

**MEMORANDUM OF  
UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING** ("MOU"), effective 1<sup>st</sup> of July, 2017 (the "Effective Date") sets forth the principal objectives, understanding and preliminary agreement by and between **PENINSULA REGIONAL MEDICAL CENTER** ("Hospital"), and **LOWER SHORE CLINIC, INC.** ("LSC") for the purpose of defining each Party's role and responsibilities toward collaboration among service providers to promote care coordination and improve access to care for behavioral health patients. Each of Hospital and LSC are hereinafter sometimes referred to as a "Party", and collectively as the "Parties".

**WHEREAS**, the Hospital and LSC share a common vision of providing continuity of care and coordinating health care priorities. The Parties believe that a relationship between the Hospital and LSC would address many patient needs, lower health care costs and decrease the number of discharged inpatients who re-admit within thirty days to the Hospital.

**NOW THEREFORE**, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. Services and Cooperative and Collaborative Efforts. Hospital and LSC agree to coordinate the provision of services as outlined in this MOU. Hospital and LSC through their respective, duly authorized representative shall meet in person or by phone regularly as determined by mutual consent of the Parties throughout the term of the MOU to collaborate and utilize the best expertise of both Parties.
2. Hospital Duties- Responsibilities and Services.
  - a. Identifying patients at risk of readmission based on
    - i. Emergency Department (ED) use greater than once a month
    - ii. One or more hospital readmits within 30 days over the preceding 12 months
    - iii. Patient lacking a Primary Care Physician (PCP) or their designated PCP is unable to see patient within 48 hours of ED discharge
    - iv. Identification of patient as high risk by PRMC by criteria other than stated above
  - b. Actively and purposefully discussing Care Wrap with any and all patient identified in item 2(a) above, and encouraging any such identified patients to take part in the in home and community support Care Wrap will offer.
  - c. Referring, within 24 to 48 hours of discharge, any and all patients agreeing to participate in Care Wrap to LSC for follow-up.
  - d. Facilitating a 'warm handoff' of each participating patient while the patient is still in the hospital.
3. LSC Duties- Responsibilities and Services.
  - a. Accepting as clients all willing referrals from PRMC who are adults living in Dorchester, Somerset, Wicomico, or Worcester counties, referred before discharge for inpatient treatment as possible.
  - b. Meeting with 95% of clients referred to Care Wrap in accordance with item 2(c) above, in the

- hospital, upon discharge, or within 48 hours in their place of residence assuming that notification is timely received from Hospital.
- c. Facilitating timely client prescriptions with due consideration to the timing of 3b above.
  - d. Facilitating understanding of discharge instructions.
  - e. Visiting the client at client's residence or in the community as requested by client choice to assess the following:
    - i. compliance with medication and therapy regimens;
    - ii. address Psycho-social issues related to healing and link clients with appropriate service providers;
    - iii. maintain or improve safety and economic stability;
    - iv. establish connections to longitudinal care plan.
  - f. Providing services intended to prevent hospital readmissions within 30 days of discharge for clients enrolled in Care Wrap.
  - g. Facilitating enrollment in primary care of patient's choice for at least 100% of clients enrolled in Care Wrap.
  - h. Facilitating linkage to behavioral health providers and other community health resources as appropriate for at least 100% of clients who need services..
  - i. Facilitating linkage to qualifying benefits such as housing and entitlements.
  - j.. Sharing quarterly financial details related to the provision of services with hospital following presentation at LSC board meetings.
  - k. Collect data and metrics and present quarterly data
4. Hospital Support Funds. Hospital agrees to provide support funds totaling \$100,000 for the term of this Agreement payable in monthly increments of \$8,333.33 for first 11 months, and \$8,333.37 for the last month due on or before the last day of each month beginning with the month of July 2017.
5. Term and Termination.
- a. Term. The Term of this MOU shall be one years, for the period on July 1, 2017 through June 30, 2018. Extension must be agreed to in writing and include specific financial terms related to Hospital Support Funds
  - b. Termination.
    - i. Termination Without Cause. Either Party may terminate this Agreement for any reason, with or without cause, after the Initial Term, at any time, by giving the other Party at least sixty (60) days written notice.
    - ii. Termination for Breach. This MOU may be terminated by either Party in the event of a material breach by the other Party, which is not cured by the breaching Party within five (5) business days following receipt of written notice which specifies the alleged breach by the breaching Party
6. Nonaffiliated Status. Each Party shall act and represent themselves at all times and to all parties as unaffiliated contracting parties.
7. Duty of care. Each Party shall perform in accordance with currently approved methods and standards of practice for the services contemplated hereunder. At no time shall either Party be considered an agent, partner, subsidiary, or parent with the other Party for any purpose, nor will this arrangement be considered a joint venture. The provisions of this Paragraph shall survive expiration or other

termination of this MOU, regardless of the cause of such termination.

8. Indemnification. Each Party (the "Indemnifying Party"), shall indemnify and hold the other and its officers, directors, shareholders, employees, agents, and representatives (the "Indemnified Parties"), harmless from any and all liabilities, obligations, claims, causes of action, contingencies, damages, costs, and expenses including, without limitation, all court costs and attorneys' fees (whether as a result of direct claims or third Party claims that the Indemnified Parties or any of them may suffer or incur) of any nature arising out of or relating to: (a) the breach or inaccuracy, or any alleged breach or inaccuracy, of any of the representations, warranties, covenants or agreements made by or on behalf of the Indemnifying Party, or of anyone acting for or on behalf of the Indemnifying Party, hereunder; or (b) any act or omission of the Indemnifying Party, or of anyone acting for or on behalf of the Indemnifying Party, in performing its obligations hereunder.
9. Insurance. Hospital and LSC shall maintain throughout the term of this Agreement, professional liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence, and Three Million Dollars (\$3,000,000) annual aggregate covering any professional providing Services under this Agreement for those Services. The Parties may secure professional liability insurance on either an occurrence or claims made basis. Upon request, the Parties shall furnish a certificate of insurance to the other Party evidencing the coverage required hereunder and providing not less than ten (10) days advance notice of alteration or termination in coverage.
10. Patient Records.
  - a. Consent. To the extent required by applicable laws, if any, Hospital shall secure a valid, written consent or authorization from a patient prior to releasing a patient's medical record to LSC, and LSC shall have secured a valid, written consent or authorization from a patient prior to releasing a patient's medical record to Hospital.
  - b. Release of Information. Hospital and LSC agree not to disclose any personal medical information regarding a patient to any outside Party, except as permitted or required by law.
  - c. Protected Health Information. The Parties shall only use or disclose Protected Health Information (as such term is defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164, the "Privacy Standards"), as promulgated by the Department of Health and Human Services pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, in compliance with the Privacy Standards and the Security Standards (45 C.F.R. Part 160 and Subparts A and E of Part 164). Should any Protected Health Information be disclosed by a Party or its agents to the other Party, its employees, contractors, subcontractors or agents, such other Party shall take reasonable steps to maintain, and to require its employees, contractors, subcontractors and agents to maintain the privacy and confidentiality of such Protected Health Information consistent with applicable law.
11. Binding Nature of MOU. This MOU is intended by the Parties to be self-effectuating and not to be dependent upon the drafting and execution of other definitive agreement.
12. Representations and Warranties by Parties. Each Party hereby represents and warrants that the following statements are true and correct to the best of their knowledge:
  - a. Authority. They have the necessary corporate power and authority to execute deliver and perform the transactions contemplated by this MOU.

- b. Authorization. No Conflicts. The execution, delivery and performance by each Party of this MOU has been duly and validly authorized by the agent of that Party and by any other action on the part of that Party that may be necessary. This MOU constitutes a legally valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and quitable principles relating to or limiting creditors' rights generally. The execution, delivery and performance of this MOU will not cause or result in a conflict with any other agreement or obligation of the Party.
- c. Exclusion from Federal Health Programs. Neither the Party, nor any Affiliate or person working for the Party or an Affiliate, has ever been (1) convicted of a criminal offense related to health care and/or related to the provision of services paid for by Medicare, Medicaid or another federal health care program; or (2) excluded from participation in any federal or state health care program, including Medicare and Medicaid. Each Party shall notify the other Party immediately in the event that (1) it, an Affiliate or any person working for that Party or an Affiliate, is convicted of a criminal offense related to health care and/or related to the provision of services paid for by Medicare, Medicaid, or another federal or state health care program; or (2) the Party, an Affiliate or any person working for the Party or an Affiliate is excluded from participation in any federal or state health care program, including Medicare and Medicaid.
- d. Access to Books and Records. In accordance with the federal law (the Omnibus Reconciliation Act of 1980}, LSC agrees to make available to the secretary of the United States Department of Health and Human Services, the United States Comptroller General and their representatives, this Agreement and all books, documents and records necessary to certify the nature and extent of the cost of the Services for a four (4) year period after the furnishing of the Services under this Agreement. Should LSC carry out any of the duties of this Agreement through a subcontract worth Ten Thousand Dollars (\$10,000) or more, over a twelve (12) month period with a related organization, the subcontract will also contain this same clause to permit access by the same federal government representatives to the books and records of the subcontractor.

13. Miscellaneous.

- a. Transfer and Assignment. The rights granted by this MOU and the duties described herein may not be delegated (other than to an Affiliate, as defined herein) without the prior written consent of the Parties, which consent may be withheld for any reason. Neither Party may assign this MOU without the prior written consent of the other Party except that either Party may assign this MOU to an Affiliate without the consent of the other Party, provided however, that such assignment will not relieve the assignor of its liabilities and obligations under this MOU. For purposes of this MOU, an "Affiliate" shall be defined as an entity that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, either Party. For the purposes of this definition, "control" means the power to direct or cause the direction of the management or policies of such entity, whether through the ownership of voting securities, by contract or otherwise.
- b. Written Modifications and Waivers. No modification or waiver of any of the terms and conditions of this MOU will be effective unless it is in writing and signed by the Parties.

- c. Successors. This MOU shall inure to the benefit of, and be binding upon, the parties to this MOU and their respective successors and permitted assigns.
- d. Waiver. Failure of any Party to exercise any right in the event of breach or default by any other Party shall not constitute or operate as a waiver of any right of any Party.
- e. Severability. Provisions of this MOU are hereby declared to be severable.
- f. Governing Law. This MOU shall be interpreted and enforced in and in accordance with the laws of the State of Maryland.
- g. Publicity. The parties acknowledge and agree that any public information or news release regarding the contents of this MOU, or any promotional or public relations activity regarding any Services, programs or facilities established under or arising out of the services provided hereunder shall be undertaken only in a manner which is mutually acceptable, in advance, to each Party and upon their respective express, prior written approval.
- h. Entire Agreement/Amendments. This MOU represents the complete understanding of the parties hereto. Any amendment to this MOU shall be in writing and signed by both parties. Except for the specific provision of this MOU which thereby may be amended, this MOU shall remain in full force and effect after such amendment.
- i. Compliance with Laws. Each Party shall conduct its activities hereunder in material compliance with all applicable laws, rules and regulations that are now or hereafter promulgated by any governmental authority or agency that governs or applies to the provision of the services or activities described herein.
- j. Non-Discrimination. The Parties comply with the provisions of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 and all requirements imposed pursuant to the end that no person shall, on the grounds of race, color, national origin, religion, political affiliation or opinion, age, sex and gender, physical handicap, sexual orientation, marital status, or genetic information be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination in the provision of any care, service and/or employment.
- k. Notice. All notices, requests, demands and other communications required by or permitted hereunder shall be in writing and shall be deemed to have been duly given where received by the Party to whom directed. Provided, however, that notice shall be conclusively deemed given at the time of deposit of such notice in the United States mail when sent by certified or registered mail, postage prepaid, to the other Party at the following addresses (or at addresses as shall be given in writing by either Party to the other):

**To Hospital:**

Peninsula Regional Medical Center  
100 East Carroll Street  
Salisbury, Maryland 21801  
Attn: Kathryn Fiddler

**With a Copy to:**


Peninsula Regional Medical Center  
100 East Carroll Street

Salisbury, Maryland 21801  
Attn: Legal Department

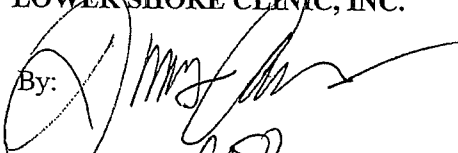
**To LSC:**  
Lower Shore Clinic  
716 N. Division Street  
Salisbury, MD 21801  
Attn: CFO

**IN WITNESS WHEREOF**, the Parties duly authorized representatives have hereto executed this MOU effective on the dates indicated next to the signatures set forth below.

**PENINSULA REGIONAL MEDICAL CENTER**

By:   
Title: President / CEO Date: 1/17/2018

**LOWER SHORE CLINIC, INC.**

By:   
Title: CEO Date: 1/12/18