

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this ___ day of _____, 2020, by and between LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT (“LFUCG”) and BAPTIST HEALTHCARE SYSTEM, INC. d/b/a BAPTIST HEALTH LEXINGTON (“Baptist”), a non-profit corporation organized and existing under the laws of the Commonwealth of Kentucky.

RECITALS:

WHEREAS, Baptist is a Kentucky not-for-profit hospital that provides a disproportionate share of the healthcare services to the Medicare population in addition to supporting many programs that benefit the indigent, uninsured or underinsured population in the Commonwealth of Kentucky;

WHEREAS, Baptist participates 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, Baptist must maintain an agreement with a unit of government pursuant to which Baptist commits to provide health care services to low income individuals who are not entitled to Medicare or Medicaid benefits at no reimbursement or considerably less than full reimbursement from these patients;

WHEREAS, Baptist and LFUCG previously executed a Memorandum of Understanding which set forth Baptist’s commitment to provide healthcare services and treatment to indigent patients in and around Lexington, Kentucky;

WHEREAS, Baptist desires to renew its formal commitment to LFUCG to provide care and treatment to indigent, uninsured or underinsured populations in the Commonwealth of Kentucky; and

WHEREAS, LFUCG agrees to accept such commitments on behalf of the citizens of Lexington-Fayette County.

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

1. **Commitment of Baptist to Provide Indigent Care.** During the term of this MOU, Baptist agrees to continue its historic commitment to the provision of medically necessary health care services to indigent, uninsured and underinsured residents of LFUCG, and specifically to participate in Health Kentucky's low-income medical care programs. In 2019, this commitment totaled approximately \$9,000,000 in discounts for services and charity care. Pursuant to this commitment, it is the

intention of Baptist that the unreimbursed cost of indigent charity care provided during the term of this MOU will average generally between ten percent (10%) lower or higher than that number.

2. **Acceptance and Acknowledgement of Baptist.**

- (a) LFUCG accepts the commitment of Baptist set forth above;
- (b) LFUCG hereby acknowledges that the healthcare services provided by Baptist hereunder are in the public interest and are being provided to individuals who are not entitled to benefits under Title XVIII or eligible for assistance under any State plan pursuant to Title XIX of the Social Security Act; and
- (c) LFUCG acknowledges that Baptist is providing these services at no reimbursement or considerably less than full reimbursement from the patients.

3. **Representations of Baptist.** Baptist represents that as of the date hereof:

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

4. **Terms and Termination.** The term of this MOU 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.

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

LFUCG: Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, Kentucky 40507
Attn: Linda Gorton, Mayor

Baptist: Baptist Health Lexington
1760 Nicholasville Road
Lexington, Kentucky 40503

Attention: William G. Sisson, President

Copy to: Baptist Healthcare Systems, Inc.
2701 Eastpoint Parkway
Louisville, Kentucky 40223
Attn: Vice President and Chief Legal Officer

6. **Governing Law.** This MOU shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

LEXINGTON-FAYETTE COUNTY URBAN GOVERNMENT

By: _____
Linda Gorton
Mayor

Date: _____

BAPTIST HEALTHCARE SYSTEM, INC. d/b/a BAPTIST HEALTH LEXINGTON

By: _____
William G. Sisson
President

Date: _____