

#7

**NINTH AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Ninth Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996, (hereinafter the Agreement") is made and entered into this _____ Day of September, 1999 by and among Jefferson County, Kentucky acting by and through its County Judge/Executive; the City of Louisville, Kentucky acting by and through its Mayor; the University of Louisville acting by and through its President; the Commonwealth of Kentucky acting by and through its Governor; and UMC, Inc. a non-profit Kentucky corporation with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

WITNESSETH:

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1996 Regular Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50b regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by Quality and Charity Care Trust, Inc. (hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Ninth Amendment Term

The Effective date of the provisions of this Ninth Amendment shall commence April 1, 1999 and shall continue until June 30, 1999.

3. Trust's Obligations

For the term of this Ninth Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from April 1, 1999 to June 30, 1999. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period April 1, 1999 to June 30, 1999 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Ninth Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period April 1, 1999 through June 30, 1999 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$315,963.92 per month each.

5. Corporation's Obligations

During the term of this Ninth Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payor obligated to pay for such person.

For the term of this Ninth Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1998-99 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period April 1, 1999 through June 30, 1999 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

7. **Survival of the Agreement**

The parties hereby agree that all terms of the Agreement shall survive this Ninth Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Ninth Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitation of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

BY: _____

WITNESS:

BY: Thomas W. Shumaker

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive

BY: Rebecca Jacobs
County Judge/Executive

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President

BY: John W. Shumaker
President John W. Shumaker

RECOMMENDED BY:

WITNESS:

BY: Angela Robinson

CABINET FOR FINANCE AND
ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY: John P. McElroy
Secretary of Finance

WITNESS:

BY: James D. Shelton

CITY OF LOUISVILLE
601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY: David R. Armstrong
Mayor

WITNESS:

BY: _____

COMMONWEALTH OF KENTUCKY

Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY: _____

Governor

WITNESS:

BY: _____

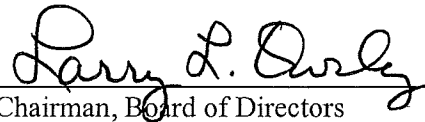
UMC, INC.

530 South Jackson Street
Louisville, Kentucky 40202
Attn: James H. Taylor, President

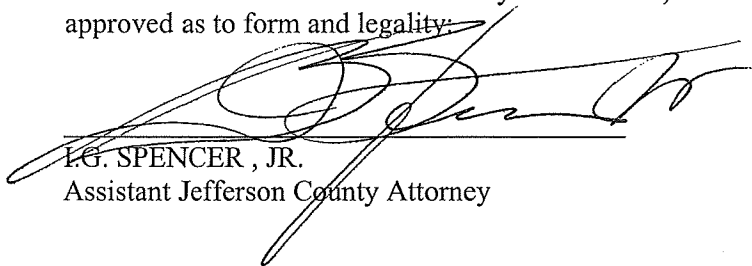
BY: _____

James H. Taylor, President

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:


Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

For consideration of Jefferson County Fiscal Court;
approved as to form and legality:


L.G. SPENCER, JR.
Assistant Jefferson County Attorney

STITES & HARBISON

ATTORNEYS

400 West Market Street
Suite 1800
Louisville, KY 40202-3352
(502) 587-3400
(502) 587-6391 Fax
www.stites.com

July 27, 1999

John A. Johnson
(502) 681-0461
jjohnson@stites.com

Mr. Michael O. Spivey
Health Policy Group
1850 M Street, Suite 580
Washington, DC 20036

RE: University Medical Center, Inc. d/b/a University of Louisville Hospital

Dear Mike:

In furtherance of our telephone conference yesterday, I am enclosing copies of the following documents:

1. The Affiliation Agreement establishing the financial relationship among University Medical Center, Inc. ("UMC"), the Commonwealth of Kentucky and UMC's members. In an effort to facilitate your review, I have highlighted the sections that define UMC's payment obligations to the University.
2. The Revised Quality and Charity Care Trust Agreement.
3. The form of the quarterly amendment that effects the intergovernmental transfer.
4. A copy of the regulation (907 KAR 1:013) which sets out the principles of Medicaid payment for hospital in-patient services. In order to show the flow of concepts that respond to the reductions in the balance budget act, I am including a copy of the recently amendment regulation and a copy of its predecessor. Sections of the amended regulation are also highlighted to aid in your review.
5. The pertinent sections of the last appropriations bill under which the state funded its obligations under the QCCT Agreement.

STITES & HARBISON

ATTORNEYS

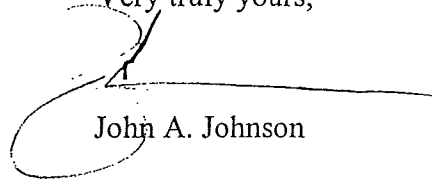
Mr. Michael O. Spivey

July 27, 1999

Page 2

After you review these documents, please contact me with any questions or comments.

Very truly yours,

A handwritten signature in black ink, appearing to read "John A. Johnson", with a large, sweeping loop at the end.

John A. Johnson

JAJ:pf

Enclosures

cc: James H. Taylor
Steve L. Short
Glenn D. Bossmeyer

UN013:000UN:62597:LOUISVILLE
072799

**EIGHTH AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Eighth Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996, (hereinafter the Agreement") is made and entered into this 22 Day of June, 1999 by and among Jefferson County, Kentucky acting by and through its County Judge/Executive; the City of Louisville, Kentucky acting by and through its Mayor; the University of Louisville acting by and through its President; the Commonwealth of Kentucky acting by and through its Governor; and UMC, Inc. a non-profit Kentucky corporation with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

WITNESSETH:

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1996 Regular Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50b regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by Quality and Charity Care Trust, Inc. (hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Eighth Amendment Term

The Effective date of the provisions of this Eighth Amendment shall commence October 1, 1998 and shall continue until March 31, 1999.

3. Trust's Obligations

For the term of this Eighth Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from October 1, 1998 to March 31, 1999. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period October 1, 1998 to March 31, 1999 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Eighth Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period October 1, 1998 through March 31, 1999 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$315,963.92 per month each.

5. Corporation's Obligations

During the term of this Eighth Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payor obligated to pay for such person.

For the term of this Eighth Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1998-99 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period October 1, 1998 through

March 31, 1999 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

7. Survival of the Agreement

The parties hereby agree that all terms of the Agreement shall survive this Eighth Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Eighth Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitation of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

BY:

Mary H. Bolton
6-22-99

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive

BY:

[Signature]
County Judge/Executive

WITNESS:

BY:

Carol Z. Garrison

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President

BY:

[Signature]
President John W. Shumaker

RECOMMENDED BY:

WITNESS:

BY:

Angela C. Robinson

CABINET FOR FINANCE AND
ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY:

[Signature]
Secretary of Finance

WITNESS:

BY:

Jane Orsheel

CITY OF LOUISVILLE
601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY:

David R. Armstrong
Mayor

WITNESS:

BY:

Michael T. Alexander

COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY:

Paul E. Patton
Governor

WITNESS:

BY:

Rosie Springer

UMC, INC.
530 South Jackson Street
Louisville, Kentucky 40202
Attn: James H. Taylor, President

BY:

James H. Taylor
James H. Taylor, President

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:

Larry L. Owsley
Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

For consideration of Jefferson County Fiscal Court;
approved as to form and legality:

I.G. SPENCER, JR.

Assistant Jefferson County Attorney



JEFFERSON COUNTY, KENTUCKY
JEFFERSON COUNTY CORRECTIONS DEPARTMENT

DAVID L. ARMSTRONG
County Judge/Executive

RONALD L. BISHOP
Director

December 29, 1998

Mr. John Nord
Business Office Manager
University of Louisville Hospital
530 South Jackson Street
Louisville, KY 40202

Dear Mr. Nord:

Your letter dated December 2, 1998 stated "the Quality and Charity Trust Fund doesn't cover patient care outside of the University of Louisville Hospital regardless of reason for patient admission in that facility." The QCTF states "corporations shall furnish all necessary emergency hospital care required by any individual without regard to their ability to pay," and "the corporation intends to admit any medically needy who requires medically necessary hospital care." The trust agreement also states, "in compliance with revisions of K.S.R. 216.453, corporations shall not deny admission to any individual determined to be in need of emergency care by any person with admitting authority." In regard to inmates Tony Vaughn, Alan Cooper and Michael Brown, these inmates were taken to Jewish Hospital because University of Louisville Hospital emergency room refused admission. Since QCTF has been provided to pay for this emergency care and your staff referred them to another hospital, then U of L Hospital should reimburse Jewish Hospital for their services from the Quality Charity and Trust Fund.

Sincerely,

Rich Bennett
Business Administrator

CC: R. L. Bishop, Director
J. Payne, Deputy Director
Enclosure

730 WEST MAIN STREET, SUITE 300
LOUISVILLE, KENTUCKY 40202
(502) 574-2167
(502) 574-2184 FAX

An Equal Opportunity Employer



Printed on Recycled Paper

UNIVERSITY OF LOUISVILLE HOSPITAL

530 SO. JACKSON ST

LOU, KY 40202

502/562/3634

FAX: 502/562/3222

December 2, 1998

Rich Bennett
Jefferson County Corrections Dept.
730 West Main Street, Suit 300
Louisville, Ky. 40202

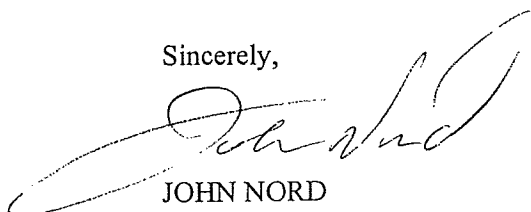
Re: Tony Vaughn

Dear Mr. Bennett:

The attached claim from Jewish Hospital is being returned to you for payment. The Quality and Charity Trust fund doesn't cover patient outside of the University of Louisville Hospital regardless of the reason for the patient admission in that facility.

The claim on Mr. Vaughn was the only one included in your letter however the situation would be the same for ShamoneHaggard and Alan Cooper.

Sincerely,



JOHN NORD
BUSINESS OFFICE MANAGER

Enclosure

cc: Ron Bishop, Director
Joe Payne, Deputy Director

**SEVENTH AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Seventh Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996, (hereinafter the Agreement") is made and entered into this _____ Day of October, 1998 by and among Jefferson County, Kentucky acting by and through its County Judge/Executive; the City of Louisville, Kentucky acting by and through its Mayor; the University of Louisville acting by and through its President; the Commonwealth of Kentucky acting by and through its Governor; and UMC, Inc. a non-profit Kentucky corporation with its principle place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

WITNESSETH:

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1996 Regular Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50b regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by Quality and Charity Care Trust, Inc. (Hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Seventh Amendment Term

The Effective date of the provisions of this Seventh Amendment shall commence July 1, 1998 and shall continue until September 30, 1998.

3. Trust's Obligations

For the term of this Seventh Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from July 1, 1998 to September 30, 1998. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period July 1, 1998 to September 30, 1998 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Seventh Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period July 1, 1998 through September 30, 1998 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$315,963.92 per month each.

5. Corporation's Obligations

During the term of this Seventh Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payor obligated to pay for such person.

For the term of this Seventh Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1998-99 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period July 1, 1998 through September 30, 1998 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

7. **Survival of the Agreement**

The parties hereby agree that all terms of the Agreement shall survive this Seventh Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Seventh Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitation of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

BY:

Mary H. Bolton
11-24-98

WITNESS:

BY:

Thomas H. H. H. H.

WITNESS:

BY:

Laura Powell

WITNESS:

BY:

Laura Powell

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive

BY:

C. Bruce Traubner
Deputy / County Judge/Executive

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President

BY:

John W. Shumaker
President John W. Shumaker

RECOMMENDED BY:

CABINET FOR FINANCE AND
ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY:

John P. McCarthy
Secretary of Finance

CITY OF LOUISVILLE
601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY:

Mayor

WITNESS:

BY:

Kellie Peace

COMMONWEALTH OF KENTUCKY

Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY:

Paul E. Patton
Governor

WITNESS:

BY:

UMC, INC.

530 South Jackson Street
Louisville, Kentucky 40202

Attn: James H. Taylor, President

BY:

James H. Taylor
James H. Taylor, President

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:

Larry L. Owsley
Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

For consideration of Jefferson County Fiscal Court;
approved as to form and legality:

I.G. SPENCER, JR.

Assistant Jefferson County Attorney

UNIVERSITY of LOUISVILLE

September 25, 1998

Mr. Steven Rowland
Jefferson County Finance Department
527 West Jefferson Street, 5th Floor
Louisville, Kentucky 40202

Mr. Mac Unger, Executive Administrator
City of Louisville
Department of Finance & Budget
611 West Jefferson Street
Louisville, Kentucky 40202-2728

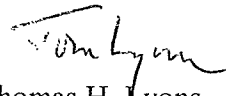
Mr. James H. Taylor
President
University of Louisville Hospital
530 South Jackson Street
Louisville, KY 40202

RE: SIXTH AMENDMENT TO THE REVISED QUALITY AND CHARITY
CARE TRUST AGREEMENT

Gentlemen:

Enclosed is a fully executed original of the Sixth Amendment to the Revised Quality and Charity Care Trust Agreement for your file.

Yours truly,



Thomas H. Lyons
University Counsel

THL/ck

Enclosure

c: Short

**SIXTH AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Sixth Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996 (hereinafter the "Agreement") is made and entered into this ____ day of June, 1998 by and among Jefferson County, Kentucky acting by and through its County Judge/Executive; the City of Louisville, Kentucky acting by and through its Mayor; the University of Louisville acting by and through its President; the Commonwealth of Kentucky acting by and through its Governor; and UMC, Inc. a non-profit Kentucky corporation with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

W I T N E S S E T H :

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1996 Regular Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50b regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by Quality and Charity Care Trust, Inc. (hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Sixth Amendment Term

The Effective date of the provisions of this Sixth Amendment shall commence April 1, 1998 and shall continue until June 30, 1998.

3. Trust's Obligations

For the term of this Sixth Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from April 1, 1998 to June 30, 1998. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period April 1, 1998 to June 30, 1998 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Sixth Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period April 1, 1998 through June 30, 1998 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$309,193.66 per month each.

5. Corporation's Obligations

During the term of this Sixth Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payor obligated to pay for such person.

For the term of this Sixth Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1997-98 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period April 1, 1998 through June 30, 1998 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

7. Survival of the Agreement

The parties hereby agree that all terms of the Agreement shall survive this Sixth Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Sixth Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitations of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

BY:

Mary H. Boston

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive
BY: Darwin R. Davidson
County Judge/Executive

WITNESS:

BY:

Thomas W. Shumaker

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President
BY: John W. Shumaker
President John W. Shumaker

RECOMMENDED BY:

WITNESS:

BY:

Laura Powell

CABINET FOR FINANCE AND ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY:

John P. McCarty
Secretary of Finance

WITNESS:

BY:

Shirley Owen

CITY OF LOUISVILLE
601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY:

[Signature]
Mayor

WITNESS:

BY:

COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY:

Paul E. Patton
Governor

WITNESS:

BY:

UMC, INC.
530 South Jackson Street
Louisville, Kentucky 40202
Attn: _____

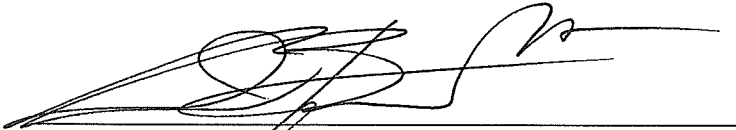
BY:

[Signature]

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:

Larry L. Owsby
Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

For consideration of Jefferson County Fiscal Court;
approved as to form and legality:



I.G. SPENCER, JR.
Assistant Jefferson County Attorney

UNIVERSITY of LOUISVILLE

June 2, 1998

Mr. Steven Rowland
Jefferson County Finance Department
527 West Jefferson Street, 5th Floor
Louisville, Kentucky 40202

Mr. Mac Unger, Executive Administrator
City of Louisville
Department of Finance & Budget
611 West Jefferson Street
Louisville, Kentucky 40202-2728

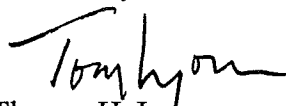
✓ Mr. James H. Taylor
President
University of Louisville Hospital
530 South Jackson Street
Louisville, KY 40202

RE: FIFTH AMENDMENT TO THE REVISED QUALITY AND CHARITY
CARE TRUST AGREEMENT

Gentlemen:

Enclosed is a fully executed original of the Fifth Amendment to the Revised Quality and Charity Care Trust Agreement for your file.

Yours truly,


Thomas H. Lyons
University Counsel

THL/ck

Enclosure

c: Steve Short

**FIFTH AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Fifth Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996 (hereinafter the "Agreement") is made and entered into this ____ day of April, 1998 by and among **Jefferson County, Kentucky** acting by and through its County Judge/Executive; the **City of Louisville, Kentucky** acting by and through its Mayor; the **University of Louisville** acting by and through its President; the **Commonwealth of Kentucky** acting by and through its Governor; and **UMC, Inc.** a non-profit Kentucky corporation with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

W I T N E S S E T H :

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1996 Regular Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50b regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by **Quality and Charity Care Trust, Inc.** (hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Fifth Amendment Term

The Effective date of the provisions of this Fifth Amendment shall commence December 1, 1997 and shall continue until March 31, 1998.

3. Trust's Obligations

For the term of this Fifth Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from December 1, 1997 to March 31, 1998. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period December 1, 1997 to March 31, 1998 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Fifth Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period December 1, 1997 through March 31, 1998 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$309,193.66 per month each.

5. Corporation's Obligations

During the term of this Fifth Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payer obligated to pay for such person.

For the term of this Fifth Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1997-98 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period December 1, 1997 through March 31, 1998 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

7. Survival of the Agreement

The parties hereby agree that all terms of the Agreement shall survive this Fifth Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Fifth Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitations of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

BY:

Mary H. Bolton
5-12-98

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive

BY:

David R. Crumator
County Judge/Executive

WITNESS:

BY:

Thomas A. Lyon

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President

BY:

John W. Shumaker
President John W. Shumaker

WITNESS:

BY:

Loren Powell

WITNESS:

BY:

[Signature]

WITNESS:

BY:

Michael T. Alexander

WITNESS:

BY:

[Signature]

RECOMMENDED BY:

CABINET FOR FINANCE AND ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY:

[Signature]
Secretary of Finance

CITY OF LOUISVILLE
601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY:

[Signature]
Mayor

COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY:

[Signature]
Governor

UMC, INC.
530 South Jackson Street
Louisville, Kentucky 40202
Attn:

BY:

[Signature]

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:

Larry D. Owsley
Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

UNIVERSITY of LOUISVILLE

March 2, 1998

Mr. Steven Rowland
Chief Financial Officer
Jefferson County Finance Department
527 West Jefferson Street
Fifth Floor
Louisville, Kentucky 40202

Mr. Mac Unger
Executive Administrator
Department of Finance
City of Louisville
611 West Jefferson Street
Louisville, Kentucky 40202


Mr. James Taylor
UMC, Inc.
530 South Jackson Street
Louisville, Kentucky 40202

RE: FOURTH AMENDMENT TO THE REVISED QUALITY AND CHARITY
CARE TRUST AGREEMENT

Gentlemen:

Enclosed is a fully executed original of the Fourth Amendment to the Revised Quality and Charity Care Trust Agreement for your file.

Sincerely,


Thomas H. Lyons
University Counsel

THL/ck
S0012

Enclosure

**FOURTH AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Fourth Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996 (hereinafter the "Agreement") is made and entered into this ____ day of December, 1997 by and among **Jefferson County, Kentucky** acting by and through its County Judge/Executive; the **City of Louisville, Kentucky** acting by and through its Mayor; the **University of Louisville** acting by and through its President; the **Commonwealth of Kentucky** acting by and through its Governor; and **UMC, Inc.** a non-profit Kentucky corporation with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

W I T N E S S E T H :

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1994 First Extra Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50c.2 regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by **Quality and Charity Care Trust, Inc.** (hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Fourth Amendment Term

The Effective date of the provisions of this Fourth Amendment shall commence July 1, 1997 and shall continue until November 30, 1997.

3. Trust's Obligations

For the term of this Fourth Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from July 1, 1997 to November 30, 1997. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period July 1, 1997 to November 30, 1997 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Fourth Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period July 1, 1997 through November 30, 1997 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$309,218.66 per month each.

5. Corporation's Obligations

During the term of this Fourth Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payor obligated to pay for such person.

For the term of this Fourth Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1997-98 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period July 1, 1997 through November 30, 1997 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

7. Survival of the Agreement

The parties hereby agree that all terms of the Agreement shall survive this Fourth Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Fourth Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitations of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive

BY:

Mary W. Bolton 1-13-98
Fiscal Court Clerk

BY:

C. Bruce Traubner
Deputy County Judge/Executive

WITNESS:

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President

BY:

Janet R. Batts 3/20/98

BY:

John W. Shumaker
President John W. Shumaker

WITNESS:

BY:

Melissa S. Mills

WITNESS:

BY:

Shelia Davis

WITNESS:

BY:

Devin Fleming

WITNESS:

BY:

Anna L. Gagne

RECOMMENDED BY:

CABINET FOR FINANCE AND ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY:

John P. McCall
Secretary of Finance

CITY OF LOUISVILLE
601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY:

John L. Battle
Mayor

COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY:

Paul E. Patton
Governor

UMC, INC.
530 South Jackson Street
Louisville, Kentucky 40202
Attn:

BY:

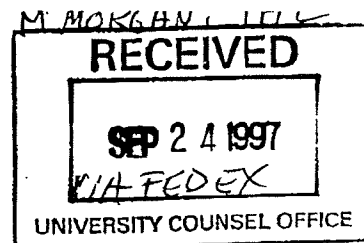
John H. Taylor

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:

Larry L. Owsley
Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

EXAMINED
Louise Powell
ATTORNEY
FINANCE & ADMINISTRATION CABINET

QCCT-12/12/97



**THIRD AMENDMENT TO THE REVISED
QUALITY AND CHARITY CARE TRUST AGREEMENT**

This Third Amendment to the Revised Quality and Charity Care Trust Agreement first entered into by the parties April, 1996 (hereinafter the "Agreement") is made and entered into this 30th day of July, 1997 by and among Jefferson County, Kentucky acting by and through its County Judge/Executive; the City of Louisville, Kentucky acting by and through its Mayor; the University of Louisville acting by and through its President; the Commonwealth of Kentucky acting by and through its Governor; and UMC, Inc. a non-profit Kentucky corporation with its principal place of business at 530 South Jackson Street, Louisville, Kentucky 40202 (hereinafter "Corporation").

W I T N E S S E T H :

WHEREAS, the General Assembly of the Commonwealth of Kentucky in the 1994 First Extra Session enacted House Bill 2 which was signed by the Governor and enrolled as law, which provides in part at Section 50c.2 regarding Medicaid appropriations:

"Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust for contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, recognizing the benefits derived and the social purposes served by Corporation continuing to discharge the obligation to provide for the hospital care needs of economically disadvantaged persons who have historically been ministered to by the University of Louisville and its hospital as a public service in the course of its teaching programs, and in consideration of the efficiencies and oversight capabilities of the Department of Medicaid Services to facilitate legislative intentions, the parties agree as follows:

1. Existing Agreement

The Agreement, which continues as set forth originally is administered by Quality and Charity Care Trust, Inc. (hereinafter the "Trust"), a Kentucky not-for-profit corporation created and operated per Section 3 of the Agreement, is hereby ratified without modification except as mutually agreed hereinafter.

2. Third Amendment Term

The Effective date of the provisions of this Third Amendment shall commence January 1, 1997 and shall continue until June 30, 1997.

3. Trust's Obligations

For the term of this Third Amendment, the parties mutually agree to suspend that portion of the Agreement providing for transfer to the Corporation of funds appropriated to the Trust and hereby direct the Trust to pay such funds appropriated to the Trust by Jefferson County, Kentucky, the City of Louisville, and the Commonwealth of Kentucky to the Commonwealth of Kentucky Cabinet for Human Resources, Department of Medicaid Services as part of its Restricted Fund appropriation for Benefits. The Corporation shall reimburse the Trust for any funds transferred to it from January 1, 1997 to June 30, 1997. These funds shall then be used to enable the Department of Medicaid Services to receive federal Medicaid matching payment to make Type III Disproportionate Share Hospital ("DSH") payments as provided for in 907 KAR 1:013E, including payments to the University of Louisville Hospital ("the Hospital") that are equal to or greater than the amount of the Total Government Funding provided for the term of the Amendment. In the event that the Type III DSH payment made to the Hospital for the period January 1, 1997 to June 30, 1997 is less than the amount of the Total Government Funding for that period, Jefferson County, the City of Louisville and the Commonwealth of Kentucky shall jointly appropriate to the Trust, and the Trust shall transfer to the Corporation, an amount equal to the difference between the Total Government Funding for the Trust Year and the Third Amendment term Type III DSH payment.

4. Commonwealth's Obligations

For the period January 1, 1997 through June 30, 1997 only, the reimbursement by the Commonwealth related to the QCCT Trust to the City of Louisville and Jefferson County, Kentucky will be 100% at the rate of \$300,188.66 per month each.

5. Corporation's Obligations

During the term of this Third Amendment, Corporation shall continue to provide all hospital care medically necessary to the extent facilities are available, to all indigents and medically needy who are residents of Jefferson County at its own expense as required by the Agreement. Also, Corporation shall provide at its own expense medically necessary hospital care, to the extent facilities are available, to indigent and medically needy persons who are not residents of Jefferson County, Kentucky in the minimum amount equal to ten percent (10%) of Total Government Funding as calculated for the term hereof per the Agreement at the rate of Billed Charges as provided therein, net of any other reimbursement for such persons from Medicare, Medicaid or any other third party payor obligated to pay for such person.

For the term of this Third Amendment, Corporation shall be required to provide documentation called for in Sections 6A and 6B of the Agreement for statistical purposes only.

6. Federal Government Recoupment

In the event that the Federal Government, based upon its determination that the Type III DSH payment provided for herein is contrary to law, obtains recoupment from Corporation of any or all of the payments made to the Hospital through the Type III DSH program and retained by Corporation, then in that event Jefferson County, the City of Louisville and the Commonwealth of Kentucky agree to refund to the Trust (proportional to the funding obligation of each for the 1996-97 fiscal year) the initial appropriation of each in a combined amount equal to net recoupment by the Federal Government from Corporation of Type III DSH payments to the Corporation for the Hospital for the period of this Agreement to the extent that the total amount of Type III DSH payments retained by the Corporation for the period January 1, 1997 through June 30, 1997 (inclusive) is below Total Government Funding otherwise due to the Hospital for the period. The Trust shall then transfer this proportionate refunding amount to the Corporation for the Hospital.

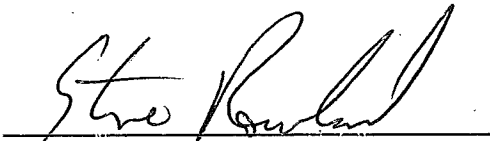
7. Survival of the Agreement

The parties hereby agree that all terms of the Agreement shall survive this Third Amendment and operate with full force and effect, to the extent funds are appropriated, following the term of this Third Amendment. The City of Louisville and Jefferson County hereby affirm by the signatures of the respective officials below the intention of each to continue funding the Local Government share of Total Government Funding in future years subject only to Constitutional and legal limitations of such commitments.

IN WITNESS WHEREOF, the parties have duly executed the Amendment on the day and year first written above.

WITNESS:

BY:



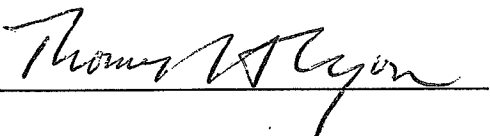
JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, Kentucky 40202
Attn: Jefferson County Judge/Executive

BY:


County Judge/Executive

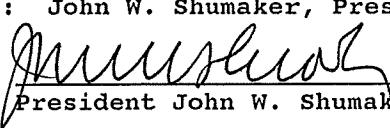
WITNESS:

BY:



UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, Kentucky 40292
Attn: John W. Shumaker, President

BY:


President John W. Shumaker

WITNESS:
APPROVED AS TO FORM AND LEGALITY:

BY:

Karen Powell

GENERAL COUNSEL
FINANCE AND ADMINISTRATION CABINET

WITNESS:

BY:

Diana Burghy

WITNESS:

BY:

Michael T. Alexander

WITNESS:

BY:

Mike Gaines

RECOMMENDED BY:

CABINET FOR FINANCE AND ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance

BY:

John P. McCreary
Secretary of Finance

CITY OF LOUISVILLE

601 West Jefferson Street
Louisville, Kentucky 40202
Attn: Mayor

BY:

John L. Ladd
Mayor

COMMONWEALTH OF KENTUCKY

Capitol Building
Frankfort, Kentucky 40601
Attn: Governor

BY:

Paul E. Patton
Governor

UMC, INC.

530 South Jackson Street
Louisville, Kentucky 40202
Attn:

BY:

John H. Lyle

RECEIVED AND ACKNOWLEDGED FOR THE TRUST:

Larry L. Quirk
Chairman, Board of Directors
Quality and Charity Care Trust, Inc.
University of Louisville
Louisville, KY 40292

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07/24/97