

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

***LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT***

**AND**

***SAINT JOSEPH EAST***

**THIS AGREEMENT** is made this 3<sup>rd</sup> day of November, 2016 by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT** (“LFUCG”), an urban county government created pursuant to KRS Chapter 67A, located at 200 EAST MAIN, LEXINGTON, KENTUCKY 40507 and **SAINT JOSEPH HEALTH SYSTEM, INC. d/b/a SAINT JOSEPH EAST** (“ST. JOSEPH”), a non-profit corporation organized and existing under the laws of the State of KENTUCKY, located at 150 NORTH EAGLE CREEK DRIVE, LEXINGTON, KENTUCKY 40509.

**RECITALS:**

**WHEREAS**, ST. JOSEPH is a Kentucky not-for-profit hospital that provides a disproportionate share of healthcare services to the Medicaid population in addition to supporting programs that benefit the indigent, uninsured or underinsured population in the State of Kentucky;

**WHEREAS**, ST. JOSEPH desires to participate in the drug discount program established under Section 340B of the Public Health Services Act ( the “340B Program”);

**WHEREAS**, in order to participate in the 340B Program ST. JOSEPH must enter into an agreement with a unit of the local government pursuant to which ST. JOSEPH commits to provide health care services to low-income individuals who are neither entitled to benefits under Title XVIII of the Social Security Act nor eligible for assistance under the State plan of Title XIX under this Act;

**WHEREAS**, ST. JOSEPH desires to make such a formal commitment to LFUCG; and

**WHEREAS**, LFUCG agrees to accept such commitment on behalf of the citizens of Fayette County Kentucky.

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants contained herein and for other good a valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted, under seal, by and between the parties to this Agreement, as follows:

**1. Commitment of ST. JOSEPH to Provide Indigent Care.**

During the term of this MOU, ST. JOSEPH agrees to continue its historic

commitment to the provision of health care to indigent, uninsured and underinsured residents of Fayette County Kentucky as well as the surrounding counties and the counties of eastern Kentucky. In the fiscal year ended June, 30<sup>th</sup>, 2016 , this commitment totaled approximately \$4,539,837 in lost charges. Pursuant to this commitment, it is the intention of ST. JOSEPH that indigent care provided during the term of this MOU will range generally between \$4,000,000 and \$10,000,000 million. In any event, ST. JOSEPH will assume that all patients will receive necessary care, as required by law, regardless of ability to pay.

**2. Acceptance and Acknowledgements of LFUCG.**

- (a) LFUCG accepts the commitment of ST. JOSEPH set forth above;
- (b) LFUCG has executed a certification form, attached hereto, which acknowledges that the healthcare services provided by ST. JOSEPH are being provided to low-income individuals who are neither entitled to benefits under Title XVIII of the Social Security Act nor eligible for assistance under the State plan of Title XIX under this Act; and
- (c) LFUCG authorizes ST. JOSEPH to submit the attached certification in support of ST. JOSEPH'S application to enroll in the 340B program.

**3. Representations of ST. JOSEPH.**

ST. JOSEPH represents that as of the date hereof:

- (a) ST. JOSEPH constitutes a corporation duly organized and validly existing in good standing under the laws of the State of Kentucky with the corporate power and authority to enter into and perform its obligations under this Agreement; and
- (b) ST. JOSEPH is a tax-exempt corporation under Section 501 (c)(3) of the Internal Revenue Code of the United States, as amended and under applicable laws of the State of Kentucky.

**4. Term and Termination.** The term of this Agreement shall commence on the date first above written and shall continue until terminated by either party upon not less than sixty (60) days prior written notice to the other party.

**5. Notice.** All notices required or permitted to be given under this Agreement shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

Sent to: Lexington-Fayette Urban County Government  
Attention: The Honorable Jim Gray

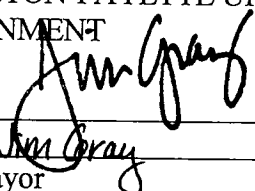
200 East Main Street  
Lexington, KY 40507

Sent to: St. Joseph Healthcare East  
Attention: Mendy Evans, VP Operational Finance  
150 North Eagle Creek Drive  
Lexington, KY 40503

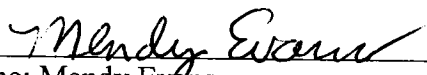
**6. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kentucky (excepting any conflict of laws provisions which would serve to defeat application of Kentucky substantive law).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above by their duly authorized representatives.

LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT

  
\_\_\_\_\_  
Name: Jim Gray  
Title: Mayor

SAINT JOSEPH HEALTH SYSTEM, INC. d/b/a  
SAINT JOSEPH EAST

  
\_\_\_\_\_  
Name: Mendy Evans  
Title: VP Operational Finance

**OFFICE OF PHARMACY AFFAIRS (OPA)  
CERTIFICATION OF CONTRACT BETWEEN PRIVATE, NON-PROFIT HOSPITAL AND  
STATE/LOCAL GOVERNMENT TO PROVIDE HEALTH CARE SERVICES TO LOW INCOME  
INDIVIDUALS**

To demonstrate that the hospital meets the statutory definition of covered entity under section 340B(a)(4)(L)(i) as a private non-profit hospital which has a contract with a State or local government to provide health care services to low income individuals, this certification must be completed and signed by both parties.

Saint Joseph Health System Inc d/b/a Saint Joseph East  
Name of Hospital  
Lexington, KY 40509  
City, State, Zip

Pursuant to the requirement of Section 340B of the Public Health Service Act (42 U.S.C. 256b), I certify that a valid contract (please provide contract number or identifier if applicable # \_\_\_\_\_) is currently in place between the private, non-profit hospital named above, and the State or Local Government Entity named below, to provide health care services to low income individuals who are not entitled to benefits under Title XVIII of the Social Security Act or eligible for assistance under the State plan of Title XIX of the Social Security Act. In addition, the authorizing official certifies that when this contract is no longer valid, appropriate notice will be provided to the Office of Pharmacy Affairs. The undersigned represents and confirms that he/she is fully authorized to legally bind the covered entity and certifies that the contents of any statement made or reflected in this document are truthful and accurate.

Mendy Evans  
Signature of Hospital Authorizing Official Date \_\_\_\_\_

Mendy Evans  
Name and Title of Authorizing Official (e.g., CEO, CFO, COO) (please print or type)

559-313-1681 Phone Number Ext. evansms@stlex.org E-Mail Address

Jim Gray Signature of State or Local Government Official 11-3-16 Date

Jim Gray  
Name of State or Local Government Official (please print or type)

Mayor, Lexington - Fayette Urban County Government  
Title and Unit of Government

200 E Main St, Lexington, KY 40507  
Address

851-425-2255 Phone Number Ext. mayor@lexingtonky.gov E-Mail Address