

**Contract for Services
between the
State of Washington
DEPARTMENT OF VETERANS AFFAIRS
and
HANSEN HUNTER & CO. P.C.**

This Contract is made and entered into by and between the state of Washington, Department of Veterans Affairs, hereinafter referred to as the "**AGENCY**", and the below named firm, hereinafter referred to as "**CONTRACTOR.**"

HANSEN HUNTER & CO. P.C.
8930 S.W. Gemini Drive
Beaverton, OR 97008
Phone: (503) 244-2134
FAX: (503) 244-9754
Email: jmoore@hhc-cpa.com
WA State UBI Number: 601 073 936

I. PURPOSE

The purpose of this emergency contract is to provide a clinical audit with a special focus on Case-mix index with a report of findings for Washington Veterans Home in Retsil (facility) and one Intensive 3-day MDS/PPS class.

II. SCOPE OF WORK

- A. Exhibit A, attached hereto and incorporated by reference, contains the *General Terms and Conditions* governing work to be performed under this contract, the nature of the working relationship between the AGENCY and the CONTRACTOR, and specific obligations of both parties.

- B. The CONTRACTOR will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:
1. CONTRACTOR shall perform a Case Mix Review at the Washington Veterans Home (facility), which shall include, but not be limited to the following:
 - Review several medical records of residents (in this review, the focus will be on Medicaid cases). The sample will be selected using the facility's Assessment History Report from the MDS software program. Information from the Quality Measures will be considered, as well.
 - Interview key staff involved in the MDS assessment process to ascertain knowledge base and any potential misunderstandings/misinterpretations of coding guidelines.
 - Review of unit C.N.A. assignments and their charting during the audit to analyze if there was a distinct pattern of charting that might not be accurate.
 - Observe multiple C.N.A. staff on the day and evening shifts during resident care on the units and during at least one meal, and then evaluate the accuracy of their documentation based on their observed and reported ADL activities.
 - Interview C.N.A. staff as to their documentation practices:
 - How they determine what they will document for an entire shift of care;
 - How they document to care provided for another C.N.A.'s resident;
 - Interview the licensed nurses as to their involvement with ADL activities of residents and how they provide documentation for these encounters.
 - Review of Restorative Nursing Program and documentation.
 - Consideration of therapy services provided.
 - The review shall follow other "trails" of information that arise from record review and discussions with staff.

CONTRACTOR shall commence the Case Mix Review on April 26, 2016, and shall commit adequate resources to the Review until it is completed. It is estimated the Review shall take approximately three days to complete. CONTRACTOR shall perform the Case Mix Review in accordance with CONTRACTOR'S Firm Information Clinical Services brochure, attached hereto as Attachment B, and incorporated by reference.

2. The CONTRACTOR shall produce an In-depth report of findings with Executive Summary; Findings and Recommendations narrative analysis to include sample references, rationale for concern, regulatory references to support the finding, and recommendations for the facility (as well as agency-wide recommendations, if pertinent); Chart Observations detail that may be used, if desired, as a follow up for specific staff; and Confidential Sample List.

The in-depth report of findings (deliverables) shall be due within 45 days following the completion of the Case Mix Review. All written reports required under this contract must be delivered to John Robinson, the Contract Manager.

CONTRACTOR shall conduct one Intensive 3-day MDS Class, as described by and in accordance with Attachment C, attached hereto and incorporated by reference. The Intensive 3-day MDS class shall be held on July 6-8, 2016

- C. Attachment D, attached hereto and incorporated by reference, contains the *Business Associate Agreement*, which ensures that Protected Health Information (PHI) is appropriately safeguarded.

III. PERIOD OF PERFORMANCE

The period of performance under this contract will be from April 15, 2016, or date of execution, whichever is later, through September 30, 2016.

IV. DES FILING REQUIREMENT

The provisions of Chapter 39.26 RCW require the AGENCY to file this contract with the Department of Enterprise Services (DES) for review. The emergency contract must be filed within three working days following the date of contract execution or start of work, whichever occurs first.

V. COMPENSATION

Total compensation payable to CONTRACTOR for satisfactory performance of the work under this contract shall not exceed Twenty Six Thousand Dollars (\$26,000). CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

Fees for CONTRACTOR's services will be \$12,000 plus out of pocket expenses and travel costs for the clinical audit and \$8,000 plus out of pocket expenses and travel costs for the 3-day Intensive MDS class.

Expenses

CONTRACTOR shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by the AGENCY as reimbursable. The maximum amount to be paid to the CONTRACTOR for authorized expenses shall not exceed \$6,000, which amount is included in the contract total above.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. CONTRACTOR shall receive compensation for travel expenses at current state travel reimbursement rates.

VI. BILLING PROCEDURES AND PAYMENT

AGENCY will pay CONTRACTOR upon acceptance of services provided and receipt of properly completed invoices. Invoices shall be submitted to the Contract Manager upon submittal of CONTRACTOR's detailed report of findings, and upon completion of the Intensive 3-day MDS class.

The invoices shall describe and document, to the AGENCY'S satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the contract reference number 305C-16-041. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement.

Payment shall be considered timely if made by the AGENCY within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR.

The AGENCY may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the AGENCY.

VII. CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this contract.

CONTRACTOR Contract Manager Information	AGENCY Contract Manager Information
Jeffrey S. Moore HANSEN HUNTER & CO. P.C. 8930 S.W. Gemini Drive Beaverton, OR 97008 <i>Phone</i> : (503) 244-2134 <i>Fax</i> : (503) 244-9754 <i>Email address</i> : JMoore@hmc-cpa.com	John Robinson Department of Veterans Affairs P.O. Box 41150 Olympia, WA 98504-1150 <i>Phone</i> : (360) 725-2161 <i>Fax</i> : (360) 725-2197 <i>Email address</i> : JohnRo@dva.wa.gov

VIII. INSURANCE

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

The CONTRACTOR shall provide insurance coverage, which shall be maintained in full force and effect during the term of this contract, as follows:

1. Commercial General Liability Insurance Policy. Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than \$1,000,000 per occurrence.

Additionally, the CONTRACTOR is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

2. Professional Liability Insurance. CONTRACTOR shall secure and maintain liability insurance for professional services that are subject to this Contract. The minimum amount of \$1,000,000/\$3,000,000 per occurrence/aggregate will be kept in force during the duration of this Contract to cover all activities. Proof of insurance shall be provided to the AGENCY Contract Manager and filed in the contract file.

Additionally, the CONTRACTOR is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

3. The insurance required shall be issued by an insurance company/ies authorized to do business within the state of Washington, and shall name the state of Washington, its agents and employees as additional insureds under the insurance policy/ies.

All policies shall be primary to any other valid and collectable insurance. CONTRACTOR shall instruct the insurers to give AGENCY thirty (30) calendar days advance notice of any insurance cancellation.

CONTRACTOR shall submit to AGENCY within fifteen (15) calendar days of the contract effective date, a certificate of insurance that outlines the coverage and limits defined in the *Insurance* section. CONTRACTOR shall submit renewal certificates as appropriate during the term of the contract.

IX. ASSURANCES

AGENCY and the CONTRACTOR agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

X. ORDER OF PRECEDENCE

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

1. Applicable federal and state of Washington statutes and regulations
2. Special terms and conditions as contained in this basic contract instrument
3. Attachment A – General Terms and Conditions;
4. Attachment B – CONTRACTOR'S Firm Information Clinical Services brochure;
5. Attachment C – CONTRACTOR's MDS 3.0 Intensive Agenda;
6. Attachment D – Business Associate Agreement
7. Any other provision, term or material incorporated herein by reference or otherwise incorporated

XI. ENTIRE AGREEMENT

This contract, including referenced attachments, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, shall be deemed a part hereof.

XII. CONFORMANCE

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

XIII. APPROVAL

This contract shall be subject to the written approval of the AGENCY'S authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of seven (7) pages and four (4) attachment(s), is executed by the persons signing below, who warrant they have the authority to execute the contract.

HANSEN HUNTER & CO. P.C.

DocuSigned by:
Jeffrey S. Moore
8ADDF5306BCC49F...

Signature

Jeffrey S. Moore

Printed Name

Jeffrey S. Moore

Title

4/20/2016

Date

DEPARTMENT OF VETERANS AFFAIRS

DocuSigned by:
Erwin B. Vidallon
96B9146E3C40485

Signature

Erwin B. Vidallon

Printed Name

Chief Financial Officer

Title

4/21/2016

Date

APPROVED AS TO FORM:

Assistant Attorney General

Date

ATTACHMENT A

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

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

- A. "AGENCY" shall mean the Department of Veterans Affairs of the State of Washington, any division, section, office, unit or other entity of the AGENCY, or any of the officers or other officials lawfully representing that AGENCY.
- B. "AGENT" shall mean the Director, and/or the delegate authorized in writing to act on the Director's behalf.
- C. "CONTRACTOR" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the CONTRACTOR.
- D. "SUBCONTRACTOR" shall mean one not in the employment of the CONTRACTOR, who is performing all or part of those services under this contract under a separate contract with the CONTRACTOR. The terms "SUBCONTRACTOR" and "SUBCONTRACTORS" means SUBCONTRACTOR(s) in any tier.

2. ACCESS TO DATA

The CONTRACTOR shall provide access to data generated under this contract to AGENCY, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the CONTRACTOR'S reports, including computer models and methodology for those models.

3. ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the AGENCY.

4. AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

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

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

6. ASSIGNMENT

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the CONTRACTOR without prior written consent of the AGENCY.

7. ATTORNEYS' FEES

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

8. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The CONTRACTOR shall not use or disclose any information concerning the AGENCY, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the AGENCY, or as may be required by law.

9. CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the AGENCY may, in its sole discretion, by written notice to the CONTRACTOR terminate this contract if it is found after due notice and examination by the AGENT that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the CONTRACTOR in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the AGENCY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of a breach of the contract by the CONTRACTOR. The rights and remedies of the AGENCY provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the AGENT makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

10. COPYRIGHT PROVISIONS

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

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, CONTRACTOR hereby grants to the AGENCY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly

display. The CONTRACTOR warrants and represents that CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the AGENCY.

The CONTRACTOR shall exert all reasonable effort to advise the AGENCY, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The AGENCY shall receive prompt written notice of each notice or claim of infringement received by the CONTRACTOR with respect to any data delivered under this contract. The AGENCY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

11. COVENANT AGAINST CONTINGENT FEES

The CONTRACTOR warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the CONTRACTOR for securing business.

The AGENCY shall have the right, in the event of breach of this clause by the CONTRACTOR, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

12. DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

13. DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with AGENT.

1. The request for a dispute hearing must:
 - Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties;
 - State the CONTRACTOR'S name, address, and contract number; and
 - Be mailed to the AGENT and the other party's (respondent's) contract manager within 3 working calendar days after the parties agree that they cannot resolve the dispute.
2. The respondent shall send a written answer to the requester's statement to both the agent and the requester within 5 working calendar days.

3. The AGENT shall review the written statements and reply in writing to both parties within 10 working days. The AGENT may extend this period if necessary by notifying the parties.
4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution method in addition to the dispute resolution procedure outlined above.

14. DUPLICATE PAYMENT

The AGENCY shall not pay the CONTRACTOR, if the CONTRACTOR has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

15. GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

16. INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom.

CONTRACTOR'S obligations to indemnify, defend, and hold harmless includes any claim by CONTRACTORS' agents, employees, representatives, or any subcontractor or its employees.

CONTRACTOR expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to CONTRACTOR'S or any subcontractor's performance or failure to perform the contract. CONTRACTOR'S obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

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

17. INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The CONTRACTOR and his or her employees or agents performing under this contract are not employees or agents of the AGENCY. The CONTRACTOR will not hold himself/herself out as or claim to be an officer or employee of the AGENCY or of the State of Washington by reason hereof, nor will the CONTRACTOR make any claim of right, privilege or benefit that would

accrue to such employee under law. Conduct and control of the work will be solely with the CONTRACTOR.

18. INDUSTRIAL INSURANCE COVERAGE

The CONTRACTOR shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the CONTRACTOR fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, AGENCY may collect from the CONTRACTOR the full amount payable to the Industrial Insurance accident fund. The AGENCY may deduct the amount owed by the CONTRACTOR to the accident fund from the amount payable to the CONTRACTOR by the AGENCY under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the CONTRACTOR.

19. LICENSING, ACCREDITATION AND REGISTRATION

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

20. LIMITATION OF AUTHORITY

Only the AGENT or AGENT'S delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the AGENT.

21. NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the CONTRACTOR'S non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the CONTRACTOR may be declared ineligible for further contracts with the AGENCY. The CONTRACTOR shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

22. NONDISCRIMINATION

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

23. PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. CONTRACTOR shall ensure its directors, officers, employees, subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The CONTRACTOR agrees to indemnify and hold harmless the AGENCY for any damages related to the CONTRACTOR'S unauthorized use of personal information.

24. PUBLICITY

The CONTRACTOR agrees to submit to the AGENCY all advertising and publicity matters relating to this contract wherein the AGENCY'S name is mentioned or language used from which the connection of the AGENCY'S name may, in the AGENCY'S judgment, be inferred or implied. The CONTRACTOR agrees not to publish or use such advertising and publicity matters without the prior written consent of the AGENCY.

25. RECORDS MAINTENANCE

The CONTRACTOR shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

CONTRACTOR shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the AGENCY, personnel duly authorized by the AGENCY, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

26. REGISTRATION WITH DEPARTMENT OF REVENUE

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

27. RIGHT OF INSPECTION

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

28. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the AGENCY may terminate the contract under the "Termination for Convenience" clause, without the ten-day notice requirement, subject to renegotiation at the AGENCY'S discretion under those new funding limitations and conditions.

29. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

30. SITE SECURITY

While on AGENCY premises, CONTRACTOR, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

31. SUBCONTRACTING

Neither the CONTRACTOR nor any SUBCONTRACTOR shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the AGENCY. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the Department for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

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

32. TAXES

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the CONTRACTOR or its staff shall be the sole responsibility of the CONTRACTOR.

33. TERMINATION FOR CAUSE

In the event the AGENCY determines the CONTRACTOR has failed to comply with the conditions of this contract in a timely manner, the AGENCY has the right to suspend or terminate this contract. Before suspending or terminating the contract, the AGENCY shall notify the CONTRACTOR in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the CONTRACTOR shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The AGENCY reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the CONTRACTOR from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the CONTRACTOR or a decision by the AGENCY to terminate the contract. A termination shall be

deemed a "Termination for Convenience" if it is determined that the CONTRACTOR: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the AGENCY provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

34. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the AGENCY may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the AGENCY shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

35. TERMINATION PROCEDURES

Upon termination of this contract, the AGENCY, in addition to any other rights provided in this contract, may require the CONTRACTOR to deliver to the AGENCY any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

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

The rights and remedies of the AGENCY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the AGENT, the CONTRACTOR shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the AGENCY, in the manner, at the times, and to the extent directed by the AGENT, all of the rights, title, and interest of the CONTRACTOR under the orders and subcontracts so terminated, in which case the AGENCY has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the AGENT to the extent AGENT may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the AGENCY and deliver in the manner, at the times, and to the extent directed by the AGENT any property which, if the contract had been completed, would have been required to be furnished to the AGENCY;
6. Complete performance of such part of the work as shall not have been terminated by the AGENT; and
7. Take such action as may be necessary, or as the AGENT may direct, for the protection and preservation of the property related to this contract, which is in the possession of the CONTRACTOR and in which the AGENCY has or may acquire an interest.

36. TREATMENT OF ASSETS

- A. Title to all property furnished by the AGENCY shall remain in the AGENCY. Title to all property furnished by the CONTRACTOR, for the cost of which the CONTRACTOR is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the AGENCY upon delivery of such property by the CONTRACTOR. Title to other property, the cost of which is reimbursable to the CONTRACTOR under this contract, shall pass to and vest in the AGENCY upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the AGENCY in whole or in part, whichever first occurs.
- B. Any property of the AGENCY furnished to the CONTRACTOR shall, unless otherwise provided herein or approved by the AGENCY, be used only for the performance of this contract.
- C. The CONTRACTOR shall be responsible for any loss or damage to property of the AGENCY that results from the negligence of the CONTRACTOR or which results from the failure on the part of the CONTRACTOR to maintain and administer that property in accordance with sound management practices.
- D. If any AGENCY property is lost, destroyed or damaged, the CONTRACTOR shall immediately notify the AGENCY and shall take all reasonable steps to protect the property from further damage.
- E. The CONTRACTOR shall surrender to the AGENCY all property of the AGENCY prior to settlement upon completion, termination or cancellation of this contract
- F. All reference to the CONTRACTOR under this clause shall also include CONTRACTOR'S employees, agents or SUBCONTRACTORS.

37. U.S. DEPARTMENT OF TREASURY, OFFICE OF FOREIGN ASSETS CONTROL

The agency complies with U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) payment rules. OFAC prohibits financial transactions with individuals or organizations, which have been placed on the OFAC Specially Designated Nationals (SDN) and Blocked Persons sanctions list located at <http://www.treas.gov/offices/enforcement/ofac/index.html>.

Compliance with OFAC payment rules ensures that the agency does not conduct business with individuals or organizations that have been determined to be supporters of terrorism and international drug dealing or that pose other dangers to the United States.

Prior to making payment to individuals or organizations, the agency will download the current OFAC SDN file and compare it to agency and statewide vendor files. In the event of a positive match, the agency reserves the right to: (1) make a determination of "reasonability" before taking the positive match to a higher authority, (2) seek assistance from the Washington State Office of the State Treasurer (OST) for advanced assistance in resolving the positive match, (3) comply with an OFAC investigation, if required, and/or (4) if the positive match is substantiated, notify the contractor in writing and terminate the contract according to the Termination for Convenience provision without making payment. The agency will not be liable for any late payment fees or missed discounts that are the result of time required to address the issue of an OFAC match.

38. WAIVER

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the AGENCY.

ATTACHMENT B
Firm Information Clinical Services brochure

ATTACHMENT C
Intensive 3-day MDS Class Agenda

**ATTACHMENT D
BUSINESS ASSOCIATE AGREEMENT**

THIS BUSINESS ASSOCIATE AGREEMENT ("Agreement") is entered into this April 15, 2016, by and between Washington State Department of Veterans Affairs ("Covered Entity"), and HANSON HUNTER & CO. P.C. ("Business Associate").

RECITALS:

- A. Covered Entity, including facilities/agencies owned and operated by Covered Entity, is designated as a "Covered Entity," as defined by the federal Health Insurance Portability and Accountability Act of 1996 and its promulgating regulations ("HIPAA"), and as amended by the regulations promulgated pursuant to the Health Information Technology for Economic and Clinical Health Act ("HITECH").
- B. Business Associate has an underlying business relationship ("Underlying Contract") with Covered Entity, in which Business Associate performs functions or activities, or provides certain services, on behalf of Covered Entity.
- C. In the course of providing such services, Business Associate may have access to, receive from, maintain, transmit, create, and/or receive on behalf of Covered Entity, Protected Health Information ("PHI").
- D. Covered Entity and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to this Agreement and in order to comply with HIPAA and its implementing regulations including the Privacy Rule (defined below), the Security Rule (defined below) and the Breach Notification Rule (defined below).

NOW, THEREFORE, in consideration of these recitals and the mutual promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Covered Entity and Business Associate, intending to be legally bound, agree as follows:

AGREEMENT:

I. DEFINITIONS

- A. "Breach" shall have the meaning given to such term at 45 C.F.R. § 164.402.
- B. "Breach Notification Rule" shall mean the rule related to breach notification for Unsecured Protected Health Information at 45 C.F.R. Parts 160 and 164.
- C. "Electronic protected health information" or ("EPHI") shall have the same meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. §

160.103 limited to the information created or received by Business Associate from or on behalf of Covered Entity.

D. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification and Enforcement Rules.

E. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information, codified at 45 C.F.R. Parts 160 and Part 164, Subparts A and E.

F. "Protected Health Information" or "PHI" shall have the meaning given to such phrase under the Privacy and Security Rules at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of the Covered Entity.

G. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information, codified at 45 C.F.R. § 164 Subparts A and C.

H. "Unsecured PHI" shall have the meaning given to such phrase under the Breach Notification Rule at 45 C.F.R. § 164.402.

I. Other terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy, Security or Breach Notification Rules and the Underlying Contract. Where there is a conflict between meanings in either this Agreement together with the Privacy, Security or Breach Notification Rules and the Underlying Contract, then the meanings in this Agreement together with the Privacy, Security or Breach Notification Rules shall govern.

II. OBLIGATIONS OF THE PARTIES WITH RESPECT TO PHI.

A. Obligations of Business Associate. Business Associate shall:

1. Not use or disclose PHI other than as permitted or required by this Agreement or the Underlying Contract or as required by law;
2. Not use or disclose PHI in a manner that would violate the Privacy Rule if done by the Covered Entity, unless expressly permitted to do so pursuant to the Privacy Rule and this Agreement, provided that if Business Associate carries out one or more of Covered Entity's obligations under the Privacy Rule pursuant to the Underlying Contract, Business Associate shall fully comply with the Privacy Rule requirements that would apply to Covered Entity in the performing those obligations;

3. Use appropriate safeguards, and comply with the Security Rule at Subpart C of 45 CFR Part 164 with respect to EPHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;
4. Report to Covered Entity promptly, and in no case later than thirty (30) calendar days of Business Associate's discovery, any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, any Breaches of Unsecured PHI as required at 45 C.F.R. § 164.410, any security incident of which it becomes aware, or any breach as such may be defined under relevant state data breach laws ("State Law Breach"). Any notice of a Breach or State Law Breach referenced in this Section II.A.4 will include the results of the risk assessment in which Business Associate determined that there is more than a low probability that the PHI has been compromised based on the required factors set forth in 45 C.F.R. § 164.402 if the Breach is discovered on or after September 23, 2013, and to the extent possible, the identification of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired, used, or disclosed during such Breach. Notwithstanding anything set forth in this Agreement or the Underlying Contract, Business Associate shall be responsible for the cost of the risk assessment and any reasonable breach mitigation expenses and shall indemnify, defend and hold Covered Entity and its officers, directors, affiliates, employees, agents, successors and assigns harmless, from and against any and all losses, claims, actions, demands, liabilities, damages, costs and expenses (including costs, expenses incurred in notifying individuals, the media or government agencies in connection therewith) and any judgments, settlements, court costs and reasonable attorneys' fees actually incurred (collectively, "Breach Claims") arising from or related to: (i) the Business Associate's or any of its subcontractors' use or disclosure of PHI in violation of the terms of this Agreement or applicable law, and (ii) whether in oral, paper or electronic media, any HIPAA Breach of unsecured PHI and/or State Law Breach caused by Business Associate or any of its subcontractors. If Business Associate assumes the defense of a Breach Claim, Covered Entity shall have the right, at its expense, to participate in the defense of such Breach Claim. Business Associate shall not take any final action with respect to any Breach Claim without the prior written consent of Covered Entity. To the extent permitted by law, Business Associate shall be fully liable to Covered Entity for any acts, failures or omissions of its agents and subcontractors in furnishing the services as if they were the Business Associate's own acts, failures or omissions. Notwithstanding the preceding, the parties acknowledge and agree that this section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but unsuccessful Security Incidents (as defined below) for which no additional notice to Covered Entity shall be required. "Unsuccessful Security Incidents" shall include, but not be limited to, pings (*i.e.*, a request-

response utility used to determine whether a specific Internet Protocol [IP] address or host exists or is accessible) and other broadcast attacks on Business Associates's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized acquisition, access, use or disclosure of Protected Health Information;

5. Make available PHI in a designated record set to Covered Entity in the form and format as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.524 within ten (10) business days of receiving a request from Covered Entity;
6. Provide access, at the request of Covered Entity, and in no case later than ten (10) business days after such request, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual or third party designated by the Individual, in the form or format requested if it is readily producible in such form or format in order for the Covered Entity to meet the requirements under the Privacy Rule;
7. Make any PHI contained in a Designated Record Set available to Covered Entity (or an Individual as directed by Covered Entity) within ten (10) business days of a request for purposes of amendment per 45 C.F.R. §164.526. If an Individual requests an amendment of PHI directly from Business Associate or its Subcontractors, Business Associate shall forward the request to Covered Entity as soon as possible and within ten (10) business days;
8. Maintain and make available the information required to provide an accounting of disclosures to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.528. If an accounting of disclosures is requested by an individual directly to Business Associate, the Business Associate will forward the request to Covered Entity as soon as possible and within ten (10) business days;
9. To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s) and to the extent any such obligations involve disclosures of PHI to health plans, comply with the requirements of 45 C.F.R. § 164.522 regarding requested restrictions on health plan disclosures;
10. Make its internal practices, books and records, including policies and procedures, relating to the use and disclosure of PHI available to the Secretary of HHS and to Covered Entity for purposes of determining Covered Entity's compliance with the HIPAA Rules;

11. Use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI as required by the Security Rule. With respect to EPHI, Business Associate shall comply with all applicable state laws governing information security breaches;
12. Ensure that any agents and Subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate agree to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information. Business Associate shall ensure that any agent or Subcontractor to whom Business Associate provides EPHI agrees to implement reasonable and appropriate safeguards to protect EPHI.
13. To the extent permitted by law, cooperate with Covered Entity to ensure that legal process conforms with the applicable requirements of the HIPAA Rules, or, if necessary in Covered Entity's opinion, take appropriate measures to try to obtain a qualified protective order to limit or prevent the disclosure of PHI in the event of the receipt of a subpoena, court or administrative order or other discovery request.

B. Permitted Uses or Disclosures by Business Associate. Business Associate may use or disclose PHI only:

1. As necessary to perform the electronic health record software services, and related support services, set forth in the Underlying Contract, provided that Business Associate must be specifically authorized in writing by an authorized representative of Covered Entity to use PHI to de-identify the information in accordance with 45 C.F.R. § 164.514(a)-(c);
2. For its own proper management and administration;
3. As required by law;
4. If uses and disclosures and requests for PHI are consistent with Covered Entity's minimum necessary policies and procedures;
5. In a manner that would not violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except that Business Associate may use PHI to carry out the legal responsibilities of the Business Associate only if Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person agrees to notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached; and

6. To provide data aggregation services relating to the health care operations of Covered Entity only if authorized to do so in the Underlying Contract.

C. Covered Entity Privacy Practices and Restrictions.

1. Covered Entity shall notify Business Associate of any limitation(s) in the notice of privacy practices of Covered Entity under 45 C.F.R. §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
2. Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
3. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

III. TERM AND TERMINATION.

- A. Term. This Agreement shall be effective as of the date set forth above and shall continue until Business Associate ceases to perform the services defined in the Underlying Contract.
- B. Termination for Cause. Covered Entity may immediately terminate this Agreement in the event that Business Associate materially breaches any provision of this Agreement or the Underlying Contract.

In its sole discretion, Covered Entity may permit Business Associate the opportunity to cure or to take substantial steps to cure such material breach to Covered Entity's satisfaction within thirty (30) days after receipt of written notice from Covered Entity.

- C. Obligations of Business Associate upon Termination. Upon the expiration or termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, shall:
 1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

2. Return to Covered Entity or destroy all PHI in any form, including such information in possession of Business Associate's Subcontractors, and retain no copies, if it is feasible to do so;
3. If return or destruction is not feasible, extend all protections, limitations and restrictions contained in this Agreement to Business Associate's use and/or disclosure of any retained PHI, and to limit further uses and/or disclosures to only those purposes that make the return or destruction of the PHI infeasible;
4. Not use or disclose PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set forth above in section B under "Permitted Uses and Disclosures by Business Associate" which applied prior to termination.
5. Return to Covered Entity or destroy the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

This provision and the breach reporting provisions in Section II.A.4 shall survive the termination or expiration of this Agreement and/or any Underlying Contract.

IV. MISCELLANEOUS.

- A. Amendment. Amendments to this Agreement may be necessary to comply with modifications to the HIPAA Rules. Covered Entity and Business Associate agree to use good-faith efforts to develop and execute any amendments to this Agreement as may be required for compliance the HIPAA Rules. This Agreement may be amended or modified only in writing signed by Covered Entity and Business Associate.
- B. Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.
- C. Independent Contractor. For purpose of its obligations under this Agreement, Business Associate is an independent contractor of Covered Entity and shall not be considered an agent of Covered Entity.
- D. Limited Liability Exclusion. To the extent that Business Associate has limited its liability under the terms of the Underlying Contract, whether with a maximum recovery for direct damages or a disclaimer against any consequential, indirect or punitive damages, or other such limitations, all limitations shall exclude any damages to Covered Entity arising from Business Associate's breach of its obligations relating to the use and disclosure of PHI.

- E. Equitable Remedies. Business Associate stipulates that its unauthorized use or disclosure of PHI would cause irreparable harm to Covered Entity, and in such event, Covered Entity shall be entitled to institute proceedings in any court of competent jurisdiction to obtain damages and injunctive relief.
- F. Ownership of PHI. Under no circumstances shall Business Associate be deemed in any request to be the owner of any PHI used or disclosed by or to Business Associate by Covered Entity.
- G. No Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer, nor shall anything herein actually confer, upon any person other than Covered Entity, Business Associate and, to the extent specified above, their respective parent entities, subsidiaries, affiliates, facilities, insurers, employees, directors, officers, subcontractors, agents or other members of their respective workforces, successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- H. Waiver. No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.
- I. Assignment. Neither Party may assign (whether by operation of law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.
- J. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Facsimile or electronic signatures shall be treated as original signatures.
- K. Construction. This Agreement shall be construed as broadly as necessary to implement and comply with the HIPAA Rules. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

IN WITNESS WHEREOF, Covered Entity and Business Associate have executed this Agreement as of the date first set forth above.

HANSEN HUNTER & CO. P.C.

DocuSigned by:
Jeffrey S. Moore
By: 8ADD5306BCC49F...

Jeffrey S. Moore

Printed Name:

Jeffrey S. Moore

Title

WASHINGTON STATE DEPARTMENT OF VETERANS AFFAIRS

DocuSigned by:
Erwin B. Vidallon
By: 96B9146E3C40485

Erwin B. Vidallon

Printed Name

Chief Financial Officer

Title