

**COOPERATIVE AGREEMENT**

**AN AGREEMENT** by and between **JACKSON COUNTY, MISSOURI**, a Constitutional Home Rule County, and **THE CHILDREN'S MERCY HOSPITAL**, a Missouri Nonprofit Corporation, 2401 Gillham Road, Kansas City, Missouri 64108, hereinafter called "Hospital."

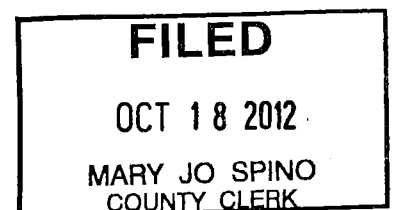
WHEREAS, the County recognizes its statutory obligations to the poor under Sections 205.580 et seq. and 205.210 et seq., RSMo; and,

WHEREAS, Hospital provides health care to children of indigent families and is able and willing to provide services for certain of the County's indigent residents;

NOW THEREFORE, the County and Hospital agree, in consideration of the following mutual promises and valuable consideration, as follows:

1. **Services.** Hospital shall provide for the care and treatment of children of indigent residents of Jackson County, by providing medical and hospital services, as is more fully set out in the proposal attached hereto as Exhibit A and incorporated herein by reference. As used in this Agreement, the term indigent person means a person who is eligible for free care or care at a reduced rate, on the basis of income, based on current guidelines at Hospital.

2. **Terms of Payment.** The County agrees to pay to Hospital the amount of \$430,000.00, in quarterly installments of \$107,500.00 each, with the first and second quarter payments to be made upon execution of this Agreement. The remaining payments shall be made upon the County's receipt of the reports as set forth in



paragraph 3 hereof. The County, through the Legislative Auditor, may approve adjustments to line items listed in Agency's budget/proposal contained in Exhibit A, in an amount not to exceed 10 percent of the total amount of the Agreement, so long as there is no additional total cost to the County.

3. **Reports.** Within 30 days after the conclusion of each calendar quarter under this Agreement, the Hospital shall submit a quarterly financial report, including a statement of budgeted and actual expenditures, and any other documents requested by the Director of Finance and Purchasing, to establish that the funds provided pursuant to this Agreement were used for the purposes set forth herein. The reports for the first and second quarters shall be submitted within 30 days after execution of this agreement. The last quarter's report shall include an annual report which shall summarize all of the Hospital's activities pursuant to this Agreement. The Hospital's failure to submit this annual report shall disqualify the Hospital from future funding by the County.

4. **Submission of Documents.** No payment shall be made under this contract unless the contracting agency shall have submitted to the County's Director of Finance and Purchasing (1) a written proposal setting out in detail the intended use of the County's funding, including the target population to be served; (2) the agency's IRS Form 990, from the previous fiscal or calendar year; (3) a statement of the agency's total budget for its most recent fiscal year; and, (4) a detailed explanation of actual expenditures of County funds (pertains to final payments and payments on contracts for future years.) If an agency has previously received County funding, to be eligible for future payments, an agency must submit either an audited financial statement for the

agency's most recent fiscal or calendar year, by March 31 of the following year, or a certified public accountant's program audit of County funds, by January 31 of the following year. Any document described herein which was submitted to the Director of Finance and Purchasing as a part of an application for funding need not be resubmitted to qualify for payment. No payment shall be made if the contract agency is out of compliance on any other County contract.

5. **Audit.** The County further reserves the right to examine and audit, during reasonable office hours, the books and records of the Hospital pertaining to the finances and operations of the Hospital relating to the services to be provided under this Agreement.

6. **Default.** If the Hospital shall default in the performance or observation of any term or condition of this Agreement, the County shall give the Hospital written notice setting forth the default and the correction required. If said default shall continue and not be corrected within ten days of the receipt of the notice by the Hospital, the County may at its election terminate the contract and withhold any payments not yet made to the Hospital. Said election shall not in any way limit the County's rights to such legal redress.

7. **Conflict of Interest.** The Hospital warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this Agreement.

8. **Term.** This Agreement shall be effective as of January 1, 2012, and shall terminate on December 31, 2012.

9. **Severability.** If any covenant or other provision of this Agreement is invalid or incapable of being enforced by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.


10. **Liability and Indemnification.** No party to this Agreement shall assume any liability for the acts of any other party to this Agreement, its officers, employees or agents and Hospital shall indemnify, defend and hold the County harmless from any and all claims, liabilities, damages, costs (including reasonable attorney's fees directly related thereto) including but not limited to violation of civil rights and/or bodily injury to or death of any person and for damage to or destruction of property if and to the extent caused by the negligence, willful misconduct or omissions of Hospital during the performance of this Agreement.

11. **Incorporation.** This Agreement incorporates the entire understanding and agreement of the parties.

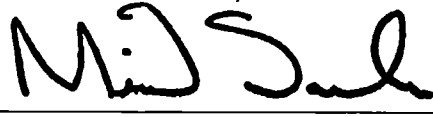
(Signature Page to Follow)

IN WITNESS WHEREOF, the parties have executed this Agreement this  
18<sup>th</sup> day of October, 2012.

APPROVED AS TO FORM:

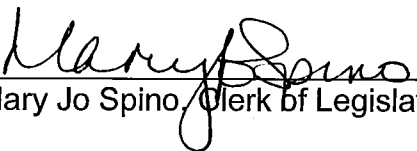
  
W. Stephen Nixon  
County Counselor


JACKSON COUNTY, MISSOURI

By   
Michael D. Sanders  
County Executive

ATTEST:

THE CHILDREN'S MERCY HOSPITAL

  
Mary Jo Spino, Clerk of Legislature

By   
President and CEO  
Federal I.D 44-060573

### REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$430,000.00 which is hereby authorized.

October 17, 2012  
Date

  
Director of Finance and Purchasing  
Account Number 002-7401-56789

74012012001



# OUTSIDE AGENCY FUNDING REQUEST FORM 2012 BUDGET

415 E 12th Street, 2nd Floor  
Kansas City, MO 64106

Email: [auditor@jacksongov.org](mailto:auditor@jacksongov.org)

Section A: Organization or Agency Information .....	page 1
Section B: Agency's 2011 and 2012 Revenue Information .....	page 2
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Section D: Program Information .....	pages 4 - 8
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## Section A: Organization or Agency Information

Name:	The Children's Mercy Hospital		
Address:	2401 Gillham Road Kansas City, MO 64108		
Phone No:	(816) 701-4363	Fax:	(816) 701-4366
Website Address:	<a href="http://www.childrensmercy.org/">http://www.childrensmercy.org/</a>		
Federal Tax ID No:	44-060573	Fiscal Year Cycle:	July 1, 2011-June 30, 2012
Executive Director:	Randall, O'Donnell, President and Chief Executive Officer		
Name and Title of Principal Contact Person:	Lou Edwards, Government Relations Manager		
Phone No:	(816) 701-4363	Email Address:	<a href="mailto:ledwards@cmh.edu">ledwards@cmh.edu</a>
Submittal of this request has been authorized by:	Genny Nicholas, Vice-President of Govt Relations		
Date:	8-Sep-11		

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 JACKSON COUNTY  
 AUDITOR'S OFFICE  
 KANSAS CITY, MISSOURI

## Section B: Agency's 2011 and 2012 Revenue Information

### Agency's 2012 Projected Revenue Information

Funding Entity	Agency's 2012 Total Projected Revenue Source You Will Request 2012 Funding From	Projected Amount	% of Total Revenue
Federal	Various Federal Agencies	\$ 5,592,862	1
State	State of Missouri	\$ 1,113,728	0
Jackson County	Jackson Co Missouri	\$ 900,000	0
Other Counties	Various Other Missouri Counties	\$ 57,094	0
City	Kansas City, MO	\$ 1,199,508	0
Charity/Donations	Various Donors	\$ 3,649,360	0
User Fees	Net Patient Service Revenue	\$ 832,018,940	95
Other	See Attachment I for Sec B	\$ 32,714,308	4
<b>2012 Total Projected Revenue</b>		<b>\$ 877,245,800</b>	<b>100</b>

### Agency's 2011 Revenue Information

Funding Entity	Agency's 2011 Total Revenue Source You Received Funding From	Amount	% of Total Revenue
Federal	Various Federal Agencies	\$ 7,476,460	1
State	State of Missouri	\$ 1,395,855	0
Jackson County	Jackson Co Missouri	\$ 429,875	0
Other Counties	Various Other Missouri Counties	\$ 52,750	0
City	Kansas City, MO	\$ 1,135,447	0
Charity/Donations	Various Donors	\$ 2,753,345	0
User Fees	Net Patient Service Revenue	\$ 757,002,365	94
Other (please list)	See Attachment II for Sec B	\$ 33,651,720	4
<b>2011 Total Revenue</b>		<b>\$ 803,897,817</b>	

**If your agency received funding from Jackson County in 2011, please identify the funding source, amount and program name below.**

Jackson County Funding Source	Yes	No	Amount	Program Name
COMBAT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 97,805	TIES-Team for Infants Endangered
Mental Health Levy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -	Substance Abuse
Board of Services for Developmentally Disabled	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -	Family Friends
Domestic Violence Board	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -	
Housing Resources Commission	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -	
Outside Agency Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 451,661	Jac Co Leg & JC Juvenile Justice
<b>2011 Total Jackson County Funding</b>			<b>\$ 549,466</b>	

**Did your agency receive funding or resources in 2011 from either of the following?**

Mid America Regional Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -	
Harvesters	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -	

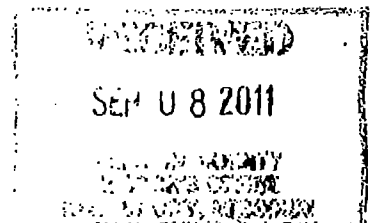
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Section B  
KANSAS CITY, MO

**Attachment I Section B**

**Children's Mercy Hospital  
2012 Estimated Budget**

Other:	
Foundation	\$ 8,115,951
Miscellaneous	11,652,149
Investment Income	1,908,661
Cafeteria	4,552,147
United Way	1,068,810
Other Grants	<u>5,416,591</u>
Total	\$32,714,308

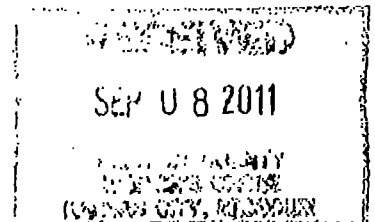




Attachment II Section B

Children's Mercy Hospital  
2011 Actual Budget

Other:	
Foundation	\$ 8,091,961
Miscellaneous	11,026,549
Investment Income	1,834,669
Cafeteria	4,593,038
United Way	1,058,869
Other Grants	<u>7,046,634</u>
Total	\$33,651,720



## Section C: 2012 Program Budget

*Complete a separate program budget for each program your agency is applying for funding.*

**Agency Name:** The Children's Mercy Hospital

**Program Name:** \_\_\_\_\_

<b>Personal Services</b>			
For each salary request below please attach a job description or duties.			
Position / Title	Total Salary	% of Salary to be funded by Jackson Co.	Amount of Salary to be funded by Jackson County
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
Total Salaries			\$ -
Total Benefits			\$ -
<b>Total Personal Services</b>			<b>\$ 430,000</b>
<b>Contractual Services</b>			
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p style="font-size: 2em; font-weight: bold; margin: 0;">Revised</p> <p style="margin: 0;">DEC 13 2011</p> </div>			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
<b>Total Contractual Services</b>			<b>\$ -</b>
<b>Supplies</b>			
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
<b>Total Supplies</b>			<b>\$ -</b>

**Total Program Request \$ 430,000**

## Section D: 2012 Program Information

*Complete a separate program information sheet for each program your agency is applying for funding.*

**Agency Name:** The Children's Mercy Hospital

**Program Name:** Pediatric Hospital

### Proposed Program

Detail functions to be performed by each program.

See Attachment 1 Sec D

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Section D

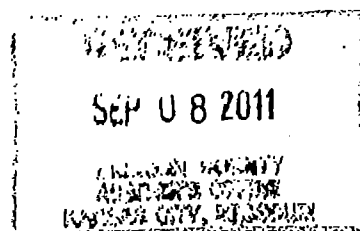
Section D: 2012 Program Information  
Attachment I

Children's Mercy Hospital is recognized for our innovation in creating a family-centered environment that is focused on the unique needs of hospitalized children and their families. The hospital provides a full range of medical services to children from birth through adolescence. This includes primary care, specialty outpatient services, surgery and hospitalizations. Care is provided to all children, regardless of race, religion or ability to pay.

The hospital provides the highest level of medical care, technology, services, equipment and facilities in promoting the health and well-being of children in the region. Patients and their families are treated with compassion in a family-centered environment that recognizes their physical, emotional, financial, social and spiritual needs.

Many families cannot afford dependent health care coverage for their children through their employer's plan, or their insurance policy does not cover all the needed services, or the co-pay portion of their plan overwhelms them during a catastrophic illness. Children with chronic conditions have a great deal of difficulty obtaining medical coverage at any price in today's market.

In addition to covering the costs of indigent, uninsured and underinsured families, our distinctive financial picture is also marked by the intensity of the care we provide. A large percentage of our service is devoted to critical care in the Neonatal and Pediatric Intensive Care Units. For these families, Children's Mercy Hospital is truly the "safety net."



## Section D: 2012 Program Information

*Complete a separate program information sheet for each program your agency is applying for funding.*

**Agency Name:** The Children's Mercy Hospital

**Program Name:** Pediatric Hospital

### Participants

Identify the number of participants by County that each program serves.

Jackson, MO	2011 - 61,916
Clay, Platte, Cass, MO	2011 - 33,339
Wyandotte, Johnson, KS	2011 - 49,886
Other Missouri	2011 - 38,728

### Target Population

Describe target population and demographics to be served by each program.

See Attachment II for Section D

Would you provide these services to anyone at your door?

Answer  Yes or No

Is anyone denied services?

Answer Yes or  No

What level of indigents **ANY**

Please classify your program from the following types by percentage of your agency's overall service

Senior Program %

Indigent Program (Below Poverty Level) %

Senior Indigent Program %

What criteria do you have for the clients you serve?

See Attachment III for Section D

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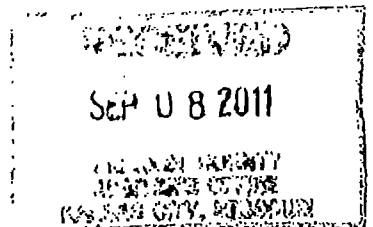
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Section D

**Attachment II**

*Describe target population and demographics to be served by each program.*

The target population and demographics that are served are children from birth through adolescence who are uninsured or underinsured who are in need of pediatric services from the hospital.



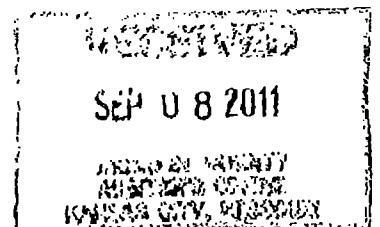


**Mission**

Children's Mercy Hospital provides the highest level of medical care, technology, services, equipment and facilities in promoting the health and well-being of children in the region, from birth through adolescence. Patients and their families are treated with compassion in a family-centered environment that recognizes their physical, emotional, financial, social and spiritual needs. The comprehensive health care environment provided by the hospital includes clinical services, research and teaching efforts which are designed to serve today's and tomorrow's children and the community in which they live.

**Vision**

The Children's Mercy Hospital commits to providing quality pediatric medical care with service excellence and efficiency to everyone we serve.



## Section D: 2012 Program Information

Complete a separate program information sheet for each program your agency is applying for funding.

Agency Name: The Children's Mercy Hospital

Program Name: Pediatric Hospital

### Service Delivery Area

Identify your specific geographic service delivery area for each program.

See Attachment IV

### Fund Separation

Indicate what measures your agency will take to ensure that funds received from Jackson County will be utilized for the benefit of Jackson County residents.

Attachment V

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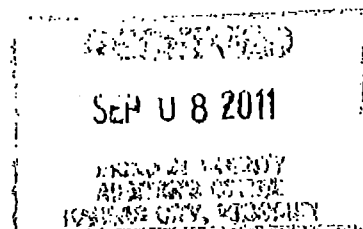
JACKSON COUNTY  
SECTION D



## Attachment IV

### Geographic Service Delivery Areas:

Children's Mercy Hospital is the only freestanding children's hospital between St. Louis and Denver; Omaha and Little Rock. The focus is on caring for children and families in Kansas and Missouri, but the hospital sees patients from throughout the country and the world. Children's Mercy service locations includes two pediatric acute care hospitals, primary and specialty care clinics, outreach clinics and a pediatric transport team that is nationally recognized. Children's Mercy draws approximately ninety percent of its patients from the eighteen county areas around Kansas City, Missouri.



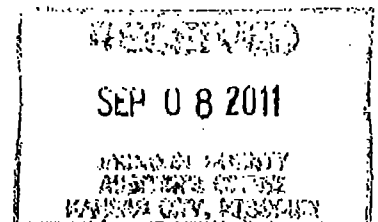
## Attachment V

### **Fund Separation:**

*Please indicate what measures your agency will take to ensure that funds received from Jackson County will be utilized for Jackson County residents.*

Children's Mercy Hospital provides medical care services to the indigent children that includes offering pediatric trained and board-certified medical staff in more than 40 specialty areas; investing in ground breaking research to develop new treatments and cures for pediatric diseases; aligning with the area's top academic institutions to provide training to physicians and clinicians; and providing the most advanced medical technology designed specifically for children. Additional information about Children's Mercy Hospital Services can be obtained at <http://www.childrensmercy.org/>.

In providing these services Children's Mercy Hospital incurs significant expenses as enumerated in the documentation furnished with this application. Funding from Jackson County for Jackson County residents helps to offset the uncompensated care losses from Jackson County residents.



## Section D: 2012 Program Information

Complete a separate program information sheet for each program your agency is applying for funding.

Agency Name: The Children's Mercy Hospital

Program Name: \_\_\_\_\_

### Approach & Method

List the top three (3) objectives for each program.

Attachment VI

2.

3.

Detail specific methods you will use to achieve these objectives.

Attachment VII

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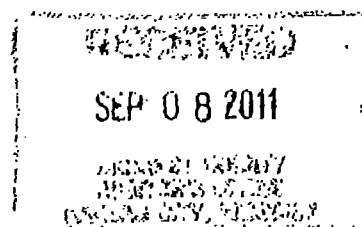
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Section D

## Attachment VI

### Approach & Method:

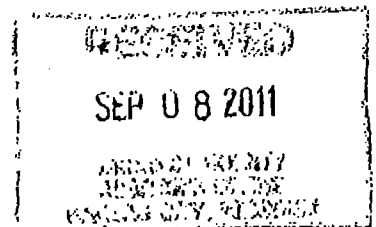
- 1: Service Excellence
- 2: System Accessibility
- 3: Cost Effectiveness



## Attachment VII

### Approach & Method:

- 1: Service Excellence by evaluating and treating the presenting problem.
- 2: System Accessibility by scheduling appropriate follow-up.
- 3: Cost Effectiveness by seeing to ensure that every child has a "medical home" for primary care.



## Section D: 2012 Program Information

Complete a separate program information sheet for each program your agency is applying for funding.

Agency Name: The Children's Mercy Hospital

Program Name: \_\_\_\_\_

### Evaluation

How can the success of each program be evaluated?

Indicate performance measures or statistics you will use to demonstrate the success of each program.

See Attachment VIII

### Notification

How will your organization make clients, the public and the media aware of the generous taxpayer funding received from Jackson County? (Please attach any examples)

See Attachment IX

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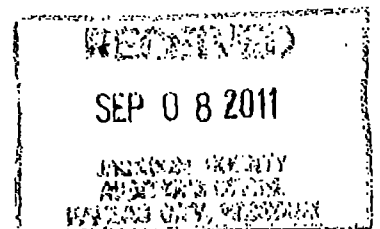
Section D

## Attachment VIII

### Evaluation:

*Describe how the success of each program will be evaluated. Indicate performance measures or statistics you will use to demonstrate the success of each program.*

1. Inpatient Days
- 2: Outpatient Days
- 3: Indigent Care Costs



## Attachment IX

### Notification:

*How does your organization make clients, the taxpayers and the media aware of the generous funding received from Jackson County?*

The information is produced in the Children's Mercy Hospital annual report which is distributed widely and is on the web site for easy access. Children's Mercy Hospital also uses other various forms of communication in being forthcoming with information regarding all public funding.

