

**AGREEMENT
BETWEEN DURHAM COUNTY
AND ALLIANCE HEALTH**

THIS AGREEMENT is made and entered into this **1st day of July, 2025**, by and between the **COUNTY OF DURHAM** (hereinafter referred to as the “**County**”) and **ALLIANCE HEALTH**, a political subdivision of the state of North Carolina and a Local Management Entity / Managed Care Organization (LME/MCO) as those terms are defined in NCGS 122C-3 (hereinafter referred to as “**Alliance**”).

WITNESSETH:

WHEREAS, Since July 1, 2012, Alliance has served as the Local Management Entity and Managed Care Organization covering high quality, cost-effective health care services to individuals in Durham County, as well as other counties in Alliance’s Catchment Area; and

WHEREAS, the County and Alliance desire to enter into this Agreement to set forth the parties’ rights and obligations to manage county-funded Mental Health, Developmental Disabilities and Substance Abuse Services (MH/DD/SAS) provided to residents of Durham County, funding and other matters related to the provision of behavioral health services.

NOW THEREFORE, for and in consideration of mutual covenants herein and the mutual benefits to result therefrom, the parties hereby agree as follows:

1. **TERM.** This Agreement will take effect on the 1st day of July, 2025 and shall continue through and until June 30, 2026.
2. **SERVICES.** In consideration of the Annual Allocation and other good and valuable consideration agreed to herein, Alliance shall manage the provision of high quality, cost-effective MH/DD/SUS services to residents of Durham County to the extent that other first or third-party payor sources such as Medicaid, Medicare, private pay, insurance, or grant funding are not available, have been denied or exhausted, or State funding is not allocated by Alliance. Alliance shall adhere to the requirements of Chapter 122C of the North Carolina General Statutes and any other applicable local, state, or federal laws, rules and regulations. Alliance shall adhere to the terms and conditions of this Agreement and effect such policies, procedures, and actions as are reasonably required to carry out the terms and conditions of this Agreement.

Alliance will provide disaggregated reports by age, gender, race and ethnicity on utilization and outcomes resulting from the use of Annual Allocation provided by the County on a quarterly basis. The data will be incorporated into the County’s performance measures quarterly reporting system.

3. **ANNUAL ALLOCATION.** Pursuant to N.C.G.S. 122C-115, the County agrees to allocate and pay to Alliance **Four Million Five Hundred Three Thousand Eight Hundred and Two Dollars (\$4,503,802) referred to as the Annual Allocation.** Alliance may use up to 2% of the Annual Allocation actually expended for services, or 2% of service dollars, during the fiscal year to cover administrative costs associated with administering the obligations set forth herein. The remainder of the funding shall be used exclusively for the provision of MH/DD/SUS to eligible Durham residents served by Alliance.

3.1 EXPANSION INVESTMENTS

The County agrees to allocate and pay to Alliance **One Million Six Hundred Sixty Nine Seven Hundred Forty Dollars and no cents (\$1,669,740)** referred to as the **Expansion Allocation**. Alliance may use up to 2% of the Expansion Allocation actually expended for services, during the fiscal year to cover administrative costs associated with administering the obligations set forth herein. The expansion efforts shall include:

- Peer Support - \$40,000
- Integrated Care - \$100,000
- School Based Mental Health - \$700,000
- SOAR Workers - \$28,000
- El Futuro Support - \$769,000
- Administrative costs - \$32,740

The County reserves the right to terminate the Expansion Allocation provision of this Agreement, in whole or in part, for convenience upon ninety (90) days' written notice to Alliance. Alliance shall be entitled to payment for services performed up to the effective date of termination but shall not be entitled to any further compensation, damages, or loss of profits resulting from such termination.

4. REIMBURSEMENT

The County will process quarterly reimbursement payments to Alliance when the following conditions are met:

1. Execution of this Agreement.
2. For the first three quarters, receipt of a quarterly invoice from Alliance. The quarterly invoice will include cash basis amounts requested for reimbursement along with supporting financial document(s) which will include a summary of expenses paid to Providers quarter-to-date. Cash basis amounts represent payments made to Providers for service dates within the Term of this current Funding Agreement (**July 1, 2025, through June 30, 2026**)
3. For the fourth quarter, receipt of a monthly invoice from Alliance. The monthly invoice will include cash basis amounts requested for reimbursement. Cash basis amounts represent payments made to Providers for service dates within the Term of this current Funding Agreement (**July 1, 2025 through June 30, 2026**). Claims and program data supporting the request will be provided 30 days after quarter end to allow time to collect and compile self-reported data from Providers.

For the June invoice, claims and invoices received after June 30, 2026 for service dates within the Term of this current Funding Agreement (July 1, 2025 through June 30, 2026) will be invoiced by September 15th, payment to be made within 10 business days. Claims and invoices received after final invoice for service dates within the terms of the Agreement (July 1, 2025 through June 30, 2026) may be included on the next fiscal year's invoice upon approval by the Durham County Manager or designee.

5. **CONFIDENTIALITY, DATA SECURITY, TRAINING AND NON-DISCLOSURE.** Alliance acknowledges and agrees that, in the course of its engagement with COUNTY, Alliance or its licensors, subcontractors or suppliers in connection with the services to be rendered under this Agreement may receive or have access to "confidential information" or "personal identifiable information". Alliance or its licensors, contractors or suppliers has obtained or may need to obtain confidential information from the County in connection with the provision of services to the County or the discussions of such a proposed relationship.

The County and Alliance desire to stipulate and agree that any disclosure of confidential information by the County in connection with the provision of services or the discussion of such a proposed relationship has occurred or will occur under circumstances and conditions that will protect and preserve the confidentiality of the information.

5.1 DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below:

Confidential Information. The term “Confidential Information” shall mean any information, in any medium, whether written, oral or electronic, not generally known in the relevant trade or industry, which falls within any of the following general categories:

- a. Trade Secrets. For purposes of this Agreement, trade secrets consist of information of the County or Alliance or any of its suppliers, contractors or licensors: (a) that derives value from being secret; and (b) that the owner has taken reasonable steps to keep confidential. Examples of trade secrets include information relating to proprietary software, new technology, new products or services, flow charts or diagrams that show how things work, manuals that tell how things work and business processes and procedures.
- b. Highly Restricted Information. Alliance acknowledges that certain Highly Restricted Information is subject to legal restrictions beyond those imposed by this Agreement, and agrees that: (a) all provisions in this Agreement applicable to Confidential Information shall apply to Highly Restricted Information; and (b) Alliance will also comply with any more restrictive instructions or written policies that may be provided by the County from time to time to protect the confidentiality of Highly Restricted Information, as defined below:
 1. Information of the County or its suppliers, contractors or licensors marked “Confidential” or “Proprietary.”
 2. Information relating to criminal investigations conducted by the County, and records of criminal intelligence information compiled by the County.
 3. Information contained in the County’s personnel files, as defined by NCGS §153A-98. This consists of all information gathered by the County about employees, except for that information which is a matter of public record under North Carolina law.
 4. Citizen or employee social security numbers collected by the County.
 5. Computer security information of the County, including all security features of electronic data processing, or information technology systems, telecommunications networks and electronic security systems. This encompasses but is not limited to passwords and security standards, procedures, processes, configurations, software and codes.
 6. Local tax records of the County that contained information about a taxpayer’s income or receipts.
 7. Any attorney/client privileged information disclosed by either party.
 8. Any data collected from a person applying for financial or other types of assistance, including but not limited to their income, bank accounts, savings accounts, etc.
 9. The name or address of individual homeowners who, based on their income, have received a rehabilitation grant to repair their home.
 10. Protected Information (PHI), as defined in the Insurance Portability and Accountability Act (HIPAA), and any other information that is designated as confidential under federal or state law.

The parties acknowledge that in addition to information disclosed or revealed after the date of this Agreement, the Confidential information shall include information disclosed or revealed within one year prior to the date of this Agreement.

Personal Identifiable Information. The term “Personal Identifiable Information” shall mean information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other information that is linked to a specific individual.

5.2 RESTRICTIONS. Alliance shall keep the Confidential Information in the strictest confidence, in the manner set forth below:

- a. Not copy, modify, enhance, compile or assemble (or reverse compile or disassemble), or reverse engineer Confidential Information, except as authorized by the COUNTY in writing.
- b. Not directly or indirectly, disclose, divulge, reveal, report or transfer Confidential Information to any third party, other than an employee, agent, subcontractor or Alliance of the County or Alliance having a need to know such Confidential Information for purpose or performing work contemplated by this Agreement between the County and Alliance, and who has executed a confidentiality agreement incorporating substantially the form of this Confidentiality and Non-Disclosure Agreement. Alliance shall not directly or indirectly, disclose, divulge, reveal, report or transfer Highly Restricted Information to any third party without the County’s prior written consent.
- c. Not use any Confidential Information for its own benefit or for the benefit of a third party, except to the extent such use is authorized by this Agreement or other written contracts between the parties hereto, or is for the purpose for which such Confidential Information is being disclosed.
- d. Not remove any proprietary legends or notices, including copyright notices, appearing on or in the Confidential Information.
- e. Use reasonable efforts (including but not limited to seeking injunctive relief where reasonably necessary) to prohibit its employees, agents and subcontractors from using or disclosing the Confidential Information in a manner not permitted by this Agreement.
- f. In the event that any demand is made in litigation, arbitration or any other proceeding for disclosure of Confidential Information, Alliance shall assert this Agreement as a ground for refusing the demand and, if necessary, shall seek a protective order or other appropriate relief to prevent or restrict and protect any disclosure of Confidential Information.
- g. All materials which constitute, reveal or derive from Confidential Information shall be kept confidential to the extent disclosure of such materials would reveal Confidential Information, and unless otherwise agreed, all such materials shall be returned to the County or destroyed upon satisfaction of the purpose of the disclosure of such information.
- h. Restrict employee access to Confidential Information to those employees having a need to know for purposes of their jobs.
- i. Take all reasonable measures to prevent the use or disclosure of Confidential Information by its employees in a manner not permitted by this Agreement.

5.3 EXCEPTIONS. The County agrees that Alliance shall have no obligation with respect to any Confidential Information that Alliance can establish was:

- a. Already known to Alliance prior to being disclosed by the County;
- b. Or becomes publicly known through no wrongful act of Alliance;
- c. Rightfully obtained by Alliance from a third party without similar restriction and without breach hereof;
- d. Used or disclosed by Alliance with the prior written authorization of the County;
- e. Disclosed pursuant to the requirement or request of a governmental agency, which disclosure cannot be made in confidence, provided that, in such instance, Alliance shall first give to the other party notice of such requirement or request;

f. Disclosed pursuant to the order of a court of competent jurisdiction or a lawfully issued Subpoena, provided that Alliance shall take reasonable steps to obtain an agreement or protective order providing that this Agreement will be applicable to all disclosures under the court order or subpoena.

5.4 REMEDIES. Alliance acknowledges that the unauthorized disclosure of the Confidential Information will diminish the value of the County's proprietary interests therein. Accordingly, it is agreed that if Alliance breaches its obligations hereunder, the County shall be entitled to equitable relief to protect its interests, including but not limited to injunctive relief, as well as monetary damages.

5.5 DATA SECURITY. Alliance shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations and rules.

Alliance shall report a suspected or confirmed security breach related confidential information or personal identifiable information as defined herein to the County Manager's Office within twenty-four (24) hours after the breach is first discovered, provided that Alliance shall report a breach of confidential information or personal identifiable information involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered.

If any applicable Federal, State, or local law, regulation, or rule requires the Alliance to give written notice of a security breach to affected persons, Alliance shall bear the cost of the notice.

5.6 TRAINING AND NON-DISCLOSURE. Upon request by the County, Alliance agrees to ensure compliance and the security of "confidential information" and "personal identifiable information", by having its employees, agents and subcontractors take online privacy and security awareness training provided by County, by way of an internet link or some other electronic method to be provided by County. Alliance, at the request of County, shall execute a non-disclosure agreement if, and when, submitted by County.

5.7 PUBLIC RECORDS. It is expressly understood that as governmental entities, the County and Alliance are subject to the North Carolina Public Records Act and information related to this Agreement may be requested pursuant to same. In response to any request for information which has been properly labeled as a Trade Secret or Confidential Information, the Parties will assert that those are exempt as a Trade Secret or Confidential Information under that Act. Proper labeling will include annotating the bottom of any written document (on the cover and each individual page containing such information) or e-mail with the following footer in at least 12-point bold face type "**Confidential Information**". Any material labeled as Confidential Information constitutes a representation by the receiving party that it has made a reasonable effort in good faith to determine that such material is, in fact, confidential as defined in N.C. Gen. Stat. § 132-1.2. The Parties have no duty or obligation to limit access to information which is not explicitly marked in accordance with this provision.

Should the requestor initiate legal action to compel production, the party subject to the demand shall notify the other party of the action and offer it the opportunity to intervene and defend same. Neither Party shall have no duty to defend the action demanding the records. Should a party receive a subpoena or court order for the protected information, it will contact the other party and afford it the opportunity to intervene in the action under the same terms and conditions as noted above.

6. **CRISIS CENTER.** Alliance agrees to continue to manage the provision of crisis and outpatient services that are currently offered at the Crisis Center located at 309 Crutchfield Street. The County has entered

into a separate lease agreement with Alliance for the Crutchfield property which Term ends June 30, 2026, unless extended by the Parties. Alliance shall contract with a Network Provider to provide psychiatric walk-in clinic services that serves adults seeking immediate access to psychiatric clinical services as well as walk-in crisis assistance available for emergency situations 24 hours a day to assess clients experiencing a behavioral health crisis and triage clients for hospitalization, crisis stabilization, residential medical/social detoxification, and residential psychiatric medication stabilization, and outpatient referrals. The service continuum offered at the facility may change at the discretion of Alliance based on the needs of the community.

7. **RESPONSIBILITIES OF PARTIES.** Neither party agrees to indemnify or hold harmless the other party. However, to the extent permitted by law, each party agrees to be responsible for its own acts or omissions and any and all claims, liabilities, injuries, suits, and demands and expenses of all kinds which may result from or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by that party, its employees, subcontractors, or representatives, in the performance or omission of any act of responsibility of that party under this Agreement. In the event that a claim is made against both parties it is the intent of both parties to cooperate in the defense of said claim. However, either party shall have the right to take any and all actions they believe necessary to protect their interest, including, without limitation, the right to enforce the obligations of this Agreement against the other party and the right to recover damages caused by the other party arising out of the performance or nonperformance of this Agreement. This provision shall survive the termination of this Agreement.
8. **INSURANCE.** Alliance shall procure and maintain for the duration of the Agreement the following insurance coverage from an insurance company(s) possessing a rating of A-VI or higher from the A.M. Best Company or an equivalent rating service. All of the policies required of Alliance shall contain a waiver of subrogation provision to waive all rights of recovery under subrogation or otherwise against the County. Alliance shall provide the County with updated Certificates of Insurance upon any renewal of coverage, or within fifteen (15) days of any cancellation, non-renewal, or material change in any policy. All of the policies required of Alliance shall be primary and Alliance agrees that any insurance or self-funded liability programs maintained by the County shall be non-contributing with respect to the Alliance's insurance.

8.1 Commercial General Liability

Shall be a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Coverage must be in a form providing coverage not less than the standard Insurance Services Office Form CG 00 01 and include products and completed operations, property damage, bodily injury, and personal & advertising injury. The products-completed operations coverage shall be provided for a minimum of one year following final acceptance of the work.

8.2 Commercial Automobile Liability

Shall be a limit of not less than \$1,000,000 per occurrence for any (Code 1) vehicle, or if ALLIANCE has no owned autos, hired, (Code 8) and non-owned autos (Code 9).

8.3 Worker's Compensation and Employers Liability

Shall be at North Carolina statutory limits. Alliance shall satisfy all compulsory requirements relating to workers compensation in any jurisdiction in which benefits may be claimed. Employers Liability shall be a limit of not less than \$1,000,000 per accident for bodily injury or disease.

8.4 Professional Liability/Errors and Omissions

Shall maintain Professional Liability Insurance, including coverage for errors and omissions, with limits of not less than \$1,000,000 per claim and \$3,000,000 annual aggregate, covering damages arising out of the rendering or failure to render professional services in connection with the performance of this Agreement. Such coverage shall apply to services provided by Alliance, its employees, agents, contractors, and volunteers, including but not limited to mental health, developmental disability, and substance use services. Coverage shall be maintained for a minimum of two (2) years following the expiration or termination of this Agreement through either policy continuation or an extended reporting period (“tail”) endorsement.

8.5 “All Risk” Property (ALLIANCE’S Property)

Replacement cost coverage under an “All Risk” policy for any of ALLIANCE’s real or personal property used or situated on County property.

Insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. Prior to execution of this Agreement, Alliance, shall furnish County with valid Certificates of Insurance evidencing compliance with all insurance requirements set forth within By requiring insurance herein, the County does not represent that coverage and limits will necessarily be adequate to protect Alliance, and such coverage and limits shall not be deemed as a limitation on Alliance’s liability under the indemnities granted to the County in this Agreement. Any umbrella or excess liability coverage must be at least as broad as the primary coverage and contain all coverage provisions that are required of the primary coverage.

The failure of the County at any time to enforce the insurance provisions, to demand such certificates of insurance, or to identify a deficiency shall not constitute a waiver of those provisions, nor reduce the obligations of Alliance to maintain such insurance or to meet its obligations under the indemnification provisions.

Providing and maintaining adequate insurance coverage is a material obligation of Alliance. Alliance shall require its subcontractors to maintain insurance coverage required herein or cover the subcontractors’ under Alliance’s policies. The Certificate of Insurance shall be provided on the industry standard form (ACORD 25).

Notwithstanding the foregoing, nothing contained in this section shall be deemed to constitute a waiver of the governmental immunity of the County, which immunity is hereby reserved to the County.

9. TERMINATION.

9.1 EVENT OF DEFAULT. Any one or more of the following acts or omissions of Alliance shall constitute an Event of Default hereunder:

- a. Failure to perform the Services satisfactorily or on schedule,
- b. Failure to submit any report required hereunder; and/or
- c. Failure to perform or comply with any other covenant, term, or condition of this Agreement.

Upon the occurrence of an Event of Default, the County may take one or more, or all of the following actions:

- a. Give Alliance written Notice of the Event of Default, specifying the Event of Default and requiring it to be remedied within, in the absence of greater or lesser specification of time, seven (7) calendar days from the date of the notice; and if the Event of Default is not timely remedied, terminate the Agreement, effective two (2) days after giving Alliance written Notice of Termination; and/or
- b. Deduct any and all expenses incurred by the County for damages caused by Alliance's Event of Default; and/or
- c. Treat the agreement as breached and pursue any of its remedies at law or in equity, or both, including damages and specific performance.

9.2 TERMINATION FOR CONVENIENCE. This Agreement may be terminated, without cause, by either party upon ninety (90) days written notice to the other party. This termination notice period shall begin upon receipt of the Notice of Termination.

9.3 CONTINGENT FUNDING/NON-APPROPRIATIONS. If, at any time after the execution of this Agreement, the additional required funding for this Agreement is not approved by the Durham County Board of Commissioners, County may terminate this Agreement immediately. County shall notify Alliance of the non-approval and termination within 30 days of the Board's decision.

10. WAIVER. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a future waiver of the term or deprive that party of its right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing, and no waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach of such provision or of any other provision thereof.
11. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the Parties as of the date hereof with respect to the subject matter hereof and cannot be amended or terminated orally.
12. NO THIRD-PARTY BENEFICIARIES: This Agreement is not intended for the benefit of any third party. The rights and obligations contained herein belong exclusively to the parties hereto and shall not confer any rights or remedies upon any person or entity other than the parties hereto.
13. SEVERABILITY. The Parties agree that if any provision of this Agreement, or portion thereof, shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such determination shall be confined to the operation of the provision at issue and shall not affect or invalidate any other provision of this Agreement, and such court shall be empowered to substitute, to the extent enforceable, a provision similar thereto or other provisions so as to provide to the fullest extent permitted by applicable law the benefits intended by such provisions.
14. PARAGRAPH HEADINGS. Paragraph headings contained in this Agreement are included for convenience only and do not define, limit, or describe the scope of intent of this Agreement or in any way affect this Agreement.
15. APPLICABLE LAW. This Agreement shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Agreement shall be brought in the General Court of Justice in the County of Durham and the State of North Carolina.
16. EXECUTION. The Parties agree to execute all documents, instruments, or further assurances as may be necessary or required to effectuate and complete all transactions contemplated by this Agreement.

17. ASSIGNMENT. This Agreement shall not be assigned, in whole or in part, without the prior written consent of the Parties.
18. NOTICE. Any and all notices, designations, consents, offers, acceptances, or any other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, to the respective Parties at the addresses listed below, unless each party has notified the others of a different address by means of the notification formalities described in this paragraph.

If to Alliance Health:

Attention: Robert Robinson, CEO
5200 West Paramount Parkway Suite 200
Morrisville, North Carolina 27560

If to Durham County:

Attention: Claudia Hager, County Manager
200 East Main Street
2nd floor
Durham, North Carolina 27701

19. COMPLIANCE WITH LAWS. Alliance represents that it is in compliance with all Federal, State, and local laws, regulations or orders, as amended or supplemented. The implementation of this Agreement shall be carried out in strict compliance with all Federal, State, and local laws.
20. AUDIT RIGHTS. For all Services being provided hereunder, County shall have the right to inspect, examine, and make copies of any and all books, accounts, invoices, records and other writings relating to the performance of the Services identified in this Agreement. Audits shall take place at times and locations mutually agreed upon by both parties. Notwithstanding the foregoing, Alliance must make the materials to be audited available within two (2) weeks of the request for them.

To the extent that any records constitute “protected health information” as that term is defined by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), it is the intent of this Section to allow the County to only receive the minimum necessary information in de-identified and/or aggregated form only for the purpose of evaluating financial and reporting requirements under this Agreement. Costs of any audit or review conducted under the authority of this section are the responsibility of the County unless a material breach by Alliance is detected, in which case the breaching party shall be responsible for the reasonable costs of the audit or review

21. **E-VERIFY**. As a condition of payment for services rendered under this agreement, Alliance shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, if Alliance provides the services to the County utilizing a subcontractor, Alliance shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes as well. Alliance shall verify, by affidavit, compliance of the terms of this section upon request by the County.
22. COUNTY NOT RESPONSIBLE FOR EXPENSES. County shall not be liable to Alliance for any expenses paid or incurred by Alliance, unless otherwise agreed in writing.
23. EQUIPMENT. Alliance shall supply, at its sole expense, all equipment, tools, materials, and/or supplies required to provide Services hereunder, unless otherwise agreed in writing.

[Remainder of page left Blank, Signatures to follow]

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed on the day and year first above written, in their respective names by their proper officials by authority duly given by their respective governing bodies.

COUNTY OF DURHAM

Claudia Hager, County Manager

Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Crystally Wright, Durham County Interim CFO

Date

ALLIANCE HEALTH

Robert Robinson, CEO or Designee

Date