

## Establishing Contractual Partnership Agreements

This fact sheet presents a few important questions to ask before you establish a contractual agreement with a partnering health care organization (HCO). An attorney can assist with specific legal advice.

### Do you need a formal contract?

Partnerships can take many forms, from informal cooperation to full integration of services. Not all collaborations between community-based organizations (CBOs) and HCOs involve a formal contract. In some situations, a letter of agreement or MOU can be sufficient.

### What are the professional guidelines for your type of agreement?

For example, the American College of Physicians suggests topics to cover in care coordination agreements between patient-centered medical homes and collaborating organizations.<sup>2</sup>

#### Example Topics Covered in HCO-CBO Contractual Partnership Agreements:

- The contract duration
- Service packages your organization will provide
- Number of people and populations to be served
- Pricing structure

### What's the contract navigation process?

Some large health care systems have cumbersome administrative structures. Your contract may need to be reviewed by a legal entity, a purchase order system, and/or other systems. Understanding the structure of your organization and the structure of your partner's organization can help you minimize or avoid delays in contracting.

### How will you price your services?

Understand the costs of services and the desired margin before negotiating contracts with payers and providers.<sup>3</sup> While not specific to HIV/AIDS services, the SCAN Foundation provides a pricing guide and other tools to assist CBOs to value and price their services for integrated care.<sup>3</sup>

*Prepared by: Meaningful Evidence, LLC for NMAC's Capacity Building Division*

#### Sources:

1. Solomon & Peterson, LinkageLab: Preparing California's Community-Based Organizations to Partner with the Health Care Sector by Building Business Acumen: Case Studies from the First Cohort of Linkage Lab Grantees, The SCAN Foundation. Aug 2015. <http://www.thescanfoundation.org/linkage-lab-case-studies>).
2. American College of Physicians. *The Patient-Centered Medical Home Neighbor: The Interface of the Patient-Centered Medical Home with Specialty/Subspecialty Practices*. Philadelphia: American College of Physicians; 2010: Policy Paper.
3. The SCAN Foundation, Pricing Guide for CBOs. [www.thescanfoundation.org](http://www.thescanfoundation.org).