

RESOLUTION NO. 2004- 252

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE TERMS, PROVISIONS, CONDITIONS, AND REQUIREMENTS OF A FEDERALLY FUNDED SUBGRANT AGREEMENT BETWEEN THE STATE OF FLORIDA, AGENCY FOR HEALTHCARE ADMINISTRATION, AND ST. JOHNS COUNTY, FLORIDA, AND AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE COUNTY

WHEREAS, the United States Government is providing grant funds to the State of Florida, which are to be disbursed to St. Johns County, Florida, in an amount not to exceed three hundred and sixty-five thousand dollars (\$365,000.00), for the purpose of providing Disproportionate Share Hospital (DSH) Program which is designed to compensate hospitals who provide disproportionate share of Medicaid and/or charity care services; and

WHEREAS, a Federally Funded Subgrant Agreement (“Agreement”) between the State of Florida, Agency for Healthcare Administration, and St. Johns County, Florida, (attached and incorporated as Exhibit “A”) provides the means for disbursing the federal grant funds; and

WHEREAS, the County has reviewed the terms, provisions, conditions, and requirements of the Agreement; and

WHEREAS, the County has determined that accepting the terms of the Agreement, and entering into said Agreement will serve the interests of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AS FOLLOWS:

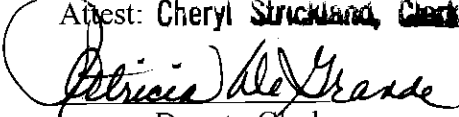
Section 1. The above Recitals are hereby incorporated into the body of this Resolution, and are adopted as Findings of Fact.

Section 2. The Board of County Commissioners hereby approves the terms, provisions, conditions, and requirements of a Federally Funded Subgrant Agreement between the State of Florida, Agency for Healthcare Administration, and St. Johns County, Florida, and authorizing the County Administrator to execute the Agreement on behalf of the County.

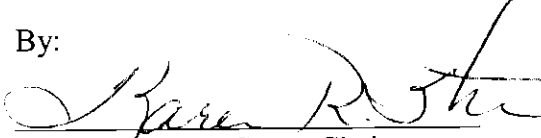
PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, Florida, this 22nd day of September, 2004.

BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

Attest: Cheryl Strickland, Clerk


Deputy Clerk

By:


Karen R. Stern, Chair

RENDITION DATE 9-23-04



Letter of Agreement

THIS LETTER OF AGREEMENT made and entered into in duplicate on the ____ day of ____, 2004 by and between St. Johns County, (the County) and the State of Florida, through its Agency for Health Care Administration,

1. Per House Bill 1835, the General Appropriations Act of FY 2004-2005, passed by the 2004 Florida Legislature, St. Johns County and the State of Florida, through the Agency for Health Care Administration, agree that St. Johns County will remit to the State an amount not to exceed a grand total of \$365,000 for the following programs:

\$365,000 is to fund the Medicaid Inpatient Upper Payment Limit program.

- a) The County and State have agreed that these funds will only be used to increase the provision of Medicaid funded health services to the people of the County and the State of Florida at large.
- b) The increased provision of Medicaid funded health services will be accomplished through the following Medicaid programs:
 - i. The disproportionate share program.
 - ii. The removal of inpatient and outpatient reimbursement ceilings for teaching, specialty and community health education programs hospitals.
 - iii. The removal of inpatient and outpatient reimbursement ceilings for hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent.
 - iv. The removal of inpatient and outpatient reimbursement ceilings for hospitals whose Medicaid days, as a percentage of total hospitals days, exceed 9.6 percent, and are trauma centers.
 - v. Increase the annual cap on outpatient services from adults for \$500 to \$1500.
 - vi. Special Medicaid payments to rural hospitals, trauma centers, graduate medical education programs, primary care services and other Medicaid participating hospitals.
 - vii. Special Medicaid payments to hospitals that provide enhanced services to low-income individuals.

2. The County will pay the State an amount not to exceed the grand total amount of \$365,000. The County will transfer payments to the State in the following manner:
 - a) The first quarterly payment of \$91,250 for the months of July, August, and September is due upon notification by the Agency.
 - b) Each successive payment of \$91,250 is due at the end of each quarter, December 21, 2004, March 31, 2005 and June 30, 2005.
 - c) The State will bill St. Johns County each quarter payments are due.
3. Attached are the DSH and Special Medicaid Payment (SMP) schedules reflecting the anticipated annual distributions for state fiscal year 2004-05.
4. This Letter of Agreement is contingent upon the State Medicaid Hospital Reimbursement Plan reflecting 2004-05 legislative appropriations being approved by the federal Centers for Medicare and Medicaid Services.
5. The County and the State agree that the State will maintain necessary records and supporting documentation applicable to Medicaid health services covered by this Letter of Agreement. Further the County and State agree that the County shall have access to these records and the supporting documentation by requesting the same from the State.
6. The County and the State agree that any modifications to this Letter of Agreement shall be in the same form, namely the exchange of signed copies of a revised Letter of Agreement.
7. The County confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, hospital districts, and/or the hospitals to re-direct any portion of the Medicaid supplemental payments in order to satisfy non-Medicaid activities.
8. This Letter of Agreement covers the period of July 1, 2004 through June 30, 2005.

WITNESSETH:

IN WITNESS WHEREOF the parties have duly executed this Letter of Agreement on the day and year above first written.

St. Johns County

State of Florida

Signature

Kenneth L. Thurston, CPA
Assistant Deputy Secretary for Medicaid Finance
Agency for Health Care Administration

Name

Title

St. Johns County Intergovernmental Transfers	
Program / Amount	State Fiscal Year 2004-05
DSH	-
UPL	365,000
Statewide Issues	-
Total Funding	365,000

COMPREHENSIVE MEDICAL SERVICES AGREEMENT
BETWEEN
ST. JOHNS COUNTY AND FLAGLER HOSPITAL

THIS AGREEMENT is made and entered into by and between St. Johns County, Florida, (hereinafter referred to as "County") and Flagler Hospital ("FH"), a Florida not-for-profit hospital, incorporated under the laws of the State of Florida.

RECITALS:

WHEREAS, Section 125.01(1)(e), Florida Statutes, authorizes County to provide health welfare programs for the residents of St. Johns County to the extent not inconsistent with general or special law; and

WHEREAS, County has established a variety of programs for providing healthcare services to the uninsured, underinsured and medically indigent residents of the County; and

WHEREAS, The State of Florida participates in the federal Disproportionate Share Hospital (DSH) Program which is designed to compensate hospitals who provide a disproportionate share of Medicaid and/or charity care services; and

WHEREAS, Flagler Hospital is a DSH hospital; and

WHEREAS, County and FH can maximize resources and efficiency by entering into this Agreement; and

WHEREAS, County further desires to establish a maximum amount of annual funding for the Program; and

WHEREAS, County has allocated \$365,000 in its fiscal year 2004-2005 budget for the Program; and

WHEREAS, County desires to contract with FH to provide Program services as identified herein; and

WHEREAS, FH is willing to provide such services, subject to the terms and conditions hereinafter set forth.

NOW THEREFORE, inconsideration of the covenants herein contained, the parties hereby agree as follows:

ARTICLE 1

SERVICES TO BE PERFORMED

Definitions: For purposes of the Agreement, the following definitions shall be used:

Inpatient Services - Services provided in an inpatient setting.

1. FH shall provide the following services:

A. Inpatient care for medically indigent residents of St. Johns County

2. All services shall be performed at FH'S licensed facility. FH shall maintain licenses for facility at all times throughout the term of this Agreement. Failure to maintain its licenses shall be grounds for termination.

3. FH shall notify the County if sufficient staff, facilities and equipment necessary to deliver the agreed upon services cannot be maintained. Failure to notify the County of any such deficiencies, or to adequately provide the services described above, may be considered a breach of this Agreement, and grounds for termination under Article V.

4. FH shall use their best efforts to obtain all supplies and services for use in the performance of this Agreement at the lowest practicable cost.

5. In the performance of this contract, it is agreed between the parties that FH is independent contractor and is solely liable for the performance of all services contemplated herein.

6. This Agreement shall not interfere with the treatment procedures of patients administered by or under the direction of any physician or other individual authorized by Hospital.

ARTICLE II

PATIENT ELIGIBILITY

1. Patient eligibility for services under this contract shall be determined on the basis of the most current annual Federal Poverty Level guidelines established by the Federal Office of Management and Budget. All patients shall be qualified by FH pursuant to subsection 2 below.

2. Each individual qualifying as a patient of the St. Johns County Primary Care Unit (SJPCU) or through its case management services or through St. Johns County

Social Services (SJCSS), shall be issued appropriate identification by the SJCSS. For the purposes of this agreement, these patients shall be deemed eligible for care and inpatient funding under this Agreement.

3. For those individuals receiving inpatient hospital services that were not qualified pursuant to paragraph 2 above, FH shall use the following criteria as the basis for patient eligibility for individuals not qualified as a patient of SJPCU or SJCSS:
 - A. The patient must provide evidence of residency in St. Johns County; and
 - B. The patient must be a member of a family unit whose usual income is at or below the Federal Poverty Level for the four months prior to admission; and
 - C. The family unit must not exceed the asset limit set by the Florida Medicaid Medically Needy Program; and
 - D. The patient must not have insurance coverage, nor be eligible for any other program, public or private, that would provide for the payment of these services.

4. FH and County will make reasonable efforts to determine if individuals are eligible for other governmental or third party payors. All potentially eligible Medicaid clients will be referred to the Florida Department of Children and Families. Such clients shall not be covered under this Agreement until receipt of a Medicaid denial for reasons other than noncompliance.

ARTICLE III

PAYMENTS

1. County shall make quarterly payments to the State of Florida in accordance with the Letter of Agreement entered into between County and the State of Florida, through the Agency for Health Care Administration, said letter being attached hereto as Exhibit "A" and incorporated herein by reference. Payments made to the State shall be considered payment in full for all inpatient services performed under this Agreement and shall be the total maximum amount County shall pay for medical services provided to the indigent, uninsured and underinsured.
2. Services to be provided to patients who meet the qualification requirements for Federal and/or State health care benefits, including Medicare and Medicaid, except as specifically provided for herein, shall not be covered by this Agreement.
3. FH agrees not to bill any patient, nor request payment, nor receive payment from any patient submitted to the County as eligible under this Agreement. FH agrees that the payment made by this Agreement or any third party payment, shall be considered payment in full and the patient shall not be liable to FH for any uncompensated expense related to this account or service. FH has the right to

pursue payment for any services that are not covered by the Program, or per this Agreement.

ARTICLE IV

TERMS OF AGREEMENT AND TERMINATION

1. The term of this Agreement shall be for a term of one year beginning on October 1, 2004, through June 30, 2005. The IGT program is subject to annual authorization by the State of Florida and shall be contingent upon Legislative continuation of the program.
2. Any party may terminate this Agreement without cause by giving at least thirty (30) calendar days written notice of intent to terminate. In the event of termination, County shall pay for services rendered, prorated to the effective date of termination, County shall continue to pay for any qualified inpatient receiving services on the date of termination until the discharge of such patient.
3. Upon breach of this Agreement, the aggrieved party may, by written notice of breach to the breaching party, terminate the whole or any part of the Agreement. Termination shall be upon no less than twenty-four (24) hours notice. Waiver by either party of breach of any provisions of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement.
4. It is further agreed that in the event County general funds to finance all or part of this Agreement do not become available, the obligations of each party hereunder may be terminated upon no less than twenty-four (24) hours notice in writing to the other party. County shall be the final authority as to the availability of funds and as to how any available funds will be allocated among its various service providers.
5. County shall consider the following a breach of this Agreement:
 - A. The failure of FH to provide services called for by this Agreement within the time specified herein or any extension thereof.
 - B. The failure of FH to perform any of the other provisions of this Agreement.

ARTICLE V

ASSIGNMENT

FH shall not assign or transfer this Agreement, or any interest, right or duty herein, without the prior written consent of County.

ARTICLE VI
SUBCONTRACTING

The parties agree that FH shall be permitted to execute subcontract for the purchase by Hospital of such services, articles, supplies, and equipment which are both necessary and incidental to the performance of the work required under this Agreement. In addition, the parties agree that FH intends to contract for third party claims processing, however, FH expressly understands that they shall have ultimate responsibility for performing all services outlined in Article I of this Agreement.

ARTICLE VII
LIABILITY

1. FH shall be liable for the performance of or failure to perform their obligations or responsibilities under this Agreement including, but not limited to, the failure to provide the necessary insurance coverage as provided by state law.
2. FH shall be liable for any claim or damage arising out of the condition of FH property or the use of occupancy of the property by FH or FH members, guests and invitees.

ARTICLE VII
INSURANCE AND INDEMNIFICATION

1. FH shall be liable for the performance of or failure to perform their obligations or responsibilities under this Agreement including, but not limited to, the failure to provide the necessary insurance coverage as provided by state law.
2. Insurance Required.
 - A. Before execution of the contract by County and commencement of the operations and/or services to be provided, and during the duration of the contract, Hospital shall file with County Risk Management Division current certificates of all required insurance on forms acceptable to County, which shall include the following provisions:
 - i. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida and acceptable to County
 - ii. The Certificates shall clearly indicate that Hospital has obtained insurance of the type, amount and classification as required for strict compliance with this insurance section

- iii. No material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to County.

B. Coverages Required.

- i. Worker's Compensation – FH shall provide coverage for their employees with statutory workers' compensation limits, and no less than \$100,000 for Employer's Liability. Said coverage shall include a waiver of subrogation in favor of County and its agents, employees and officials.
- ii. Commercial General Liability – Hospital shall provide coverage for all operations including, but not limited to Contractual, Products and Completed Operations, and Personal Injury. The limits shall be no less than \$500,000 per occurrence, Combined Single Limits (CSL) or its equivalent. The General Aggregate limit shall either apply separately to the Agreement or shall be at least twice the required occurrence limit.
- iii. Business Automobile Liability – FH shall provide coverage for all owned, non-owned and hired vehicles with limits of not less than \$500,000 per occurrence, Combined Single Limits (CSL) or its equivalent.
- iv. Professional Liability – FH shall provide coverage for Professional Liability for limits not less than \$1,000,000.
- v. County shall be specifically included as an additional insured on the general liability policy.

- C. FH and all persons employed by them and providing medical services to patients under this Agreement shall comply at all times with State of Florida requirements for medical malpractice insurance, self-insurance, or financial responsibility, or any combination thereof, as FH or person providing the service may determine. Failure of FH to maintain adequate insurance coverage for themselves or for any other persons or entities for whom they are responsible, or to ensure that their subcontractors maintain adequate insurance coverage, shall not relieve FH of any contractual responsibility or obligation.
- D. All such insurance required of FH shall be primary to, and not combined with, any insurance or self-insurance maintained by County.
- E. Any exceptions to the insurance requirements in this section must be approved in writing by County.
- F. Compliance with these insurance requirements shall not relieve or limit FH'S liabilities and obligations under this Agreement.
- G. Failure of County to demand certificates or other evidence of all compliance with these insurance requirements or failure of County to identify a deficiency from evidence provided will not be construed as a waiver of Providers obligation to maintain such insurance.

ARTICLE IX

RECORDS

1. FH agrees to establish and maintain orderly and complete books, records and documents (including electronic storage media) of their accounts and operations related to the services provided under this Agreement for a period of three (3) years following the termination of this Agreement. FH shall keep these records open for inspection by County personnel during regular business hours upon reasonable advanced, written notice. In addition, FH agrees to retain all records and documents pertinent to this contract for a period of five (5) after termination of the contract, or if an audit has been initiated or litigation commenced, which have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on or related to this contract.
2. FH shall make available to County for periodic audit, billing data prepared under their regular accounting procedures using their normal rate charges for all patients covered by this Agreement treated at FH'S facilities, using standard UB-92 or 1500 billing forms. Billing data prepared by FH shall contain the patient's name and detailed information about the services rendered at FH published charges for such services, and/or a summary description of the total of all such services and charges rendered. For the convenience of FH and to accommodate their internal billing and accounting mechanisms, similar billing data regarding physicians services provided in furtherance of this Agreement may be separately and directly provided to third party payment company.
3. This Agreement shall in no way interfere with the treatment procedures of patients as carried out by or under the direction of any physician or other authorized individual. Except as otherwise provided by law, such records bearing of said relationship and treatment shall be confidential and shall not constitute public records.

ARTICLE X

CIVIL RIGHTS

1. There will be not discrimination against any employee or person served on account of race, color, sex, age, religion, ancestry, national origin, handicap or marital status in the performance of the Agreement.
2. It is expressly understood that, upon receipt of evidence of such discrimination, the County shall have the right to terminate this Agreement for breach of Agreement.
3. Hospital shall comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) In regard to persons served.

4. Hospital shall comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000c) in regard to employees or applicants for employment.
5. Hospital shall comply with Section 504 of the Rehabilitation Act of 1973 in regard to employees or applicants for employment and clients served.

ARTICLE XI

OTHER CONDITIONS

1. Any alterations, variations, modifications or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing, duly signed and attached to the original of this Agreement. The parties agree to renegotiate the Agreement if revision of any applicable laws or regulations make changes in the Agreement necessary.
2. This Agreement contains all the terms and conditions agreed upon by the parties. All items incorporated by reference are as though physically attached. No other agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or to bind any of the parties hereto.
3. FH shall obtain and possess throughout the term of this Agreement all licenses and permits applicable to their operations under federal, state and local laws, and shall comply with all fire, health and other applicable regulatory codes.
4. FH agrees to cooperate with County in an annual review to ensure that all applicable County guidelines and requirements for fund recipients are being complied with.

ARTICLE XII

NOTICES

All notices required herein shall be in writing and sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing.

As to Provider:

Lynda Kirker, CFO
Flagler Hospital
300 Health Park Blvd.
St. Augustine, Florida 32086

As to County:

Gloria Benischeck, Community Services Mgr.
St. Johns County Social Services Dept.
1955 US 1 South, Suite 100
St. Augustine, Florida 32086

And

Ben W. Adams, Jr., County Administrator
St. Johns County
P.O. Box 349
4020 Lewis Speedway
St. Augustine, Florida 32085

THIS AGREEMENT IS CONTINGENT UPON FULFILLMENT OF BOTH OF THE FOLLOWING EVENTS: (i) CERTIFICATION OF AHCA AGREEMENT BY CENTERS FOR MEDICAID AND MEDICARE SERVICES, AND (ii) APPROVAL BY AHCA OF PAYMENT STRUCTURE UNDER MEDICAID PROGRAM TO HOSPITAL.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

ST. JOHNS COUNTY, FLORIDA
By: Board of County Commissioners

By: _____
Karen R. Stern
Chair

ATTEST: Cheryl Strickland, Clerk of Courts

By: _____
Cheryl Strickland

FLAGLER HOSPITAL, INC.

By: _____

Title: _____

ATTEST:

By: _____

Date: _____