

COPY OF  
**Contract**

FULTON AND DEKALB COUNTIES

AND

THE FULTON-DEKALB HOSPITAL AUTHORITY

June 20, 1984

**THIS CONTRACT** made and entered into in triplicate this 20th day of June, 1984, by and between **FULTON COUNTY**, acting by and through its Board of Commissioners, **DEKALB COUNTY**, acting by and through its Board of Commissioners, (sometimes hereinafter referred to as the "Counties"), and **THE FULTON-DEKALB HOSPITAL AUTHORITY** (sometimes hereinafter referred to as the "Authority");

**WITNESSETH:**

**WHEREAS**, the Authority is an existing and operating Hospital Authority duly created and established by the Counties in accordance with the Hospital Authorities Law of Georgia; and

**WHEREAS**, pursuant to authority contained in provisions of the Constitution of the State of Georgia and the Hospital Authorities Law of Georgia, the Counties and the Authority entered into a contract on November 13, 1953 ("the 1953 Contract") to provide adequately for the medical care and hospitalization of the indigent sick of such Counties by the authority and to provide for the constructing, equipping and financing of adequate hospital facilities and projects for use in rendering such medical care and hospitalization to such indigent sick of the Counties; and

**WHEREAS**, such 1953 Contract was for a period of Thirty (30) years beginning on January 1, 1954 and ending December 31, 1983; and

**WHEREAS**, the introductory paragraphs in said 1953 Contract, Page 1 through Page 6 to Article I, recite the historical and legal background to such 1953 Contract, which recitals, for background purposes, are incorporated herein by reference; and

**WHEREAS**, the Twenty Million (\$20,000,000.00) Dollars in revenue certificates referred to in such 1953 Contract recitals were issued and the new facilities and projects described therein were constructed; and

**WHEREAS**, the parties desire to execute a new contract pursuant to which the Authority will continue to provide medical care and hospitalization for the indigent sick of the Counties; and

**WHEREAS**, the Counties and the Authority are authorized, pursuant to provisions of the Constitution of the State of Georgia, to contract for such medical services and hospitalization and provide such hospital facilities and projects and provide financing therefor pursuant to O.C.G.A. §31-7-84, §31-7-85 and other provisions of the Hospital Authorities Law.

**Now, THEREFORE**, in consideration of the premises and the mutual undertakings as hereinafter set out, **It Is Agreed** between Fulton County, DeKalb County and The Fulton-DeKalb Hospital Authority, each acting by and through its duly authorized officers, pursuant to resolutions duly and properly adopted:

**ARTICLE I.**

This Contract is for a period of thirty (30) years commencing January 1, 1984 and ending December 31, 2013. Payments due to the Authority by the Counties or return of funds due the Counties from the Authority for services rendered prior to January 1, 1984 are governed and shall be made according to existing agreements between the parties and are not affected by this Contract.

**ARTICLE II.**

**Obligations of Authority.**

The Hospital Authority agrees:

**A. General Operations of Authority.**

1. It will at all times during the term of this agreement maintain and have avail-

able for the use by the Counties facilities to take care of the indigent sick of Fulton and DeKalb Counties requiring medical aid and hospitalization, as may be properly certified as entitled to receive such treatment, pursuant to the rules and regulations of the Authority.

2. It will at all times during the term of this agreement maintain and have available facilities to take care of all emergency cases, both affecting the residents of said Counties or transients where the accident took place or the emergency arose within the corporate limits of either of said Counties.

3. It will at all times during the life of this contract, when requested so to do by the Counties, furnish treatment, medicine, care and all of the facilities of the Authority for the treatment and care of employees of the Counties who are injured in the line of duty and in the service of such Counties and in all other cases when requested so to do by the Counties where the Counties shall assume responsibility for the hospitalization and treatment of any injured person. Nothing herein shall prevent the Authority from receiving and collecting from insurance or other sources funds covering the cost of medical care or hospitalization of such person and the Authority shall likewise have full rights against any sums paid by tort feasons or others under liability for medical care and/or hospitalization of such persons.

4. The rendering of medical aid and hospitalization as above provided shall be in keeping with usual services rendered by hospitals of like size and character and to the extent facilities are available.

5. Non-Discrimination in Purchasing and Contracting; Utilization of Minority Business Enterprises.

The Authority shall take positive measures to assure that the purchasing and contracting activities and practices do not prevent a fair and reasonable level of participation by minority business enterprises. The Authority has established a present goal of twenty percent (20%) as the minimum participation by minority enterprises in business contracts of the Authority, such goal to be accomplished as promptly as good faith efforts will permit. To effectuate this objective, the Authority shall annually determine its utilization level of minority business enterprises and make reports to the Counties in connection therewith. If, in reviewing such reports, either or both of the Board of Commissioners of such Counties determine that such utilization, when compared with availability of minority business enterprises, indicates unreasonable under-utilization due to discrimination, the Authority shall implement planned corrective measures. Corrective measures shall include changes in procedures which contribute to under-utilization and establishment of participation goals to correct the effects of under-utilization. In purchasing and contracting activities and practices the Authority will not discriminate on the basis of race, sex, color, or national origin in the making of purchases or awarding of contracts.

6. Equal Employment Opportunity and Non-Discrimination in Personnel Matters.

The Authority shall provide employment free from any form of discrimination due to race, sex, color, religion, national origin or age. Toward this end, the Authority shall maintain and operate in accordance with an affirmative action plan approved by the Counties which identifies procedures, practices and policies which inhibit equal employment opportunity; and which defines specific activities to eliminate such procedures, practices and policies within reasonable time limits.

7. Employee Rights. Representatives of the Authority shall meet and confer with employees of the Authority with respect to the rights, benefits, and working conditions of employees, through individual and/or collective representation as selected by the employees. Where agreements are reached pertaining to disputes, the same shall be reduced to writing. The Counties and their representatives shall not be involved in any labor disputes, and shall not attempt to influence management of the Authority with respect to the matter of employee benefits, rights, or working conditions. There shall be no discrimination against any employee because of the fact that such employee is a

member of a labor organization nor shall members of a labor organization receive any advantage or preferential treatment of any kind over those employees who are not members of a labor organization. No employees shall be required, as a condition of employment with the Authority, to become or remain a member of a labor organization.

8. Patient Rights. Consonant with the basic rights of human beings to maintain the opportunity for the expression of personal dignity, the Authority shall provide an environment in which the patient is reasonably informed as to such patient's rights and responsibilities. Grady Memorial Hospital has a "Statement of Patient Rights and Responsibilities" (adopted 12/29/78, reviewed 1/13/83) which is posted at the Hospital and provided to admitted patients. The Authority agrees to maintain in effect such Statement, or a similar such statement, as to patient rights.

**B. Renovations, New Facilities and Projects Constructed by the Authority.**

In order to carry out its obligations under this Agreement and to fulfill its purposes under the Hospital Authorities Law, it is anticipated that during the term of this Contract it will be necessary for the Authority to obtain funds beyond those available from ordinary operating income with which to acquire, construct, alter, repair, renovate, improve and equip existing and additional facilities and projects for use in rendering adequate medical care and hospitalization to the indigent sick of the Counties. It will undertake to carry out such alterations, repairs, renovations and improvements and to make such acquisitions and to construct and equip such new facilities as may be determined necessary for such purposes. In order to obtain funds with which to carry out the foregoing, it is anticipated that the Authority will issue its revenue obligations from time to time as approved by the Counties. Should the issuance of such revenue obligation be deemed appropriate by all the parties to this Contract, applicable resolutions and amendments to this Contract or separate agreements shall be approved to provide for the specifics of such issuance. The Authority agrees to provide long-range plans to the Counties from time to time so that the requirements of such financing will be anticipated, at least one year in advance.

**C. Participation of Emory and Morehouse Medical Schools.**

Pursuant to contractual arrangements between the Authority and Emory University, the University, through its Medical School, has, for three decades, provided professional supervision of the Residency Programs at Grady Memorial and participated in teaching programs at such Hospital. It is anticipated that a similar arrangement with the Emory University School of Medicine will continue under a new contract and that the Morehouse School of Medicine will participate in the teaching programs at Grady pursuant to the "Statement by Emory University School of Medicine and the Morehouse School of Medicine on their Undergraduate Medical Education Programs", dated March 2, 1984, attached hereto, which Statement the parties thereto have agreed to review every five years.

**ARTICLE III.**

**Obligation of Counties.**

The Counties agree each with the other and with the Authority:

**A. Use of Facilities of Authority.**

For and during the term of this Contract each of said Counties will cause its indigent sick to use the facilities of said Authority as reasonably necessary to support the Authority's facilities.

**B. Financing of New Facilities and Project Constructed by Authority.**

1. The Counties agree to provide sums for debt service required on revenue bonds or obligations issued by the Authority to obtain funds with which to acquire, construct,

alter, repair, renovate, improve and equip adequate hospital facilities and projects for use in rendering medical care and hospitalization to the indigent sick of the Counties to the extent approved by past or future resolutions of their governing authorities and amendments to this Contract.

**C. Operating Costs of Facilities and Payment Therefor.**

**1. Counties to Provide Operating Expense and Costs.**

During the term of this Contract, that is to say, from January 1, 1984 through December 31, 2013, in addition to the amounts set forth in Article III.B.1., the Counties will pay in and for each calendar year to the Authority for the use of services and facilities of the Authority and to provide for operating expenses and costs, an amount to be determined and paid in the following manner:

**(a) Annual Budget of the Authority.**

The Authority shall make up a proposed budget in November in each year for the next succeeding calendar year, in conformity with the Hospital Authorities Law of Georgia and consistent with the provisions of this Contract. Such proposed budget shall contain an estimate of (1) the operating expenses and costs for the next calendar year, (2) revenues received from hospital services and operations, (3) other funding to be received from sources other than the Counties, and (4) the contributions required during the year from the Counties to supply funds to the Authority with which to pay or provide such operating expenses and costs of the Authority. The Authority shall promptly transmit a copy of such proposed budget to each of the Counties and each County shall consider the same for approval. If either County shall decline to tentatively approve its proposed participation in the budget, such County shall indicate, within thirty (30) days, by written communication to the other County and the Authority, the amount such County proposes as its contribution. If either County shall so decline to approve the proposed budget as to such County's contribution, representatives of the Counties and the Authority shall meet within fifteen (15) days to discuss the contributions from the Counties to the budget and submit their findings to the respective Boards of Commissioners for approval, and the Authority shall, within twenty (20) days after the approval of both Boards of Commissioners, adjust its proposed budget to meet the contributions approved by the Counties.

The Authority agrees that it will not make expenditures for the current year in excess of the funds for operations included in the budget approved by the Counties for the current year.

When the budget is approved by the Counties, the Authority shall allocate the operating funds estimated to be spent each month of the calendar year for operations for hospital control purposes and will agree to operate the hospital within the total budget for the year.

Should emergencies, abnormal conditions, or other causes occur making it absolutely essential that the Authority request the Counties to provide additional hospital operating funds, such requests should be fully justified including facts to substantiate such requests for additional funds and a statement to the effect that the additional funds could not have been anticipated or reasonably expected to arise.

The Authority shall not receive funds from the Counties in excess of the amounts shown in such budget during the year from the Counties. In the event the Authority shall expend less than the amount approved for the budget for any year, the Counties shall be credited as an overpayment on the amount of their required contributions for their prorata share of the figure representing the difference between the amount budgeted and the amount expended by the Authority, and such credit shall be applied as set out in subparagraph (d), provided the payments of the Counties were made on the basis of the Authority expenditures budgeted and not actually made.

**(b) Obligation of Counties for Contributions to the Authority.**

The Counties shall pay to the Authority the contributions required by them to be paid as established by the annual budget of the Authority, as finally adopted, in order to

assist in paying the operating expenses and costs of the Authority, excluding debt service to be paid as provided in Article III. B. Such sums shall be apportioned between the Counties in the ratio which the patient days furnished to eligible patients from each County in such year bears to the total number of patient days furnished to eligible patients from both Counties in such year.

(c) Counties to Make Tentative Monthly Payments; Methods of Estimating.

The Authority, in making up its budget for 1984 and subsequent years, shall use as a basis in estimating the contributions of each County the ratio of patient days of eligible patients from each County during the first ten (10) months of the preceding year to the total number of patient days furnished to eligible patients from both Counties during the first ten (10) months of such year; it being expressly agreed that such ratio is for the purpose of determining monthly payments to be made by each County hereunder and that the same shall be revised and final settlement made in accordance with the actual ratio which shall be ascertained from the official annual audit of the Authority for the year thus budgeted.

(d) Installments.

Beginning in 1984, the estimated contributions for each County to the Hospital Authority ascertained as aforesaid shall be paid to the Authority by each County in twelve (12) equal monthly installments, one such installment payable on or before the tenth (10th) day in each month, and subject to final adjustment as hereinafter provided. Credits to the Counties for any previous overpayments shall be made by adjustment to such monthly installments during the succeeding year.

(e) Final Determination of Amount Pursuant to Audit.

The Official Annual Audit of the Authority, which shall include the financial statements of the Authority prepared in accordance with generally accepted accounting principles, for each year shall serve as the basis for making the calculations of actual final payments due by the Counties to the Authority as required by the Contract, and thus for making such adjustment, if any, as shall be appropriate as between the Counties; provided, however, the Counties reserve the right to examine any and all records of the Authority used in making such determination by either their own staffs or independent auditors, and to obtain adjustments to such calculations as may be jointly agreed.

**D. Levy of Taxes.**

Each of said Counties does irrevocably pledge itself to the extent authorized by law in the performance under this Contract to at all times levy taxes as may be required and necessary to make the payments of the Counties to the Authority as required by this Contract, and in the aggregate payments to be made by both Counties to be sufficient to enable the Authority to pay its obligations, including debt service, expenses and costs arising in connection with its facilities and projects and its operation thereof pursuant to this Contract with said Counties, and to be sufficient to finance the operations of the Authority as provided in said Contract; provided, however, at no time shall the amount required of either County exceed the amount which such County may levy and collect in taxes under the Constitution and statutes of the State of Georgia as now in force or hereafter amended.

## ARTICLE IV.

### General Covenants.

It is mutually agreed:

A. That the operation of the Authority shall be on as economical a basis as consistent with good hospital practice and it is contemplated that the Authority will operate and maintain the hospital and hospital facilities and will pay its costs and expenses and pay its obligations from funds derived as provided in Article III of this agreement and

from funds received for services from any other source, and the undertaking shall not be operated for a profit and any such sums received over and above debt service, operation and maintenance costs and expenses and other required reserves, whether by payments from the said Counties or from other sources, shall inure to the benefit of said Counties; provided, however, the Authority shall not be obligated to appropriate or use any funds received from gifts, grants or sources other than in payment for hospital services to pay for operating expense, debt service or capital retirement funds, but all such sums received from any source other than payments by the Counties and in payment for hospital services may be appropriated in the discretion of the Authority for any purpose including reserve and capital investment, as well as any other purpose.

B. That "indigent sick" is construed to mean such persons living in the corporate limits of the County of Fulton and the County of DeKalb as now constituted or hereafter extended that may be certified by the Authority as being entitled to receive the services of the Authority. The services of the Authority and medical attention herein referred to is construed to mean the usual care rendered to patients in hospitals, such as food, general nursing care and supervision, but not a special nurse; use of operating room and facilities, laboratories, x-ray facilities and x-ray treatment; use of the usual and customary outpatient clinical services and facilities.

C. "Debt service" shall mean the amount or amounts required for the repayment of any sum or sums borrowed and interest thereon, not including bank loans payable within the year such loan is made, and shall include the payment of principal of and interest on as well as any reserves required of the Authority in the issuance of any revenue anticipation certificates which may at any time during the life of this Contract be issued by the Authority.

D. The provisions of the Hospital Authorities Law are incorporated herein as a part hereof as though fully set forth verbatim herein. All powers, privileges, duties, and rights that may be conferred upon, possessed by or applicable to an Authority thereunder are hereby made applicable to the Authority unless from express provision or context the contrary clearly appears in this Contract.

E. Should any phrase, clause, sentence, paragraph or article of this Contract be invalid or unconstitutional, it shall in no wise affect the remaining provisions, but the remaining provisions shall remain in full force and effect.

F. This Contract shall not be construed as adversely affecting the rights of third parties under the Contract between the Counties and the Authority dated the 13th day of November, 1953, and such rights, if any, shall be respected and the parties agree hereunder that the duties due to such parties shall be performed as required under such agreement.

G. This agreement may be modified or amended in any particular upon all parties assenting thereto, provided that such modification or amendment shall in no respect adversely affect the rights of third parties. While this Contract is between the parties hereto, it is hereby acknowledged that the holder of any revenue certificate of the Authority has an interest herein, and the parties hereto covenant that this Contract cannot be modified or amended in any particular which would in any respect adversely affect the rights of any such holder.

H. In the event of the dissolution of the Authority or the termination of this Contract, the reversionary interests of the respective Counties to the Contract in all of the properties of the Hospital Authority, acquired with funds provided by the Counties shall be owned by the respective Counties in the same proportion as their capital contributions bear to the capital contributions of both Counties.

I. The Authority has separate agreements with the appropriate County for the operation and funding of Satellite Clinics and special ambulance service arrangements. This Contract does not purport to cover or pertain to the operation or funding of these services which will continue to be the subject matter of separate agreements and separate funding.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized officers, have caused this Contract to be executed in triplicate the day and year first above written.

FULTON COUNTY

By *Richard A. Rome*  
Chairman, Board of Commissioners

ITEM #25 SM 6/20/84, A.M.

ATTEST:

*Allen H. Smith*  
Clerk

(SEAL)

DEKALB COUNTY

By *Manuel J. Malone*  
Chairman, Board of Commissioners

ATTEST:

*David J. ...*  
Clerk

(SEAL)

THE FULTON-DEKALB HOSPITAL AUTHORITY

By *E. Chynoweth*  
Chairman, Board of Trustees

*John C. ...*  
Secretary, Board of Trustees

Statement by  
Emory University School of Medicine  
and the  
Morehouse School of Medicine  
on their  
Undergraduate Medical Education Programs  
March 2, 1984

The Emory University School of Medicine and the Morehouse School of Medicine wish to assure the Fulton-DeKalb County Commissioners, the members of the Fulton-DeKalb Hospital Authority and the citizens of Fulton and DeKalb Counties that they can and will cooperate in the equitable use of the teaching facilities of Grady Memorial Hospital.

Since the inception of the Morehouse School of Medicine, the faculty of the Emory University School of Medicine has facilitated the administrative and professional development of Morehouse. At the request of the Morehouse School of Medicine, Emory University School of Medicine presently is providing instruction to third year medical students and will provide fourth year elective experience in 1984-85 using the facilities of Grady Memorial Hospital.

In order to expand and improve its clinical teaching programs for medical students, Morehouse is requesting now that its staff and students have access to the patient care units at Grady Memorial Hospital. In an effort to assure Morehouse faculty and students that they can be accommodated at Grady Memorial Hospital, this understanding is attested to by both parties. In this understanding, Emory University School of Medicine and its faculty will continue to provide the professional supervision of the Graduate Medical Education Programs (Residency Programs) and be administratively responsible for professional care services at Grady Memorial Hospital as detailed in the contract between the Fulton-DeKalb Hospital as detailed in the contract between the Fulton-DeKalb Hospital Authority and the Emory University School of Medicine. Morehouse faculty will be accorded active staff privileges utilizing the same criteria used in the Emory University School of Medicine.

The Emory University School of Medicine and the Morehouse School of Medicine will work out the details of the necessary organization and administrative arrangements required for an effective collaborative use of the teaching facilities at Grady Memorial Hospital. The additional number of faculty and students presently requested by Morehouse at Grady Memorial Hospital can be accommodated without compromising Emory training programs. Any future increases in these numbers will require joint discussion and planning.

The Morehouse School of Medicine and Emory University School of Medicine support the concept that the contract between the Commissioners of Fulton and DeKalb Counties and the Fulton-DeKalb Hospital Authority should acknowledge the participation in the teaching programs at Grady Memorial Hospital by both medical schools.

EMORY UNIVERSITY SCHOOL OF MEDICINE

By Barbara L. Hatcher, Jr., MD

Its Vice President for Health Affairs

Date March 2, 1984

MOREHOUSE SCHOOL OF MEDICINE

By Louis W. Sullivan, MD

Its President and Dean

Date March 2, 1984