

MEMORANDUM OF UNDERSTANDING

BETWEEN

Fort Bend County, Texas

AND

CHI St.Luke's Sugar Land Hospital

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into by and between Fort Bend County ("County") and CHI St.Luke's Sugar Land Hospital ("Hospital").

WHEREAS, Hospital is a private nonprofit hospital that provides a disproportionate share of healthcare services to the Medicaid population in addition to supporting programs that benefit the indigent, uninsured, or underinsured population in the state of Texas;

WHEREAS, Hospital desires to participate in the federal drug discount program established under Section 340B of the Public Health Services Act (the "340B Program"), which is administered by the Office of Pharmacy Affairs ("OPA");

WHEREAS, in order to participate in the 340B Program, OPA requires Hospital to enter into an agreement with a unit of the state or local government under which Hospital commits to continue providing health care services to low-income individuals who are neither entitled to benefits under Title XVIII of the Social Security Act nor eligible for assistance under the State plan of Title XIX under this Act;

WHEREAS, Hospital desires to make such a formal commitment to County; and

WHEREAS, County agrees to accept such commitment on behalf of the citizens of Fort Bend County.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other good a valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted, under seal, by and between the parties to this Agreement, as follows:

1. **Hospital Commitment to Provide Indigent Care.** Throughout the term of this MOU, Hospital agrees to continue its historic commitment to the provision of health care to indigent, uninsured, and underinsured residents of Fort Bend County, Texas. For instnce, Hospital submits that in 2018, this commitment totaled approximately \$10,000,000 in lost charges. Pursuant to this commitment, it is the intention of Hospital that indigent care provided during the term of this MOU will range generally between \$ 8 and \$12 million annually. In any event, Hospital will continue to ensure that all patients receive necessary care, as required by law, regardless of ability to pay.
2. **Acceptance and Acknowledgments of County.**
 - a. County accepts Hospital's commitment as set forth above; and
 - b. Upon request by Hospital or by OPA on Hospital's behalf, County will complete the certification/acknowledgment process required by OPA to verify that the parties have entered into this MOU.
3. **Term and Termination.** This MOU shall become effective on the date last signed by both parties, and shall remain in effect until terminated by County or by Hospital. Either party may terminate the MOU at any time by providing the other party at least thirty (30) days' prior written notice of termination.

4. **Notices.** Any notice required or permitted hereunder shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

If to County—

Fort Bend County Texas
301 Jackson St, First Floor
Richmond, TX 77469

If to Hospital—

CHI St. Luke's Health Sugar Land Hospital
1317 Lake Pointe Pkwy
Sugar Land, TX 77478

5. **Governing Law.** This MOU shall be governed by and construed in accordance with the laws of the state of Texas.
6. **Non-Exclusivity.** This MOU is not an exclusive arrangement, and shall not be construed as preventing County from entering into the same or similar agreements or arrangements with other health care facilities, whether for 340B Program or otherwise.

IN WITNESS WHEREOF, the parties have executed this MOU as set forth below:

The County of Fort Bend, Texas

By: 

Print name: Robert E. Hebert

Title: County Judge

Date: June 26, 2018

CHI St. Luke's Health Sugar Land Hospital

By: 

Print name: John W. Buchanan

Title: VP Finance

Date: June 29, 2018