

**MEMORANDUM OF UNDERSTANDING
BY AND AMONG**

Regional Diabetes Collaborative
Health Improvement Partnership of Santa Cruz County
Cabrillo College
Central Coast Alliance for Health
County of Santa Cruz Health Services Agency
Pajaro Valley Community Health Trust
Planned Parenthood Mar Monte
Physicians Medical Group of Santa Cruz County
Salud Para La Gente
Santa Cruz Medical Foundation
Santa Cruz Women's Health Center

This memorandum of understanding this (“MOU”) is made and entered into effective as of this 17th day of June, 2005, by and among, and the following entities participating in the Community Chronic Care Network of Santa Cruz County (CCCN) (each of the following to be referred to herein as “CCCN Partner Organizations”): Regional Diabetes Collaborative, Health Improvement Partnership of Santa Cruz County, Safety, Cabrillo College, Central Coast Alliance For Health, County of Santa Cruz Health Services Agency, Pajaro Valley Community Health Trust (including the Diabetes Health Center), Planned Parenthood Mar Monte (Santa Cruz/Westside and Watsonville), Physicians Medical Group Of Santa Cruz County, Salud Para La Gente, Santa Cruz Medical Foundation and Santa Cruz Women's Health Center Santa C. The CCCN Partner Organizations are sometimes referred to herein as a “Party” and, collectively, as the “Parties”. This memorandum of understanding sets forth certain understandings and agreements among the Parties with respect to creation and operation of a communitywide electronic diabetes registry. As indicated herein, portions of this MOU are binding on the Parties and portions of this MOU are non-binding.

Recitals

WHEREAS, the Parties desire to form a communitywide electronic diabetes registry designed to promote secure and efficient sharing of health information in order to advance the quality of health care delivery in Santa Cruz County California.

WHEREAS, the Parties desire to establish a common business framework to facilitate the development of a communitywide electronic diabetes registry in a manner that improves the quality of health care delivery consistent with the individual business goals of the participating institutions and stakeholders;

WHEREAS, each of the Parties is unconstrained by any legal agreement that would prevent it from entering into this MOU or the transactions and arrangements contemplated hereby.

WHEREAS, the Agency for Healthcare Research and Quality (AHRQ) has awarded a three-year grant to the CCCN Partner Organizations to develop a communitywide electronic diabetes registry among participating entities ("AHRQ Grant"), and the CCCN Partner Organizations intend to commit certain additional funds essential to the overall success of the project contemplated by the AHRQ Grant;

WHEREAS, the CCCN Partner Organizations have engaged the Pajaro Valley Community Health Trust ("Trust") as contracting organization for the AHRQ Grant in order for the Trust to provide certain project and financial management services in regard to the AHRQ Grant; and

WHEREAS, this MOU is intended to set forth the mutual understanding of the Parties in regard to the establishment of a common business framework and set forth the commitments of the Parties for the communitywide electronic diabetes registry, in accordance with the provisions of the AHRQ Grant.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. Negotiation Period. The Parties agree to negotiate in good faith following the execution of this MOU in order to pursue the communitywide electronic diabetes registry, including without limitation, negotiation of the following elements:
 - a. Specifically, the Parties agree to participate in organizational activities pertaining to the establishment of a communitywide diabetes registry, including attending steering committee meetings, providing review and input on proposed corporate structure, governance and staffing of the CCCN, and designating representatives to the Clinical and IT Committees.
 - b. The Parties agree to enter into an agreement under which the Health Improvement Partnership of Santa Cruz County (HIP) will operate (consistent with the terms of this MOU and implementing agreements) a communitywide electronic diabetes registry for the improvement of chronic care management in Santa Cruz County during the time period covered by the AHRQ grant (October 2004 to September 2007).
 - c. The Parties agree to pursue the establishment of a permanent legal entity yet to be defined for the CCCN for the purpose of ensuring that all people with chronic conditions in Santa Cruz County receive consistent and continually

- improving medical support by employing modern electronic tools and sharing clinical practice innovations among our diverse providers of care. This mission is based on the premise that health care should be safe, effective, patient-centered, timely, efficient and equitable.
- d. The Parties will explore mechanisms for appropriate funding of the CCCN with the goal of establishing and operating the CCCN as a self-sustaining entity.
 - e. The Parties will work to define appropriate terms and conditions for data sharing agreements including Participant and Business Associate Agreements to be entered into by HIP with each organization providing data to and/or utilizing the diabetes registry, consistent with the requirements of the AHRQ Grant by August 31, 2005.
 - f. Any agreements pertaining to the CCCN shall be in accordance with applicable laws, rules and regulations of federal, state and local governmental authorities, including without limitation, the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder, and with the AHRQ Grant.
2. Provider Confidentiality. Except as and to the extent required by applicable law, regulation or legal process, neither CCCN Staff nor any CCCN Partner Organization shall make any public comment, statement, or communication with respect to this MOU or the transactions and arrangements contemplated hereby that would result in legal, financial or public perception advantage of one CCCN Partner Organization over another. No person or entity that (in any capacity) gains access to registry data or reports specifically identified to another person or entity shall disclose such data or reports without the consent of the person or entity that is the subject of such data or reports. CCCN Partner Organizations can use registry reports for internal purposes including process improvement. Nothing in this MOU shall be interpreted as an agreement to refrain from lawful competition.
 3. Public Announcements. In connection with the transactions and arrangements contemplated by this MOU, each Party agrees that it will not use any other Party's name, marks, or logos in any advertising, promotional material, press release, publication, public announcement, or through other media, whether written or oral, without the prior written consent of such other Party, acting through its chief executive officer or his/her designee. Notwithstanding anything in this MOU to the contrary, the CCCN may disclose information to the extent required by California laws and regulations or the terms of the AHRQ Grant.
 4. Due Diligence and Approvals. Notwithstanding anything in this MOU to the contrary, the Parties agree that the consummation of any data sharing agreements is contingent upon: (i) a thorough due diligence review by the respective parties to such agreement of the financial, legal, strategic and other aspects of the

transactions contemplated thereby; (ii) the receipt of all necessary governmental approvals or assurances of the absence of governmental objections pertaining to the transactions contemplated by such agreements; and (iii) the receipt of all necessary corporate approvals by each party to such agreement.

5. No Representation or Warranty. The Parties understand and acknowledge that, except as expressly stated to the contrary, no Party is or will be making any representation or warranty, express or implied, as to the accuracy or completeness of any furnished information or other due diligence materials, and no Party, or any of its directors, trustees, officers, employees, shareholders, owners, affiliates, representatives, or agents, has or will have any liability to any other Party or person resulting from any reliance upon or use of, or otherwise with respect to, any furnished information or other due diligence materials. Only those representations or warranties made expressly in a data sharing agreement or in any binding agreements pertaining to the CCCN, when, as, and if executed, and subject to such limitations and restrictions as may be specified in such agreements, will have any legal effect.
6. Definitive Agreements Supersede. In the event the Parties execute definitive agreements pertaining to the subject matter of this MOU, such definitive agreements shall supersede this MOU with respect to the subject matter of such definitive agreements, and this MOU shall immediately terminate and no longer have any force or effect with respect to the subject matter of such definitive agreements.
7. Fees and Expenses. Each Party hereto will be responsible for and will pay its own fees, costs and expenses incurred in connection with such Party's participation in the negotiations and activities contemplated by this MOU. Specifically, each Party will pay their respective legal counsel, accountants and advisors, and will pay, or otherwise advance, any and all out-of-pocket costs and expenses incurred in connection with such Party's negotiation of any contract to which such entity is or becomes a party.
8. Entire Agreement. This MOU constitutes the entire agreement among the Parties, superseding all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing regarding the subject matter hereof. Except as otherwise provided herein, the provisions of this MOU may be amended, modified or waived only by a writing executed by each Party hereto.
9. Governing Law. This MOU shall be governed in all respects by, and be construed in accordance with, the laws of the State of California.
10. Termination. This MOU may be terminated: by mutual written consent of all of the Parties hereto. Except as may be provided in a superceding agreement, any CCCN Partner Organization may elect to terminate its participation in the transactions and arrangements contemplated by this MOU by providing thirty (30) days' prior written notice to the other Parties hereto. Upon termination of this MOU, the Parties shall

have no further obligations hereunder, except as stated in paragraphs 3,4, 6 and 8 of this MOU, which shall survive any such termination.

11. Effect of Memorandum of Understanding. Each Party hereby agrees and acknowledges that the provisions of Sections 1-11 (“Binding Provisions”) of this MOU are legally binding upon the Parties and shall inure to the benefit of the Parties, their successors and assigns. All other provisions set forth in this MOU, including Recitals, are not legally binding upon the Parties, and neither Party will have any liability or obligation to the other Party with respect to such provisions. Except with respect to the Binding Provisions, any binding obligations of the Parties with respect to the transactions contemplated by this MOU will result only upon required corporate authorization, execution and delivery of applicable definitive agreements by each Party and shall be subject to any required approvals from applicable governmental entities.

[remainder of page intentionally left blank]