

**AMENDMENT TO SERVICE AGREEMENT  
BY AND BETWEEN  
THE CITY OF MILWAUKEE  
AND  
MILWAUKEE HEALTH SERVICES, INC.**

Amendment made this \_\_\_\_ day of \_\_\_\_\_, 2004, to the Service Agreement entered into the 1st day of January, 1996 (the "Agreement"), by and between the City of Milwaukee (the "City") and Milwaukee Health Services, Inc. ("MHS").

In consideration of the mutual promises of the parties contained herein, it is agreed as follows:

**1. Amendment of Section A.** Section A of the Agreement is amended to provide as follows:

1. The term of this Agreement shall be extended through December 31, 2006. It may be renewed and/or extended by the parties upon mutually-agreed upon terms upon the written consent of both parties.

**2. Amendment of Section E.** Section E of the Agreement is amended to restate section E.5 and add new section E.6 as set forth below:

5. The reimbursement methodology to be used during the period of this Agreement is that which is contained in Chapter IV of the Municipal Health Services Program Provider Manual. Notwithstanding the forgoing, the City may in its sole discretion, withhold up to 15% of all interim and final Medicare settlements from the Centers for Medicare and Medicaid (CMS) to MHS during the entire term of this Agreement and any extensions thereof. The full amount of such withholding will be applied to reduce the past due balance as set forth in the Amendment to Rental

Agreement between the City and MHS dated as of \_\_\_\_\_, 2004 (the "Rental Agreement"). The withholding amount will be reduced to 10% in the event that MHS remains current in payment of all occupancy and operating maintenance charge payments due under the Rental Agreement for a period of twelve consecutive months. In the event of any late payment thereafter, the withholding amount shall immediately be increased to 15%.

6. To provide financial protection to the City in the event of negative cost adjustments against MHS by the Centers for Medicare and Medicaid (CMS) in the future with respect to the Municipal Health Services Program, MHS shall, no later than \_\_\_\_\_, 2004, obtain a letter of credit in the amount of \$93,000 which may be drawn upon by the City in the event that final settlement by CMS in any program year results in a negative balance with respect to MHS.

**3. All Other Provisions Remain in Effect.** Except as specifically amended herein, all other terms and provision of the Agreement shall remain in full force and effect.

In witness whereof, the parties have executed this Agreement the day and year first written above.

**IN THE PRESENCE OF:**

**CITY OF MILWAUKEE**

\_\_\_\_\_

\_\_\_\_\_  
MARVIN PRATT, ACTING MAYOR

DATE: \_\_\_\_\_

**IN THE PRESENCE OF:**

**MILWAUKEE HEALTH SERVICES, INC.**

\_\_\_\_\_

\_\_\_\_\_

DATE: \_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
COMPTROLLER

DATE: \_\_\_\_\_

This Agreement was drafted by  
the Office of the City Attorney

EHT:eht  
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