cost of SCRBHO Information System and Utilization Management/Quality Assurance functions, which are allowed outside of the Administration cost limitation.
  - 3.2.9.1. All funds necessary for the administration of SCRBHO shall remain with SCRBHO to support the required processes identified in the DBHR/SCRBHO contract. SCRBHO will make a recommendation to Spokane County Commissioners for their approval regarding allocation of unexpended funds (if any) to the COUNTIES or to SCRBHO reserves.

3.2.10. SCRBHO will be responsible for maintaining risk and operating reserves required by DSHS/DBHR contracts for all COUNTIES. Risk reserves will be set aside prior to funding allocation distributions. When there are available operating reserves, SCRBHO and all COUNTIES will collaborate together to discuss how or when the funding may or may not be utilized.

3.2.10.1. SCRBHO will be responsible to follow the SCRBHO Reserve Payment Policy.

3.2.11. The cost reimbursement for any over usage of the state psychiatric hospitals beds will be paid by SCRBHO from the DBHR Contract with SCRBHO. Bed allocation is determined by the DSHS/DBHR contract with SCRBHO.

3.2.12. The cost of community psychiatric hospital and SCRBHO authorized evaluation and treatment facility bed days will be paid by SCRBHO from the DBHR Contract with SCRBHO.

3.2.13. Mental health and substance use disorder treatment programs and services funding allocations for each COUNTY will be separate. Funds allocated to COUNTIES' providers will be reviewed and approved based on available funds for the allocations set forth.

3.2.14. The SCRBHO is working on becoming a Limited Liability Company (LLC) as requested by the Washington State Auditor's Office.

### 3.3. Funding Allocation Approval

3.3.1. Each COUNTY shall ensure that a budget is provided to SCRBHO prior to funding allocation recommendations made to the Spokane County Commissioners. SCRBHO will review and incorporate the COUNTIES' budget proposals into the overall SCRBHO budget. SCRBHO will work with each County Coordinator to ensure that budgets presented address the requirements of the SCRBHO contract with DSHS/DBHR within the available funding provided by the state.

3.3.2. The Spokane Board of County Commissioners will approve the SCRBHO budget and funding allocations based on SCRBHO recommendations for administrative, information systems, and utilization management/quality assurance for SCRBHO (Administration).

3.3.3. The Spokane Board of County Commissioners will recommend the DSHS/DBHR funding for the COUNTIES' mental health and substance use disorder and services allocation based solely on the available DSHS/DBHR funding for the COUNTIES.

3.3.4. The COUNTIES and SCRBHO will work together in collaboration to propose needed revisions, approve collectively (and separately) each of their mental health and substance use disorder treatment programs and services, funding allocations based on the individual COUNTY'S budget for revenue/expenditures and the local community needs necessary to perform the requirements set by DSHS/DBHR and SCRBHO. Recommended and

agreed upon revisions will be reviewed with SCRBHO to ensure that contractual requirements are met and adequate funding is available for the revisions. SCRBHO will then provide the Spokane County Commissioners with an updated revision for their consideration and approval.

- 3.3.5. The County Commissioners of each COUNTY shall approve the funding allocations to the COUNTY over which they have jurisdiction, ensuring that they follow the agreements with SCRBHO. The COUNTIES and SCRBHO shall negotiate in good faith to reach an agreement regarding the funding allocations to each COUNTY. Upon agreement between each COUNTY and SCRBHO, the proposed agreement will be presented to the Spokane Board of County Commissioners for approval. When approving the final SCRBHO budget and funding allocations, the Spokane Board of County Commissioners shall consider SCRBHO's recommendations and each PARTY'S County Commissioners' approval for their respective County budgets.
- 3.3.6. SCRBHO will offer contracts to the COUNTIES' providers for the services required and funded by the DSHS/DBHR contracts, for COUNTIES to operate and maintain their respective mental health and substance use disorder treatment programs and services.
- 3.4. SCRBHO will contract directly with the providers for mental health and substance use disorder treatment.
- 3.5. The PARTIES recognize and acknowledge that the success of SCRBHO and the integrated mental health and substance use disorder system that it administers, depends upon the success and integrity of the entities and individuals that provide the services needed by the consumers of the system.
  - 3.5.1 In full recognition of the independent status of the mental health and substance use disorder provider agencies under this Agreement, each PARTY shall require that its mental health provider agency agrees to provide SCRBHO with notice of the separation from service of its Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Managing Officer, or any other such individual with the authority and responsibility for the overall control and operations of the provider agency, as soon as practicable after the agency is aware of or determines that such separation is to occur. In the spirit of collaboration and mutual interest, the COUNTIES, providers, and SCRBHO will discuss prospective candidates and work together to ensure the success of the provider agencies and SCRBHO.

#### 4. DATA COLLECTION

- 4.1. The COUNTIES' providers are each individually responsible for meeting the DSHS/DBHR and SCRBHO data collection and reporting requirements as identified by the DSHS/DBHR and SCRBHO contracts, including but not limited to: program setup parameters, creation of the program workflow into the SCRBHO Information System, testing the workflow for accuracy, entering and transmitting encounter and demographic level data on an accurate and timely basis.

- 4.1.1. All providers in the respective COUNTIES are responsible to ensure their information systems and staff processes are sufficient to meet SCRBHO contract requirements.
- 4.1.2. Reprogramming of all providers' internal information systems is the responsibility of the provider.

## 5. REOCCURRING MEETINGS

- 5.1. At a minimum, meetings will be held prior, if possible, to any DSHS/DBHR funding changes. Meeting attendees shall include, but will not be limited to: SCRBHO Leadership, County Commissioners, and County Coordinators. Meetings shall be for the purpose of determining the mental health and substance use disorder service and treatment funding allocation of the COUNTIES, and shall take into consideration each PARTY'S local community needs, including the needs of SCRBHO. Whenever possible, meetings will be initiated by SCRBHO with notice given ten (10) days in advance and with an agenda provided.
- 5.2. A regular scheduled workgroup for the following purposes:
  - 5.2.1. Information Systems; and
  - 5.2.2. Clinical/Quality System of Care/Contractual Updates.
- 5.3. As needed, the County Coordinator, County Commissioners or their designee, and SCRBHO Leadership Meeting;
  - 5.3.1. Financial/Contractual Updates; and
  - 5.3.2. Future Planning.
- 5.4. Ad Hoc meetings as necessary.

## 6. ADDENDA AND AMENDMENTS

- 6.1. Amendments. The PARTIES recognize that amendments to this AGREEMENT may be necessary to clarify particular sections or to update and expand the AGREEMENT. Any PARTY may pursue an amendment, as necessary.
- 6.2. Process for amending this Agreement. Any amendment to this AGREEMENT must be mutually agreed upon by the PARTIES and executed in writing before becoming effective. Any amendment to the AGREEMENT will be executed in the same manner as provided by law for the execution of the AGREEMENT.
- 6.3. An annual evaluation of SCRBHO will be performed for the purpose of reviewing the operations of SCRBHO for effectiveness and to provide input for SCRBHO consideration. Evaluations will be shared with the Spokane Board of County Commissioners.
- 6.4. Additional agreements. Nothing in this AGREEMENT limits PARTIES entering into interlocal agreements on additional issues not covered by, or in lieu of, the terms of this AGREEMENT.

**7. THIRD PARTY BENEFICIARIES**

- 7.1. There are no third party beneficiaries to this AGREEMENT, and this AGREEMENT shall not be interpreted to create such rights.

**8. DISPUTE RESOLUTION**

- 8.1. The PARTIES mutually agree, as a condition precedent to commencing any suit or action to enforce any term of this AGREEMENT, to submit any dispute or controversy regarding the interpretation or implementation of any provision of this AGREEMENT to formal mediation. Such mediation shall be conducted by a mediator and pursuant to the process agreed between the PARTIES. In the event the PARTIES are unable to agree upon a choice of mediator, each PARTY shall select one (1) mediator, and the two (2) mediators thus selected shall jointly select a third. All actions undertaken by any such joint mediation body shall be by majority decision. All costs for mediation services shall be divided equally between the participating PARTIES. Each PARTY shall be responsible for the costs of their own legal representation. The PARTIES shall use the mediation process in good faith to attempt to come to agreement.

**9. RELATIONSHIP TO EXISTING LAWS AND STATUTES**

- 9.1. This AGREEMENT in no way modifies or supersedes existing state laws and/or statutes. In meeting the commitments encompassed in this AGREEMENT, all PARTIES will comply with the requirements of the Open Meetings Act, Public Records Act, and other applicable federal, state and/or local laws. By executing this AGREEMENT, the PARTIES do not purport to abrogate the decision-making responsibility vested in them by law.

**10. EFFECTIVE DATE AND EXISTENCE OF MULTICOUNTY SCRBHO**

- 10.1. This AGREEMENT shall become effective September 1, 2017 upon the signature of the duly authorized representative of all PARTIES, indicating the approval of this AGREEMENT by the governing bodies of each PARTY hereto as indicated herein below, PROVIDED THAT the following occurs:
- 10.1.3. SCRBHO has determined that all financial, clinical data, and any other required information is received and is acceptable. In addition, all necessary processes are to be in place, in order that SCRBHO may operate a seven (7) county region of care.
- 10.1.4. **Failure of any PARTY to comply with either or both of these conditions will cause this AGREEMENT to be null and void as to that PARTY.**

## 11. TRANSITION

- 11.1. Upon the effective date of this AGREEMENT as described above in Section 10, the PARTIES shall cooperate and coordinate together to ensure that the transition from the currently existing Spokane County Regional Support Network to Spokane County Regional Behavioral Health Organization is completed. This transition was completed on April 1, 2016.

## 12. DURATION

- 12.1. This AGREEMENT shall automatically renew each year on the anniversary date of this AGREEMENT unless terminated pursuant to Section 13.1.

## 13. TERMINATION

- 13.1. The Spokane Board of County Commissioners may terminate this Agreement with all PARTIES immediately with written notice if the funds upon which the SCRBHO relied to establish this Agreement are: withdrawn; reduced; limited; or if additional or modified conditions are placed on such funding; or if other extraordinary funding circumstances arise. The termination shall be effective on the date specified in the notice of termination. The SCRBHO reserves the right to renegotiate the Agreement under any new funding limitations and/or conditions imposed upon the SCRBHO.
- 13.2. Any PARTY may terminate its obligations under this AGREEMENT upon a minimum of thirty days (30) days' written notice to the other PARTIES. The Spokane Board of County Commissioners may terminate the AGREEMENT relative to any one or more PARTIES hereto for convenience, upon a minimum of thirty days (30) days' written notice to all PARTIES in the event that the Spokane Board of County Commissioners determines that the PARTY against which the termination is intended to be effective has failed to perform under this AGREEMENT or under the Provider Services Contract then in force between SCRBHO and the PARTY.
- 13.3. A condition precedent to termination of this AGREEMENT by any PARTY to this AGREEMENT shall be that the PARTY considering termination shall engage in good faith discussions with the other PARTIES to this AGREEMENT as may be applicable, in an effort to identify and reach resolution of any issues or of the PARTIES that are the motivation to consider termination. Termination of this AGREEMENT may only be done pursuant to paragraph 13.1 above if the good faith discussions described in this paragraph are unsuccessful in resolving the identified issues and/or concerns.

## 14. INDEMNIFICATION AND LIABILITY

- 14.1. Each PARTY shall protect, save harmless, indemnify and defend, at its own expense, each OTHER PARTY to this AGREEMENT, the OTHER PARTIES' elected and appointed officials, officers, employees and agents, from any loss or claim for damages of any nature whatsoever arising out of the indemnifying

PARTY'S performance of this AGREEMENT, including claims by the OTHER PARTIES' employees or third parties, except for those damages caused solely by the negligence or willful misconduct of the OTHER PARTY(IES), its elected and appointed officials, officers, employees, or agents.

- 14.2. In the event of liability for damages of any nature, whatsoever arising out of the performance of this AGREEMENT by more than one of the PARTIES, including claims by the PARTIES' own officers, officials, employees, agents, volunteers, or third parties, caused by or resulting from the concurrent negligence of more than one of the PARTIES, their officers, officials, employees and volunteers, each PARTY'S liability hereunder shall be only to the extent of that PARTY'S negligence.
- 14.3. No liability shall be attached to the PARTIES by reason of entering into this AGREEMENT except as expressly provided herein.

## **15. SEVERABILITY**

- 15.1. If any provision of this AGREEMENT or its application to any person or circumstance is held invalid, the remainder of the provisions and/or the application of the provisions to other persons or circumstances shall not be affected.

## **16. EXERCISE OF RIGHTS OR REMEDIES**

- 16.1. Failure of any PARTY to exercise any rights or remedies under this AGREEMENT shall not be a waiver of any obligation by said PARTY and shall not prevent said PARTY from pursuing that right at any future time.

## **17. RECORDS**

- 17.1. EACH PARTY and SCRBHO shall maintain adequate records to document obligations performed under this AGREEMENT. Subject to all applicable laws and regulations governing the records maintained in performance of this AGREEMENT, which laws and regulations include but are not limited to privacy, security, and confidentiality laws (both state and federal), each PARTY and the Washington State Auditor shall have the right to review the other PARTIES' and SCRBHO's records with regard to the subject matter of this AGREEMENT, upon reasonable notice.

## **18. ENTIRE AGREEMENT**

- 18.1. This AGREEMENT constitutes the entire AGREEMENT between the PARTIES with respect to the administration of SCRBHO.

**19. GOVERNING LAW AND STIPULATION OF VENUE**

- 19.1. This AGREEMENT shall be governed by the laws of the State of Washington. Any action hereunder must be brought in the Superior Court of Washington for Spokane County.

**20. CONTINGENCY**

- 20.1. The obligations of the PARTIES in this AGREEMENT are contingent on the continued authority for the existence and administration of a Behavioral Health Organization, as organized under this AGREEMENT. In the event that authority for the existence and administration of a BHO, as organized under this AGREEMENT, is withdrawn, reduced or limited in any way after the effective date of this AGREEMENT, the PARTIES may terminate the AGREEMENT under Section 13.1 of this AGREEMENT, subject to renegotiation under those new limitations and conditions.

**21. FILING**

- 21.1. This AGREEMENT shall be filed with the Spokane County Auditor and placed on its website or other electronically retrievable public source.

**22. ADMINISTRATORS AND CONTACTS FOR AGREEMENT**

- 22.1. The Administrators and contact persons for this AGREEMENT are:

Adams County: Vicki Guse, Administrator

Ferry County: David Nielsen, Executive Director, NEW Alliance

Lincoln County, Mental Health: David Nielsen, Executive Director, NEW Alliance

Lincoln County, Substance Use Disorder: Darren Mattozzi, Executive Director

Okanogan County: Lalena Johns, Clerk of the Board

Pend Oreille County: Annabelle Payne, Director Counseling Services

Spokane County: Christine Barada, Director CSHCD

Stevens County: David Nielsen, Executive Director, NEW Alliance

IN WITNESS WHEREOF, the parties have signed this AGREEMENT, effective on the later date indicated below.

PASSED AND ADOPTED this 11<sup>th</sup> day of September, 2017.

**BOARD OF COUNTY COMMISSIONERS  
ADAMS COUNTY, WASHINGTON**

*Roger L. Westing*  
Chair

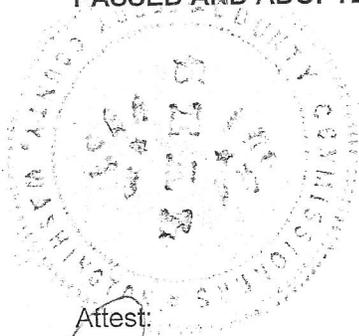
*[Signature]*  
Vice Chair

*[Signature]*  
Commissioner

Attest:

*Patricia Phillips*  
Patricia Phillips  
Clerk of the Board

PASSED AND ADOPTED this 17<sup>th</sup> day of October, 2017.



**BOARD OF COUNTY COMMISSIONERS  
FERRY COUNTY, WASHINGTON**

*[Handwritten signature]*

Chair

*[Handwritten signature]*

Vice Chair

*[Handwritten signature]*

Commissioner

Attest:

*[Handwritten signature]*

Amanda Rowton  
Clerk of the Board

PASSED AND ADOPTED this 5<sup>th</sup> day of September, 2017.



**BOARD OF COUNTY COMMISSIONERS  
LINCOLN COUNTY, WASHINGTON**

[Signature]  
Chair

[Signature]  
Vice Chair

[Signature]  
Commissioner

Attest:

[Signature]

Shelly Johnston  
Clerk of the Board  
Marei Patterson  
Deputy Clerk of the Board

APPROVED AS TO FORM:

[Signature]  
LL PROSECUTOR 15690  
9/5/17

PASSED AND ADOPTED this 17 day of October, 2017.

BOARD OF COUNTY COMMISSIONERS  
OKANOGAN COUNTY, WASHINGTON



Attest:

[Signature]  
Laleña Johns  
Clerk of the Board

[Signature]  
Chair Jim DeTco

[Signature]  
Vice Chair Chris Branch

**ABSENT**  
Commissioner Andy Hoover

PASSED AND ADOPTED this 5<sup>th</sup> day of September, 2017.

**BOARD OF COUNTY COMMISSIONERS  
PEND OREILLE COUNTY, WASHINGTON**

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Vice Chair

  
\_\_\_\_\_  
Commissioner

Attest:

  
\_\_\_\_\_  
Rhonda Cary  
Clerk of the Board

PASSED AND ADOPTED this 31st day of October, 2017.

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON



*Al French*

Al French, Chair

*Josh Kerns*

Josh Kerns, Vice-Chair

*Mary E. Kuney*

Mary Kuney, Commissioner

ATTEST:

*Ginna Vasquez*  
Ginna Vasquez, Clerk of the Board

17-0919

PASSED AND ADOPTED this 30<sup>th</sup> day of August, 2017.

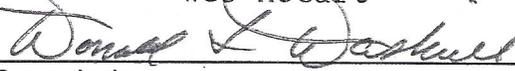
**BOARD OF COUNTY COMMISSIONERS  
STEVENS COUNTY, WASHINGTON**



Chair - Steve Parker

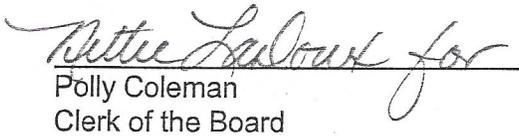


Vice Chair - Wes McCart



Commissioner - Don Dashiell

Attest:



Polly Coleman  
Clerk of the Board