This Systems Improvement Agreement ("the Agreement") is between the Centers for Medicare & Medicaid Services ("CMS"), a division of the United States Department of Health and Human Services ("DHHS"), Western State Hospital ("WSH"), Washington State Department of Social and Health Services ("WDSHS"), which is responsible for WSH, and the Washington Department of Health ("WDoH"), which is under contract with CMS to conduct survey and certification activity at WSH (collectively, "the Parties"). This Agreement is being executed and implemented to further the objectives of Titles XVIII and XIX of the Social Security Act, to facilitate the delivery of quality hospital services to the community served by WSH, and to promote WSH's consistent compliance with the Medicare Conditions of Participation ("CoPs") for Hospitals at 42 C.F.R. §§ 482.11-482.57, and Special Psychiatric Hospital CoPs at §§482.60-482.62.

Recitals

Whereas Western State Hospital (CCN#504003), a psychiatric hospital with 771 certified beds is owned and operated by WDSHS, and has participated in the Medicare program as a provider of services to Medicare beneficiaries.

Whereas The DHHS requires Medicare providers to be in substantial compliance with its CoPs and DHHS has delegated CMS responsibility for verifying that hospitals achieve and sustain compliance with the Medicare CoPs. To verify compliance, CMS surveys directly or works through WDoH to survey WSH periodically for compliance with the Medicare CoPs. WDoH, an agency for the State of Washington, performs these surveys pursuant to an agreement under Section 1864 of the Social Security Act with CMS.

Whereas After a complaint investigation and six (6) revisit surveys, CMS has determined that WSH has been unable to achieve and sustain compliance with Medicare CoPs. Through these surveys CMS discovered multiple episodes of immediate jeopardy and determined that WSH has failed to implement and sustain systems to provide treatment interventions, ensure patient safety and implement quality controls including:

1. On September 3, 2015, a complaint investigation determined that WSH did not meet certain Medicare CoPs.

2. A combined DHHS-WDoH survey on October 26, 2015, determined that WSH had not met six (6) CoPs at the immediate jeopardy level.

3. A revisit survey on November 24, 2015, determined that WSH had abated the six (6) immediate jeopardy situations, but remained out of compliance with the six (6) underlying CoPs.

4. A follow up survey on February 8, 2016, to assess for compliance with the two (2) special CoPs for psychiatric hospitals determined WSH did not meet one (1) of the two

(2) special psychiatric hospital conditions.

5. A survey was conducted on March 3, 2016, to determine whether the facility had made all necessary corrections found WSH out of compliance with five (5) CoPs. The findings included immediate jeopardies, which were abated, but WSH remained out of compliance with underlying CoPs.

6. On April 29, 2016, a complaint investigation survey of WSH was conducted and CMS cited immediate jeopardy level violations of the Medicare CoPs for Physical Environment and Patient Rights. WSH abated the immediate jeopardy situations.

Whereas CMS issued a termination notice to WSH dated March 1, 2016, that was effective April 1, 2016. To provide additional time to complete the administrative requirements for termination, by a notice of termination extension, CMS extended WSH's termination date to June 3, 2016.

Whereas after receiving CMS's notice of WSH's impending termination, WSH officers and directors pledged to correct its deficiencies and committed additional personnel and financial resources to achieving and sustaining compliance with all Medicare CoPs. Furthermore, WDSHS, the Washington State Legislature, and the Washington State Governor have committed to supporting sustainable systemic improvements that induce WSH to deliver quality care in a safe setting that meets all Medicare CoPs.

Whereas, during the ongoing events described in these Recitals, WDSHS has endeavored to improve the quality and safety of WSH including, but not limited to, the engagement of a new Chief Executive Officer and expert consultants to assist it in identifying and carrying out activities to improve quality and safety and simultaneously satisfy all Medicare CoPs.

Whereas CMS has determined that terminating WSH's Medicare Certification would have a detrimental impact on the communities WSH serves as well as the Medicare Program and its beneficiaries. In view of WSH's pledge to correct its deficiencies, CMS has decided that giving WSH another opportunity to achieve and sustain substantial compliance with all the Medicare CoPs would be in the best interests of the Medicare program and the communities that WSH serves. CMS desires to grant WSH that opportunity under conditions that enable CMS to closely monitor patient wellbeing and the facility's efforts.

NOW THEREFORE, in consideration of the mutual terms, conditions, promises, and covenants set forth by this Agreement, the Parties agree as follows:

1. Term and Scope of the Agreement: The term of this Agreement is for thirteen months from the effective date, unless any party terminates it in accordance with the provisions contained herein. The effective date shall be the date on which all parties have signed this Agreement. The Parties agree that DSHS, the parent agency for WSH, will work to ensure that WSH meets its obligations under this Agreement.

2. CMS Will Rescind Its Termination of WSH: By signing this Agreement into effect, CMS rescinds the termination of its Medicare Provider Agreement with WSH. Immediately after signing this Agreement, CMS will send WSH written notice confirming it has been rescinded. This action will last for up to the full term of this Agreement as long as CMS in its sole discretion finds that WSH is progressing toward full compliance with the Medicare CoPs. CMS reserves the right to reissue the termination if in its sole discretion CMS determines that proceeding with termination is in the best interests of the Medicare Program and the communities WSH serves. If CMS exercises its right to proceed with the termination of the Medicare Provider agreement, notice of such termination shall be provided in accordance with the notice requirements in 42 C.F.R. § 489.53(d).

AND IN CONSIDERATION for CMS rescinding termination of the Medicare Provider Agreement, WSH agrees to do the following at its own expense:

3. Identification, Notification, and Action on Safety and Quality Issues: WSH will ensure that at all times there is an effective system for identifying, reporting and analyzing allegations or investigations of mistreatment, abuse, neglect, assault, or other adverse events including immediate jeopardy or actual harm to residents at WSH. WSH agrees that within twenty-four (24) hours of detecting any such issues it will notify in writing the contact person CMS has designated in this Agreement. WSH agrees to analyze each such issue or event to identify systemic changes that can prevent recurrence, and timely action to implement such systemic changes. WSH agrees to address any urgent quality and safety concerns brought to its attention in enough time to prevent further harm to residents. Reporting requirements under this provision are in addition to and do not negate the existing Medicare survey and certification requirements and processes.

4. WSH Will Retain an Independent Expert Consultant or Consultants to Review its Operations: WDSHS will retain one or more Independent Expert Consultants to assist in carrying out the actions described in this Agreement. That Independent Expert Consultant will assign a team of Consultants to review WSH's operations and perform an on-site Gap Analysis, a Root Cause Analysis of identified gaps, and provide a list of recommendations at the conclusion of the review of WSH's operations. The Independent Expert Consultant Team will be comprised of a designated Lead Expert Consultant and any additional consultants the Lead Expert retains to provide the knowledge, expertise and national certification necessary to identify, evaluate and make recommendations to address deficiencies in WSH's operations. Following the acceptance of the Report by CMS, WDSHS shall either continue to utilize the Independent Expert Consultant Team or retain one or more additional independent expert consultants to serve as an independent Oversight Consultant(s) with respect to the Implementation and Oversight phase of this Agreement. WSH acknowledges CMS has five (5) days to review and approve of any additional independent expert consultant(s) it intends to retain for the Oversight phase of this Agreement.

a. Within in 30 days after signing this Agreement,WSH will provide CMS a roster of the

Independent Expert Consultant team(s) it proposes to utilize. The roster will identify each team member and describe their background and particular expertise in the areas of design implementation, management, and evaluation of hospital services, including, but not limited to: governing body, patient rights, quality assessment, performance improvement, medical staff, nursing services, pharmaceutical services, and infection control. The roster and supporting information will include the curriculum vitae and other pertinent information showing the qualifications and credentials each team member will contribute to performing tasks required by this Agreement.

i. The members of the Independent Expert Consultant Team(s) must be experts in conducting onsite review of psychiatric hospital's performance and Medicare compliance. At minimum, the team of experts will have qualifications and national certifications, as appropriate, related to their respective fields and areas of expertise. The experts may be obtained from more than one source.

ii. No person or entity that WSH, WDSHS or any other State Agencies employs, or affiliates with, currently or in the past twelve (12) months, may be included on the Independent Expert Consultant Teams. No member of the Independent Expert Consultant Team shall have a conflict of interest, unless CMS waives this requirement in writing. For this Agreement, a person has a conflict of interest if there is any situation involving a financial, private or personal interest that may affect or appear to affect that person's professional and objective exercise of their duties or obligations as specified in this Agreement. If WSH believes that successful performance of this Agreement requires using a person as a member of the Independent Expert Consultant Team who may have a conflict of interest, then it will write CMS and:

- identify that person;
- explain the nature and scope of the conflict;
- explain why WSH cannot obtain this person's skills from another source; and
- explain the steps WSH will take to monitor and mitigate the conflict of interest.

iii. The Parties acknowledge that WDoH and its sibling agency WDSHS are components of the Washington State Government, accountable to its Governor. By virtue of its Section 1864 agreement, however, WDOH is also under contract with CMS to conduct Federal Survey and Certification activities at WSH. The parties acknowledge and agree on the need to maintain the validity of the Federal survey process. The Parties agree that until CMS authorizes release, WDoH will keep confidential all aspects of ongoing Federal survey, certification, and enforcement actions at WSH including the planning, execution and documentation of Federal survey findings.

b. Within five (5) days after receipt from WSH, CMS will review the qualifications of the proposed roster of Independent Expert Consultants and decide whether to approve each team

member WSH proposes to utilize. CMS will inform WSH in writing of its decision whether to approve the members of the Independent Expert Consultant team WSH proposes. CMS will not unreasonably withhold its approval of the team members that WSH proposes. However, if CMS withholds approval of the team member or a particular consultant, then WSH will propose alternate candidates until CMS approves the Independent Expert Consultant Team.

c. WSH will sign a Business Associate Agreement with the Independent Expert Consultant(s) described in this Agreement that requires compliance with the Health Insurance Portability and Accountability Act.

5. WSH Will Direct the Independent Expert Consultants to Perform Certain Duties During the Analysis Phase of this Agreement: WSH will direct the Independent Expert Consultant team to perform the following activities and analyses:

a. GAP Analysis, Root Cause Analyses and List of Recommendations: WSH will direct the Independent Expert Consultant to designate a Lead Expert Consultant to oversee the Independent Expert Consultant team's performance and deliverables under this Agreement. These deliverables shall include performance of a Gap Analysis, Root Cause Analyses and development of a list of Recommendations.

i. Gap Analysis: In its Gap Analysis, the Independent Expert Consultant will analyze the structure and performance of WSH's systems and operations and identify all material gaps between its operations, industry accepted standards of practice and compliance with Medicare CoPs. The areas that the Gap Analysis will address include but are not limited to:

- Leadership/management and accountability mechanisms. This includes conducting an in-depth evaluation of WSH's governing body, management team and leadership structure and their ability to oversee a Corrective Action Plan (see below) and recommending changes to WSH's governing body membership, management or operations;
- Quality and appropriateness of services;
- Patient's rights protections;
- Qualified and supportive staffing resources; and
- Staff training and education.

The Gap Analysis will also include an assessment of WSH's Quality Assessment and Performance Improvement Program (QAPI) including but not limited to determining whether the program:

- continually operates and has adequate resources;
- effectively increases patient safety and improves quality of care;
- sufficiently demonstrates involvement by hospital leadership (including the governing body);
- widely disperses its activities throughout the hospital;
- adequately collects and analyzes data;
- diligently uses data to drive its decision making, including in its processes for

determining the selection of tracking measures that comply with 42 C.F.R. § 482.21 concerning tracking, measuring and analyzing adverse patient events; and

- clearly demonstrates the program has a process for developing, implementing and evaluating its performance improvement projects and activities.

ii. Root Cause Analysis: For each gap that the Independent Expert Consultant Teams identifies, the Independent Expert Consultant will analyze the Root Causes of these gaps, meaning the obstacles and system failures that are preventing or impeding WSH from achieving and sustaining safe and acceptable practices for providing hospital services that are in compliance with the Medicare CoPs. As part of the Root Cause Analysis, the Independent Expert Consultant will:

- identify and define problems;
- investigate and collect supporting information; and
- analyze and identify the root causes.

iii. Report and List of Recommendations: The Independent Expert Consultant will provide a Report on the results of the analyses required under this provision. The Report must include a list of recommendations for changes and improvements that are necessary for WSH to achieve substantial compliance with all Medicare CoPs. These recommendations shall form the basis for a Corrective Action Plan.

b. Delivery of Report to CMS and Release to WSH: The Report will be due to CMS no later than Sixty (60) days after the date CMS approves the Independent Expert Consultants for the Analysis Phase of this Agreement. The Lead Expert Consultant will write and submit an Initial Report to CMS. CMS will send WSH the report within three (3) days of receiving it. If at any time, during the performance of its duties, the Independent Expert Consultant identifies safety concerns, they will immediately notify WSH leadership, to enable the hospital to meet its obligation in section three (3). CMS may require the Independent Expert Consultant to meet with CMS to discuss the Initial Report and to revise it before CMS accepts it. CMS will review the Initial Report and notify the Independent Expert Consultant(s) of any changes within fifteen days of receipt. After CMS completes its review of the Initial Report, it will send the Independent Expert Consultant Team written notice of CMS's acceptance of the Report. The Independent Expert Consultant Team will have five (5) days after receiving CMS's acceptance of the Report to forward the CMS-accepted version to WSH. Along with its notice that it has reviewed and accepted the Report, CMS will inform WDSHS and the responsible Independent Expert Consultant(s) of the due date for submission of a Corrective Action Plan.

6. WSH Will Develop and Submit a Corrective Action Plan: In collaboration with the Independent Expert Consultant and if WSH names a separate consultant, the Oversight Consultant whose duties are defined below, WSH will write a detailed Corrective Action Plan that addresses the List of Recommendations contained in the Report. The Corrective Action Plan will identify the specific actions WSH will take, including the persons responsible and milestones to achieve and sustain substantial compliance with all the Medicare CoPs including the special conditions for Psychiatric

Hospitals. The Corrective Action Plan must include:

a. Identifying the actions WSH must take to correct all deficiencies found in each service/functional area;

b. Establishing a timeline of activities (the Timeline) including a detailed list of milestones and completion dates for each corrective action:

i. The Timeline must be approved by CMS before it is adopted;

ii. The Timeline will leave at least a ninety (90) day "window" after WSH completes the Corrective Action Plan and before the Agreement's term ends for CMS or its agent to conduct Federal survey activities; and

iii. The Timeline will include a schedule of bi-weekly meetings - conducted by conference call or in person - to discuss WSH's progress in implementing the Corrective Action Plan. The Parties may agree to change the frequency of the scheduled meetings without amending this Agreement.

c. Revisions to the Corrective Action Plan: CMS may require revisions to the Corrective Action Plan and Timeline before CMS accepts it. Within five (5) days after CMS approves the Corrective Action Plan, the Oversight Consultant will give the plan to WSH. The Parties agree CMS's acceptance of the Corrective Action Plan amends this Agreement to incorporate the Timeline including the window for survey and certification activity described above. CMS will notify the Oversight Consultant within fifteen (15) days of any necessary changes; and

d. After CMS has accepted WSH's Corrective Action Plan, the Oversight Consultant will oversee and monitor WSH's performance of the Corrective Action Plan. The Oversight Consultant will also continue to serve as CMS's Point of Contact while WSH implements the Corrective Action Plan.

7. WSH will Implement the Corrective Action Plan and Direct the Oversight Consultant to Perform Monitoring: Before developing the Corrective Action Plan, WSH shall engage one or more Independent Oversight Consultants to oversee and monitor WSH's operations for the remaining term of this Agreement. This role shall be referred to as the "Oversight Consultant" and shall be subject to the same CMS approval process that applies to selecting the Independent Expert Consultant Team under this agreement. The Oversight Consultant may or may not be the same consultant as the Independent Expert Consultant utilized during the Analysis Phase. The Oversight Consultant will work on-site as needed to accomplish the following consulting oversight and monitoring duties to ensure WSH's completion of the approved Corrective Action Plan:

a. The Oversight Consultant will serve as the point of contact for CMS and CMS's designated agents. As point of contact, the Oversight Consultant will confer with CMS either in-person or by telephone as necessary to update CMS on the status of WSH operations and the

actions necessary for it to achieve and sustain substantial compliance with the Medicare CoPs ("Substantial Compliance"). "Substantial Compliance" means no events or circumstances where the deficiencies are of such character as to substantially limit the hospital's capacity to furnish adequate care or which adversely affect the health and safety of patients (42 C.F.R. § 488.24(b)).

b. The Oversight Consultant will compile and submit monthly reports of ongoing improvement and corrective action activities at WSH and other necessary updates to CMSby the 10th calendar day of each month. WDSHS will receive a copy of the monthly reports within five (5) days of submission to CMS. The Monthly Status Reports must describe the following:

i. Progression and status of WSH's implementation of the Corrective Action Plan;

ii. Any problems or other issues that may jeopardize successful implementation of the Corrective Action Plan;

iii. Any Actions underway to address identified problems; and

iv. Documentation of the number of consultant hours onsite and the results achieved.

c. At CMS's discretion, these reports may be followed by face-to-face or telephone conference discussions between the Oversight Consultant and CMS as needed. Any such discussions willbe confidential between CMS and the Oversight Consultant.

8. Federal Certification Survey: WSH acknowledges CMS may authorize a federal certification survey of WSH's compliance with all the Medicare CoPs at any time after WSH completes the Corrective Action Plan as described by the timeline incorporated into this Agreement.

9. WDSHS Resource Allocation: As outlined in Governor Inslee's December 2015 budget the Washington State Legislature passed a budget bill that included several funding allocations aimed at improving safety and quality at WSH including:

- 15% increase in pay for Social Workers and Psychologists;
- 10% increase (above previously authorized 15% increase) in pay for Psychiatrists and Physicians; CME funding; and extra duty pay;
- Recruitment and retention bonuses for RNs;
- Increased assignment pay for RNs working 12 hour weekend shifts;
- On-site safety compliance officer;
- Oversight and reporting consultant;
- External consultants to examine staffing practices;
- 51 additional RNs;

- 60 full time equivalent staff expenditures for increased one to one patient monitoring;
- 30 additional staff to provide active treatment and engagement;
- Collaboration with the University of Washington to develop a forensic teaching unit at WSH; and
- $ 6.8 million in a Governor's Behavioral Health Innovation Fund to improve the quality of patient care as well as patient and staff safety.

For the term of this Agreement WDSHS agrees it will maintain the level of commitment of financial and personnel resources allocated by the Washington State Legislature for WSH.

10. The Parties further understand and agree that:

a. CMS Retains its Survey Certification and Enforcement Authority: Notwithstanding any provision of this Agreement or any document generated pursuant to it, CMS retains full legal authority for CMS or its designated agents, including WDoH under the Section 1864 Agreement, to investigate complaints, conduct unannounced surveys and otherwise evaluate WSH's compliance with Medicare CoPs at any time. Nothing in this Agreement should be construed as limiting or otherwise interfering with CMS' enforcement authority in the event that CMS finds WSH is not in substantial compliance with the Medicare CoPs. To this end, CMS or its designated agents can survey WSH and take any legally authorized enforcement action up to and including terminating Medicare's provider agreement with WSH in accordance with the notice requirements in 42 C.F.R. § 489.53(d). After notifying WSH of any survey findings, however, CMS will give WSH an opportunity to meet with CMS to provide information and discuss any deficiencies.

b. CMS May Share Information with the Consultants. CMS may provide the Independent Expert Consultants and/or Oversight Consultant with information acquired during the course of this Agreement that may be relevant to developing or implementing the Corrective Action Plan. CMS will provide WSH with the opportunity to provide information about any deficiencies identified during any investigation or survey and to meet with CMS to discuss the findings.

c. A Successful Survey will Establish Substantial Compliance. After WSH completes its Corrective Action Plan, if a Medicare certification survey demonstrates that WSH is substantially in compliance with all Medicare CoPs, CMS will send notice that WSH has achieved substantial compliance.

d. After an Unsuccessful Survey CMS will Reissue the Termination. After WSH completes its Corrective Action Plan, if a Medicare certification survey demonstrates that WSH has Condition-level non-compliance in one or more of the Medicare CoPs, CMS will reissue the termination that it rescinded pursuant to this Agreement. If CMS reissues the termination, it will give WSH written notice consistent with requirements of 42 C.F.R. § 489.53(d). In determining whether to reissue the termination, CMS will rely solely on the results of the Medicare certification survey this Agreement requires as the basis for termination and CMS will not use

the deficiency findings from the prior surveys referenced in the Recitals.

e. WSH is Responsible for its Medicare Compliance. WSH remains solely responsible for achieving and sustaining substantial compliance with all applicable Medicare CoPs and may not transfer this responsibility to any third party.

f. CMS is not Required to Give Technical Assistance. CMS is not responsible for providing either WSH or its Independent Expert Consultants with technical advice or resources for meeting WSH's obligations under its existing Medicare Provider Agreement.

g. Time Counts are Calendar Days not Business Days. Unless provisions of this Agreement specifically indicate otherwise, a reference to the number of days refers to "calendar days" according to Pacific Time rather than to "business days." When a deadline falls on a weekend day the item will be due the following Monday. When a deadline falls on a holiday, the item will be due on the following business day. Any deadlines or time parameters referenced in this Agreement may be extended at the sole discretion and written approval of CMS. WSH, the Independent Expert Consultant or Oversight Consultant as applicable shall submit a written request for a deadline extension to CMS that states the amount of time sought and explains why an extension is needed.

h. WSH Waives its Administrative Appeal and Other Litigation Rights. Other than submitting a request to CMS for informal reconsideration, which CMS in its sole discretion may grant or deny, neither WDSHS or WSH shall file or otherwise start any action or suit against the United States, WDoH, CMS (including its officers, employees, and agents, which includes WDSHS when acting solely as an agent of CMS), or any other component of the Federal Government in any administrative or judicial forum with respect to the Medicare surveys and enforcement actions regarding WSH, during the term of this Agreement. If WSH or WDSHS wishes to dispute any action taken by or on behalf of CMS under this Agreement, as it relates to WSH, it agrees to submit a written statement with supporting evidence to CMS within ten (10) days of receiving written notice of such action. CMS will review such submission and promptly issue a written final determination. This provision regarding Medicare surveys and enforcement actions at WSH as they relate to the terms of this Agreement shall survive the termination of this Agreement. WSH does not waive future Administrative Appeal and other Litigation Rights related to future federal surveys following successful Federal Survey and the issuance of a rescinded termination notice as described in subsection (c) of this Section,

i. Each Party has a Designated Contact Person. All reports and notices referenced in this Agreement are to be submitted to the Parties as follows:

For CMS:
Patrick Thrift,
Survey and Certification Manager CMS Region X

Division of Survey & Certification
Department of Health and Human Services
701 Fifth Avenue, Suite 1600
Seattle, WA 98104

For WSH:
Cheryl Strange
Chief Executive Officer
Western State Hospital
9601 Steilacoom Blvd SW
Lakewood, WA 98396

For WDSHS:
Carla Reyes
Assistant Secretary
Behavioral Health Administration
Washington Department of Social and Health Services
P.O. Box 45050
Olympia, WA 98504-5050

For WDoH:
Ramiro R. Cantu,
Executive Director
Facilities Survey and Investigations
Washington State Department of Health
Office of Investigation and Inspection
111 Israel Road SE
P.O. Box 48774
Olympia, WA 98504-7874

j. Public Disclosure. The parties recognize that this Agreement is a public document. As such, it may be released by CMS upon written request and by the state in accordance with state laws and processes.

k. Notice will be Provided Before Communication with the Public. Each Party agrees to provide the Contact Persons named in this Agreement an advance copy of any written statements they elect to share with any members of the public, including but not limited to members of the news media, regarding the Agreement or the WSH's status with respect to Medicare Certification, participation or termination.

l. Federal and State Privacy Law Applies. The Parties hereby agree all documents, information and data produced or prepared in accordance with this Agreement are subject to applicable federal and state law privacy and confidentiality protections including, but not limited to, statutes and regulations protecting the privilege and/or privacy of medical records, quality assurance, patient safety, peer review, and performance improvement

activities. Consequently, any documents, information and data created or compiled under this agreement may be redacted or otherwise protected from public disclosure by the Privacy Act, 5 U.S.C. § 552a; exemptions to the Freedom of Information Act, including but not limited to, 5 U.S.C. § 552(b), and 45 C.F.R. §§ 5.61, 5.64, and 5.69; and the Health Insurance Portability and Accountability Act. This provision, however, provides no basis for WDSHS or WDoH to withhold from CMS relevant information that is necessary to confirm WSH's compliance with the Medicare CoPs. This Agreement notwithstanding, exemptions, that protect inter-agency or intra-agency memoranda, letters or other records, which would not be available by law even to parties in litigation would continue to apply.

Washington State law, RCW 43.70.510, protects information and documents from disclosure in discovery or the state Public Records Act if the information or documents are created specifically for, and collected and maintained by a coordinated quality improvement team. For purposes of this Agreement, WDSHS will establish a quality improvement team under its State Hospital Coordinated Quality Improvement Program.

m. This Agreement Survives Transfer. The terms of this Agreement shall be binding on the Parties hereto, including their successors, transferees, administrators, heirs, executors, designees, assigns, agents and contractors.

n. Amendments Must Be Written and Signed by All Parties. This Agreement may be amended only by the written agreement of the Parties or their successors or assigns.

o. Each Party is Responsible for its Own Costs. This Agreement and its attachments set forth the full and complete basis for the resolution of this matter by the Parties. Each of the Parties shall be responsible for its own costs including attorney fees associated with this Agreement and any amendments.

p. The Parties May Sign Separately. This Agreement may be executed in counterparts; when combined all duplicate originals signed by each Party will comprise the full Agreement.

q. Each Person Who Signs has Signatory Authority. Each person executing this Agreement in a representative capacity on behalf of a Party warrants that he or she is duly authorized to bind the Party for which he or she signs.

r. CMS is the Only Federal Party. The Parties agree nothing in this Agreement is binding on any other component of the United States government nor does it in any way define, limit, or circumscribe existing Federal legal authority.

s. Construction. Each Party agrees that it participated in the drafting of this Agreement. Any ambiguities shall not be construed against CMS in interpreting this Agreement and shall not be applicable to or used in resolving any dispute over the meaning or intent of this Agreement or any of its provisions.

t. Severability. If a provision of the Agreement is held invalid, void, unenforceable, or otherwise defective by a tribunal of competent jurisdiction, then all other provisions of the Agreement will remain enforceable in accordance with their terms.

u. No Waiver. Failure by CMS to enforce any provision of this Agreement or CMS's decision to refrain from terminating this Agreement in the event of a breach or failure to meet any condition of this agreement by any of the parties hereto will not be deemed a waiver or consent to a subsequent breach or failure.

11. Breach of Agreement and Termination for Cause: WSH's failure to meet any terms of this Agreement will constitute a breach. If such a breach occurs, CMS can exercise its authority to terminate its Medicare Provider Agreement with WSH in accordance with the notice requirements at 42 C.F.R. § 489.53(d). CMS reserves the right to terminate this Agreement and proceed with termination if it finds that WSH has not fully disclosed material information about WSH's operations, personnel, activities, patient safety, and patient outcomes as they relate to the WSH's compliance with Medicare CoPs and the terms of this Agreement. If CMS finds that WSH has reneged, reduced or discontinued the level of commitment needed to implement this Agreement without good cause, as determined by CMS, then CMS will treat this finding as a breach of this Agreement.

WESTERN STATE HOSPITAL

By: _____ 6-2-16
Its: Cheryl Strange,
Chief Executive Officer

WASHINGTON STATE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

By: _____ 6-2-2016
Its: Carla Reyes,
Assistant Secretary

By: _____ 6-2-2016
Its: Patricia Lashway,
Acting Secretary

WASHINGTON DEPARTMENT OF HEALTH

By: _____ 6 2-16
Its: John Wiesman,
Secretary

CENTERS FOR MEDICARE AND MEDICAID SERVICES

By: _____ 06-02-2016
Its: Steven D. Chickering,
Associate Regional Administrator
CMS Western Division of Survey & Certification