

AUGUSTA-RICHMOND COUNTY CERTIFIED INDIGENT CARE AGREEMENT

This Agreement is effective the 1st day of January, 2000, by and between Augusta, Georgia, acting by and through the Augusta-Richmond County Commission (hereinafter referred to as the "County") and University Health Services, Inc. d/b/a University Hospital (hereinafter referred to as "University"), upon the terms and conditions set forth below.

WITNESSETH:

WHEREAS, County and University have contracted for over thirty years for the provision of certain health care services to the indigent residents of Richmond County, Georgia; and

WHEREAS, County and University desire to contract for the provision of certain health care services to the certified indigent residents of Richmond County for calendar year 2000;

NOW, THEREFORE, for and in consideration of the promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows.

SECTION I. TERM OF AGREEMENT

This Agreement shall be for a term beginning January 1, 2000 and continuing until the termination date provided by this Agreement of December 31, 2000.

SECTION II. PROVISION OF HEALTH CARE SERVICES TO CERTIFIED INDIGENTS; PAYMENTS BY COUNTY

County and University agree to the following terms and conditions for the providing of certain Covered Health Care Services to the certified indigent residents of Richmond County beginning January 1, 2000 and continuing until December 31, 2000.

A. Provision of Services

University covenants and agrees to provide to the certified indigent residents of Richmond County all Covered Health Care Services (as defined in Section II.D. below) usually and customarily provided by it, in a prompt and proper manner consistent with professional standards and all applicable laws and regulations. University further covenants and agrees to provide said services to said patients in the same manner and quality as provided to other patients of University. It is understood that University customarily provides physician services only in a limited number of specialties, and only to a limited extent in those specialties. Nothing in this Agreement is intended to or shall have the effect of expanding University's obligation to provide services to certified indigents beyond those Covered Health Services offered by University Hospital on January 1, 2000.

University reserves the right to deny services to any patient who engages in dangerous or disruptive behavior.

B. Certification of Residency

In order to receive Covered Health Care Services (as hereinafter defined), a patient or responsible household member must have been a resident of Richmond County for at least six (6) consecutive months prior to the date Covered Health Care Services are sought. Responsible household members are persons legally married (whether by ceremony or common-law) or living in a domestic relationship (as defined in guidelines for purposes of Aid to Families with Dependent Children eligibility), and the legally responsible parents or guardians of children under the age of 18. If there is doubt as to who are the legally responsible parents of children under the age of 18, a copy of the child's birth certificate shall be required to verify parentage.

Residency must be confirmed by at least one (1) of the following:

- a. rent receipts for a period of six (6) consecutive months, a lease, or a statement by a rental agency or established real estate business that the patient has resided in the County for at least 6 months;
- b. a valid Georgia driver's license showing an examination date at least 6 months old and a Richmond County address;
- c. employment check stubs showing the patient's (or a responsible household member's) address during the preceding 6-month period, or a statement from the patient's (or a responsible household member's) employer attesting to residence in Richmond County;
- d. utility bills or payment stubs (at least one of which is current and at least one of which is between 6 and 12 months old) in the patient or a responsible household member's name;
- e. a telephone book or city directory listing showing the patient's or responsible household member's name;
- f. a voter registration card issued at least 6 months before and showing a Richmond County polling place;
- g. attestations of residency (in the form of affidavits) for at least 6 months from the patient and two other people, one of whom must be a minister with a Richmond County congregation or the director of a private relief organization such as the Salvation Army;
- h. a letter from DFACS verifying receipt of food stamps from Richmond County DFACS; or
- i. a currently valid University certification card issued under Section .C.5 below.

No bill for a patient whose residency cannot be certified according to the above requirements shall be submitted to, or paid by, the County. University agrees to notify the County immediately should it receive information that any certification is in error, or that any patient is attempting to certify residency falsely.

C. Certification of Indigency

In order to receive Covered Health Care Services (as hereinafter defined) each patient must be certified as indigent according to this Agreement. As a preliminary matter, such certification shall confirm that each said patient is with respect to the Covered Health Care Service "self-pay", that is

a. does not have valid health insurance and/or medical payments coverage for the Covered Health Care Service (per diem hospitalization reimbursement policies shall not be considered health insurance or medical payments coverage, but rather will be included as an asset for purposes of determining resources, and whenever such assets are involved, each inpatient hospitalization will require separate certification);

b. does not have Medicare or Medicaid insurance coverage; and

c. does not have workers' compensation coverage for the Covered Health Care Service.

Unless otherwise disqualified, a patient will be certified as indigent under this Agreement if the sum of his/her gross income plus other responsible household members' gross income(s) is equal to or less than that listed in the attached income scale (based upon the Federal Poverty Guidelines) for the applicable household size. The attached income scale shall be amended January 1 of each calendar year in order to correspond with the then current Federal Poverty Guidelines.

For purposes of this section, responsible household members' gross income includes the gross income of any dependent children. For purposes of this section, any child (regardless of age) who is or could be claimed as a dependent on his/her parent's income tax return will be considered for indigency certification according to his/her parent's gross income (with respect to a minor with an absent parent who is not providing support to that minor, the minor shall not be considered as having income from that absent parent).

1. Determination of Gross Income

For purposes of this section, gross income means any and all income before deductions, and includes the following:

a. wages and salaries before any deductions;

b. receipts from self-employment before any deductions, or from an owned farm or business after farm and business deductions;

- c. public assistance in any form;
- d. social security payments;
- e. supplemental security income (SSI);
- f. unemployment compensation;
- g. workers' compensation payments;
- h. veterans's benefits;
- i. training stipends;
- j. alimony payments;
- k. child support payments;
- l. military family allotments;
- m. regular support from absent family members or persons not living in the household;
- n. government employee pensions;
- o. private pensions;
- p. insurance benefits paid on a regular, annuity-like basis;
- q. annuity payments;
- r. dividends, interests, rents, royalties, income from estates and trusts;
- s. union payments or assistance of any kind; and
- t. any other form of income which results in disposable spending ability (such as student loans used for living expenses).

2. Verification of Gross Income

Gross income shall be verified as follows:

- a. Possession of a currently valid University certification card issued under Section C.5 below; or
- b. For food stamp recipients, gross income shall be determined from DFACS records (unless such records are more than 12 months old); or
- c. For other than food stamp recipients (or for those whose DFACS records are more than 12 months old), gross income shall be determined from federal and/or state income tax returns for the immediately preceding year for the patient and all responsible household members and with all children (except those born after the end of the last tax year) accounted for as dependents, with adjustments made to bring figures current; or
- d. Where income tax returns are not available, the patient and all responsible household members shall be required to disclose under oath all income (as defined in this Section II.C.) received in the last 8 weeks from all sources. Income shall be verified according to DFACS routine standards.

University shall require patients to authorize DFACS to access their income records from the computer records of the Georgia Department of Labor. Any patient refusing to provide such authorization shall not be certified as indigent. Within seven days of its receipt of the authorization, DFACS will notify University if the DOL income exceeds the patient's certified indigency level.

3. Resources

Once a patient's income is determined, DFACS shall determine the resources of that patient. Any patient whose total resources exceed \$1,500.00 shall not be certified as indigent; provided, however, that in the event said patient's resources later fall below \$1,500.00, said patient may reapply for indigent certification, and said patient will be allowed to pay toward his/her billings from University for Covered Health Care Services until the \$1,500.00 figure is reached. For purposes of this section, "resources" include the following:

- a. real estate equity value (real estate includes mobile or manufactured homes);
- b. cash reserves (except that cash reserves of \$800.00 or less are not counted as resources);

c. equity value of automobiles and other vehicles (except that up to two vehicles used by the patient and/or household members for transportation to and from work or used regularly for seeking work will not be counted as resources); and

d. life insurance (except that the first \$3,000.00 of cash value for life insurance for the patient and each responsible household member shall not be counted as resources).

e. per diem hospitalization policy payments (each inpatient admission involving a person with this resource must be separately certified).

A transfer of resources solely for the purpose of becoming or remaining eligible for indigent status under this Agreement may result in disqualification of the applicant. Determinations of whether a transfer of resources as contemplated herein has occurred, and whether disqualification is warranted shall be made by DFACS, in its sole discretion, applying current AFDC, or other appropriate guidelines.

4. Other Requirements and Standards for Patients

a. Medicaid/SSI

Unless excused in writing by DFACS, within 60 days of the issuance of a certification card as a Richmond County indigent, a patient must make a formal application through DFACS for Medicaid coverage. If a patient refuses to make such application, or if Medicaid coverage is denied due to an excess in resources, the patient's indigent certification will be retroactively revoked.

If determined by DFACS to be SSI eligible, within 30 days of notification from DFACS a patient must make a formal application through DFACS for SSI coverage. If a patient refuses to make such application, or if SSI coverage is denied due to an excess in resources, the patient's indigent certification will be revoked retroactive to the date of notification to apply for SSI.

In the event an application for either Medicaid or SSI coverage is denied due to procedural grounds (including, but not limited to the patient's failure to cooperate in the application process), the patient's indigent certification will be retroactively revoked.

b. Unemployment

Any patient or responsible household member claiming to be unemployed must produce evidence of disability or verification from the Georgia Department of Labor that he/she has registered with them and has received an Employment Application Card and is active in the "Peach Program"; provided, however, that this subsection does not apply to adults legally responsible for the care of young children (under age 12) or a disabled individual.

c. Food Stamps

If determined by DFACS to be eligible for food stamps, within 30 days of notification from DFACS, a patient must make a formal application through DFACS for food stamps. If a patient refuses to make such application, or if food stamp eligibility is denied due to an excess in resources (except a vehicle exempt under II. C. 3.c. above), the patient's indigent certification will be revoked. Further, if an application for food stamps is denied due to procedural grounds (including, but not limited to the patient's failure to cooperate in the application process), the patient's indigent certification will be revoked retroactive to the date of notification to apply for food stamps.

d. Records

Unless a longer period is specified, patients must provide any information requested in connection with the certification and billing process within fifteen (15) business days of request. Failure to do so shall result in a denial of indigent certification or revocation retroactive to the date of the request.

5. Certification Process

All certification cards are to be provided by University and issued by DFACS. Cards are valid for any Covered Health Care Service event ending 60 days immediately preceding issuance and for the 12 month period after issuance; provided, however, that nothing herein shall obligate either University or County to provide indigent care to such individuals beyond the term of this Agreement.

DFACS shall make all efforts to process certifications within 30 days from its receipt of a request for certification. DFACS shall station at least one employee to accept Medicaid applications at University's outpatient clinics during clinic hours. This processing time shall be tolled during any period within which the DFACS worker is waiting for information from the patient; provided, however, that if such information is not forthcoming in the time period specified in Section II. C.4. above, certification shall be denied. In the event DFACS does not process certifications in the time specified above, the patient shall be provisionally certified as 100% indigent. In the event the patient is later determined by either DFACS or the County to be less than 100% indigent, the provisional certification shall be revoked and the County shall receive a credit in accordance with Section II.H.3. below.

The application for indigency shall not require more than a sixth grade education to complete, and shall not be longer than 1 page in length.

DFACS shall keep University apprised of the name, address and telephone number provided by each patient seeking certification as indigent. University reserves the right to assist DFACS in the certification process when deemed necessary. DFACS shall notify University when an applicant has only 3 business days remaining before possible denial of certification based on Section II.C. 4 above.

University agrees to inform DFACS whenever it learns of a change in status of a patient, or otherwise obtains information suggesting that the certification level of a patient should be changed.

Where certification is denied based upon an applicant's failure to provide documentation or verification of information, or an applicant's income and/or resources, that applicant may reapply for certification beginning on the 31st day following denial. Where certification is denied based upon an applicant's residency status, the applicant may reapply for certification in the month in which the residency requirement is met. Documentation required for reapplication, including a new application where applicable, will be as is determined by DFACS.

6. Reports

University agrees, using information provided to it by DFACS, to produce reports in substantially the form attached hereto as Exhibit "A" and to provide such reports to the County as they are created. University further agrees to create and provide to the County such other reports as the County may reasonably request from time to time in order to evaluate the performance of University under this Agreement.

7. Appeals Process

Patients denied indigent certification, denied a higher certification level, or whose indigent certification is revoked, may appeal such determinations to the Director of DFACS. Such appeal must be in writing and submitted to said Director no more than 30 days after the date of denial or revocation. The Director shall make his determination on the issue and submit it to the Appeals Board for final approval or disapproval. If the denial, lower certification level, or revocation is overturned, all Covered Health Care Services from 60 days prior to the submission of the original request for certification shall be covered under the indigent certification determined by the Appeals Board.

D. Covered Health Care Services

With the exceptions set out in this Section, Covered Health Care Services includes only those inpatient services, outpatient observation admission, outpatient surgical services and emergency room services generally provided at University Hospital. Only those Covered Health Care Services which are medically necessary are to be provided to certified indigent residents of Richmond County pursuant to this Agreement. The following health care services are not covered and shall not be paid for by the County:

1. Inpatient and outpatient services and/or procedures not covered by the Georgia Medicaid program or the federal Medicare program.
2. Services provided on an inpatient basis which are routinely provided on an outpatient basis; provided, however, that inpatient diagnostic procedures will be covered when performed in conjunction with treatment requiring an inpatient admission or an outpatient observation admission.

3. Cosmetic surgery; provided, however, that reconstructive surgery is a covered service.
4. Physician fees; provided, however, that the fees of physicians who are salaried by or under contract with University are covered when incurred in conjunction with a Covered Health Care Service.
5. Ambulance and other transport services.
6. Abortions; provided, however, that an abortion performed when the mother's life is in danger is covered.
7. Home Health Care Services; provided, however, that when a physician states in writing that the providing of Home Health Care Services are necessary to avoid an inpatient admission or to avoid extending an inpatient admission, those services will be covered.
8. Any service rendered more than 6 months prior to a patient's initial request for certification.

E. Non-Covered Patients

The individuals listed below are not eligible for indigent care payments by the County:

1. Any person receiving Cancer State Aid except when program funds are exhausted as to that person or the Covered Health Care Service is not covered by Cancer State Aid.
2. Any veteran eligible for Veterans' Administration assistance for the Covered Health Care Service; provided, however, that DFACS must establish non-eligibility with some evidence beyond veteran status and a disability pension of 50% or less.
3. Any member of the military or any military member's dependent(s).
4. Any person not a resident of Richmond County; provided, however, that the coverage of a person while a resident who later moves away, is not affected by this provision.
5. Any person who, within the last 3 years, was convicted of welfare fraud, entered into a disqualification consent agreement, was determined at an administrative hearing to have committed an intentional welfare program violation, or who waived a disqualification hearing with respect to a charge of welfare fraud or intentional program violation.

6. Any college student who is covered under his/her parent's insurance coverage, or who is provided health care services by the college or institution in which he/she is enrolled;

7. Any transient worker, such as a construction or agricultural worker, who is domiciled outside of Richmond County.

8. Any resident of a public institution.

9. Any individual domiciled outside Richmond County who is present in Richmond County due to participation in a halfway house program or other rehabilitation program.

10. Any illegal alien or illegal immigrant.

11. Any patient who initiates a lawsuit to establish SSI disability; provided, however, that the initiation of such a lawsuit only suspends coverage as an indigent until resolution of the lawsuit, at which time those services not otherwise paid for by Medicare or Medicaid may be paid for by the County.

12. Any and all inmates whose health costs are covered by the local, state or federal penal institution in which he/she is being housed.

F. Payments by Patient

Each certified indigent resident of Richmond County will be required to make payments toward his/her bill in accordance with the provisions of the September 20, 1977 Agreement between University and the County concerning indigent care; however, a failure to make payments will not automatically disqualify the resident. University may charge any certified Richmond indigent patient seen at an Indigent Care Trust Fund primary care off-campus expansion clinic in accordance with the sliding schedule set forth in the September 20, 1977 Agreement. University may, in its discretion, revoke a certification card after giving the holder thirty (30) days' advance written notice that the card will be revoked for failure to make payment in accordance with the cardholder's status. The revocation will have prospective effect only. The individual whose card is revoked in this manner may not subsequently be issued an indigent certification card without the written approval of University.

G. Payments by County

County shall not be responsible for the payment of any costs and/or charges for any person not certified as an indigent resident of Richmond County in accordance with this Agreement.

For all "certified", indigent residents of Richmond County, County shall be responsible for payment within thirty days of receipt of a bill for Covered Health Care Services provided by University pursuant to this Agreement as follows:

1. Emergency Room

For all certified indigent residents, County agrees to pay the "cost" for all Covered Health Care Services provided in University's Emergency Room, including services provided by physicians either salaried by or under contract with University, less, where applicable, the amount of patient payment required by the patient's certification level whether or not the patient makes the payment. As to Covered Health Care Services, "cost" means the product of charges for such services multiplied by University's most recent Medicare cost-to-charge ratio. As to physicians' services, "cost" means the physicians' fees as determined by CPT-4 billing codes and Medicaid fee schedule.

2. Outpatient Services Surgery and Outpatient Observation Admissions

For all certified indigent residents, County agrees to pay the "cost" for all Outpatient Surgery and Outpatient Observation Admissions at University Hospital, which are Covered Health Services, including services provided by physicians either salaried by or under contract with University, less, where applicable, the amount of patient payment required by the patient's certification level whether or not the patient makes the payment. As to Covered Health Care Services, "cost" means the product of charges for such services multiplied by University's most recent Medicare cost-to-charge ratio. As to physicians' services, "cost" means the physicians' fees as determined by CPT-4 billing codes and Medicaid fee schedule.

3. Inpatient

For all certified indigent residents, County agrees to pay the "cost" for all Covered Health Care Services provided on an inpatient basis, including services provided by physicians either salaried by or under contract with University, less, where applicable, the amount of patient payment required by the patient's certification level whether or not the patient makes the payment. As to Covered Health Care Services, "cost" means the product of charges for such services multiplied by University's most recent Medicare cost-to-charge ratio. As to physicians' services, "cost" means the physicians' fees as determined by CPT-4 billing codes and Medicaid fee schedule.

4. Cap on Payments

Regardless of actual costs and/or charges incurred and billed under this Section II., County shall not pay or be required to pay in excess of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) (hereinafter referred to as the "Cap") for Covered Health Care Services rendered pursuant to this Agreement. It is agreed that the level of care provided under this Agreement shall not be less than the level of care provided to certified indigents under the Agreement dated January 1, 1999 even though funding has been reduced to \$1,250,000.00.

H. Credits to County

University agrees to continue its collection efforts on all unpaid bills for which the County is entitled to a credit under this Agreement. County is entitled to a credit, to the extent of its payment on a particular patient account, on its next billing, as follows:

1. to the extent of University's recovery under any lien imposed under Georgia law;
2. to the extent any indigent certification is revoked for any reason, or is denied after Covered Health Care Services are provided (nothing in this Agreement shall restrict University's right to seek payment from any such individual); and
3. to the extent University collects more from a certified patient than that patient's liability under the patient's certification level.

I. Billings to County

1. University's billings to the County shall contain the following information:
 - a. Name of patient; address of each patient; date of each service; CPT code for each outpatient service or the ICD-9 code for inpatient service; the charge for each service; and, the County liability for each service
 - b. A summary by area (emergency room, inpatient, outpatient, and outpatient observation) which includes total charges, total County liability, applicable cost to charge ratio, credits by type, and errors or omissions discovered during the billing period related to prior bills
 - c. A list of the current certified indigent care card holders
 - d. A statement signed by University's CFO and President that the billings comply with this Agreement and that billings include only individuals certified by DFACS
2. University shall provide County the following:
 - a. University's most recent Medicare Cost Report and all subsequent changes thereto

b. Upon request, University will provide access to its charge master as of January 1, 2000 and all subsequent changes thereto. The County shall hold the charge master in strict confidence and will not redisclose charge master information

3. University shall provide County within a reasonable time after a request for a specific account information, the payment detail of any account upon which County makes a payment.

J. Review of 2000 Billings

The parties agree that County (or its designated agent) shall be allowed to review all billings by University to the County and that University shall furnish to County (or its designated agent) all documents and materials necessary for County to complete said review. Unless County requests in writing additional specific documents, County shall be deemed to have received all necessary documents and materials thirty days after receipt of each bill. County shall have 90 days from the later of the receipt of each bill or its receipt of specifically requested additional billings, documents and materials to complete its review. After said 90 day period, the bills shall be final and uncontestable, except as limited by the Cap. The payment of bills shall not be delayed by review under this section.

SECTION III. AMBULANCE SERVICES

No charges shall be made by University to the County under this Agreement with regard to ambulance service provided by University to certified indigent residents of Richmond County. All aspects of such ambulance services shall be covered by and under the Agreement for ambulance services dated September 23, 1971 as amended, and as modified by University's "Management Services Agreement" with EMS Ventures d/b/a Rural/Metro Corporation dated June 21, 1996.

SECTION IV. MISCELLANEOUS PROVISIONS

A. Amendment

This Agreement may be amended only by the express written consent and agreement of both parties hereto.

B. Sole Agreement

This Agreement represents the entire agreement between the parties hereto and supersedes any and all previous written and/or oral agreements or understandings.

C. Future Contracts

The parties agree that the funding obligations and the descriptions of Covered Health Care Services set forth in this Agreement apply during the term of this Agreement, to-wit: calendar year 2000, only, and that nothing herein shall obligate the County to continue to provide to University the same level of funding for the same services as are set forth herein.

D. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

E. Severability

In the event any provision of this Agreement is rendered invalid or unenforceable under any law or regulation, or declared null and void by any court of competent jurisdiction, the remainder of the provisions of this Agreement shall, subject to this paragraph, remain in full force and effect.

F. Waiver

Waiver of a breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or different provisions.

G. Notices

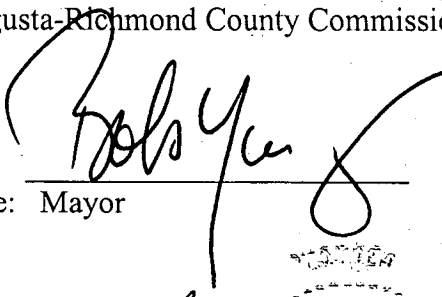
Any notice to be given hereunder by one party to the other shall be effected in writing and may be delivered either by certified U.S. mail with return receipt requested, by regular U.S. mail, properly addressed and postage prepaid, by overnight mail or by hand-delivery to the addresses listed below. Any party may change its address below by written notice given in accordance with this Section. Notices delivered personally shall be deemed received upon actual receipt. Notices mailed shall be deemed received no later than two (2) United States Postal Service business days after the date of such mailing.

To University:
University Health Services, Inc.
Robert M. Taylor, Chief Financial Officer
1350 Walton Way
Augusta, Georgia 30901-2629

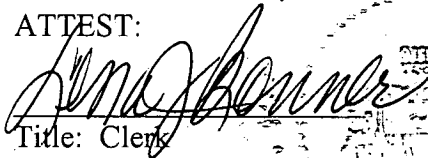
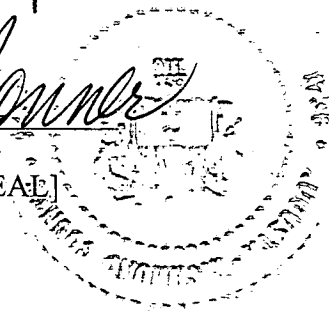
To County:
Augusta-Richmond County Commission
c/o Charles R. Oliver, Administrator
8th Floor - City-County Building (11)
530 Greene Street
Augusta, Georgia 30911

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day first above written.


AUGUSTA, GEORGIA by and through the
Augusta-Richmond County Commission


aw
John
By: 
Title: Mayor

ATTEST:


Title: Clerk
[SEAL] 

UNIVERSITY HEALTH SERVICES, INC.

By: 
Name: Richard H. Parks
Title: President/CEO

ATTEST: 
Name: Janet N. Pierce
Title: Executive Assistant
[SEAL]

