



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation26 Federal Plaza-Room 41-122
New York, New York 10278
PHONE: (212)-264-2069
FAX: (212)-264-5478

April 10, 2008

Mr. Ronald E. Bartlett
Vice President & Chief Financial Officer
Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118-2999

Dear Mr. Bartlett:

A negotiation agreement is being faxed to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and faxed to me; retain a copy for your file. Our fax number is (212) 264-5478. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

A proposal encompassing all activities of your institution together with the required supporting information must be submitted to my office at the address shown on page 2 for each fiscal year your institution claims costs under grants and contracts awarded by the Federal Government. This proposal is due within six months after the close of your fiscal year. Therefore, a proposal for fiscal year ended September 30, 2007 will be due in my office not later than June 30, 2008.* The proposal will be used to establish rates/amounts for the fiscal year subsequent to the last period covered by an approved final, fixed, or predetermined rates(s). Failure to submit a timely proposal will be interpreted as a forfeiture of reimbursement for indirect costs. Therefore, unless a proposal is received by June 30, 2008, future awards made by the Department of Health and Human Services will be for direct costs only and will not provide for the recovery of costs contained in this agreement. In addition, the costs claimed against awards already made may be subject to disallowances.

*Extension Granted

Mr. Ronald E. Bartlett

- 2 -


April 10, 2008

Your proposal and relevant correspondence should be addressed to:

Department of Health and Human Services
Division of Cost Allocation
26 Federal Plaza, Room 41-122
New York, New York 10278
(212) 264-1823

If you are unable to submit your proposal by the prescribed date, you may request an extension. This request must be submitted prior to the due date of the proposal and must contain a justification for the extension and the date the proposal will be submitted.

Sincerely,


Robert I. Aaronson
Director, Division of
Cost Allocation

PLEASE SIGN AND FAX A COPY OF THE NEGOTIATION AGREEMENT

ORIGINAL

HsptMA Boston Medical Center - Patient Care 1043314093A1
 04/10/08 ! 0930

RATE AGREEMENT
 RESEARCH PATIENT CARE

DATE: April 10, 2008

EIN #1043314093A1

HOSPITAL: Boston Medical Center
 (Formerly Boston Univ. Medical Center Hospital)
 One Boston Medical Center Place
 Boston, MA 02118-2393

FILING REF: The preceding
 Agreement was dated 12/11/06

The rates and/or amounts approved in this agreement are for use on grants, contracts and other agreements with the Department of Health and Human Services, subject to the conditions in Section II.

SECTION I: RESEARCH PATIENT CARE RATES/AMOUNTS

Type	Effective Period		Rates/Amounts and Applicability General Clinical Research Grant Center <u>Routine Services:</u>
	From	To	
X	10/01/06	09/30/08	Inpatient Routine Care Per Diem Rate \$921.08
X	10/01/06	09/30/08	Outpatient Routine Care Per Diem Rate \$431.76
X	10/01/06	09/30/08	Specialty Care (ICU) Per Diem Rate \$1,829.36
X	10/01/06	09/30/08	Ancillary Services: See Attached Schedule of Percentage of Standard Fee
Y	10/01/09	Until Amended	Use Same Rate and Conditions as those cited for FYE 9/30/08
Y	10/01/09	Until Amended	Ancillary Services: Use Same Rate and Conditions as those cited for FYE 9/30/08.

SECTION II: GENERAL

A. LIMITATIONS: The rate(s) in this Agreement is subject to any statutory or administrative limitations and apply to a given grant, contract, or other agreement only to the extent that funds are available. Acceptance of the rate(s) is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing costs principles. (2) The same costs that have been treated as indirect costs are not claimed as direct costs. (3) Similar type of costs have been accorded consistent accounting treatment. (4) The information provided by the organization which was used to establish the rate(s) is not later found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: If a fixed or predetermined rate(s) is contained in this Agreement, it is based on the accounting system in effect at the time the agreement was negotiated. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of costs from indirect to direct. Failure to obtain such approval may result in costs disallowances.

C. FIXED RATES: If a fixed rate(s) is contained in this Agreement, it is based on an estimate of the costs for the period covered by the rate(s). When the actual costs for this period are determined, an adjustment will be made in a subsequent Agreement to compensate for the difference between the costs used to establish the fixed rate(s) and actual costs.

D. USE BY OTHER FEDERAL AGENCIES: The rate(s) in this Agreement is approved in accordance with the cost principles promulgated by the Department of Health and Human Services, and should be applied to grants, contracts and other agreements covered by these regulations, subject to any limitations in A above. The hospital may provide copies of this Agreement to other Federal Agencies to give them early notification of the Agreement.

E. SPECIAL REMARKS:

1. Boston Medical Center was formerly Boston University Medical Center Hospital, Boston City Hospital and Boston Specialty & Rehabilitation Hospital, and Trustees of Health and Hospitals of the City of Boston, Inc.

2. Equipment means an article of nonexpendable, tangible personal property having a useful life of more than two years, and an acquisition cost of \$5,000 or more per unit.

3. These per annum rates are for subcontract GCRC services rendered on space occupied (10,092 sq.ft.) in the Evans Building on a GCRC award in which Boston Medical Center is not the grantee are as follows:

<u>FISCAL YEAR ENDING</u>	<u>PER ANNUM RATES</u>
September 30, 2007	\$357,119
September 30, 2008	\$357,119

ANCILLARY SERVICES

PERCENT OF STANDARD FEE SCHEDULE
FYE 09/30/07 and 09/30/08

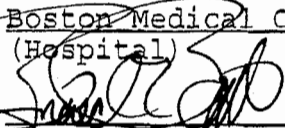
Operating Room	56.1%
Anesthesiology	11.6%
Radiology Diagnostic	38.2%
Laboratory	24.6%
Blood	81.9%
I.V. Therapy	38.3%
Respiratory	75.9%
Physical Therapy	47.5%
Electrocardiology	226.9%
Electroencephalograph	58.5%
Med.Surg.Special	114.6%
Drugs Charged to Patients	34.8%
Clinic	77.0%

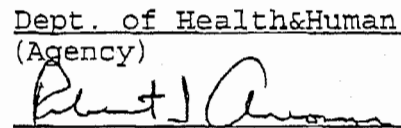
BY THE HOSPITAL:

BY THE FEDERAL AGENCY:

Boston Medical Center
(Hospital)

Dept. of Health&Human Services
(Agency)


Signature


Signature

Ronald Bartlett

Robert I. Aaronson

Name

Name

Title CFO

Director, Div. of Cost Allocation
Title

Date

April 10, 2008

Date

Joseph Guarnieri
HHS Representative

(212) 264-9612
Telephone