

RGR
11/10/10

R. 17132

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 \$429,875.00, in quarterly installments of \$107,468.75 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.

FILED
NOV 08 2010
MARY JO SPINO
COUNTY CLERK

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, 2010, and shall terminate on December 31, 2010.

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.

IN WITNESS WHEREOF, the parties have executed this Agreement this 8 day of November, 2010.

APPROVED AS TO FORM:

Wm G Snyder
Acting County Counselor

JACKSON COUNTY, MISSOURI

By *Michael D. Sanders*
Michael D. Sanders, County Executive

ATTEST:

Mary Jo Spino
Mary Jo Spino, Clerk of Legislature

THE CHILDREN'S MERCY HOSPITAL

By *Andrew D. Dwyer*
President and CEO

44-0605373
Federal I.D. or S.S. #

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 \$429,875.00 which is hereby authorized.

November 8, 2010
Date

D. J. [Signature]
Director of Finance and Purchasing
Account Number 002-7401-56789

74012010001



OUTSIDE AGENCY FUNDING REQUEST FORM 2010 BUDGET

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

Email: auditor@jacksongov.org

RECEIVED

SEP 03 2009

JACKSON COUNTY
AUDITOR'S OFFICE
KANSAS CITY, MISSOURI

Section A: Organization or Agency Information	page 1
Section B: Agency's 2009 and 2010 Revenue Information	page 2
Section C: Individual Program Budget	page 3
Section D: Program Information	pages 4 - 8

Section A: Organization or Agency Information

Name:	Children's Mercy Hospital		
Address:	2401 Gillham Road		
Phone No:	816-701-4363	Fax:	816-701-4366
Website Address:	http://www.childrensmercy.org/		
Federal Tax ID No:	44-060573	Fiscal Year Cycle:	July 1, 2009-June 30, 2010
Name and Title of Contact Person:	Lou Edwards Government Relations Manager		
Phone No:	816-701-4363	Email Address:	ledwards@cmh.edu
Submittal of this request has been authorized by:	Genny Nicholas, Vice-Pres of Govt Relations		

Summary of Jackson County Funding Request by Program			
	Program Name		Amount
(please prioritize with number 1 being most important)			
See Attachment I		\$	-
2.		\$	-
3.		\$	-
Total Jackson County Funding Request for All Programs \$			900,000

EXHIBIT

A

Section B: Agency's 2009 and 2010 Revenue Information

Agency's 2010 Total Projected Revenue		Projected Amount	% of Total Revenue
Funding Entity	Source You Will Request 2010 Funding From		
Federal	Various Federal Agencies	\$ 3,639,779	0
State	State of Missouri	\$ 1,138,448	0
Jackson County	Jackson County, Missouri	\$ 900,000	0
Other Counties	Various Missouri Counties	\$ 65,000	0
City	Kansas City, MO	\$ 1,200,000	0
Charity/Donations	Various Donors	\$ 1,000,000	0
User Fees	Net Patient Service Revenue	\$ 747,093,582	96
Other	See Below (See Attachment I for Sec B)	\$ 26,116,514	3
2010 Total Projected Revenue		\$ 780,728,323	

Agency's 2009 Total Revenue		Amount	% of Total Revenue
Funding Entity	Source You Received Funding From		
Federal	Various Federal Agencies	\$ 4,463,406	1
State	State of Missouri	\$ 1,323,998	0
Jackson County	Jackson County, Missouri	\$ 563,000	0
Other Counties	Various Missouri Counties	\$ 93,950	0
City	Kansas City, Missouri	\$ 1,199,507	0
Charity/Donations	Various Donors	\$ 1,864,599	0
User Fees	Net Patient Service Revenue	\$ 649,237,674	95
Other (please list)	See Below (See Attachment II for Sec B)	\$ 21,154,446	3
2009 Total Revenue		\$ 679,900,580	

Jackson County Funding Source	Yes	No	Amount	Program Name
COMBAT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 50,000	
Mental Health Levy	<input type="checkbox"/>	<input type="checkbox"/>	\$ -	
Board of Services for Developmentally Disabled	<input type="checkbox"/>	<input type="checkbox"/>	\$ -	
Domestic Violence Board	<input type="checkbox"/>	<input type="checkbox"/>	\$ -	
Housing Resources Commission	<input type="checkbox"/>	<input type="checkbox"/>	\$ -	
Outside Agency Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 475,000	Jackson Co Legislature
Other	X		\$ 38,000	Jackson Co Circuit Court Contract for Services for Adolescent Medicine
2009 Total Jackson County Funding			\$ 563,000	

Section C: REVISED Individual Program Budget
 Complete a separate program budget for each program your agency is applying for funding.
 Program Name, Priority, and Total Program Request Amount from this sheet must match
 information entered under Page 1, Section A.

Agency Name: Children's Mercy Hospital
 Program Name: _____
 Priority: _____

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 JACKSON COUNTY
 CLERK'S OFFICE
 KANSAS CITY, MISSOURI

Personal Services					
For each salary request below please attach a job description or duties.					
Position	No. of Hours		FTE	Rate	Annual Hours
	Per Week	or Annually			x Rate
			-		\$ -
			-		\$ -
			-		\$ -
			-		\$ -
			-		\$ -
			-		\$ -
Total Salaries					\$ -
Total Benefits					\$ -
Total Personal Services					\$ 429,875
Contractual Services					
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Total Contractual Services					\$ -
Supplies					
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Total Supplies					\$ -

Total Program Request \$ 429,875

Attachment I

Children's Mercy Hospital is a regional pediatric medical center that provides comprehensive and specialized services for the children of this area. Care is provided to all children, regardless of race, religion, residence or ability to pay. Additionally, the hospital conducts extensive research and other community benefit activities that benefit children's health care.

Children's Mercy provides services to the medically indigent children of Jackson County. Medically indigent children are defined as those whose families have either no or limited ability to pay for medical service they receive. Due to various qualifying restrictions, however they are not eligible for coverage under the State of Missouri's Medicaid program. Funds provided by Jackson County help offset the cost of providing care to indigent children.

Attachment 1 Section B

The Children's Mercy Hospital 2010 Funding Estimated Budget			
Funding Entity	Source You Will Request Funding From	Amount	% of Budget
Federal	Various Federal Agencies	3,639,779	0.47%
State	State of Missouri	1,138,448	0.15%
Jackson County	Jackson County, Missouri	900,000	0.12%
Jackson County Combat Funds	Jackson County, Missouri	66,000	0.01%
Jackson County Juvenile Justice	Jackson County, Missouri	35,000	0.00%
Other Counties	Various Missouri Counties	65,000	0.01%
City	Kansas City, Missouri	1,200,000	0.15%
Charity/Donations	Various Donors	1,000,000	0.13%
User Fees	Net Patient Service Revenue	747,093,582	95.64%
Other	See Below	26,015,514	3.33%
Total projected Revenue for 2010		781,153,323	100.00%
Other:			
	Foundation	8,646,676	
	Miscellaneous	3,521,862	
	Investment Income	2,163,390	
	Cafeteria	3,714,464	
	United Way	750,000	
	Other Grants	7,219,122	
	Total Other Funding	26,015,514	

Attachment II Section B

The Children's Mercy Hospital 2009 Actual Funding			
Funding Entity	Source You Will Request Funding From	Amount	% of Budget
Federal	Various Federal Agencies	4,463,406	0.61%
State	State of Missouri	1,323,998	0.02%
Jackson County	Jackson County, Missouri	487,504	0.08%
Other Counties	Various Missouri/Kansas Counties	93,950	0.01%
City	Kansas City, Missouri	1,199,507	0.18%
Charity/Donations	Various Donors	1,864,599	0.05%
User Fees	Net Patient Service Revenue	649,237,674	95.79%
Other	See Below	21,154,446	3.26%
Total projected Revenue for 2009		679,825,084	100.00%
Other:			
	Foundation	7,989,548	
	Miscellaneous	1,235,520	
	Investment Income	3,356,045	
	Cafeteria	3,787,926	
	United Way	1,192,065	
	Other Grants	3,593,342	
	Total Other Funding	21,154,446	

Attachment II

Children's Mercy provides a full range of medical services to children from birth through adolescence. This includes primary care, specialty outpatient services, surgery and hospitalization. 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 are 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: Program Information

Complete each section for each program your agency is applying for funding.
All Program 1 information should be entered in the left column, all Program 2 information in the middle column,
and all Program 3 information in the right column.

Program 1 Name	Program 2 Name	Program 3 Name
See Attachment II	Proposed Program: Detail functions to be performed by each program.	

Participants

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

Jackson	2008 Actual -60,854	2009 Actual- 60,020	2010 projected-63,021
Clay/Platte	2008 Actual -22,842	2009 Actual-22,910	2010 projected- 24,056
Cass	2008 Actual-6,321	2009 Actual-6,084	2010 projected-6,388
Johnson (KS)	2008 Actual-33,441**	2009 Actual-33,266	2010 projected-34,929
Wyandotte (KS)	2008 Actual 13,818	2009 Actual-13,888	2010 projected 14,582
Other Counties	2008 Actual 30,102	2009 Actual-34,751	2010 projected 36,489

Target Population

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

See Attachment III			
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Attachment III

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.

Service Delivery Area		
Identify your specific geographic service delivery 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.		
See Attachment V		

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 area 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.

Approach & Method	
List the top three (3) objectives for each program.	
See Attachment VI	
2.	
3.	
Detail specific methods you will use to achieve these objectives.	

Attachment VI

Approach & Method:

List the top three objectives for each program:

- 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.

<p>See Attachment VII</p>	<p>Describe how the success of each program will be evaluated.</p>	<p>Indicate performance measures or statistics you will use to demonstrate the success of each program.</p>
<p>See Attachment VIII</p>	<p>Notification</p> <p>How will your organization make clients, the taxpayers, and the media aware of the generous funding received from Jackson County? (Please attach any examples)</p>	<p>Evaluation</p>

Attachment VII

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 VIII

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.