

**MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement ("Agreement") is made and entered into this 1st day of January, 2024, by and between **Community Hospital of the Monterey Peninsula, Inc.**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("Hospital") and the **County of Monterey**, a political subdivision of the State of California ("County"). Hospital and County are each at times referred to herein as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Hospital is a California nonprofit hospital that provides a disproportionate share of healthcare services to the Medicare/Medi-Cal population in addition to supporting many programs that benefit the indigent, uninsured, or underinsured population in Monterey County, California.

WHEREAS, Hospital desires to participate in the drug discount program established under Section 340B of the Public Health Services Act (the "340B Program");

WHEREAS, in order to participate in the 340B Program, Hospital must enter into an agreement with a unit of the government pursuant to which Hospital commits to provide health care services to low income individuals who are not entitled to Medicare or Medi-Cal benefits at no reimbursement or considerably less than full reimbursement from these patients;

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

WHEREAS, County agrees to accept such commitments on behalf of the citizens of Monterey County, California.

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

1. **Commitment of Hospital to Provide Indigent Care.** During the term of this Agreement, Hospital agrees to continue its historical commitment to the provision of health care to indigent, uninsured, and underinsured residents of Monterey County, California. In 2022, this commitment totaled \$8,470,000.00 of charity care provided to uninsured patients. To date, in 2023, this commitment has totaled \$11,133,000.00. Pursuant to this commitment, it is the intention of Hospital that it will provide a minimum of \$10,000,000.00 of charity care each year. In any event, Hospital shall assure that all patients will receive necessary care, as required by law, in its Emergency Departments, regardless of ability to pay.

2. **Acceptance and Acknowledgments of County.**

A. County accepts the commitment of Hospital set forth above; and

B. County acknowledges that the healthcare services provided by Hospital are in the public interest and are being provided to individuals who are not entitled to benefits under Title XVIII of the Social Security Act or eligible for assistance under the State plan pursuant to Title XIX of the Social Security Act.

3. **Representations of Hospital.** Hospital represents that as of the date hereof:

A. Hospital constitutes a corporation duly organized and existing in good standing under the laws of the State of California with the corporate power and authority to enter into and perform its obligations under this Agreement;

B. Hospital is a tax-exempt corporation of under Section 501(C)(3) of the Internal Revenue Code of the United States, as amended and under applicable laws of the State of California; and

C. Hospital acknowledges that this Agreement in no way obligates County to reimburse Hospital for health care services rendered in its facilities, including any physician services, to any indigent, uninsured, and underinsured residents.

4. **Term and Termination.** The term of this Agreement shall commence on the date first above written and shall continue until terminated by either Party upon not less than sixty (60) days prior written notice to the other.

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

To County: County of Monterey – County Administrative Office  
168 West Alisal Street, 3<sup>rd</sup> Floor  
Salinas, CA 93901  
Attn: County Administration Officer

To Hospital: Community Hospital of the Monterey Peninsula  
23625 Holman Hwy  
Monterey, CA 93940-5902  
Attn: Vice President & CFO

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, excepting any conflict of law provisions that would serve to defeat application of California substantive law.

*Signature Page to Follow*

IN WITNESS WHEREOF, Community Hospital of the Monterey Peninsula, by its duly authorized representative, and Monterey County, California, by its duly authorized representative, have executed this Memorandum of Agreement effective as of the date of the last signature below.

**Community Hospital of the Monterey Peninsula**

By:   
Matt Morgan, VP & CFO

Date: 01/03/2024

**Monterey County, California**

By: \_\_\_\_\_  
Sonia De La Rosa, CAO

Date: \_\_\_\_\_