



October 5, 2017

Re: Letter Agreement between Burnet County Commissioners Court and TexHealth Central Texas, Inc.

This Letter Agreement ("Agreement") is between Burnet County ("County") and TexHealth Central Texas, Inc. ("TexHealth or TexHealth Central Texas") (collectively, the "Parties"). The "Effective Date" of this Letter Agreement is the date October 5, 2017.

The Central Texas Regional Health Coverage Project was initiated by a group of regional stakeholders, to develop a basic health plan at an affordable price for small employers and their employees to improve access to healthcare on a regional basis ("Program"). National healthcare reform required the TexHealth program to modify its operations to form a premium support program aimed at small businesses to make available health care coverage for uninsured and underinsured small employers and their employees.

On August 31, 2017, Burnet County approves participation in the small employer premium support program and appoints its representative(s) to the TexHealth Board of Directors.

The County anticipates this program will help existing small businesses remain competitive with a healthy workforce and will allow them to recruit and retain effective employees. Further, this program provides access to affordable health care to individuals who are currently utilizing subsidized County partner services, are unable to afford health insurance coverage or are struggling financially due to the high cost of health insurance.

The Parties agree to the following terms:

Funding.

County will not be obligated to provide any funding to TexHealth for the continuation of the Program in Burnet County. Despite any terms or conditions contained in this Letter Agreement, County shall not be obligated to provide any funding.

Obligations of TexHealth Central Texas.

TexHealth shall, at minimum, provide the following:

- Access to health insurance plans available on the open market;
- Limit its program offerings to businesses with 2 to 50 employees;
- Not discriminate against, or promote any one insurance plan over others licensed in the state of Texas;
- Not interfere with any Agent/Employer relationship or Agent of Record status;
- Make all efforts to promote the TexHealth program in Burnet County
- TexHealth does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.
- Governance by a 501(c)3 non-profit corporation with a regional Board of Directors with 1 representative from Burnet County, which may be appointed by Burnet County;
- May appoint a General Agent to represent TexHealth Central Texas in the business community;

1. Reporting Obligations and Right to Audit. TexHealth agrees to provide to the County information that the County requests concerning the Program, including a report of clients served broken out by county. TexHealth agrees that County or its duly authorized representatives shall have access to and the right to examine and photocopy any and all books, documents, papers and records of TexHealth which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. TexHealth agrees that County shall have access during normal working hours to all necessary TexHealth facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. County shall give TexHealth thirty (30) days advance notice of intended audits.

2. Scope of Program. The Parties agree that the participation by the County under this Agreement should expand access to health benefits and services for County residents who do not currently have such access, lessen the burden on the County to provide such services, and potentially improve health outcomes for County residents who receive these services.

3. Amendments. Any change to the terms or conditions of this Agreement after its execution or any attachments to it shall not be effective unless it is made in writing and signed by both Parties.

4. Reduction to Writing. All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

5. Notice. Any notice required or permitted to be given under this Agreement by one party to the other shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the address set forth in this section for the party to whom

the notice is given, or on the third day following mailing if placed in the United States Mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the party at the following addresses:

County:
Judge James Oakley (or successor)
Burnet County
220 S. Pierce St.
Burnet, TX 78611

TexHealth:
James I. Rodriguez, FACHE (or successor)
President and CEO
2800 S. IH 35, Suite 155
Austin, TX 78704

6. Law and Venue. This Agreement is governed by the laws of the United States of America and the State of Texas and all obligations under this Agreement shall be performed in Burnet County, Texas. Venue for any dispute arising out of this Agreement is in Burnet County, Texas.

7. Severability. If any portion or portions of this Agreement are ruled invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction the remainder of the Agreement shall remain valid and binding.

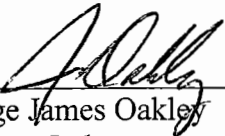
8. Headings. Headings and titles at the beginning of the various provisions of this Agreement have been included only to make it easier to locate the subject matter covered by that section or subsection and are not to be used in construing this Agreement.

9. Gender and Number. Words of any gender in this Agreement shall be construed to include any other gender and words in either number shall be construed to include the other unless the context in the Agreement clearly requires otherwise.

10. Termination for Convenience. The County may terminate this Agreement for convenience and without cause or further liability upon thirty (30) days written notice to TexHealth. No penalty will be assessed for County's termination of this Agreement for convenience. However, termination shall not require TexHealth to cease operations in Burnet County.

11. Successors and Assigns/Assignment. This Agreement shall be binding upon and inure to the benefit of Parties hereto and their respective successors and assigns. No party to this Agreement may assign or transfer its interest in or obligations under this Agreement without the prior written consent of all Parties to this Agreement.

By the signatures affixed below, the Parties agree to the terms of this Agreement.



Judge James Oakley
County Judge
Burnet County

James I. Rodriguez, FACHE
President and CEO
TexHealth Central Texas, Inc.

Date: _____

Date: _____



Now Every Business in Texas Can Afford Health Insurance

October 5, 2017

TexHealth Thumbnail

Program Benefits:

- ❖ Reduce the number of the working uninsured.
- ❖ Lessens taxpayer burden by reducing costs of uninsured on counties, hospital districts and other safety net hospitals and clinics.
- ❖ Addresses the working poor not qualified for Medicaid
- ❖ Small businesses are the economic engines for our Texas communities. This program provides them the ability to recruit and retain employees, improving productivity and workplace stability and strengthening competitive viability. Healthy employees perform better on the job.

Authority to Operate: TexHealth structure and governance complies with Chapter 75 of the Texas Health & Safety Code, operating under Section 75.052(a)(2) and (b).

Dollars Available: TexHealth receives the majority of its funding from the State of Texas via the Fines & Penalties account where commercial insurers fines are deposited. Local matching funds are provided through other sources.

Current Number of Burnet County Businesses: 5 small businesses

Current Number of Burnet County Subsidized Employees: 24 subsidized employees

When Started: TexHealth opened in February 2009 as a Limited Benefit Health Plan

History: From 2010 to 2013 TexHealth successfully operated a Health Plan and provided health benefits to over 1600 members. With the Affordable Care Act and the 10 Essential Benefits requirement TexHealth discontinued the Health Plan and converted to the current model where lower wage employees of small business may receive reimbursement regardless of the insurer.

Staffing: TexHealth has 3 staff members and a 1099 relationship with 12 independent insurance agents and brokers.

Other Revenue Sources: TexHealth helps small businesses and individuals who do not have an agent, apply for and obtain commissionable group and individual insurance policies.



Making Coverage Affordable

***Now Every Business in Texas
Can Afford Health Insurance***

October 5, 2017

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Fountain Park Plaza, 2800 S. IH 35, Suite 155, Austin, TX 78704 512-524-2618



Ron Buffum (Board Chair) has a distinguished career in the health insurance business. He is on the Marketing Committee assisting the organization with bringing in new clients and helping to lead the organization's marketing strategies and practices.



Dr. James Brown received his MD from The University of Texas at Houston Medical School and is the former medical director of Texas Universities Health Plan. Dr. Brown is a member of the Travis County Medical Society, Texas Medical Association, American Medical Association, and numerous other organizations.



Andy Martinez, former President and CEO of the Hispanic Chamber of Commerce, has myriad experience serving the Hispanic community and tackling issues associated with health care. His 30 years of experience in management and executive positions is crucial to guiding the direction of THCT.



Joyce McDonald is the executive director of Frameworks Community Development Corporation and a TexHealth member. McDonald has a wealth of experience working with low-to-moderate income households and minorities and is pivotal to provide information that enables TexHealth to serve those populations.



Chris Dyess is an independent insurance agent appointed by the Commissioner's Court of Milam County as its representative on the THCT Board of Directors since May 2012.



Kit Abney Spelce After 15 years at Seton, Kit joined Central Health as their Senior Director for Eligibility Services where she oversees Central Health's outreach and enrollment strategies for MAP, Medicaid, CHIP and the ACA.



Rodolfo Ambrosetti has 38 years of experience in the IT industry mostly with IBM and has been instrumental in launching IBM offices all over the world. He is currently located in Austin and is the technology consultant to TexHealth.

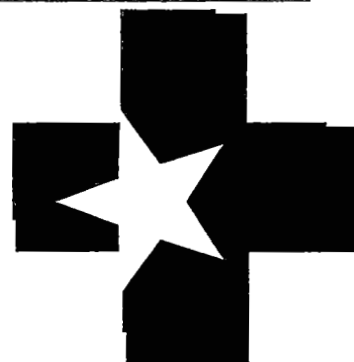


Brian Mueller has a Master's degree in Accounting, is an Enrolled Agent with IRS and is a Certified Public Accountant in his own practice in Austin. He is multi-lingual and is an Adjunct Professor of accounting at Concordia University.



James (Jim) Rodriguez (President and CEO) began his career with TexHealth at the Galveston branch before heading the Central Texas division. Under his leadership, TexHealth Central Texas grew to become the largest Texas 3-share plan.

TexHealth
CENTRAL TEXAS



BOARD OF DIRECTORS

Members of the **TexHealth Board of Directors** determine the **mission and vision** of the organization.

The group is composed of physicians, health care professionals, TexHealth members, business leaders and financial experts.

This diverse team meets bi-monthly and enables TexHealth to operate **transparently, efficiently and in the best interest** of its members