



U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation
Office of Disability, Aging and Long-Term Care Policy

A GUIDE TO MEMORANDUM OF UNDERSTANDING NEGOTIATION AND DEVELOPMENT

1982

Office of the Assistant Secretary for Planning and Evaluation

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) is the principal advisor to the Secretary of the Department of Health and Human Services (HHS) on policy development issues, and is responsible for major activities in the areas of legislative and budget development, strategic planning, policy research and evaluation, and economic analysis.

ASPE develops or reviews issues from the viewpoint of the Secretary, providing a perspective that is broader in scope than the specific focus of the various operating agencies. ASPE also works closely with the HHS operating divisions. It assists these agencies in developing policies, and planning policy research, evaluation and data collection within broad HHS and administration initiatives. ASPE often serves a coordinating role for crosscutting policy and administrative activities.

ASPE plans and conducts evaluations and research--both in-house and through support of projects by external researchers--of current and proposed programs and topics of particular interest to the Secretary, the Administration and the Congress.

Office of Disability, Aging and Long-Term Care Policy

The Office of Disability, Aging and Long-Term Care Policy (DALTCP), within ASPE, is responsible for the development, coordination, analysis, research and evaluation of HHS policies and programs which support the independence, health and long-term care of persons with disabilities--children, working aging adults, and older persons. DALTCP is also responsible for policy coordination and research to promote the economic and social well-being of the elderly.

In particular, DALTCP addresses policies concerning: nursing home and community-based services, informal caregiving, the integration of acute and long-term care, Medicare post-acute services and home care, managed care for people with disabilities, long-term rehabilitation services, children's disability, and linkages between employment and health policies. These activities are carried out through policy planning, policy and program analysis, regulatory reviews, formulation of legislative proposals, policy research, evaluation and data planning.

This paper was written as part of contract #HEW-100-80-0157 between HHS's Office of Social Services Policy (now DALTCP) and Mathematica Policy Research, Inc., and contract #HEW-100-80-0133 with Temple University. Additional funding provided by the Administration on Aging and Health Care Financing Administration (now the Centers for Medicare and Medicaid Services). For additional information about this subject, you can visit the DALTCP home page at http://aspe.hhs.gov/_/office_specific/daltcp.cfm or contact the office at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201. The e-mail address is: webmaster.DALTCP@hhs.gov. The Project Officer was Robert Clark.

A GUIDE TO MEMORANDUM OF UNDERSTANDING NEGOTIATION AND DEVELOPMENT

Mary L. Johnson, M.S.W.
Linda M. Sterthous, M.P.A.

Temple University
Institute on Aging
Mid-Atlantic Long Term Care Gerontology Center

1982

Prepared for
Office of the Assistant Secretary for Planning and Evaluation
U.S. Department of Health and Human Services
Contracts #HEW-100-80-0157 and #HEW-100-80-0133

This monograph was developed through partial support of a grant to the Long Term Care Gerontology Center of Temple University by the Administration on Aging, Office of Human Development Services, Department of Health and Human Services, Grant #90-AL0011-01 and through partial support of Contract #HEW-100-80-0133 to the Contractor for Technical Assistance and Training to Demonstration Projects in the National Channeling Demonstration Program, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, Washington, D.C. 20201. The grantees' opinions expressed in this document do not necessarily represent official policy of the Department of Health and Human Services.

TABLE OF CONTENTS

I. INTRODUCTION	1
II. MOU'S: PURPOSE AND TYPES	2
III. THE PROCESS OF NEGOTIATING MOU'S.....	5
A. General Guidelines	5
B. Stages in the Process	5
IV. THE INSTRUMENT	10
A. General Comments.....	10
B. Terms and Conditions of the MOU	10
V. MODEL MOU'S	16
A. Model 1: MOU for Direct Service	16
B. Model 2: MOU with a Referring Agency.....	18
C. Model 3: MOU for Transfer of Authority	19

This monograph was prepared for the agencies participating in the National Long Term Care Channeling Demonstration Program. It has been adapted for use by other case management agencies and disseminated by the Mid-Atlantic Long Term Care Gerontology Center at Temple University.

Mary L. Johnson and Linda M. Sterthous are members of the staff of the Technical Assistance Contractor to the National Long Term Care Channeling Demonstration Program, Division of Technical Assistance and Training, Mid-Atlantic Long Term Care Gerontology Center, Temple University, Philadelphia, Pennsylvania.

Mid-Atlantic Long Term Care Gerontology Center
Evan Sorber, Executive Director
Division of Public Policy and Information Dissemination
Technical Assistance Monographs
Elias S. Cohen, Editor-in-Chief
Linda Staroscik, Managing Editor

I. INTRODUCTION

Caring for the elderly in a community setting has become an extremely complex task. The needs of the elderly population are varied, and the service providers attempting to meet these needs represent a diverse group of agencies, organizations, and institutions. Providers may be public, non-profit, or proprietary. They may receive reimbursement for services from a variety of social service, aging, or health funding streams. These include Area Agencies on Aging, Base Service Units of Mental Health Agencies, agencies funded by Title XX of the Social Security Act, and home care agencies reimbursed through Titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act.

Case management or coordinating agencies have been established in many locales, partly in response to the complexity of the service system which provides community care to the elderly. These agencies have the Herculean task of creating order and organization in this system. The Memorandum of Understanding is a tool which can be quite effective in achieving this end.

Through the use of the Memorandum of Understanding (MOU), agreements between coordinating or case management agencies and the agencies providing direct service can be formalized. The MOU can be tailored to the specific needs of each agency, whether the agency provides case management services, direct services, or some combination of both.

The MOU is an important device in organizing community care systems for the elderly since it can be used to stipulate client flow and other issues related to efficient service delivery in advance of operation. This paper discusses the process an agency should follow to develop interagency MOU's and presents examples of MOU's which can be used as models.

II. MOU'S: PURPOSES AND TYPES

Case management agencies must develop working relationships with a variety of other agencies in their communities and states. These relationships will vary depending on the needs of the case management agency and the willingness and capability of community agencies to become involved in the case management effort. Many interagency relationships can be based simply on the informal understandings of executives or workers in each of the agencies. Other relationships, however, are important or complicated enough to require formalization through the development of MOU's, or as they are sometimes referred to, Memoranda of Agreement or MOA's. An MOU is a formalized statement of the mutual expectations of two agencies. Although not a legally binding document, an MOU represents a signed commitment on the part of two or more parties to conduct interagency business in a specified manner.

An MOU can be a useful tool for case management agencies which have as their major function, coordination of services for clients from a number of community providers. Procedurally, this task could be a nightmare for case managers unless specific elements, especially client flow, are clearly described in advance of operation. The MOU serves as the vehicle for establishing the requirements of the agreement. In this respect it can be used:

- To delineate client flow;
- To specify services to be provided by a provider agency to clients;
- To specify the type of clients appropriate for the case management agency and how referrals should be made;
- To facilitate communication by defining a process for regular meetings, phone contact or data exchange;
- To protect both parties against differing interpretations of expectations by either party, by spelling out details of the relationship;
- To cut through red tape by defining new or altered procedures for clients;
- To enhance the status of the case management agency in the community through formalized relationships with established or influential agencies;
- To reduce friction over turf issues by specifying responsibilities;
- To transfer authority to perform a mandated function from one agency to another or from one level of government to another.

Negotiating an MOU can take a considerable amount of staff time, energy, and resources. Therefore, a case management agency should only pursue MOU's with those agencies which are considered essential to its operation or to the building of its credibility in the community. The types of agencies with which case management agencies will develop MOU's will vary but the MOU's negotiated will fall into one of three categories. These are described below.

- Client Services. Agencies, organizations, or individuals which will provide services for case management clients should sign MOU's with the case management agency. Whether such services are donated, for example, by a church or community group or paid for through traditional funding streams, an MOU should be developed specifying how the services will be ordered, what methods of communication will be used, what types of personnel will be involved, what measures will assure confidentiality of client data, and any other terms or conditions necessary to assure a good working relationship.
- Referrals. Agencies or organizations which will refer clients to the case management agency should sign an MOU agreeing to the types of appropriate clients to refer, the process for contacting the case management agency, the process for ongoing communications between agencies, the measures employed to assure confidentiality and any other necessary terms or conditions.
- Non-Client Related Issues. In some instances the case management agency may wish to formalize a relationship with an agency which does not provide client services or referrals. This may be an MOU with a non-provider agency, such as a planning agency or philanthropic organization, which simply details common interest, mutual support, agreement to exchange data, or willingness to serve on committees and governing bodies. Another important type of MOU which does not involve direct service or referral is one which transfers authority from one entity to another. For example, a state nursing home prescreening program may transfer the authority to prescreen clients to the case management agency. An MOU between the program and the case management agency may be developed specifying the terms of this arrangement.

An important point to be made is that MOU's are not contracts. A contract is a private law between two parties which can be upheld in court. An MOU can be a powerful tool since it requires two parties to come to mutual agreement. However, an MOU is not legally binding. A case management agency must ascertain when agreements need to be further solidified through the use of a contract rather than an MOU. Whenever exchange of money is taking place, a contract is a necessary document. In addition, whenever service delivery, transfer of authority, or any other condition needs to be binding, a contract may be a necessary document.

The process of negotiating contracts and the ultimate content of contracts are very similar to that of MOU negotiation and content. Contracting simply requires further attention to legal detail. The following material will be useful to agencies interested in contracting since it represents a building block for understanding contract negotiation and development.

Finally, it should be recognized that a good understanding of the MOU development process can be acquired only through actual practice. Common sense, logic, and the materials which follow, combined with a bit of political savvy about the local community, should help an agency director to begin developing agreements with providers.

III. THE PROCESS OF NEGOTIATING MOU'S

A. General Guidelines

The following is a list of general guidelines to keep in mind during the process of MOU negotiation and development.

1. Identify the key people.
2. Keep the goals and objectives broad.
3. Keep the language broad and simple.
4. Define your role as a case management agency.
5. Define what the provider can offer.
6. Set realistic expectations.
7. Be specific regarding the understandings and functions.
8. Set review dates.
9. Do not make the MOU more complicated than necessary.
10. Do not use the MOU as a power play.
11. Define the terms, units of service, service definitions.
12. Use a marketing approach. Make the provider feel good about entering into the relationship.
13. Encourage participation of provider agencies on your Advisory Council.
14. Clearly specify procedures for amending the MOU.
15. Check the need to include state, federal, and local legal requirements such as the Civil Rights clause which must be included in federal contracts.
16. Handle the arrangements and establish the relationship correctly the first time, so that the need to renegotiate is minimized.
17. Be aware and beware of underlying agency antagonisms or feuds which may impact on the implementation of the MOU. If possible, help to resolve these problems.

B. Stages in the Process

1. Stage One. Planning Stage. The planning stage is essential as a basis for subsequent MOU activity and will, if carefully executed, provide a set of decisions and determinations which will facilitate smooth negotiation and implementation of the relationship with the provider. It is also essential as the basis for developing a contract.
 - a. Step One. Begin with internal brainstorming. Administrators, case managers, or others involved in your agency's efforts should identify:
 - (1) What you want or need another party to provide;
 - (2) What you are willing to negotiate;
 - (3) What you are willing to give up;

- (4) What you have to offer;
 - (5) The rationale for entering the MOU process.
- b. Step Two. Identify the potential providers in the community. In this process, identify provider needs and explore ways in which you can, to some extent, address their needs. Be realistic about what you can expect providers to deliver and what you can deliver. Explore ways to establish appropriate relationships in order to maximize the probability of achieving what you want.
- c. Step Three. Define your agency's program objectives for a particular MOU and evaluate whether you can accomplish the objectives without the MOU. The definition of program objectives is a crucial process in the development of an MOU.

Clearly defined program objectives can be translated into the terms and conditions of the MOU. In developing the objectives you should:

- (1) Define the client population to be served;
- (2) Define the service to be provided, or the understanding you desire;
- (3) Assess any costs, both direct and indirect, to your agency and the agency with which you are negotiating an MOU;
- (4) Define the minimally acceptable standards of performance.

Program objectives stated in terms of measurable outcomes will facilitate monitoring, evaluation, and MOU renegotiation later on after the MOU has been implemented.

Program objectives can be used as a point of reference against which to weigh the advantages and disadvantages of developing an MOU. Their consideration will assist you in determining whether the creation of an MOU will unnecessarily formalize a relationship, create unnecessary bureaucracy or be counterproductive. An MOU should not be attempted if it will disrupt a good relationship.

Finally, reference to program objectives will help you set up the criteria for agencies and individuals with which to negotiate an MOU.

- d. Step Four. Identify the level of staff to be involved in the negotiation process. Involve those persons in the process as early as possible. Their value in negotiation will be enhanced if they are thoroughly familiar with what you want accomplished.
- e. Step Five. Identify agencies which have money for services. Consider some of the ways you can tap into their money and services. For example, you could act as a referral source to the agency or perform preauthorizations for service for them.

- f. Step Six. Identify agencies which authorize or pay for services. Consider ways to negotiate some transfer of authority to the case management agency.
 - g. Step Seven. Identify individuals who are influential among service providers and enlist their support and assistance.
2. Stage Two. Negotiation Stage. The negotiation stage begins through contact with the agency, preferably in-person. It is a good idea to include the staff member who will be responsible for implementing the MOU in the initial visit. Have a clear agenda for the meeting. Describe your agency, what you hope to demonstrate through case management, why the participation of the provider agency is important, and how clients will be better served by the joint effort.

Sell the concept of case management as one that eliminates duplication and enhances delivery of services to clients and their families. After the sales pitch, service providers will probably be able to anticipate what you want from them.

You have spent time during the planning stage identifying what you want and what you are prepared to negotiate and now is the time to lay out your expectations. Be realistic about what you expect and be prepared for trade-offs. Develop a timetable with the provider, setting clear deadlines. It is helpful if each party knows what time constraints and limitations exist in the process.

Important points to consider are listed below.

- Identify the internal review process for both your agency and the provider. If the approval of an Advisory Board or Board of Directors is required, learn when these groups meet and plan with that date in mind. Check on whether you or the provider require a legal review and build that into the timeline.
- Identify any insurance needs, relevant personnel policies, and requirements for physical examinations, T.B. or other tests. Decide who will pay if any tests are required.
- Identify strategies for enhancing the professional status of both the provider and the case management agency in the community. One strategy is to jointly serve on each other's Boards.
- Identify whether staff in-service training is required in order to implement the MOU. Agree on how, when, and who will provide that training.
- If the reaction is negative, you might try a little community pressure. Find an influential friend in another agency, or locate a helpful Board member or use your state agency contacts. A little persuasion or arm-twisting is all part of a tough negotiation process.
- Any research components in your program should be discussed in the process of negotiating MOU's with provider agencies.
- Confidentiality assurance should be discussed with the provider during the negotiation stage. It should be understood that only authorized persons may

have access to client information and records, that the records must be adequately secured at all times, that release of information is allowable only with the client's permission. These are good practice procedures which protect the rights of clients.

3. Stage Three. Completing the MOU. This final step begins with the preparation of a draft of the MOU instrument which is based on your meeting and negotiations with the provider agency. Generally, since you are initiating the process, you will assume responsibility for preparing the draft. Send the draft to the other party, along with a cover letter in which you identify controversial areas. Try to negotiate those points where there is some flexibility and identify the immutable points. This phase of the negotiation could be handled by phone or in person, however personal contact may carry more impact in terms of developing the relationship. Involving the persons with the authority to negotiate for the agency at this draft stage can minimize the time to complete the MOU.

If programmatic objectives have been specified in the planning process, developing a system for monitoring and/or evaluation can be fairly easy. You could identify data needs and develop the appropriate forms and filing and tracking systems to be used jointly by your agency and the agency with which you are developing the MOU.

4. Special Concerns.

- a) Timing. The finalization process can take as little as a few days, or as long as a few months. Factors which tend to increase the amount of time to finalize the MOU are:
 - (1) the people involved, the individual personalities and the number of individuals can impact on the length of time needed to finalize the MOU;
 - (2) the number of drafts prepared and reviewed;
 - (3) legal review;
 - (4) board review;
 - (5) staff review;
 - (6) revisions;
 - (7) negotiations;
 - (8) holidays;
 - (9) anything subject to action by a third party;
 - (10) involvement by more than two agencies;
 - (11) turf issues and interagency feuds.
- b) Language. Most problems can be eliminated with clear and simple language.
- c) Relationships. You are negotiating a relationship. Since relationships are dynamic, their nature can change over time.

- d) Negative Publicity. Negative publicity can come from word-of-mouth or the press. Be aware of all publicity the joint effort receives, both negative and positive. Address the negative publicity quickly, thoroughly, and honestly.

IV. THE INSTRUMENT

A. General Comments

The MOU is not a legally binding document. Rather, it is the written reflection of an understanding between two parties. The MOU is developed through a process of negotiation and mutual assent, finalized through acceptance of the MOU instrument, and approved by the appropriate agency representatives who signify such approval by signing the MOU.

The MOU instrument should be written so that it is clearly understood, is specific about the understandings negotiated and defines objectives. Language should be simple and straightforward. There is no need for jargon, convoluted wording or intricate legal terms. A good marketing approach is to use language which makes both parties feel important and vital to the relationship. Follow the guidelines presented earlier in drafting the instrument. Keep in mind that the instrument is the written document which reflects what has been negotiated and agreed upon. Begin the MOU with a definition of what you want, and whose interests are being served or protected.

There is no standard MOU format. However, your agency's philosophy of relations with providers will be reflected in the format. Common sense should guide both the development of the instrument and the decisions regarding inclusions and exclusions. Community care demonstration projects have employed different terms and conditions, and these differences are addressed in the following section. There is, however, general agreement among demonstration projects about the approach and inclusions. Some of the terms and conditions below are essential requirements of an MOU, while others should be included only when appropriate. A good rule to follow is to include that which appears reasonable.

B. Terms and Conditions of the MOU

1. Dates. Include the date the MOU is initiated. Inclusive dates of the MOU should be stated if problems are anticipated and a formal review date needs to be set. Otherwise, a timely review date might be stated towards the end of the MOU.

SAMPLE 1

This Memorandum of Understanding is made on _____ by and between _____ and _____. It shall remain in effect (continue) until _____ or until terminated by either party with 30 day written notice.

SAMPLE 2

This Memorandum of Understanding is made on _____ by and between _____ and _____. Review of this Memorandum shall be made on or before _____, at which time this Agreement may be extended, modified or terminated.

2. **Name the Parties in the Agreement.** Be very clear about who is entering the agreement. The names of the persons with authority to enter the agreement could be included at the beginning of the MOU, but definitely are included as authorized persons delegated by the parties to sign the acceptance of the understanding. You might also include the name of the umbrella or sponsoring agency, and names of any persons who have responsibility for implementing the MOU.

SAMPLE 1

This Memorandum of Understanding is designed to reflect the understandings between _____ (your agency) (a case management agency coordinating services for the elderly) (an Area Agency on Aging) (a private non-profit organization) (or some other similar general description) hereinafter _____ (a shortened name) and _____ (a social service agency) (a community hospital) hereinafter _____ (a shortened name).

3. **Describe a Common Objective for Entering the MOU.** This description provides some framework for the specifics of the MOU. You could develop specific goals and objectives which would provide the basis for monitoring the MOU or evaluating its effectiveness.

SAMPLE 1

_____ and _____, the parties to this Memorandum have the following common objectives:

1. To assure delivery of the right service at the right time to the right client;
2. To assure the application of service in strict accord with prescriptions prepared pursuant to careful, systematic assessment of the client;
3. To assure notice by the respective parties to each other of any changes in the client's circumstances in order to permit swift and proper response by the parties to such changes;
4. Etc. etc. etc.

SAMPLE 2

_____ and _____, the parties to this memorandum of understanding have the common overall objectives of providing effective and efficient services to their elderly clients, of preventing unnecessary institutionalization, and of evaluating service impact.

4. **Describe the Expertise of Each Party.** This description will establish the mutual respect for entering the agreement. This can be done with a bit of flare to make the other party feel good. Make the other party feel that his/her agency has something you need or want, and make sure he/she knows you have something to offer. You might include the scope of responsibility and/or program operational goals of each party.

5. Describe the Clients Appropriate for your Service. This inclusion is applicable only for MOU's involving services to or referral of clients. It can be written in general terms at the beginning of the MOU or can be outlined in greater specificity in a separate section. Eligibility requirements and determinations could be included.

SAMPLE 1

Clients who are the subject matter of this memorandum include the following:

1. Persons 65 yeras of age or older with chronic physical, mental or emotional conditions which render them unable to care for themselves unaided over an extended period of time; or
2. Family members living in the same household with the primary elderly disabled clients; or
3. Persons 65 years of age or older living in institutions who are presumptively capable of living in non-institutional settings if provided selected community services.
4. Highest priority will be given to Medicaid eligibles, although others will be considered appropriate for service as well.

SAMPLE 2

Clients appropriate for services furnished by the parties to this memorandum are the frail elderly 65 and over.

6. Describe the Understanding Between the Parties Including the Service to be Provided. This is the major portion of the MOU and its contents will depend on what has been negotiated. As mentioned earlier, it could specify a service, the number of service slots to be reserved, a referral process, a communication item. State the nature, scope, amount, and duration of service where appropriate.

SAMPLE 1

The case management agency agrees to provide case management services to any client referred to (provider) for service during the duration of time the client is eligible.

SAMPLE 2

The case management agency will determine eligibility for its case management services through a screening process at intake and a comprehensive needs assessment. The case management agency will provide a care plan and case management services, which include monitoring and reassessment to eligible clients.

SAMPLE 3

The (provider) agrees to designate 15 slots per month for home delivered meals to case management clients.

7. Describe Who Will Pay For Service and How Payments Will Be Made. An explanation of the fee payment arrangements may be necessary in some

instances. For example, if agency A transfers authority to you to authorize services for which Agency A will pay, and you are developing an MOU with Provider Agency B, you will want to specify the arrangement for payment of the services to Agency B by Agency A.

SAMPLE 1

Where (Agency B) furnishes services (of xyz dimension, i.e., describing what A will pay for) and for which charges are made, (Agency B) will bill (Agency A) directly. (Agency A)'s agreement to cover such charges is attached herewith as Appendix A and is a part of this Memorandum of Understanding.

8. Describe the Referral Process. This description is an appropriate inclusion when client services will be provided by either party. A clearly delineated referral process can save case managers time and will formalize the practice.

SAMPLE 1

The case management agency will make a telephone call to initiate the referral process. Such telephone contact will be followed by a written service order.

SAMPLE 2

Hospital social workers from Hospital X will refer appropriate clients to the case management agency. Following intake by the case management agency, the hospital social worker will be notified in writing regarding the client's eligibility for case management services. Intake will occur within _____ days of the referral, and notice to the hospital regarding eligibility will occur within _____ days of the assessment.

9. Describe the Communication Process. As noted in the preceding paragraph, referral processes can be handled separately in the MOU, particularly if that is the major understanding being negotiated. However, many other forms of communication processes might be the subject of the relationship between the parties. Some examples are regular or timely meetings between agency directors or parties, case conferences between workers, paper flow, correspondence, reports, service orders, and/or the naming of persons involved in the communication process.

SAMPLE 1

Timely meetings shall be held to review implementation of this agreement, to establish policy directives, and to hold case conferences as appropriate.

SAMPLE 2

Case manager(s) and provider agency workers shall meet biweekly to review special problem cases, coordinate schedules, evaluate closed cases, and assess caseloads. Precise times shall be set by the parties to their mutual convenience.

10. Describe Reporting/Recordkeeping Requirements. These requirements can be handled in general terms in the instrument, but the provider should be fully aware of any reporting or recordkeeping needs for or about case management agency clients. Other reporting might relate to your management needs.

SAMPLE 1

_____ and _____ will maintain documentation of service orders and service provision, and other statistical and financial information as needed for accountability and research purposes.

SAMPLE 2

The parties to this memorandum agree to develop common reporting instruments wherever possible. In any event, they intend to confer on the development of forms or other elements of their respective systems.

11. Provide for Confidentiality Assurance. Confidentiality assurance can be viewed as an essential practice for the protection of clients' rights when any information is gathered and shared between agencies, and therefore should be included in the MOU instrument.

SAMPLE 1

(Provider) shall safeguard the use of and access to information regarding individuals or families to which the case management agency is providing or arranging for services. (Provider) shall not use or release any reports, data, or other information except with the approval of such applicant or person served and in accordance with the rules and regulations of _____ and _____, and where applicable, state and federal laws and regulations. Such information shall be used only to assure proper administration, planning, coordination and monitoring of performance under this Agreement, and permit the transfer of client records to another agency for the purpose of continuing services, with appropriate release from the client or the client's guardian, and for research purposes.

12. State Whether There Will be an Exchange of Representation on Advisory Boards. Providing opportunities for the other party In the MOU to serve on your Advisory Board or working sub-committees may serve as an incentive for developing closer relationships. Exchange can also be initiated through a joint audit process.

SAMPLE 1

Whenever possible, there will be representatives of both agencies on Advisory Councils.

SAMPLE 2

Service Audit and Program Review functions will be performed jointly when appropriate.

13. Describe Publicity Procedures or Requirements. It is advisable to assure that publicity involving both parties be coordinated or cleared. One way to do this is to limit the use of agency names by the respective parties.

SAMPLE 1

We mutually agree not to use the name of the other in any public information without permission.

14. Dealing with Problems. Few MOU's are negotiated with the anticipation of problems, however, relationships sometimes change and disputes may arise. It is important to anticipate problems and attempt to structure the MOU negotiation to minimize conflicts. While procedures for resolution need not be specified in the MOU, it is advisable to have strategies in mind which might be employed if needed.
15. Liability. The MOU is not a legal document. The case management agency assumes liability for its actions and those actions of its employees or representatives. The provider or other party is liable for its actions and the actions of its employees or representatives. No statement regarding liability is necessary in an MOU. However it is advisable to consult an attorney if there are questions.
16. Closing. The closing statement finalizes the agreement. Appropriate signatures and dates must be included. Each party retains a signed original.

SAMPLE 1

_____ and _____ hereby express agreement to all of the above and enter into a joint agreement until such time that either agency shall amend or revise said agreement in writing.

Name, Title for (Provider Agency)

Name, Title for (Case Management Agency)

Date _____

Date _____

V. MODEL MOU'S

The following MOU's have been developed as models of the three basic types of agreements you will most likely need to negotiate. The first is a model of an MOU with a provider of services to case management agency clients. The second is an MOU with a referring hospital. The third is an MOU specifying transfer of nursing home prescreening authority.

These are not necessarily complete MOU's which should be carried to provider agencies in your community for negotiation. Completeness will be dictated by the issues of concern between your agency and each agency with which you negotiate an agreement.

These model MOD's should be helpful to you in devising appropriate wording and in selecting areas of probable concern.

A. Model #1: MOU for Direct Service

PERIOD OF AGREEMENT	This Memorandum of Understanding is between Case Management, Inc. and Home Nursing Services of Porter County. It is effective upon signing and shall remain in effect until termination by either party with 30 day written notice.
PARTIES	Case Management, Inc. (hereinafter CM) is a not for profit corporation funded by the Area Agency on Aging of Porter County. CM is engaged in undertaking, directly and through contracted services, the assessment of chronically ill and/or disabled elderly, care planning, arranging for services for them, and evaluating the impact of such services. Home Nursing Services of Porter County (hereinafter HNS) is a home health agency providing professional nursing and supportive services to the sick, disabled, and elderly in their own homes. It, like CM, is organized on a not-for-profit basis.
COMMON OBJECTIVE	CM and HNS have as a common objective the effective and efficient delivery of health and social services to elderly individuals and the prevention of unnecessary institutionalization. Both are interested in assisting clients over 65 years old with chronic physical, mental or emotional conditions who are unable to care for themselves without the help of others over an extended period of time.

DISTRIBUTION OF FUNCTIONS	<p>In view of the common objective, CM and HNS agree on the following distribution of functions:</p> <p>CM Inc. will determine eligibility for case management services through an intake process, conduct a comprehensive needs assessment, provide case management services to include developing a comprehensive care plan, arranging for services, monitoring and reassessment.</p> <p>HNS of Porter County agrees to provide skilled nursing, speech therapy, physical therapy, occupational therapy, and homemaker-home health aide care to CM clients. CM clients will receive priority attention over Home Nursing Services patients.</p>
BILLING & ELIGIBILITY DETERMINATION	HNS agrees to bill Blue Cross, Medicare, Medicaid or other third party payors for services provided to CM clients where such clients are covered by these programs. CM agrees to conduct eligibility determinations for all clients prior to referral and to certify as to their eligibility.
REFERRAL PROCESS	A case manager from CM will make a telephone request for initiation of services which will be followed by a written service order. A service order will be issued for each client. Each service order may contain requests for more than one service to be provided to the same client. Each service order will specify the amount and duration of service delivery. Services will be expected to begin no later than 48 hours following receipt of a written service order unless the order proposes a subsequent initiation.
COMMUNICATION	Monthly meetings will be held between the case management supervisor of CM and the director of community services of HNS to review implementation of this agreement and to establish policy directives as appropriate.
REPORTING/ RECORDKEEPING	CM and HNS will maintain documentation of service orders and service provision by client and by service worker. HNS shall furnish a weekly report to CM of its case management clients served, added, or dropped. HNS personnel shall report changes in client status immediately to the CM case manager. CM shall notify HNS of changes in client status, client financial or provider eligibility or other matters in ways that will minimize HNS' exposure to financial liability.
RESEARCH	HNS agrees to cooperate with the research requests of CM. These requests may be for information about clients and occasional interviews. CM agrees to share results of its research with HNS.
CONFIDENTIALITY	HNS and CM each shall safeguard the use of and access to information regarding individuals or families, to which either agency is providing or arranging for service. HNS and CM agree not to use or release any reports, data, or other information identifying applicants or persons, except with the approval of such applicant or person served and in accordance with the rules and regulations of _____ and _____ and where applicable, federal laws and regulations. Such information shall be used only to assure proper administration, planning, coordination and monitoring of performance under this Agreement, and to permit the transfer of client records to another agency for the purpose of continuing services, with appropriate release from the client or the client's guardian, and for research purposes.
REPRESENTATION	The executive administrator of HNS agrees to serve on the Advisory Council of CM.
PUBLICITY	The parties mutually agree not to use the name of the other in publicity or non-service connections without permission.

REPORTING/ RECORDKEEPING	CM agrees to document preadmission screens conducted and screening outcomes. CM agrees to issue bimonthly reports of screenings completed to PSU.				
COMMUNICATION	The Intake Supervisor of CM and the Assistant Director of PSU agree to meet twice per month to discuss issues of mutual concern, problems, and policy issues.				
AMENDMENT	This Memorandum of Understanding may be amended on the initiative of either party by submitting a proposed amendment in writing to the other party and agreement of that party to the amendment.				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p>_____</p> <p>Executive Director Porter County PSU</p> </td> <td style="width: 50%; border: none;"> <p>_____</p> <p>Case Management Agency Director</p> </td> </tr> <tr> <td style="border: none;"> <p>_____</p> <p>Date</p> </td> <td style="border: none;"> <p>_____</p> <p>Date</p> </td> </tr> </table>		<p>_____</p> <p>Executive Director Porter County PSU</p>	<p>_____</p> <p>Case Management Agency Director</p>	<p>_____</p> <p>Date</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>Executive Director Porter County PSU</p>	<p>_____</p> <p>Case Management Agency Director</p>				
<p>_____</p> <p>Date</p>	<p>_____</p> <p>Date</p>				

To obtain a printed copy of this report, send the full report title and your mailing information to:

U.S. Department of Health and Human Services
Office of Disability, Aging and Long-Term Care Policy
Room 424E, H.H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201
FAX: 202-401-7733
Email: webmaster.DALTCP@hhs.gov

RETURN TO:

Office of Disability, Aging and Long-Term Care Policy (DALTCP) Home
[\[http://aspe.hhs.gov/office_specific/daltcp.cfm\]](http://aspe.hhs.gov/office_specific/daltcp.cfm)

Assistant Secretary for Planning and Evaluation (ASPE) Home
[\[http://aspe.hhs.gov\]](http://aspe.hhs.gov)

U.S. Department of Health and Human Services Home
[\[http://www.hhs.gov\]](http://www.hhs.gov)