

2008 AGREEMENT BETWEEN WAYNE COUNTY AND WAYNE COUNTY HOSPITALS FOR THE DISTRIBUTION OF INDIGENT INPATIENT CARE FUNDS

This Agreement ("Agreement") is made between the **County of Wayne** ("County") and the Wayne County hospitals identified below that have provided uncompensated hospital services to Adult Benefit Waiver enrollees and other indigent residents of Wayne County during the County's 2006 – 2007 Fiscal Year. Data submitted by the hospitals to the State of Michigan and Wayne County, much of which is compiled in the *Wayne County Hospitals Medicaid Indigent Volume Data Report (2006)* reflects the cost of care provided during the relevant reporting year and is a factor in the County's calculation and distribution among the hospitals. Many of these Wayne County hospitals have also participated in or supported health programs for low income/uninsured workers endorsed by Wayne County with said participation also functioning as a factor in the distribution calculus. The County hospitals participating in this agreement are: **Detroit Medical Center, Henry Ford Health System, Oakwood Healthcare System, St. John Health, Garden City Hospital, St. Mary Mercy Hospital, and Beaumont Grosse Pointe**, collectively "Hospitals".

RECITAL

WHEREAS; The public health and general welfare of the residents of Wayne County is a matter of public concern to Wayne County and its elected officials; and

WHEREAS; The Wayne County Chief Executive Officer and Commission wish to promote and protect the good health and general welfare of Wayne County residents and more particularly to ensure that access to health care services and hospital services is and remains available to indigent residents of Wayne County; and

WHEREAS; Michigan's Social Welfare Act (Act 280 of 1939) and the Wayne County Charter establish the County's authority to commit public funds to the health care needs of indigent residents, to establish eligibility standards and to establish reimbursement methods for providers of such health care services; and

WHEREAS; Wayne County directly and indirectly promotes and/or administers several indigent and/or low income uninsured worker healthcare programs including the ABW program (also known as MedBasic); and

WHEREAS; Wayne County Hospitals provided significant uncompensated care to the uninsured, under-insured and Adult Benefit Waiver (ABW) populations during the County Fiscal Year 2006-2007; and

WHEREAS; The Wayne County Hospitals attest to the accuracy and validity of the data submitted to the State of Michigan as reflected in the *Wayne County Hospitals Medicaid Inpatient Indigent Volume Data Report (2006)* and the individual hospital reports reflecting uncompensated inpatient days submitted to Wayne County; and

WHEREAS; Wayne County endorses and/or sponsors health care programs designed to promote health coverage for individuals who are otherwise without health insurance, and;

WHEREAS; Wayne County, consistent with the legal authority vested in it, has elected to establish an Indigent Inpatient Fund (as defined in this Agreement) of Three Million Five Hundred Thousand Dollars (\$3,500,000.) during its Fiscal Year 2006 - 2007 for the sole purpose of providing funds to eligible hospitals for their provision of inpatient services to the indigent and/or uninsured residents of the County; and

WHEREAS; The County and the Hospitals have agreed upon an equitable methodology for the distribution of the Indigent Inpatient Fund; said methodology relies upon the Hospitals'

most recently available annual reports prepared for the State of Michigan [primarily the Indigent Volume Adjustor (IVA)], data calculated by each individual hospital identifying yearly uncompensated inpatient days, each hospital's charity care policy as well as other data already captured by the Hospitals and Wayne County's own internal records/information regarding each hospital's participation and cooperation in Wayne County sponsored programs including, but not limited to, the MedBasic (ABW) program.

AGREEMENT

NOW THEREFORE, in consideration of past and continuing delivery of inpatient health services to Wayne County indigent and/or uninsured low income residents by the Hospitals and Wayne County's payment to the Hospitals as referenced below and more specifically in Appendix A, as well as the mutual promises contained herein, the parties agree as follows:

- 1) All of the above Recitals are hereby incorporated into this Agreement by reference as though set forth herein verbatim.
- 2) Wayne County will establish and distribute a finite amount totaling Three Million-Five Hundred Thousand Dollars (\$3,500,000.) for Fiscal Year 2006 - 2007 and for ease of identification will designate and refer to the fund as the "Indigent Inpatient Fund".
- 3) Wayne County has utilized the state indigent volume adjustor reports, the County's own records/information pertaining to individual hospital participation in the MedBasic (ABW) program as well as other County endorsed or sponsored programs and information submitted by individual hospitals as the basis for distributing the Indigent Inpatient Fund. The parties further agree that before

funds are released, to a specific party, the hospital or health system must deliver to Wayne County its best estimate of the number of uncompensated inpatient days provided during the most recent year or provide other comparable data agreed upon by all parties. Additionally each hospital or health system agrees to participate in a work group at mutually agreeable dates and times with Wayne County during the next year to permit a more cohesive approach to the problem of uninsured within Wayne County and to identify and/or develop metrics that permit the County to better understand and evaluate County indigent health care issues and the impact of policies that attempt to address uncompensated inpatient health care needs and utilization of emergency department services.

- 4) The specific amount to be distributed to each eligible hospital is identified in **Appendix A** attached hereto and incorporated fully herein. County receipt of the fully executed Agreement with signatures of authorized representatives of each hospital is a prerequisite to the distribution of any funds. Distribution of funds cannot occur until the Wayne County Commission has approved this agreement.
- 5) Each hospital signatory to this Agreement agrees to and acknowledges the methodology is a fair and an acceptable method for distributing the Indigent Inpatient Fund.
- 6) The parties agree that the distribution of Wayne County's Indigent Inpatient Fund is not intended to reduce monies available to the Hospitals from the Medicaid program or other federal, state or local programs, nor does it limit the ability of an individual hospital to seek and collect reimbursement for services whether the source of the reimbursement is public or private insurance, grants or other

programs. The purpose of the Wayne County distribution is to promote and encourage the continued charity care and good actions of the hospitals, to provide supplemental payments for the provision of inpatient services to the indigent residents of Wayne County, and to improve health care access for its residents and improve health care outcomes.

- 7) In exchange for the distribution of funds as identified in Appendix A, each hospital signatory forever waives any rights it may have or could acquire against Wayne County to seek other compensation or reimbursement for the inpatient services it has delivered to ABW enrollees, the medically or financially indigent or uninsured population in Wayne County up through and including Fiscal Year 2006 - 2007; the hospitals further waive any right they might acquire to balance bill or otherwise seek payment from ABW enrollees other than co-pays, deductibles or co-insurance authorized under the ABW program.
- 8) Wayne County forever waives any claims it may have against any of the Hospitals with respect to indigent care services up through and including Fiscal Year 2006 - 2007.
- 9) This Agreement includes, but is not limited to, any claims or potential claims in law or in equity, whether accrued or unaccrued, whether or not asserted or capable of assertion, now held, or hereafter to be acquired by Wayne County or the Hospitals, with respect to the matters set forth in Articles 7 and 8.
- 10) Each hospital signatory agrees that neither the fact nor substance of the Agreement may be used by the individual hospital signatory nor the Hospitals collectively in the future in any forum to assert or establish any claim of liability

against Wayne County, its respective elected officials, directors, officers, employees, agents, predecessors, successors, appointees, and assigns; the Hospitals further agree that neither the fact nor substance of the Agreement may be used by an individual hospital or the Hospitals collectively to establish a right to any future distribution or a threshold amount for future distribution, the determination of which is and shall remain solely within the discretion of the County.

- 11) Wayne County agrees that neither the fact nor substance of the Agreement may be used by Wayne County in the future in any forum to limit or contest any claim of liability by any of the individual hospital signatories or the Hospitals collectively against Wayne County, or any of its employees or agents, with respect to claims for indigent care which may arise in subsequent Fiscal Years.
- 12) No waiver of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Agreement, term or provision.
- 13) It is agreed that the invalidity or unenforceability of any one part of the Agreement shall not render any other part invalid or unenforceable and that such other parts shall remain in full force and effect.
- 14) The hospitals agree to provide the Indigent Volume Adjustor report to Wayne County and to Wayne County's Legislative Auditor General if so requested and to reasonably cooperate by making available the documents supporting the IVA report and applicable category definitions, Charity Care policies, if any.

- 15) The Parties further state that they have carefully read the foregoing Agreement and they have had the opportunity to review it with their legal counsel and that they know and understand the contents of said Agreement and enter into it of their own free act and deed.
- 16) This Agreement is the product of all parties with each party having had an equal right and opportunity to craft the document or modify it; no presumption shall be held against or in favor of the drafter.
- 17) The laws of the State of Michigan shall govern this Agreement. This document, including Appendix A, constitutes the entire Agreement of the parties and is a complete merger of all negotiations and agreements.
- 18) This Agreement is intended solely for the benefit of the parties hereto, it is not entered into for the pecuniary benefit or other benefit of any other person or entity and shall not be deemed to create any rights in any other person or entity or third party.
- 19) This Agreement may be signed in counterparts.
- 20) Each party warrants that the agent signing this Agreement is authorized to bind his principal.

**2008 AGREEMENT FOR THE DISTRIBUTION OF FUNDS
TO WAYNE COUNTY HOSPITALS FOR INDIGENT INPATIENT CARE**

Robert A. Ficano
Chief Executive Officer
Wayne County

Date

**2008 AGREEMENT FOR THE DISTRIBUTION OF FUNDS
TO WAYNE COUNTY HOSPITALS FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of Detroit Medical Center

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2008.

**APPROVED AS TO FORM
DMC LEGAL AFFAIRS**



Notary, State of Michigan,
County of _____
Acting in the County of _____
My commission expires: _____

APPENDIX A

<u>HOSPITAL</u>	<u>DISTRIBUTION AMOUNT</u>
DETROIT MEDICAL CENTER	\$ 1,875,000.
HENRY FORD HEALTH SYSTEM	\$ 700,000.
OAKWOOD HEALTHCARE SYSTEMS	\$ 470,000.
ST. JOHN HEALTH SYSTEM	\$ 200,000.
GARDEN CITY HOSPITAL	\$ 205,000.
BEAUMONT HOSPITAL GROSSE POINTE	\$ 25,000.
ST. MARY'S HOSPITAL	\$ 25,000.
TOTAL DISTRIBUTION	<u>\$ 3,500,000.</u>

**2008 AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**



Charles N. Raimi
Deputy General Counsel

Legal Affairs
Harper University Hospital
Suite 7 Brush West
3990 John R
Detroit, MI 48201
(313) 966-2226 (Phone)
(313) 966-2040 (Fax)
craimi@dmc.org

October 22, 2007

VIA E-MAIL AND U.S. MAIL

Michael J. Fitzsimons, Esq.
Wayne County Assistant Corporation Counsel
640 Temple, 2nd Floor
Detroit, MI 48201

Re: ABW funding

Dear Mike:

I am enclosing:

1. Two signed copies of the 2007 Agreement regarding distribution of indigent care funds, executed by Mary Zuckerman on behalf of the DMC.
2. Estimate of FY 2005-2006 inpatient indigent care days.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles N. Raimi", is written over the typed name.

Charles N. Raimi
(313) 966-2226
craimi@dmc.org

/bkn

Enclosures

www.dmc.org

*Children's Hospital of Michigan • Detroit Receiving Hospital • Harper University Hospital • Huron Valley-Sinai Hospital •
Hutzel Women's Hospital • Kresge Eye Institute • Michigan Orthopaedic Specialty Hospital • Rehabilitation Institute of Michigan •
Sinai-Grace Hospital • University Laboratories*

In partnership with the Karmanos Cancer Center

DMC
12/31/2005

Inpatient Uncompensated Care Days

		Net inpatient	Net inpatient
		Uninsured charges	Uninsured days
Detroit Medical Center			
Children's Hospital of Michigan	12/31/2005	5,777,089	985
Detroit Receiving Hospital	12/31/2005	118,254,834	15,957
Harper University Hospital	12/31/2005	23,168,045	4,755
Rehabilitation Institute	12/31/2005	1,700,092	633
Sinai-Grace Hospital	12/31/2005	44,308,587	10,192
Total DMC		<u>193,208,647</u>	<u>32,523</u>

**2007 AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

This Agreement (“Agreement”) is made between the **County of Wayne** (“County”) and the Wayne County hospitals identified below that have provided uncompensated hospital services to Adult Benefit Waiver enrollees and other indigent residents of Wayne County as reflected in data submitted by the hospitals to the State of Michigan and Wayne County, much of which is compiled in the *Wayne County Hospitals Medicaid Indigent Volume Data Report (2005)*. The Wayne County hospitals participating in this agreement are: **Detroit Medical Center (DMC)**, **Henry Ford Health System (HFHS)**, **Oakwood Healthcare System (Oakwood)**, **St. John Health (St. John)**, **Garden City Hospital (GCH)** and **St. Mary Mercy Hospital (St. Mary)**, and **Bon Secours Hospital (Bon Secours)**, collectively “Hospitals”.

RECITAL

WHEREAS; The public health and general welfare of the residents of Wayne County is a matter of public concern to Wayne County and its elected officials; and

WHEREAS; The Wayne County Chief Executive Officer and Commission wish to promote and protect the good health and general welfare of Wayne County residents and more particularly to ensure that access to health care services and hospital services is and remains available to indigent residents of Wayne County; and

WHEREAS; Michigan’s Social Welfare Act (Act 280 of 1939) and the Wayne County Charter establish the County’s authority to commit public funds to the health care needs of

indigent residents, to establish eligibility standards and to establish reimbursement methods for providers of such health care services; and

WHEREAS; Wayne County directly and indirectly promotes and/or administers several indigent healthcare programs including the ABW program (also known as MedBasic); and

WHEREAS; Wayne County Hospitals provided significant uncompensated care to the uninsured, under-insured and Adult Benefit Waiver (ABW) populations in Fiscal Year 2005-2006 (with a Fiscal Year end of September 30, 2006); and

WHEREAS; The Wayne County Hospitals attest to the accuracy and validity of the data submitted to the State of Michigan as reflected in the *Wayne County Hospitals Medicaid Inpatient Indigent Volume Data Report (2005)* and the individual hospital reports reflecting uncompensated inpatient days submitted to Wayne County; and

WHEREAS; Wayne County, consistent with the legal authority vested in it, has elected to establish a finite pool of Three Million Five Hundred Thousand Dollars (\$3,500,000.) for Fiscal Year 2005- 2006 for the sole purpose of providing funds to eligible hospitals for their provision of inpatient services to the indigent and/or uninsured residents of the County; and

WHEREAS; The County and the Hospitals have agreed upon an equitable methodology for the distribution of the pool of funds that is intended to limit costly, time consuming and burdensome administrative reporting and rely instead upon annual reports prepared for the State of Michigan [primarily the Indigent Volume Adjustor (IVA)], data calculated by each individual hospital identifying yearly uncompensated inpatient days, as well as Wayne County's own internal records/information regarding individual hospitals participation and cooperation in Wayne County sponsored programs including the MedBasic (ABW) program.

AGREEMENT

NOW THEREFORE, in consideration of past and continuing delivery of inpatient health services to Wayne County indigent residents by the Hospitals and Wayne County's payment to the Hospitals as referenced below and more specifically in Appendix A, as well as the mutual promises contained herein, the parties agree as follows:

- 1) All of the above Recitals are hereby incorporated into this Agreement by reference as though set forth herein verbatim.
- 2) Wayne County will establish and distribute a finite amount totaling Three Million-Five Hundred Thousand Dollars (\$3,500,000.) for Fiscal Year 2005-2006 and for ease of identification will designate and refer to the fund as the "Indigent Inpatient Fund".
- 3) Wayne County has utilized the state indigent volume adjustor reports and the County's own records/information pertaining to individual hospital participation in the MedBasic (ABW) program as well as other County sponsored programs as the basis for distributing the Indigent Inpatient Fund; the parties agree that before funds are released to each hospital or health system that hospital or health system will deliver to Wayne County its best estimate of the number of uncompensated inpatient days provided during FY 2005-2006; additionally each hospital or health system will participate in a work group with Wayne County during FY 2007-2008 to identify and/or develop metrics that permit the County to better evaluate County indigent health care issues and methods addressing those issues particularly inpatient health care needs and utilization.

- 4) The specific amount to be distributed to each eligible hospital is identified in **Appendix A** attached hereto and incorporated fully. County receipt of the fully executed Agreement with signatures of authorized representatives of each hospital is a prerequisite to the distribution of any funds. Distribution of funds cannot occur until the Wayne County Commission has approved this agreement.
- 5) Each hospital signatory to this Agreement acknowledges the methodology is a fair and an acceptable method for distributing the Indigent Inpatient Fund.
- 6) The parties agree that the distribution of Wayne County's Indigent Inpatient Fund is not intended to reduce monies available to the Hospitals from the Medicaid program or other federal, state or local programs, nor does it limit the ability of an individual hospital to seek and collect reimbursement for services whether the source of the reimbursement is public or private insurance or other programs; the purpose of the Wayne County distribution is to promote and encourage the continued charity care and good actions of the hospitals and to provide supplemental payments for the provision of inpatient services to the indigent residents of Wayne County.
- 7) In exchange for the distribution of funds as identified in Appendix A, each hospital signatory forever waives any rights it may have or could acquire against Wayne County to seek other compensation or reimbursement for the inpatient services it has delivered to ABW enrollees, the medically or financially indigent or uninsured population in Wayne County up through and including Fiscal Year 2005 -2006; the hospitals further waiver any right they might acquire to balance

bill or otherwise seek payment from ABW enrollees other than co-pays, deductibles or co-insurance authorized under the ABW program.

- 8) Wayne County forever waives any claims it may have against any of the Hospitals with respect to indigent care services up through and including Fiscal Year 2005-2006.
- 9) This Agreement includes, but is not limited to, any claims or potential claims in law or in equity, whether accrued or unaccrued, whether or not asserted or capable of assertion, now held, or hereafter to be acquired by Wayne County or the Hospitals, with respect to the matters set forth in Articles 7 and 8.
- 10) Each hospital signatory agrees that neither the fact nor substance of the Agreement may be used by the individual hospital signatory nor the Hospitals collectively in the future in any forum to establish any claim of liability against Wayne County, its respective elected officials, directors, officers, employees, agents, predecessors, successors, appointees, and assigns; the Hospitals further agree that neither the fact nor substance of the Agreement may be used by an individual hospital or the Hospitals collectively to establish a threshold amount for future distribution, the determination of which is and shall remain solely within the discretion of the County.
- 11) Wayne County agrees that neither the fact nor substance of the Agreement may be used by Wayne County in the future in any forum to limit or contest any claim of liability by any of the individual hospital signatories or the Hospitals collectively against Wayne County, or any of its employees or agents, with respect to claims for indigent care which may arise in subsequent Fiscal Years.

- 12) No waiver of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Agreement, term or provision.
- 13) It is agreed that the invalidity or unenforceability of any one part of the Agreement shall not render any other part invalid or unenforceable and that such other parts shall remain in full force and effect.
- 14) The hospitals agree to provide the Indigent Volume Adjustor report to Wayne County and to Wayne County's legislative auditor general if so requested and to reasonably cooperate by making available the documents supporting the IVA report and applicable category definitions, Charity Care policies, if any.
- 15) The Parties further state that they have carefully read the foregoing Agreement and they have had the opportunity to review it with their legal counsel and that they know and understand the contents of said Agreement and enter into it of their own free act and deed.
- 16) This Agreement is the product of all parties with each party having had an equal right and opportunity to craft the document or modify it; no presumption shall be held against or in favor of the drafter.
- 17) The laws of the State of Michigan shall govern this Agreement. This document, including Appendix A, constitutes the entire Agreement of the parties and is a complete merger of all negotiations and agreements.
- 18) This Agreement is intended solely for the benefit of the parties hereto, it is not

entered into for the pecuniary benefit or other benefit of any other person or entity and shall not be deemed to create any rights in any other person or entity or third party.

- 19) This Agreement may be signed in counterparts.
- 20) Each party warrants that the agent signing this Agreement is authorized to bind his principal.

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

Robert A. Ficano
Chief Executive Officer
Wayne County

Date

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

Mary Zuckerman
On behalf of Detroit Medical Center

Title: E.V.P. + C.B.O.

10/17/07
Date

Subscribed and sworn to before me this 7
17 day of OCTOBER, 2008.

Judith A. Cupp

Notary, State of Michigan,
County of OAKLAND, ACTING IN WAYNE
Acting in the County of _____.
My commission expires: 9-4-2012.

APPROVED AS TO FORM
DMC LEGAL AFFAIRS CNH

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of Henry Ford Health System

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2006.

Notary, State of Michigan,
County of _____
Acting in the County of _____.
My commission expires: _____.

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of St. John Health

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2006.

Notary, State of Michigan,
County of _____
Acting in the County of _____.
My commission expires:_____.

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of Oakwood HealthCare System

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2006.

Notary, State of Michigan,
County of _____
Acting in the County of _____.
My commission expires: _____.

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of Garden City Hospital

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2006.

Notary, State of Michigan,
County of _____
Acting in the County of _____
My commission expires: _____

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of St. Mary Mercy Hospital

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2006.

Notary, State of Michigan,
County of _____
Acting in the County of _____.
My commission expires: _____.

**AGREEMENT FOR THE DISTRIBUTION OF WAYNE COUNTY FUNDS
DESIGNATED FOR INDIGENT INPATIENT CARE**

(Signature Page continued)

On behalf of Bon Secours Hospital

Date

Title:

Subscribed and sworn to before me this
_____ day of _____, 2006.

Notary, State of Michigan,
County of _____
Acting in the County of _____.
My commission expires: _____.

APPENDIX A

<u>HOSPITAL</u>	<u>DISTRIBUTION AMOUNT</u>
DETROIT MEDICAL CENTER	\$ 1,835,000.
HENRY FORD HEALTH SYSTEM	\$ 710,000.
OAKWOOD HEALTHCARE SYSTEMS	\$ 385,000.
ST.JOHN HEALTH SYSTEM	\$ 305,000.
GARDEN CITY HOSPITAL	\$ 180,000.
BON SECOURS	\$ 60,000.
ST. MARY'S HOSPITAL	\$ 25,000.