

**MEMORANDUM OF UNDERSTANDING
COMMUNITY NEEDS ASSESSMENT
AND
CRITICAL ACCESS HOSPITAL
340B DRUG PRICING PROGRAM**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 15th day of October, 2011, between the undersigned representative(s) of the Thomas County Health Department (hereinafter referred to as "TCHD"), located at 350 S. Range Avenue, Colby, Kansas 67701 and Citizens Medical Center (hereinafter referred to as "CMC," a non-profit corporation organized and existing under the laws of the State of Kansas, located at 100 E. College Drive, Colby, Kansas 67701.

RECITALS

WHEREAS, CMC is a Kansas not-for-profit Critical Access Hospital that provides a majority of its healthcare services to the Medicare and Medicaid populations in addition to supporting many programs that benefit the indigent, uninsured or underinsured population in Thomas County, Kansas; and

WHEREAS, CMC is required by federal regulations to perform a community needs assessment for fiscal year 2012; and

WHEREAS, CMC desires to make such formal commitment to the TCHD; and

WHEREAS, TCHD would benefit from the performance of a community needs assessment for fiscal year 2012; and

WHEREAS, TCHD agrees to accept such commitments on behalf of the citizens of Thomas County, Kansas.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed by and between the Parties of the MOU, as follows:

I. COMMITMENT OF CMC TO PROVIDE INDIGENT CARE: During the term of this MOU, CMC agrees to continue its historical commitment to the provision of healthcare to indigent, uninsured and underinsured residents by adhering to the CMC Community Benefit Plan. Pursuant to its commitment to continue to provide indigent care, it is the intention of CMC that indigent care provided during the term of this MOU will be consistent with its historical commitment. CMC agrees to provide healthcare services to individuals who are not entitled to benefits under Title XVIII of the Social Security Act or eligible for assistance under any State plan pursuant to Title XIX of the Social Security Act and to provide such services at no reimbursement or considerably less than full reimbursement from the patients.

II. COMMITMENT OF CMC TO SUBMIT QUARTERLY REPORTS OF 340B CALCULATIONS: During the term of this MOU, CMC agrees to compile quarterly reports of

the charity care calculations associated with the 340B Program and provide such compiled reports when requested by the TCHD on an annual basis. The annual report should be sent to:

Director
Thomas County Health Department
350 S. Range Avenue
Colby, KS 67701

III. COMMITMENT OF CMC TO COOPERATE WITH TCHD. During the term of this Agreement CMC shall fully cooperate with TCHD in conducting a community benefit needs survey for the benefit of both Parties.

IV. COMMITMENT OF TCHD TO COOPERATE WITH CMC. During the term of this Agreement TCHD shall fully cooperate with CMC in conducting a community benefit needs survey for the benefit of both Parties.

V. ACCEPTANCE AND ACKNOWLEDGEMENTS: Each Party accepts the commitments of the other Party as set forth above and acknowledges that the healthcare services provided by CMC hereunder are in the public interest.

VI. REPRESENTATIONS OF CMC: CMC represents that as of the date hereof:

A. CMC constitutes a separately licensed facility that is owned and operated by Citizens Medical Center, Inc., a non-profit corporation duly organized and validly existing in good standing under the laws of the State of Kansas, with the corporate power and authority to enter into and perform its obligations under this MOU; and

B. Citizens Medical Center, Inc. is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code of the United States, as amended, and under applicable laws of the State of Kansas.

VII. TERM AND TERMINATION: The term of this MOU shall commence on the date set forth above and shall continue until terminated by either Party upon not less than sixty (60) days prior written notice to the other.

VIII. NOTICE: All notices required or permitted to be given under this MOU shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

Sent to Thomas County Commissioners: Thomas County Board of Commissioners
300 N. Court Avenue
Colby, KS 67701

Copy to TCHD: Director, Thomas County Health Department
350 S. Range Avenue
Colby, KS 67701



Sent to CMC:

Chief Executive Officer
Citizens Medical Center, Inc.
100 E. College Drive
Colby, KS 67701

IX. THIRD PARTY: This Agreement is intended for the exclusive benefit of the Parties to this Agreement, their respective successors and approved assigns. Nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any other third party. No individual patient should be considered a third party beneficiary of this Agreement or have any right to any specific level of charges, discount, or write-off for any services that CMC may provide.

X. GOVERNING LAW: This MOU shall be governed and construed in accordance with the laws of the State of Kansas.

XI. NO MONETARY CONSIDERATION: The Parties agree that no monetary consideration will pass from TCHD to CMC pursuant to this Agreement and that CMC will provide no goods or services to TCHD.

IN WITNESS WHEREOF, CMC and TCHD have executed this MOU on the date specified above by their duly authorized representatives.

CITIZENS MEDICAL CENTER, INC.

Kevin Treckel CEO
Signature

CEO
Title

9-29-11
Date

THOMAS COUNTY HEALTH DEPARTMENT

Kaseah R. Hild
Signature

Administrator
Title

10/11/2011
Date

COPY

THOMAS COUNTY BOARD OF COMMISSIONERS

Ken Christiansen
Ken Christiansen

10-11-11
Date

Paul M. Steele
Paul M. Steele

10-10-11
Date

Byron Sowers
Byron Sowers

10-10-11
Date

THOMAS COUNTY MEDICAL DIRECTOR

J. Steven Bear
J. Steven Bear, M.D.

10/13/11
Date

COPY