MEMORANDUM OF UNDERSTANDING

BY AND AMONG OUR LADY OF THE ANGELS HOSPITAL, INC.;

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL

COLLEGE;

AND

THE STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION DATED EFFECTIVE SEPTEMBER 11, 2016

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made and entered into effective this 11th day of September, 2016, by and among OUR LADY OF THE ANGELS HOSPITAL, INC., a Louisiana nonprofit corporation (OLAH), the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU), and the State of Louisiana, acting through the Commissioner of Administration (State). OLAH, LSU, and the State are referred to together as the "Parties" and each as a "Party" throughout this MOU.

RECITALS

WHEREAS, the Parties have, effective January 14, 2014, entered into an Amended and Restated Cooperative Endeavor Agreement (CEA) for the Public Purpose as defined therein, as well as multiple related agreements (individually, a "Related Agreement," and collectively, the "Related Agreements");

WHEREAS, it was, and still is, a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's medical education and training programs so that Louisiana is positioned to continue to attract the most talented faculty, students, residents, and other medical professionals;

WHEREAS, in maintaining this goal, the Parties also have the goal of providing the highest quality of health care services to all residents of the State in the most efficient manner possible;

WHEREAS, in order to meet these goals, the Parties agree that they must further specify key services that must be provided and understand that financial efficiencies must be achieved;

WHEREAS, during the time period in which the above referenced CEA and Related Agreements have been in effect, the Parties have learned that the system of health care delivery and medical education must be further reformed in order to be sustainable;

WHEREAS, in order to begin the process of reformation of these partnerships and delivery systems, the Parties agree that the CEA and, to the extent applicable, the Related Agreements must be modified in key areas and, in the interim, the Parties agree that this MOU will supersede the terms of the CEA and Related Agreements, so long as this MOU is in effect;

WHEREAS, the Parties believe this MOU is necessary to, among other valuable public purposes, (1) stabilize health care delivery and medical education; (2) optimize the resources available to further build upon the health care training and delivery experience in the applicable region; (3) continue to enhance and provide access to a full range of clinical care services to recipients in the applicable area and (4) promote better health care in Louisiana and provide the impetus for shifting to a more value-based, outcomes driven delivery system;

WHEREAS, in order to achieve these goals, the Parties agree that they need to work collaboratively to ensure that delivery of health care is budget driven in order to maintain optimal efficiencies;

WHEREAS, the Parties expressly agree, notwithstanding anything to the contrary, the provisions of this MOU will control and supersede any provisions contained in the CEA and/or Related Agreements to the contrary as of its effective date.

NOW, THEREFORE, the Parties agree as follows:

1. Notwithstanding any language to the contrary, the Parties expressly agree that, until this MOU terminates, the provisions of this MOU will control in places where the language conflicts with any underlying CEA or Related Agreement provisions. Further, the Parties agree that where this MOU does not expressly contradict the CEA or a Related Agreement, the CEA provisions, including all public purpose provisions, are still in effect.

2. In accordance with Section 8.1 of the CEA, OLAH agreed to negotiate in good faith to establish the terms of a Clinical and Accountable Care Services Agreement pursuant to which LSU would provide certain clinical and date warehouse, data analytics, and disease management services in exchange for a fair market value services fee. The Parties agree that this requirement is no longer applicable and any such agreement shall be terminated, generating savings to OLAH. In lieu thereof, OLAH will work in good faith with the State to establish the terms of its participation in a data metrics program implemented by LDH. Further, OLAH agrees to work in good faith with LDH to establish terms of participation and implementation of pilot programs, quality incentives and other programs developed by LDH to support the purposes and goals of the CEA.

3. In accordance with Section 8.1 of the CEA, OLAH was given the option of contracting with LSU to obtain the services of LSU physicians and related services necessary to provide patient care in the Hospital and its provider-based outpatient clinics. This requirement is acknowledged and reaffirmed by OLAH and it is expressly stated herein that OLAH shall so contract and will assess the current payment formula under the existing agreement for such services to confirm, and update if appropriate, that such formula is within the range of fair market value supported by data compiled by Association of American Medical Colleges or other similar sources, and OLAH agrees to pay LSU amounts due under such agreement within 30 calendar days of receipt of an invoice and all supporting documentation for the amounts invoiced.

4. OLAH agrees to evaluate its current reimbursement contracts with all entities to ensure that OLAH is receiving fair market value reimbursement for services rendered. OLAH also agrees to increase its efforts to maximize collections from all private pay reimbursement sources.

5. OLAH agrees that it will reevaluate all cost centers of the hospital in order to promote the most efficient operating manner possible and to lessen the financial burden of the State of Louisiana.

6. This MOU shall terminate on June 30, 2017, unless modified by a subsequent MOU or CEA.

7. OLAH shall use all reasonable good faith efforts to work to ensure that any additional funding it receives over and above its Title XIX per diems does not go to fund private pay shortfalls in physician services or other cost centers.

8. Supplemental FMP/DSH payments to OLAH for state fiscal year 2017 shall be limited to a maximum of $39,412,010, subject to the actual costs of services. The State is in no way obligated to pay more than this maximum amount.

9. Funding and payment required by LSU, the State of Louisiana, and / or DOA is conditioned upon and subject to legislative appropriation and BA-7 approval by the Joint Legislative Committee on the Budget (JLCB).

SIGNATURE PAGE FOR MEMORANDUM OF UNDERSTANDING

IN WITNESS WHEREOF, the Parties have executed this Agreement as dated below.

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE

By: F. King Alexander 9/13/16
F. King Alexander, President Date

STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION

By: 9/15/16
Jay Dardenne, Commissioner Date

OUR LADY OF THE ANGELS HOSPITAL, INC.

By:

Its: Rene Ragas, President and CEO