

Exhibit "A"

INTERGOVERNMENTAL AGREEMENT

This Agreement ("Agreement") is made this _____ day of _____, 2019, between the Commonwealth of Pennsylvania, Department of Human Services, ("DHS") and the City of Philadelphia, acting through its Department of Public Health and its Department of Revenue, "Philadelphia" or "the City".

WHEREAS, DHS is the single state agency responsible to administer the Medicaid Program in Pennsylvania, known as the Pennsylvania Medical Assistance ("MA") Program;

WHEREAS, DHS, as part of its administration of the MA Program, is authorized to make payments to hospitals that provide services to Medicaid recipients and payments to managed care organizations upon approval of the Centers for Medicare & Medicaid Services.;

WHEREAS, Commonwealth law permits certain municipalities to impose a monetary assessment on the non-Medicare net operating revenue of certain acute care hospitals and high-volume Medicaid hospitals within the municipalities' jurisdiction subject to certain requirements;

WHEREAS, the City of Philadelphia has enacted a city ordinance that authorizes it to impose such assessments on certain acute care hospitals and high-volume Medicaid hospitals within the City; and

WHEREAS, Commonwealth laws require that revenue obtained as a result of such assessments be used for the purpose of ensuring that medical assistance recipients in the municipalities have access to health-care services.

NOW, THEREFORE, the parties, with the intention of being legally bound, hereby agree as follows:

1. The services shall be provided in conformity with the following Riders:

Rider 1	Standard Terms and Conditions.
Rider 2	Audit Clause

The above riders are hereby incorporated by reference and made a part of this Agreement.

For purposes of Rider 1, the term "Contractor" means the City.

2. Term of Agreement. The term of this Agreement will commence on July 1, 2019 and shall be for a term of five (5) years.

3. Information.

Upon DHS's request, the City shall deliver to the DHS background material and other information prepared or obtained by the City incident to the performance of this Agreement. This provision shall survive expiration or termination of this Agreement.

4. City's Conflict of Interest.

The City assures that it presently has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services under this Agreement. The City further assures that in the performance of this Agreement, it will not knowingly employ any person having such interest.

5. Interest of the Commonwealth and Others.

No officer, member or employee of the Commonwealth and no member of its General Assembly, who exercises any functions or responsibilities under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested; nor shall any such officer, member or employee of the Commonwealth or member of its General Assembly have interest, direct or indirect, in this Agreement or any proceeds from this Agreement.

6. Audit Clause.

This Agreement is subject to audit in accordance with the attached Rider 2, Audit Clause, incorporated herein.

7. Notice.

Any written notice to any party under this Agreement shall be deemed sufficient if delivered personally, or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.), with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to the address set forth below or to such other address or using a delivery method, (provided such delivery is confirmed), as such party may designate by notice given pursuant to this section:

For DHS:

Deputy Secretary
Office of Medical Assistance Programs
Room 515
Health & Welfare Building
625 Forster Street
Harrisburg, PA 17120

With copy to:

Chief Counsel
Department of Human Services
Third Floor West
Health & Welfare Building
625 Forster Street
Harrisburg, PA 17120

For the City:

Sami Jarrah
Chief Operating Officer and Deputy Commissioner
Department of Public Health

1101 Market St, Suite 1320
Philadelphia, PA 19107

And to:

Revenue Commissioner
Municipal Services Building, Suite 630
1401 JF Kennedy Boulevard
Philadelphia, PA 19102

City Solicitor
One Parkway Building
1515 Arch Street, 17th Floor
Philadelphia, PA 19102

8. Responsibilities of the City.
 - a. Beginning in July 2019, the City shall impose annual assessments on general acute care hospitals and high-volume Medicaid hospitals located within the City's jurisdiction in accordance with federal, state and city law, as well as the requirements of this Agreement.

- b. The City will conduct assessments for each state fiscal year (July 1st-June 30th).
- c. The City shall collect payment of the annual assessed amounts on a quarterly basis in equal installments, or on a mutually agreed upon schedule should quarterly payments not be possible due to the delay in approval from the Centers for Medicare & Medicaid Services (“CMS”) and/or delays in the Commonwealth budget approval.
- d. The City shall conduct the assessments by transmitting a notice to each hospital no later than the 15th day of the second to last month of each state fiscal year quarter with payment due on the 15th day of the final month of each state fiscal year quarter unless the 15th day falls on a weekend or City holiday, in which case payment shall be made on the next business day. For the final quarter of each state fiscal year, the City shall transmit the notice to each hospital no later than May 1st, with payment due to the City on June 1st, unless the 1st day falls on a weekend or City holiday, in which case payment shall be made on the next business day. The notice to the hospital may, at the City’s discretion, include the requirement that the payment to the City be made by electronic, ACH transfer. DHS must approve the content and format of any notice, or any changes made to the approved notice.
- e. The City shall make an electronic transfer of the payments received for each quarter into a restricted Commonwealth account in the general fund to be specified by DHS. For all transfers, the City shall transfer the funds to the Commonwealth within ten (10) business days of receipt. If the business day in which a transfer is due falls on a weekend or City holiday, payment shall be made on the next business day. Prior to each quarterly deposit, the City shall retain from the total funds received for that quarter an amount to be determined by DHS in accordance with paragraph 9.b below.
- f. The assessments described in this agreement shall cease on June 30, 2024 or earlier, if required by law.
- g. The City shall maintain all records relating to this Agreement as well as comply with any additional requirements imposed by CMS.

9. Responsibilities of DHS.

- a. DHS will seek a waiver from CMS pursuant to 42 CFR § 433.68 (e), to the extent necessary to fulfill its obligations under this Agreement and State law. DHS will also submit to CMS any amendment to Pennsylvania’s Medicaid State Plan and HealthChoices agreements to the

extent necessary to fulfill its obligations under this Agreement and State law.

- b. At the beginning of each fiscal year, DHS will determine which hospitals will be assessed and the specific amount of each hospital's assessment. At such time, DHS will also determine the amount that the City shall retain from amounts collected each quarter as follows:

For each quarter commencing on or after July 1, 2019, the City shall retain \$3,000,000 from the city/state share of the assessment revenue that is collected for that quarter. The funds retained by the City shall be used by the City to fund the City's costs of administration and collection of the assessments; and to fund a portion of the City's costs of operating public health clinics and public health programs.

- c. DHS will provide the City with sufficient information to allow for the timely electronic transfer of the funds generated by the assessment into a restricted Commonwealth account.

10. Counterparts.

This Agreement may be executed by the parties hereto in any number of separate counterparts and all of such counterparts, when together, shall be deemed to constitute one and the same instrument.

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In Witness Whereof, intending to be legally bound hereby, the parties hereto have caused this Agreement to be executed by its duly authorized officials.

Pennsylvania Department of Human Services

Secretary or designee

DHS Office of General Counsel

Governor's Office of General Counsel

Office of Attorney General

The City of Philadelphia
Acting through its Department of Public Health



Health Commissioner

and its Department of Revenue

Revenue Commissioner

Approved as to Form
City Solicitor

Per _____
Deputy City Solicitor