



Request for City Council Committee Action from the Minneapolis Health Department

Date: July 6, 2015

To: City Council

Referral to:

Subject: Memorandum of Understanding with Abbott Northwestern Hospital

Recommendation: That the City Council authorize the proper City officials to execute a memorandum of understanding with Abbott Northwestern Hospital regarding indigent care and the 340B Drug Pricing Program certification.

Previous Directives: None

Department Information

Prepared by: Susan Trammell	612-673-3230
Approved by: Gretchen Musicant	
Presenters in Committee:	

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Civil Rights Approval Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- No financial impact

Community Impact

- City Goals

Supporting Information

Abbott Northwestern Hospital (ANW) approached the City requesting the City enter into a memorandum of understanding (MOU) with ANW so that ANW would be able to apply for the 340B Drug Pricing Program (Program) through the Office of Pharmacy Affairs, Health Resources and Services Administration (HRSA), U.S. Department of Health and Human Services. The Program allows hospitals to purchase pharmaceuticals at a reduced price. ANW has advised the City that it qualifies for the Program and meets the statutory definition of disproportionate share hospital due to its reported costs for serving a significantly disproportionate number of low-income patients. In order to participate in the Program, ANW must have a contract with a State or local government to provide health care services to low income individuals who are not entitled to benefits under Medicare or Medicaid.

The proposed MOU includes an obligation on the part of ANW to defend and indemnify the City if any liability should arise in connection with the MOU or the fact that the City is

required to certify for HRSA that a valid contract is in place between ANW and the City to provide health care services to low income individuals who are not entitled to benefits under Medicare or Medicaid.