

FINAL
11/14/2014

REVISED QUALITY AND CHARITY CARE TRUST AGREEMENT

THIS REVISED QUALITY AND CHARITY CARE TRUST AGREEMENT is made and entered into this ___ day of ____ 2014, by and among LOUISVILLE METRO, KENTUCKY, acting by and through its Mayor; the UNIVERSITY OF LOUISVILLE, acting by and through its Board of Trustees; THE COMMONWEALTH OF KENTUCKY, acting by and through its Governor; and UNIVERSITY MEDICAL CENTER, INC., a non-profit Kentucky corporation, with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

WITNESSETH:

WHEREAS the University, the Commonwealth, and Louisville Metro, or their predecessors in interest have operated the Quality and Charity Care Trust since 1983; and,

WHEREAS Corporation has operated the Hospital with the condition that the Trust continue to support the provision of Hospital Care in the manner specified in this Agreement; and

WHEREAS, Corporation has operated as the safety net hospital for the Louisville, Kentucky metropolitan area for many years, and is expected to remain so in the future;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and recognizing the benefits to be derived and the social purposes to be served by Corporation assuming and discharging the obligation to provide for the health care needs of economically disadvantaged persons who have historically been ministered to by University of Louisville as a public service in the course of its teaching programs, all as more fully set forth herein, the parties agree as follows:

1. **TERM**

The Initial Term of this Agreement shall be from July 1, 2014 through June 30, 2016, and it shall continue for subsequent Trust Year(s), subject to the continuation of Total Government Funding.

2. **DEFINITIONS**

For all purposes of this Agreement, unless the context otherwise requires:

- A. **"COST OF CARE"** shall mean, for Hospital Care, the amount which would have been payable to Hospital under the Medicare program for inpatient or outpatient care on the date Hospital Care was furnished, if the Medicare program had not adopted a prospective payment system. This amount will be determined, in aggregate, for each Trust Year, by multiplying the Medicare cost-to-charge ratio from the most recently available filed Medicare cost report times the Indigent and/or Medically Needy Net Charges per the Quality and Charity Care Trust, Inc. Accountants' Report and Financial Statements, for each Trust Year. The Medicare cost report cost-to-charge ratio will be determined by

taking the total Reimbursable Costs (including Teaching Costs) currently set forth on Worksheet B Pt. 1, Column 25 (excluding non-reimbursable cost centers) and dividing Total Gross Charges, currently set forth on Worksheet C, Column 8 (Column 7 for cost reporting periods 2010 and prior), and per cost report references as updated thereafter by the Center for Medicare and Medicaid Services ("CMS"), as applicable. The above worksheets and the Hospital's calculation of the COST OF CARE shall be annually attached as an exhibit to this Agreement. For purposes of this section, all words (which are not defined elsewhere in this Agreement) shall have the same meaning as they have in the instructions for the Medicare cost report promulgated by CMS.

- B. **"CORPORATION'S GUARANTEE"** shall mean Corporation's commitment that, for each Trust Year for which the Trust receives Total Government Funding as herein provided, it will provide medically necessary Hospital Care, to the extent facilities are available, to all Indigents and Medically Needy who are residents of Jefferson County, for which it will be reimbursed up to ninety percent (90%) of Total Government Funding (see Section 6c) and thereafter will provide such Hospital Care to residents of Jefferson County at its own expense. An Indigent shall not be required to pay any deposit as a condition of receiving medically necessary Hospital Care at Hospital. However, nothing in this Agreement shall prohibit Corporation, after providing Hospital Care, from billing and collecting any co-payment permitted to be billed and collected from an Indigent qualified as permitted under applicable Federal Poverty Guidelines then in effect. Corporation shall also have the right, after providing Hospital Care, to bill and collect from any Medically Needy the amount of the Cost of Care rendered in connection with his Hospital Care, to the extent of his income, resources, insurance benefits and other means of payment.
- C. **"HOSPITAL"** shall mean University of Louisville Hospital which shall include the Concentrated Care Building, the Ambulatory Care Building, the Brown Cancer Center, the Institutional Services Building and the Lampton Building which are located in Louisville, Kentucky, as those terms are defined in the Affiliation Agreement between the University of Louisville and Corporation. In addition, Hospital shall include those facilities and services offered by Corporation in the University of Louisville Health Care Outpatient Center located in the 400 block of East Chestnut Street in Louisville, Kentucky.
- D. **"HOSPITAL CARE"** shall mean those inpatient and outpatient services offered by Corporation at Hospital and, if requested by Corporation for a patient who has been discharged from Hospital, any other medically necessary services required to be rendered in another health care facility as defined in KRS 216B.015(10).
- E. **"INDIGENT"** shall mean for purposes of the Trust, an individual who:
- (1) Is not eligible for benefits under Titles V, XVIII or XIX of the Social Security Act;

- (2) Is not eligible for any Government health insurance program or any Government subsidized health insurance program, is not covered by a private insurance plan or whose coverage for Hospital Care from private insurance, Medicare or Medicaid is exhausted;
- (3) Is not an individual who is being transferred to Hospital from another health care facility where he was admitted as an in-patient, except for an individual who is in need of medical services which are not available at the health care facility to which he was initially admitted but are only available at Hospital.
- F. "INITIAL TERM" shall mean that period of time beginning on the Commencement Date of this Agreement and ending on June 30, 2016.
- G. "LOUISVILLE METRO" shall mean the local governmental entity which resulted from the consolidation of the governments of the City of Louisville and Jefferson County, Kentucky, or any governmental entity which shall succeed to the rights, duties and obligations of Louisville Metro.
- H. "THE TRUST" shall mean the Quality and Charity Care Trust, Inc., a Kentucky non-profit corporation qualified as a public charity under Section 501(c)(3) of the United States Internal Revenue Code and established pursuant to KRS 273.060 et seq., for the purpose of funding Hospital Care for Indigents and Medically Needy and enhancing the quality of University's health care programs.
- I. "THE UNIVERSITY" shall mean the University of Louisville or any entity which shall succeed to the rights, duties and obligations of such institution.
- J. "TOTAL GOVERNMENT FUNDING" shall mean an amount not to exceed a.) Five Million from Louisville Metro plus b.) Six Million from the state, as authorized in House Bill 235, Part I, K., 9., (2), for a total of Eleven Million and c.) Five Million from the appropriation to the University of Louisville for Fiscal Year 2014-15; and an amount not to exceed a) Three Million from Louisville Metro plus b.) Four Million from the state, as authorized in House Bill 235, Part I, K., 9., (2), for a total of Seven Million and c.) Five Million from the appropriation to the University of Louisville for Fiscal Year 2015-2016.
- K. "TRUST YEAR" for the first year shall mean that period beginning on the Commencement Date of this Agreement on July 1, 2014 and continuing through June 30, 2015, and thereafter shall mean any consecutive twelve-month period beginning on the first day of July and ending on the last day of June.

- L. "**OMBUDSMAN**" shall mean a person from time-to-time selected by Louisville Metro, and who will not be an employee of Corporation or University, with the approval of Corporation, who shall assist in the resolution of any disputes concerning an individual's classification as Indigent or Medically Needy at the time he presents himself for admission to Hospital. He shall, if requested by the individual asserting to be Indigent or Medically Needy, review Corporation's determination that such an individual will not be admitted to Hospital as Indigent or Medically Needy. In conducting such a review, he shall consider and adhere to the relevant provisions of this Agreement and the Corporation's application of the criteria set forth in Exhibit B attached hereto. The Ombudsman, following such review shall have the authority to require Corporation to admit and furnish Hospital Care to any individual determined by him to be Indigent or Medically Needy. The Ombudsman shall not act in an unreasonable, arbitrary and/or capricious manner in resolving disputes. The reasonable salary and related fringe benefits of such Ombudsman for that portion of time the Ombudsman is fulfilling obligations under this agreement, as agreed by Corporation and Louisville Metro shall be paid to Louisville Metro by Corporation.
- M. "**MEDICALLY NEEDED**" means an individual who, at the time of presentation for admission or at the time of discharge or within one (1) year thereafter, (unless one of the criteria set forth in Exhibit B hereof, is determined by Corporation to apply to such individual, and such determination is not reversed by the Ombudsman) has income from all sources more than that required to be eligible for assistance in acquiring health care under the Affordable Care Act, is determined to require medical care, and does not have sufficient income, resources, or other means of paying for all of the Cost of Care rendered or to be rendered in connection with his Hospital Care.

3 **OPERATION OF QUALITY AND CHARITY CARE TRUST**

- A. A not for profit corporation established pursuant to KRS 273.060 et seq., which is known as "Quality and Charity Care Trust, Inc.", has been established to receive funding as set forth herein. The Trust shall be administered by nine (9) directors. Three (3) of the directors shall be appointed by the Board of Trustees of the University of Louisville, three (3) of the directors shall be appointed by the Governor of the Commonwealth of Kentucky, two (2) of the directors shall be appointed by the Mayor of Louisville Metro, and one director shall be appointed by the Louisville Metro Board of Health.
- B. In furtherance of the continuing commitment to provide Hospital Care to Indigents and Medically Needy residing in Kentucky and Jefferson County and in consideration of Corporation's undertakings, the Commonwealth of Kentucky, Louisville Metro, and the University of Louisville agree to provide funding to the Trust as follows:

For Trust Year, beginning July 1, 2014 and ending on June 30, 2015. Total Government Funding shall not exceed Sixteen Million Dollars (\$16,000,000), to be provided as follows:

- (a) Louisville Metro shall provide a total of not to exceed five million dollars.
- (b) The Commonwealth of Kentucky shall provide a total of not to exceed six million dollars.
- (c) The University of Louisville shall provide a total of not to exceed five million dollars from its appropriation.

For Trust Year, beginning July 1, 2015 and ending on June 30, 2016. Total Government Funding shall not exceed Twelve Million Dollars (\$12,000,000), to be provided as follows:

- (a) Louisville Metro shall provide a total of not to exceed three million dollars.
- (b) The Commonwealth of Kentucky shall provide not to exceed four million dollars.
- (c) The University of Louisville shall provide a total of not to exceed five million dollars from its appropriation.

C. **Funding of the Trust**

The Commonwealth, on behalf of itself, up to the amounts designated in Paragraph 3B(b) above, Louisville Metro, up to the amounts designated in Paragraph 3B(a) above, and the University of Louisville, up to the amounts designated in 3B(c) above, shall pay to the Trust within thirty days of receipt and approval of the reports by the Commonwealth as detailed in Section 6 B. herein, the amount of expenditures approved for the Cost of Care for those eligible under this Agreement. Louisville Metro will transfer its money to the state as agreed between those two parties. The University of Louisville will transfer its money to the state as agreed between those two parties.

D. **University's Obligations**

University as its only obligations under this Agreement shall furnish administrative and basic accounting services to maintain and operate the Trust referred to in Paragraph 3A above, shall appoint three (3) directors for the Trust, and shall disburse any monies distributed to it from the Trust in accordance with the terms of this Agreement.

E. **Renegotiation Between Governments**

Nothing in this Agreement is intended to prevent the Commonwealth and the Louisville Metro from renegotiating among themselves the amounts of their respective annual contributions to the Trust.

4 **CORPORATION'S OBLIGATION**

In consideration of Total Government Funding by the Commonwealth and the Local Governments, Corporation shall provide Hospital Care to Indigents and Medically Needy in accordance with Corporation's Guarantee but nevertheless shall have the rights of billing and collection described in Paragraph 2(B) hereof. Corporation shall also furnish all necessary emergency Hospital Care required by any individual without regard to his ability to pay, but shall nevertheless have the right of billing and collections described in Paragraph 2(B) hereof.

Corporation, the Commonwealth and Louisville Metro realize that many individuals who are not Indigent nevertheless need financial assistance in obtaining and paying for Hospital Care. The Corporation intends to treat any Medically Needy who requires medically necessary Hospital Care, unless one of the exceptions listed in Exhibit B attached hereto applies. If Corporation declines to treat any individual who claims to be Medically Needy, such individual may request the assistance of the Ombudsman. If the Ombudsman determines the individual to be Medically Needy and finds that none of the exceptions listed on Exhibit B apply, Corporation shall be required to furnish Hospital Care to such individual, in accordance with Corporation's Guarantee, but shall nevertheless have the right of billing and collections described in Paragraph 2(B) hereof.

5 **TRUST'S OBLIGATIONS**

A. **Receipt, Investment and Disbursement**

For each Trust Year, the Trust will receive and disburse Total Government Funding as set forth herein, and such funding shall be disbursed exclusively to reimburse Corporation for the Hospital Care provided to Indigents and Medically Needy.

- (1) Except as provided in subparagraph (2) below, if there is a cash balance in the Trust at the end of any Trust Year, such balance shall remain in the Trust for use in the next succeeding Trust Year to pay for Hospital Care provided to Indigents and Medically Needy in accordance with the terms of any future Agreement. Any cash balance remaining in the Trust at the end of any Trust Year shall not reduce Total Government Funding in any succeeding Trust Year.
- (2) Any balance remaining in the Trust at the termination of the Trust shall be retained for a period of 1 year to provide for the adjustments permitted under Paragraph 6A. Thereafter, any remaining balance shall be returned to the Louisville Metro and the Commonwealth in the same proportion that the funding by Louisville Metro and the Commonwealth bore to the Total Government Funding for the final Trust Year period prior to termination.

B. **Payments by the Trust**

Upon receipt of funds referenced in Paragraph 3B (a), (b), and (c), during the Trust Year, which begins on July 1, 2014 and ends on June 30, 2015, the Trust shall reimburse the Corporation in accordance with the provisions of Section 6B in the same proportion as the amounts designated in Paragraph 3B .

C. **Audit**

An annual audit shall be conducted of the QCCT for the previous fiscal year. The audit shall be prepared and presented to the QCCT Board including the following:

- (1) Engagement letter outlining audit firm's roles and responsibilities, as well as those responsible for managing the QCCT's operations;
- (2) Pre-audit communication letter discussing the planned audit responses and anticipated risk areas;
- (3) Statement on Auditing Standards (SAS 114) -- The Auditor's communication with those charged with governance.

It shall be agreed that this audit may be conducted by the same audit firm as contracted for the University audit due to the significant increase in cost to select another auditor.

6 **ADMINISTRATION OF THE TRUST AND CORPORATION'S OBLIGATIONS IN CONNECTION THEREWITH**

A. **Application for Benefits**

Except as provided herein, no one shall be eligible for benefits under the provisions of this Agreement unless he has first applied for, and been determined to be eligible, as an Indigent or Medically Needy individual. The Board of Directors of the Trust shall specify the form of the application. The Corporation shall administer the application process, and shall, except as provided herein, not encumber Trust funding for services rendered to an applicant until his application has been approved. The application used by Corporation (the "Application") shall be the application prescribed for the Commonwealth for Disproportionate Share Hospitals (without, however, including any requirements of the Commonwealth concerning timeliness), as that application may exist from time to time. A copy of the Application currently in use by Corporation is appended to this Agreement as an Exhibit. Notwithstanding the foregoing, the Corporation shall furnish to any individual services that are required under the provisions of Section 6 (D) hereof, even if such person cannot or refuses to submit an application for benefits, and may bill the fund for the Cost of Care if investigation by the Corporation or its agents establishes that the individual is eligible for benefits as an Indigent or Medically Needy individual within one (1) year of the date of service.

B. **Reports to the Trust**

The Corporation shall quarterly submit the Reimbursement Request Certification with the Data Submission Requirements as contained in Exhibit ? to the Commonwealth, Louisville Metro, the University and the QCCT board.

C. Provision of Hospital Care

Corporation will provide Hospital Care to Indigents and Medically Needy who are not residents of Jefferson County. When up to ten percent (10%) of the state appropriation has been reimbursed for such care, Corporation shall have no further obligation to provide Hospital Care to such Indigents and Medically Needy. During the Trust Year for which Total Government Funding is paid to the Trust and such funding and interest thereon are available for reimbursement to Corporation, Corporation shall provide Hospital Care to all residents of Jefferson County who are determined pursuant to the terms hereof, to be either an Indigent or Medically Needy consistent with the provisions of this Agreement. Corporation warrants and represents that no portion of funding provided by the Louisville Metro shall be used to provide Hospital Care for Indigents and Medically Needy who are not residents of Jefferson County, Kentucky.

D. Emergency Care

In compliance with the provisions of KRS 216B.400, Corporation shall not deny admission to any individual determined to be in need of emergency care by any person with admitting authority, by reason only of his inability to pay for services to be rendered. Nothing herein precludes billing an individual who is Indigent or Medically Needy for services to the extent permitted under this agreement.

7 DEFAULT BY CORPORATION

- A. If Corporation shall fail to provide Hospital Care to Indigents and the Medically Needy as required under the terms of this Agreement, the Commonwealth and/or Louisville Metro shall provide written notice to Corporation of the alleged failure to provide such care.
- B. If, within sixty (60) days following Corporation's receipt of the written notice of the alleged failure of Corporation to provide Hospital Care, the matter cannot be settled to the mutual satisfaction of the parties, it shall be submitted to and settled by binding arbitration in accordance with rules then obtaining of The American Arbitration Association, and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof.

8 GOVERNMENT'S REMEDIES

- A. If it is determined by the Arbitrators that Corporation has failed to provide Hospital Care, the remedies available to Commonwealth and Louisville Metro shall be limited to the following:
- (1) Monetary damages against the Corporation in an amount sufficient to make the Commonwealth or Louisville Metro whole; or

(2) Specific performance by Corporation of the action(s) required by the terms of this Agreement.

B. If Corporation fails to abide by the judgment entered on the Arbitrator's award in a court having jurisdiction thereof upon thirty (30) days written notice provided by Commonwealth or Louisville Metro to Corporation, this Agreement and those certain Agreements of even date herewith, pertaining to the operation of Hospital, between the parties hereto shall terminate.

9 **INCORPORATION OF PRIOR AGREEMENT; AMENDMENTS**

This Agreement and the Affiliation Agreement, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Agreement, and no prior agreement or understanding entered into by all parties to this Agreement pertaining to any such matter shall be effective for any purpose. This Agreement may not be amended or added to except by a writing executed by Corporation, the University, the Commonwealth and Louisville Metro. This Agreement is not intended to preclude Louisville Metro or the Commonwealth from entering into other agreements and arrangements pertaining to Hospital Care for Indigents and the Medically Needy; provided, however except as provided in Paragraph 3(F) no such agreements shall amend or alter the terms of this Agreement without the written consent and agreement of Corporation.

10. **INDEPENDENT RELATIONSHIP**

The Commonwealth of Kentucky, Louisville Metro, the University of Louisville and Corporation are at all times acting and performing as independent contractors. Except as provided by statute, regulation or ordinance, the University of Louisville, the Commonwealth of Kentucky, and Louisville Metro, shall neither have nor exercise any control or direction over the methods by which Corporation shall provide Hospital Care to Indigents and the Medically Needy.

11. **ASSIGNMENT**

The parties acknowledge that the University and Corporation have assigned their rights, interests and obligations in and under this Agreement to Kentucky One. .

13 **NOTICES**

All notices which either party is required or permitted to give to the other under or in connection with this Agreement shall be in writing, and shall be given by addressing the same to such other parties at the address set forth on the signature page hereof, and by depositing the same so addressed, postage prepaid, in the United States mail by certified mail, return receipt requested, or by delivering the same personally to such other parties. Any notice mailed shall be deemed to have been given three (3) United States Post Office delivery days following the date of mailing. Any party may change the address for the service of notice upon it by written notice given to the other parties in the manner herein provided for the giving of notice.

14 **KENTUCKY LAW**

This Agreement shall be construed and governed by the laws of the Commonwealth of Kentucky.

15 **GENDER AND NUMBER**

As used throughout this Agreement, the masculine includes the feminine and neuter and the singular includes the plural.

16 **MEDICARE AND MEDICAID**

Nothing in this Agreement shall be construed to permit Corporation to refuse to admit any individual covered by Medicare and Medicaid programs.

17 **EQUAL EMPLOYMENT OPPORTUNITY**

- A. The Corporation will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin.
- B. The Corporation will take affirmative action in regard to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, so as to ensure that applicants are employed and that employees during employment are treated without regard to their race, color, religion, sex, age or national origin; however, when layoffs occur, employees shall be laid off according to seniority with the youngest employee being laid off first. When employees are recalled, this shall be done in the reverse of the way the employees were laid off.
- C. The Corporation will state in all solicitations or advertisements for employees placed by or on behalf of Corporation that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age or national origin.
- D. The Corporation will post notices in conspicuous places, available to employees and applicants for employment, setting forth the provisions of the nondiscrimination clauses required by this section.
- E. The Corporation will send a notice to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding advising the labor union or workers' representative of the Corporation's commitments under the above nondiscrimination clauses.
- F. The Corporation shall comply with all applicable provisions of KRS 45.560-640 in the operation of University of Louisville Hospital.

18 **COUNTERPARTS**

This Agreement may be executed in counterparts, in which case each executed counterpart shall be deemed an original and all executed counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

WITNESS:

LOUISVILLE METRO, KENTUCKY
Louisville Metro Hall
Louisville, Kentucky 40202

BY: *Julie Jackson*

BY: *[Signature]*
Mayor

WITNESS:

JEFFERSON COUNTY ATTORNEY
Jefferson Hall of Justice
Louisville, Kentucky 40202

BY: *Amalia Jundic*

BY: *Julie L. Hardesty*
Jefferson County Attorney

WITNESS:

RECOMMENDED BY:
CABINET FOR FINANCE & ADMINISTRATION
Capitol Annex
Frankfort, Kentucky 40601
Attn: Secretary of Finance & Administration

BY: _____

BY: _____
Secretary of Finance & Administration

WITNESS:

APPROVED BY:
THE COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY: _____

BY: _____
Governor

WITNESS:

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: President

BY: _____

BY: _____
President

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

WITNESS:

LOUISVILLE METRO, KENTUCKY
Louisville Metro Hall
Louisville, Kentucky 40202

BY: _____

BY: _____
Mayor

WITNESS:

JEFFERSON COUNTY ATTORNEY
Jefferson Hall of Justice
Louisville, Kentucky 40202

BY: _____

BY: _____
Jefferson County Attorney

WITNESS:

RECOMMENDED BY:
CABINET FOR FINANCE & ADMINISTRATION
Capitol Annex
Frankfort, Kentucky 40601
Attn: Secretary of Finance & Administration

BY: *Ken Griggby*
General Counsel

BY: *Jeri H. Flanery*
Secretary of Finance & Administration

WITNESS:

*Approved as to form &
legality*

BY: *M. Halliday Hopkins*
General Counsel

APPROVED BY:
THE COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY: *[Signature]*
Governor

WITNESS:

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: President

BY: _____

BY: _____
President

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

WITNESS:

LOUISVILLE METRO, KENTUCKY
Louisville Metro Hall
Louisville, Kentucky 40202

BY: _____

BY: _____
Mayor

WITNESS:

JEFFERSON COUNTY ATTORNEY
Jefferson Hall of Justice
Louisville, Kentucky 40202

BY: _____

BY: _____
Jefferson County Attorney

WITNESS:

RECOMMENDED BY:
CABINET FOR FINANCE & ADMINISTRATION
Capitol Annex
Frankfort, Kentucky 40601
Attn: Secretary of Finance & Administration

BY: _____

BY: _____
Secretary of Finance & Administration

WITNESS:

APPROVED BY:
THE COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY: _____

BY: _____
Governor

WITNESS:

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: President

BY:  _____

BY:  _____
President

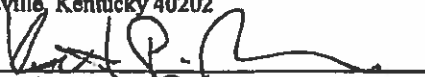
WITNESS:

UNIVERSITY MEDICAL CENTER, INC.
530 South Jackson Street
Louisville, Kentucky 40202

BY:



Attn:



BY:

Kenneth P. MARSHALL

RECEIVED AND ACKNOWLEDGED FOR THE QUALITY AND CHARITY CARE TRUST, INC.

BY: Dr. Stephanie Mayfield Gibson, M.D, FCAP, Chairman

WITNESS:


UNIVERSITY MEDICAL CENTER, INC.
530 South Jackson Street
Louisville, Kentucky 40202

Attn: _____

BY: _____

BY: _____

RECEIVED AND ACKNOWLEDGED FOR THE QUALITY AND CHARITY CARE TRUST, INC.

 11/17/14

BY: Dr. Stephanie Mayfield Gibson, Chairman

EXHIBIT A

Eligibility under the Affordable Care Act

EXHIBIT B

(This Exhibit does not apply to Emergency Patients)

An individual is not Medically Needy if Corporation has determined that:

- 1. He has concealed any assets, and does not disclose the existence of or his interest in, such assets to Corporation in response to its inquiries concerning his financial status;**
- 2. He has falsely given or refuses to give his name, family status, or any relevant information about his financial status;**
- 3. He has the reasonable, demonstrated ability but has refused, and continues to refuse, to pay any legally binding obligation owed Hospital as a result of prior Hospital Care;**
- 4. He has conveyed any material asset for less than its fair market value to any person, and but for such conveyance he would not meet the definition of Medically Needy;**
- 5. His parents, children or some other responsible party has all or part of the financial resources necessary to pay for his Hospital Care; provided, however, if the parents, children or other responsible party commits such resources to pay for Hospital Care, such individual shall then be Medically Needy;**
- 6. He is a minor, unless his parents are Medically Needy;**
- 7. He has established residency in Louisville or Jefferson County for the primary purpose of obtaining Hospital Care;**
- 8. He has an alternate source of care available to him, but refuses to avail himself of it;**
- 9. He is eligible for insurance or public assistance benefits which might pay for all or some of his Hospital Care but refuses to apply for it;**
- 10. He has declined to obtain, or has canceled, any health insurance policy with the intention of becoming Medically Needy;**
- 11. A reasonably prudent man would determine there is any other valid reason why such individual should not be accorded the benefits available to the Medically Needy under this Agreement;**
- 12. He is being transferred to Hospital from another health care facility where he was admitted as an in-patient, except for an individual who is in need of medical services which are not available at the health care facility to which he was initially admitted but are only available at Hospital.**

Quality and Charity Trust
("QCCT")
Reimbursement Request

Date: _____
Reimbursement Reporting Period: _____

Pursuant to the terms of the Quality and Charity Care Trust Agreement (the "Agreement") between the Commonwealth of Kentucky ("Commonwealth"), Louisville Metro, the University Medical Center and the University of Louisville ("U of L"), and House Bill 235 (the "Budget Bill") as enacted in the Regular Session of the 2014 General Assembly, this reimbursement request (and accompanying data report) is submitted to the Commonwealth for costs incurred for the provision of hospital care to indigent and medically needy patients, with the following certification:

1. The costs submitted in this reimbursement request were incurred on behalf of patients who were eligible for QCCT funding as "indigent" and "medically needy" individuals as defined by the Agreement.
2. The costs submitted for reimbursement are eligible costs as defined by "cost of care" in the Agreement and as set forth in the attached report.
3. The costs incurred, and submitted for reimbursement, were for patients that were Kentucky residents at the time the costs were incurred.
4. Reimbursement requests for costs incurred for patients pursuant to QCCT funding, are not included in any requests for Disproportionate Share Hospital Program ("DSH") payments.
5. Prior to providing medical care, and incurring costs for services, patients were informed of the opportunities to apply for Medicaid or a Qualified Health Plan through Kynect, Kentucky's Healthcare Connection.

Reimbursement amount requested: _____

Submitted this _____ day of _____, _____.

Authorized signature
Name:
Title :

FOR INTERNAL PROCESSING:

Date Received: _____

Approved by CHFS: _____ (name, title, date)

Approved by FAC: _____ (name, title, date)

Total Approved for Disbursement: _____

Commonwealth Share Disbursement : _____ Date: _____

Metro Louisville Share Disbursement: _____ Date: _____

University of Louisville Share Disbursement: _____ Date: _____

Data Submission Requirements

The University of Louisville will be required to submit monthly (quarterly) files containing the charges and collections for persons eligible for QCCT funding. These files shall contain all of the data elements listed in the table below, at the patient level.

Gross QCCT eligible costs will be calculated according to the Cost of Care formula detailed in the QCCT Agreement.

Net QCCT eligible costs will be the difference between gross QCCT eligible costs and collections.

All data reporting should be done on a cash basis. Charges shall be reported with the date charges were incurred and collections shall be reported by the date payment was made.

	Charge File	Collection File
Claim Type	X	X
Primary Payor Plan	X	X
Secondary Payor Plan	X	X
Transaction Code		X
Patient Identifier Code (PCN)	X	X
Patient's Birth Date	X	X
Patient's Social Security Number	X	X
Patient's Gender	X	X
Name	X	X
Admit Date	X	X
Discharge Date	X	X
Service Indicator (IP / OP)	X	X
Revenue Code	X	
Total Charges for Services	X	X
Routine Days of Care	X	
Total Patient Payments for Services	X	
Total 3 rd Party Payments for Services	X	
Claim Status	X	
Date of Cash Collection		X
Amount of Cash Collections		X

Charge File - Support of Uninsured I/P and O/P Hospital Services:

1. The Charge File population should include all uninsured patients whose dates of service fall within the reporting month (quarter) and who meet all of the qualifications required in the QCCT Reimbursement Request.

Collection File - Support for Self-Pay I/P and O/P Hospital Payments Received:

1. The collection file should include all payments received from patients meet the qualifications required in the QCCT Reimbursement Request during the reporting month (quarter) regardless of dates of service.

Charge and Payment Inclusion Guidelines

This is a detailed listing of what "counts" as a charge or collection under Medicaid DSH guidelines. They may be more or less restrictive than the QCCT agreement and need to be modified.

Include In Hospital Uninsured Charges:

To the extent hospital charges pertain to services that are medically necessary under applicable Medicaid standards and the services are defined as Inpatient or outpatient hospital services under the Medicaid state plan the following charges are generally considered to be "uninsured":

Hospital inpatient and outpatient charges for services to patients who did not have any hospital health insurance or other legally liable third party coverage in effect at the time the services were rendered (reported based on date of service). (42 CFR 447.299 (14) / Creditable coverage is further defined in the 45 CFR 146.113)

- Include facility fee charges generated for hospital provider based sub-provider services to uninsured patients. Such services are identified as psychiatric or rehabilitation services, as identified on the facility cost report, Worksheet S-2, Line 3. The costs of these services are included on the provider's cost report.
- Include hospital charges for undocumented aliens with no source of third party coverage for hospital services. (73 FR dated 12/19/08, page 77916 / 42 CFR 447.299 (13))
- Include lab and therapy outpatient hospital services.
- Include services paid for by religious charities with no legal obligation to pay.

Include In Hospital Uninsured Payments:

- Include all payments received for hospital patients that met the uninsured definition at the time of the service. The payments must be reported on a cash basis (report in the year received, regardless of the year of service). (73 FR dated 12/19/08, pages 77913 & 77927)
- Include uninsured liens and uninsured accounts sold when the cash is collected. (73 FR dated 12/19/08, pages 77942 & 77927)
- Include Section 1011 payments for hospital services without insurance or other third party coverage (undocumented aliens). (42 CFR 447.299 (13))
- Include other waiver payments for uninsured such as Hurricane Katrina/Rita payments. (73 FR dated 12/19/08, pages 77942 & 77927)

Do NOT Include In Hospital Uninsured Charges:

- Exclude charges for patients who had hospital health insurance or other legally liable third party coverage in effect at the time the services were rendered. Exclude charges for all non-hospital services. (42 CFR 447.299 (14) / Creditable coverage is further defined in the 45 CFR Section 146.113)
- Exclude professional fees for hospital services to uninsured patients, such as Emergency Room (ER) physician charges and provider-based outpatient services. Exclude all physician professional services fees and CRNA charges. (42 CFR 447.299 (15) / 73 FR dated 12/19/08, pages 77924-77926)
- Exclude bad debts and charity care associated with patients that have insurance or other third party coverage (have coverage). (42 CFR 447.299 (15))
- Exclude claims denied by an active health insurance carrier (have coverage). (73 FR dated 12/19/08, pages 77910-77911, 77913)
- Exclude uninsured charges for services that are not medically necessary (including elective procedures), under applicable Medicaid standards (if the service does not meet definition of a hospital service covered under the Medicaid state plan). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, pages 77913 & 77930)
- Exclude charges for services to prisoners (wards of the state). (73 FR dated 12/19/08, page 77915 / State Medicaid Director letter dated August 16, 2002)

- Exclude Medicaid eligible patient charges (even if claim was not paid or denied). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, page 77916)
- Exclude patient charges covered under an automobile or liability policy that actually covers the hospital service (insured). (45 CFR 146.113, 45 CFR 146.145, 73 FR dated 12/19/08, pages 77911 & 77916)
- Exclude contractual adjustments required by law or contract with respect to services provided to patients covered by Medicare, Medicaid or other government or private third party payers (insured). (42 CFR 447.299 (15), 73 FR dated 12/19/08, page 77922)
- Exclude charges for services to patients where coverage has been denied by the patient's public or private payer on the basis of lack of medical necessity, regardless as to whether they met Medicaid's medical necessity and coverage criteria (still insured). (73 FR dated 12/19/08, page 77916)
- Exclude charges related to accounts with unpaid Medicaid or Medicare deductible or co-payment amounts (patient has coverage). (42 CFR 447.299 (15))
- Exclude charges associated with the provision of durable medical equipment (DME) or prescribed drugs that are for "at home use", because the goods or services upon which these charges are based are not hospital services. (42 CFR 447.299 (14) / 73 FR dated 12/19/08, page 77913)
- Exclude charges associated with services not billed under the hospital's provider numbers, as identified on the facility cost report, Worksheet S-2, Lines 2 and 3. These include non-hospital services offered by provider owned or provider based nursing facilities (SNF) and home health agencies (HHA). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, page 77913)
- Exclude facility fees generated in provider based rural health clinic outpatient facilities (not a hospital service in state plan). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, pages 77913 & 77926)
- Exclude charges for provider's swing bed SNF services (not a hospital service in state plan). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, page 77913)
- Exclude non-Title XIX charges including stand-alone Supplemental Children's Hospital Insurance Programs (SCHIP / CHIP).
- Exclude Independent Clinical ("Reference") Laboratory Charges (not a hospital service). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, page 77913)
- Do NOT Include In-Hospital Uninsured Payments:
- Exclude State, county or other municipal subsidy payments made to hospitals for indigent care. (42 CFR 447.299 (12))
- Exclude any individual payments or third party payments on deductibles and co-insurance on Commercial and Medicare accounts (cost not included so neither is payment). (42 CFR 447.299 (15))
- Exclude collections for non-hospital services: Skilled Nursing Facility, Nursing Facility, Rural Health Clinic, Federally Qualified Health Clinic, and non-hospital clinics (i.e. clinics not reported on Worksheet "C" Part I) (not hospital services). (42 CFR 447.299 (14) / 73 FR dated 12/19/08, page 77913)