

**PARTNERHIP AGREEMENT BETWEEN  
AGENCY 1  
AND  
AGENCY 2**

This agreement is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2007 by and between Agency 1 (AGENCY 1) and Agency 2 (AGENCY 2).

WHEREAS, AGENCY 1 and AGENCY 2 intend by this agreement to set forth the terms and conditions of engaging in a process of merging both organizations into a single organization; and

WHEREAS, the both Boards of Directors have voted to merge; and

WHEREAS, the two organizations will be sharing the same health care facility as of \_\_\_\_\_; and

WHEREAS, patients on the Kenai Peninsula will benefit from merging of the organizations;

NOW, THEREFORE, in consideration of the covenants, conditions and stipulations expressed in this document and in consideration of the mutual benefits to be derived for the consumers, patients and community, the parties agree as follows:

**Article 1: Mutual Goals and Objectives**

While the full integration of the two organizations may take 18- 24 months the parties have agreed that Phase 1 will include Governance and Administrative Integration and Phase 2 will include Clinical and Service Integration. Clinical/Service Integration Initiatives that could result in immediate improvements, cost savings and/or reimbursement increases will be implemented in Phase 1. Specific action steps for these goals and objectives are included in the Administrative and Governance work plans.

1. By (Insert Date) (Phase 1 – Administrative/Governance Integration) AGENCY 1 and AGENCY 2 will have completed the necessary steps to create a single organization, to be known as the Central Peninsula Health Services. Specific objectives for (Insert Date) include, but are not limited to, the;
  - Creation of a new governance structure that is acceptable to the creating entities, meets State of \_\_\_\_\_ non-profit organization laws and meets the requirements of the Bureau of Primary Health Care/FQHC guidelines;

- Creation of a new Corporation \_\_\_\_\_ Creation of new/revised bylaws for the new corporation;
  - Creation of consistent Human Resources policies and procedures for the merging of staff into one organization;
  - Completion of all due diligence steps
  - Notify all funding partners of the changes and insure continued funding from BPHC and (Insert State Name) Health Department
  - Determine who the Executive Director
  - Align the administrative/support staff (HR, IT Finance, etc)
  - Prescriber billing processes
  - Building reception
4. By (Insert Date) (Phase 2 – Clinical Service Integration) AGENCY 1 and AGENCY 2 will have completed a plan (benefit design) for the integration of all direct service delivery that has the potential to create a “value added” benefit for consumers. This process will include, but not be limited to:
- An evaluation of the specialty mental health services to be provided to the priority populations under the (Insert State Name) Department of Health by the new corporation, in accordance with known evidence based practice and consumer and family demand’
  - An evaluation of the degree and amount of behavioral health services to be provided to non-priority behavioral health patients of the new corporation.
  - A process for insuring that all patients have access to a range of medical and behavioral health services that meet their needs.

## **ARTICLE 2: TARGET POPULATION**

By law, AGENCY 2 must serve anyone who requests medical services from the Health Center. By law, AGENCY 1 must provide specialty mental health services to priority populations. In some situations, these populations will overlap and this overlap provides the basis for this merger. In addition, the parties share a common mission to provide a full array of health services to all individuals using the new corporation’s services. . The parties commit to recognizing and honoring the priority populations that require service under law. The parties also agree to use efficiencies gained, increase reimbursements and/or or grants to expand and deliver integrated health services to all individuals using the new corporation’s service.

## **ARTICLE 3: EXPECTED OUTCOMES, MEASURES AND BENEFITS**

1. Demonstration of an effective partnership between AGENCY 1 and AGENCY 2 will include:
  - Improved health status for mutual consumers/patients as a result of one team communicating regularly about patient care
  - Enhanced health care for priority populations, Medicaid and indigent consumers
  - Expansion of health and behavioral health services for consumers.
2. Reduction in the morbidity and mortality of individuals with serious mental illness by the early identification and treatment of medical conditions
3. Reduction of the degree of disability or mental health conditions by early identification and treatment in the primary care setting.
4. Increase in patient visits at the health clinic site, including primary care and behavioral health visits.

#### **ARTICLE 4: FINANCING PLAN**

During the transition phases of this merger, the parties agree to inform each other of major purchases and expenditures; however, the parties will maintain separate financing structures until the merger is complete.

#### **ARTICLE 5: POLICIES AND PROCEDURES**

During the transition phases of implementation the parties agree to follow those policies, procedures and administrative directives or other documents as specified by the (Insert State Name) State Health and Human Services and Medicaid program. During the term of this agreement AGENCY 1 shall be responsible for advising AGENCY 2 of any applicable modifications to these documents.

Both parties also agree to follow those policies, procedures and administrative directives or other documents as specified by the Bureau of Primary Care and HRSA. During the term of this agreement AGENCY 2 shall be responsible for advising AGENCY 1 of any applicable modifications of rules, regulations or procedures created by these bodies.

**HIPAA COMPLIANCE:** The parties agree that all aspects of this partnership shall be in compliance with all of the aspects of the Health Insurance Portability and Accountability Act of 1996 and the Administrative Simplification section, Title II, Subtitle F, regarding standards for privacy and security of Protected Health Information (PHI) as outlined in the Act. For the purpose of this partnership, it is

recommended that the two systems declare themselves an “Organized Healthcare Delivery System under HIPAA.

**A. APPROPRIATE USES AND DISCLOSURES OF PHI:** Any joint clinics described in this project may use or disclose information for:

- the proper management and administration of its business;
- purposes of treatment, payment (if allowed by law) or healthcare operations;
- providing data aggregation services relating to the health care operations of the joint clinics (data aggregation means combining protected health information related or received by the providers to permit data analyses that relate to the health care operations of the covered entity); or purposes set forth in policies required by law.

Any joint clinics will not use or further disclose the information other than as permitted or required by this Agreement, or as required by law. Any other use or disclosure of protected health information must be made pursuant to a properly executed Release of Information.

Both agrees to insure that any agents, including any subcontractors, to whom it provides protected health information received from, or created or received by the clinic on behalf of either party, agrees to the same restrictions and conditions that apply to the parties with respect to such information.

**B. CONSUMER REQUESTS TO REVIEW RECORD:** The holder of the record will respond to any consumer request to review their record. The holder of the joint record will be determined in the business model selected for the clinic.

**C. COOPERATION WITH THE SECRETARY OF HEALTH AND HUMAN SERVICES:** The clinics will make their internal practices, books and records relating to the use and disclosures of protected health information received from, or created or received by the clinics available to the Secretary of Health and Human Services, or its designee, for the purpose of determining compliance with the Health Insurance Portability and Accountability Act of 1996.

**D. AGREEMENT TERMINATION:** At the termination of this agreement, protected health information received from, or created or received by one party on behalf of the other party shall be returned and shall not be maintained in any form and the other party shall not retain copies of such information. If such return is not feasible, all parties must extend the protections of the Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information feasible.

**E. BREACHES OF CONFIDENTIALITY:** If any party becomes aware of a material breach or any violation of its obligation to protect the confidentiality and security of consumers' protected health information, the party must immediately take reasonable steps to cure the breach or end the violation, and must report, the breach or violation to its respective privacy officer. The alleged breach or violation will be investigated and an appropriate action issued.

**ARTICLE 6: TERMS OF AGREEMENT**

The agreement shall be in effect for the period of \_\_\_\_\_ through \_\_\_\_\_. The agreement may be modified, in writing, with the mutual consent of both parties.

IN WITNESS THEREOF, the parties have this executed this agreement as signified by the signing below.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

CEO  
Agency 1

Date

CEO  
Agency 2

Date