

## REVISED QUALITY AND CHARITY CARE TRUST AGREEMENT

THIS REVISED QUALITY AND CHARITY CARE TRUST AGREEMENT is made and entered into this 1<sup>st</sup> day of November 2012, 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.

**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;

**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, 2012 through June 30, 2013, and it shall continue for subsequent Trust Year(s), subject to the availability 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 paid to the extent of ninety percent (90%) of Total Government Funding (see Section 6c) and thereafter will provide such Hospital Care 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 bill 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, is not covered by a private insurance plan or whose coverage for Hospital Care from private insurance, Medicare or Medicaid is exhausted;



(3) Has income from all sources equal to or less than that required to qualify for free or reduced cost care under the current Federal Poverty Guidelines applicable to the Louisville, Kentucky-Indiana Standard Metropolitan Statistical Area promulgated by the United States Department of Health and Human Services. Current income levels which apply during the period covered by the Agreement are listed in Exhibit A attached hereto and made a part hereof. A new Exhibit A will be appended to this Agreement annually to reflect changes in the index cited herein. Notwithstanding the foregoing "Indigent" shall not include 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, 2013.
- 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"** equals a.) \$7 million from Louisville Metro plus b.) \$22,588,427 from the state, for a total of \$29,588,427.
- K. **"TRUST YEAR"** for the first year shall mean that period beginning on the Commencement Date of this Agreement on July 1, 2012 and continuing through June 30, 2013, 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 (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), at the time of discharge, or within four (4) years thereafter, is determined to require medical care and does not have sufficient income, resources, insurance benefits or other means of paying for all of the charges 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 and the Louisville Metro agree to provide funding to the Trust as follows:

For Trust Year, beginning July 1, 2012 and ending on June 30, 2013. Total Government Funding shall be \$29,588,427, to be provided as follows:

- (a) Louisville Metro shall provide a total of seven million dollars.
- (b) The Commonwealth of Kentucky shall provide a total of \$22,588,427.

C. **Funding of the Trust**

The Commonwealth, on behalf of itself and Louisville Metro, shall pay Monthly Funding to the Trust on the tenth of the month of this Agreement. Louisville Metro will transfer its money to the state on the first of the month.

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, invest and disburse Total Government Funding as set forth herein, and such funding and the interest earned thereon after covering administration shall



be disbursed exclusively to pay 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 4 years to provide for the adjustments permitted under Paragraph 6A. Thereafter, any remaining balance shall be returned to the Louisville Metro in the same proportion that the funding by Louisville Metro bore to the Total Government Funding for the final Trust Year period prior to termination, or portion thereof, and the pro-rata share of the funding by the Commonwealth shall be disbursed to the University to enhance the quality and support of its hospital-based programs.

**B. Payments by the Trust**

On the fifteenth day of each month during the Trust Year, which begins on July 1, 2012 and ends on June 30, 2013, the Trust shall make 12 equal monthly payments to Corporation.

**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 four (4) years of the date of service.

**B. Reports to the Trust**

Within thirty (30) days after the discharge of each Indigent or Medically Needy individual receiving Hospital Care, Corporation shall generate a bill setting forth Billed Charges for such Hospital Care provided, and shall retain such bill in the files of the Hospital. Within thirty (30) days following the end of the Trust Year, Corporation shall deliver to the Trust, Louisville Metro and the Commonwealth, an Annual Report, which shall contain at least a summary statement identifying each Indigent and Medically Needy by patient number, his county of residence and the Cost of Care (after deducting any payments made by or on behalf of such individual) for each such Indigent and Medically Needy individual. Corporation shall also furnish, upon request, any other reports related to the operation of the Trust, or the type and location of care being furnished to individuals whose care is funded, in whole or in part, by the Trust.

**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 and the interest earned thereon has been used for such care, Corporation shall, unless the amount of the Trust has been increased, have no further obligation to provide Hospital Care to such Indigents and Medically Needy. During the Trust Year for which Total Government Funding is appropriated and paid to the Trust and such funding and interest thereon are available for payment 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 or the interest earned thereon 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 **FAILURE TO PROVIDE TOTAL GOVERNMENT FUNDING**

If Total Government Funding is not appropriated and paid to the Trust during any Trust Year, but nevertheless some lesser amount of government funding is appropriated and paid to the Trust for Hospital Care, Corporation's Guarantee shall be of no further effect, but Corporation shall furnish Hospital Care to Indigents and the Medically Needy under this Agreement and shall be paid its Cost of Care therefore until such funding has been expended. When such funding is expended, Corporation shall have no further obligations to furnish Hospital Care under this Agreement, any other provisions of this Agreement to the contrary notwithstanding.

8 **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.

9 **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.

10 **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.

11. **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.

12. **ASSIGNMENT**

The parties acknowledge that the University and Corporation have issued a joint Request for proposals (the "RFP") for operating Hospital, that one or more proposals have been received in response to the RFP, and that competitive negotiations are currently taking place among the University, Hospital and one or more respondents to the RFP. The result of these negotiations may be a restructuring of the legal organization of Hospital, or a joint venture in the operation of Hospital between Corporation and another entity. The parties authorize University and/or Corporation to assign their rights, interests and obligations in and under this Agreement to such an entity, if such a transaction is concluded, without any prior notice to, or any consent from, the Commonwealth, Louisville Metro, or any other person. The University and/or the Corporation shall provide notice of any such assignment to the other parties to this agreement once the assignment is made.

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: Ellen M. Hester

BY: [Signature]

Mayor

WITNESS:

JEFFERSON COUNTY ATTORNEY  
Jefferson Hall of Justice  
Louisville, Kentucky 40202

BY: Alan Newman Amor

BY: [Signature]

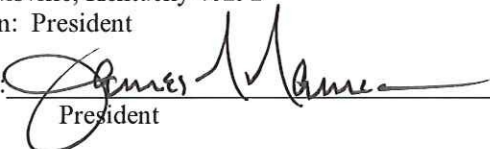
Jefferson County Attorney



WITNESS:

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

BY: \_\_\_\_\_

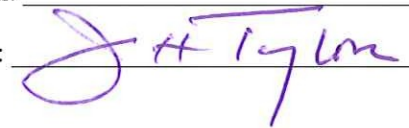
BY:   
President

WITNESS:

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

Attn: \_\_\_\_\_

BY: \_\_\_\_\_

BY: 

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



BY: David L. Dunn, M.D, Ph.D. \_\_\_\_\_ Chairman

Approved for Form & Legality  
TAC

WITNESS:

BY: E. Jeffrey Masley  
General Counsel

Approved as to form & legality  
WITNESS:

BY: M. Holliday Aarhis  
General Counsel  
Office of the Governor

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

BY: Lori H. Flanery  
Secretary of Finance & Administration

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

BY: Andy Beshear  
Governor

EXHIBIT A

Poverty Income Guidelines for all States  
Except Alaska and Hawaii



## 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.