

**INTERLOCAL COOPERATION ACT CONTRACT
TO PROVIDE HEALTH CARE SERVICES
BETWEEN
THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
AND THE COUNTY OF HIDALGO**

This Interlocal Cooperation Act Contract (the “Contract”) is entered into pursuant to the authority granted and in compliance with *Chapter 791, Texas Government Code* by and between **The University of Texas Medical Branch at Galveston**, a component institution of The University of Texas System and an agency of the State of Texas for and on behalf of its Community Health Services (“UTMB”), and **Hidalgo County, Texas** (the “County”) for the provision of the health care services to the County’s eligible residents described herein.

This Contract is subject to the provisions of the Texas Indigent Health Care and Treatment Act (the “Act”), *Chapter 61, Texas Health & Safety Code*. Notwithstanding any provision in the Contract to the contrary, nothing in the Contract shall be construed as altering the County’s financial responsibility for the treatment of indigents beyond that contained in the Act.

I. Definitions – Specific terms used in this Contract are . . .

- 1.1. **Eligible Resident:** An Eligible Resident is a County resident who:
 - 1.1.1. Presents a valid County identification card to UTMB:
 - 1.1.2. Presents a valid referral authorization from the County indigent health care office or from a physician designated by the County indigent health care office as authorized to make referrals; or
 - 1.1.3. Is referred to UTMB for treatment by an authorized County official and/or designated County agent providing a valid authorization.
- 1.2. **Emergency Care:** Any injury or illness that causes serious impairment to bodily functions, serious dysfunction of any bodily organ or part, serious disfigurement and/or in the case of a pregnant woman a threat to the health of the mother or of the fetus.
- 1.3. **Patient Encounter:** A patient encounter includes each visit and all associated procedures and treatment performed by UTMB as a part of rendering health care services in accordance with this Contract.
- 1.4. **Primary Care:** General health care services that are provided by family practitioners, pediatricians, and internal medicine physicians.
- 1.5. **Secondary Care:** Specialty health care services provided by a specialist who is asked to provide more insight and treatment regarding the medical problem of a patient who has been referred to UTMB.
- 1.6. **Tertiary Care:** Health care services provided within a sophisticated specialty care setting that is serving as a referral and support alternative to primary and secondary care.

Interlocal Cooperation Act Contract between The University of Texas Medical Branch at Galveston
and Hidalgo County, Texas to Provide Health Care Services

II. Responsibilities – Each contracting party has these responsibilities. . .

2.1. County's Responsibilities:

- 2.1.1. The County agrees to pay UTMB the fees charged to the County by UTMB for health care services rendered pursuant to this Contract (the “invoice”) within forty-five (45) days of the invoice date except for amounts specifically disputed in accordance with Section 2.1.3. All such payments shall be made to UTMB within the 45-day period notwithstanding any outstanding claim for insurance reimbursement or otherwise the County or Eligible Resident may have against a third party and no managed care edits or adjustments may be made by the County to the invoiced amount.
- 2.1.2. The County agrees to pay interest to UTMB on all amounts due and owing and not paid within forty-five (45) days of the invoice date at the rate of one percent (1%) per month or fraction thereof beginning on the 46th day from the invoice date until the date of payment.
- 2.1.3. In the event that the County disputes all or any portion of an amount included in an invoice, the County will notify UTMB in writing of the specific reason for which the amount is being disputed. Valid reasons for dispute include (i) appointment not authorized; (ii) cap out; and (iii) Medicaid patient. In the case of the first two, UTMB and County will consult their respective records to resolve the dispute. In the case of a Medicaid patient, the County will provide the Medicaid Number, the Add Date, Effective Date and Term Date and such other information as is reasonably requested by UTMB. Any other reason for disputing a charge (i.e., duplicate charge) must be accompanied by a full explanation of the reason for non-payment and evidence that such charge is not valid and the County will provide to UTMB such additional information as is reasonably requested by UTMB. All notices of dispute shall be in writing, specific, in good faith, and promptly forwarded to the respective UTMB billing entity, but in no event later than forty-five (45) days from the invoice date. Dispute notices received by UTMB later than forty-five (45) days shall be null and void and the disputed amount, together with accrued interest beginning on the 46th day from the invoice date until the date of payment, shall be due and owing from the County to UTMB. In the event a dispute is resolved in the County’s favor, County shall not be responsible for any interest on the disputed portion of the invoice. Notices for dispute of an invoiced amount are to be sent directly to the respective UTMB billing entity set forth in Section 2.1.4 with the appropriate documentation necessary for each such billing entity:
 - 2.1.3.1 Dispute notices concerning physicians’ services should be documented on the provided Physicians’ Charges Summary Report with the amount paid per individual claim.
 - 2.1.3.2 Dispute notices concerning hospital services should be documented on the provided Hospital Charges Summary Report with the amount paid per individual claim.

- 2.1.4. Payment of invoices are to be paid directly to the following respective UTMB billing entity:
- 2.1.4.1 Physician payments mailed to: UTMB Faculty Group Practice, P.O. Box 4797-710, Houston, TX. 77210-4797
 - 2.1.4.2 Hospital payments mailed to: UTMB at Galveston, P.O. Box 4786-730, Houston, TX. 77210-4786
- 2.1.5. The County shall screen and register patients in accordance with the provisions of the Act and the County's internal procedures in advance of treatment.
- 2.1.6. The County shall provide each indigent patient with a card that identifies the patient as an Eligible Resident and containing the information in the form identified in Exhibit A.
- 2.1.7. The County agrees to refer Eligible Residents through its indigent health care office, a physician designated by the County indigent health care office and/or a designated third party administrator as authorized by the County to make referrals.
- 2.1.8. The County agrees to complete the UTMB referral form as identified in Exhibit B in advance in order to authorize treatment for all Eligible Residents.
- 2.1.9. The County shall identify to UTMB the specific indigent health care officials who can authorize referrals and confirm Eligible Resident status, including the name, address and phone numbers of County officials or designated third party administrators for telephone eligibility verification and patient referral.
- 2.1.10. The County shall be solely responsible for arranging for any follow-up medical care or health care services to be performed by UTMB including referral form completion for Eligible Residents referred to UTMB.
- 2.1.11. The County shall ensure that all referrals contain a valid and unique authorization identifier for each patient encounter. An authorization identifier is needed to evidence the guarantee of benefits and eligibility for the referral and is proof for payment of health care services provided by UTMB under this Contract in the patient encounter.
- 2.1.12. The County is responsible to provide upon execution of this Contract a list of any specific procedures that will require additional authorization during the term of this Contract.
- 2.1.13. County agrees to pay those fees in accordance with Section III for Emergency Care received by any County Eligible Resident at the UTMB Emergency Room.
- 2.1.14. County agrees to use commercially reasonable efforts to ensure that an Eligible Resident's accrued claims do not exceed County's statutory responsibility under

the Act. UTMB agrees to cooperate reasonably with the County to provide claims for Eligible Residents to County in a commercially reasonable manner so as to minimize the County's financial exposure pursuant to this section. County agrees to notify UTMB by fax at (409) 747-0850 when an Eligible Resident reaches 60% of the County's statutory responsibility.

2.2 **UTMB's responsibilities:**

- 2.2.1. UTMB agrees to provide health care services to the County's Eligible Residents at the percentage of current charges set out in Section III below.
- 2.2.2. UTMB agrees to provide invoices on a timely basis to the County from each billing entity:
 - 2.2.2.1 Physician invoices will be sent to the County batched on a monthly basis within ninety-five (95) days of the provision of physicians services under this Contract.
 - 2.2.2.2 Hospital invoices will be sent to the County batched on a monthly basis within one-hundred and twenty-five (125) days of the provision of hospital services under this Contract
- 2.2.3 UTMB agrees that it will not "balance bill" for health care services provided to those Eligible Residents who have the appropriate consultation form identified in Exhibit B. UTMB agrees to accept County's payment as payment in full for health care services provided to Eligible Residents. In the event that Eligible Resident is entitled to payment for health care services from a third party payer, UTMB shall not demand from County any amount received by County for reimbursement from a third party payer. In the event that UTMB receives payment from both the County and a third party payer, UTMB agrees to refund the County for the amount received from the third party payer not to exceed the amount paid by the County. For purposes of accomplishing the intent of this section, the County assigns to UTMB its rights to collection for any third party claim for services rendered by UTMB to Eligible Residents.
- 2.2.4 UTMB agrees to provide discharge summaries and consultation reports to the County's indigent health care office.
- 2.2.5 UTMB agrees to refer all Eligible Residents back to the County's indigent care office for follow-up treatment of the referred condition.
- 2.2.6 UTMB invoices shall include a HCFA UB-04 for inpatient/hospital services and a HCFA 1500 for outpatient/physician services. UTMB shall provide all necessary documents in its possession to assist County in seeking reimbursement from other sources, including assignments for Medicaid eligible services provided to SSI Appellant Eligible Residents.

- 2.2.7 UTMB agrees to use reasonable efforts to inform the County of the cumulative invoiced claims.
- 2.2.8 UTMB agrees to provide names, addresses and phone numbers for personnel responsible for arranging for health care services under this Contract.
- 2.2.9 UTMB agrees to comply with Federal and State laws regarding Emergency Care. UTMB agrees to make reasonable efforts to refer County residents not requiring Emergency Care to the County's indigent health care office for referral in accordance with the provisions of this Contract.
- 2.2.10 UTMB agrees to provide health care services for non-emergent, non-eligible residents of the County in accordance with UTMB's Provisional Pay Status program.
- 2.2.11 UTMB provides professional liability insurance coverage for employed UTMB faculty, qualifying part-time contracted faculty, residents, and students through the University of Texas System Professional Medical Liability Benefit Plan (the "Plan") for claims arising from or related to acts and/or omissions occurring within the course and scope of their clinical, educational, and research duties and responsibilities. The plan provides coverage of \$500,000 per claim and \$1.5 million in annual aggregate and is an "incurred" plan and provides "tail" coverage. UTMB agrees to provide evidence of current coverage under such policies and to immediately inform County of any actual or proposed material modification, cancellation, or termination of such insurance. County acknowledges that, as an agency of the State of Texas, UTMB's liability for the tortious conduct of UTMB employees or for injuries caused by conditions of tangible personal property is provided for by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapters 101, 104, and 108). Workers' Compensation Insurance coverage for employees of UTMB is provided by UTMB as mandated by the provisions of Texas Labor Code, Chapter 503.

2.3 Health care services not UTMB's responsibility:

- 2.3.1 UTMB does not agree to provide Outpatient Pharmacy services.
- 2.3.2 UTMB does not agree to provide transportation to and from UTMB.
- 2.3.3 UTMB does not agree to provide take-home medical supplies.

III. Fee Schedule and Payments--

- 3.1 UTMB agrees to provide the health care services performed pursuant to this Contract for a fee based on 35% of the UTMB billed charges for such services in effect at UTMB at the time the services are performed.
- 3.2 County agrees to pay all such fees to UTMB in accordance with Sections 2.1.1, 2.1.2, 2.1.3 and 2.1.4.

IV. Warranties --

- 4.1 UTMB warrants that (1) the health care services to be performed hereunder are necessary and authorized for activities that are properly within its statutory functions and programs; (2) it has the authority to contract for the services under authority granted in Chapter 65, *Texas Education Code*, and Chapter 791, *Texas Government Code*; (3) it has all necessary power and has received all necessary approvals to execute and deliver this Contract, and (4) the representative signing this Contract on its behalf is authorized by its governing body to sign this Contract.
- 4.2 County warrants that (1) it has authority to perform the services under authority granted in Chapter 61, *Texas Health & Safety Code* and Chapter 791, *Texas Government Code*; (2) it has all necessary power and has received all necessary approvals to execute and deliver this Contract, and (3) the representative signing this Contract on its behalf is authorized by its governing body to sign this Contract.

V. Miscellaneous - Both parties agree to the following...

- 5.1 Mutual Indemnity To the extent authorized by the Constitution and laws of the State of Texas, the County shall hold harmless and indemnify UTMB, the State of Texas, Board of Regents, University of Texas System and their officers, employees and agents, from and against, any and all claims, liabilities, losses, judgments, expenses and/or damages, including reasonable attorney's fees and court costs, resulting from or attributable to any act or omission of County, its officers, employees, and/or agents, including any acts constituting negligence or gross negligence. To the extent authorized by the Constitution and laws of the State of Texas, UTMB shall hold harmless and indemnify County from and against, any and all claims, liabilities, losses, judgments, expenses and/or damages resulting from or attributable to any act or omission of UTMB, its officers, medical staff or employees, including any acts constituting negligence or gross negligence.
- 5.2 Term and Termination. This term of this Contract shall be from September 1, 2007 through August 31, 2008, regardless of the date of execution. This Contract may be terminated earlier by either party by giving thirty (30) days written notice to the other party. Execution of this Contract shall supersede and replace any previous agreement for indigent health care services between County and UTMB.
- 5.3 Jurisdiction/Venue. The parties agree that this Contract shall be construed in accordance with the laws of the State of Texas and that venue shall lie in a State District Court in Austin, Texas.
- 5.4 Entire Agreement/Amendment. This Contract constitutes the entire agreement between the parties. This Contract may be amended only in writing and signed by both parties.

- 5.5 HIPAA Obligation and Other Regulations Implementing the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §1320(d) (“HIPAA”). To the extent either party comes into contact with information considered Individually Identifiable Health Information as defined by 42 U.S.C. §1320(d), Protected Health Information or Electronic Protected Health Information (collectively known as “Protected Information”) as regulated by the Department of Health and Human Services (DHHS) through the adoption of standards, 45 CFR Parts 160 and 164 (Privacy Rule) and 45 CFR Parts 160, 162 and 164 (Security Rule), collectively referred to as “the HIPAA Rules,” such party agrees to keep private and to secure any information considered Protected Information in accordance with federal law.
- 5.5.1 Each party agrees to only use and disclose Protected Information as required to perform the services outlined in this Contract. Each party may use and disclose Protected Information for the proper management and administration of the Contractor’s operations and for data aggregation services to the extent permitted by the HIPAA Rules.
- 5.5.2 Neither party will use or further disclose Protected Information other than as permitted or required under this Contract or as required by law.
- 5.5.3 Each party will use appropriate safeguards to prevent the use or disclosure of Protected Information for any reason other than as provided by this Agreement. Each party will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic Protected Information that it creates, receives, maintains or transmits on behalf of UTMB.
- 5.5.4 Each party agrees to promptly notify the other of any use or disclosure of Protected Information not provided for in this Contract of which it becomes aware and to report to the other any instances, including security incidents, of which it is aware in which Protected Information is used or disclosed for a purpose that is not otherwise provided for in this Contract or for a purpose not expressly permitted by the HIPAA Rules.
- 5.5.5 Each party agrees to require any agents or subcontractors who receive Protected Information to be bound by the same restrictions and conditions outlined in this Contract. Additionally, each party agrees to ensure that any agent, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect the confidentiality, integrity and availability of electronic Protected Information that each party creates, receives, maintains, or transmits on behalf of the other.
- 5.5.6 To the extent it is determined either party maintains a Designated Record Set, such party agrees to follow 45 CFR §164.524 (Access of Individuals to PHI), 164.526 (Amendment of PHI) and 164.528 (Accounting of Disclosures of PHI) of the HIPAA Privacy Rules.
- 5.5.7 Each party agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from the other available to the Secretary of Health and Human Services or the Secretary’s designee for purposes of determining UTMB’s compliance with the HIPAA Privacy Regulations.

- 5.5.8 After termination of the Agreement, each party agrees to return or destroy all Protected Information, if feasible, and, if not feasible, such party agrees to continue to protect the Protected Information from wrongful uses and disclosures.
- 5.5.9 Each party understands that either party may terminate this Contract immediately if it determines the other party violated a material term of this Contract and such party's actions are not successful in remedying the breach. If termination is not feasible, such party may report the problem to the Secretary of Health and Human Services.
- 5.5.10 Each party may use and disclose de-identified Protected Information if the other approves of the use of de-identified Protected Information and the Protected Information is de-identified in compliance with the HIPAA Rules.
- 5.5.11 Each party shall ensure that all uses and disclosures of Protected Information are subject to the principle of "minimum necessary use and disclosure," i.e., that only Protected Information that is the minimum necessary to accomplish the intended purpose of the use, or disclosure is used or disclosed.
- 5.6 Notices. Except as otherwise provided in this Section, all notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of this Contract shall be in writing and shall be deemed to have been duly given or served when delivered by hand delivery or when deposited in the U.S. mail by registered or certified mail, return receipt requested, postage prepaid, and addressed as set forth below or to such other person or address as may be given in writing by either party to the other in accordance with this Section:

UTMB: Lawrence E. Revill
Vice President of Finance
301 University Blvd.
Galveston, Texas 77555-0153

Cc to: Scott M. Hermstein
Executive Director-Community Health Services
301 University Blvd.
Galveston, Texas 77555-0120
Phone: (409) 747-5599
Fax: (409) 747-8797
Email: smhermst@utmb.edu

County: Honorable Judge J.D. Salinas III
Hidalgo County Judge
Hidalgo County Courthouse
Edinburg, Texas 78541

- 5.7. State Auditor’s Office. The parties understand that acceptance of funds under this Contract constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, “Auditor”), to conduct an audit or investigation in connection with those funds pursuant to Sections 51.9335(c), 73.115(c) and 74.008(c), Texas Education Code. The Contracting Parties agree to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. The Contracting Parties will include this provision in all contracts with permitted subcontractors.
- 5.8. Assignment. This Contract is not transferable or assignable except upon written approval by Receiving Party and Performing Party.
- 5.9. Severability. If any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained therein.
- 5.10. Public Records. It shall be the independent responsibility of UTMB and County to comply with the provisions of Chapter 552, *Texas Government Code* (the “*Public Information Act*”), as those provisions apply to the parties’ respective information. Neither party is authorized to receive public information requests or take any action under the *Public Information Act* on behalf of the other party.

COUNTY OF HIDALGO

**THE UNIVERSITY OF TEXAS MEDICAL
BRANCH AT GALVESTON**

By: _____
Honorable Judge J.D. Salinas III
Hidalgo County Judge

By: _____
Lawrence E. Revill
Vice President of Finance

Date: _____

Date: _____

By: _____
Scott M. Hermstein
Executive Director-Community Health Services

Date: _____

Exhibit B - Clinical Information-County/District Referral Form

Date: _____ Form initiated by: _____ (county/dist.) Ph #: _____ Fax #: _____

Faculty/PCP: _____ Provider #: _____ Ph. #: _____ fax #: _____

SCP: _____ Provider #: _____ Ph. #: _____ fax #: _____
(Specialty Physician's Name)

Select appropriate request: Approval for: Procedure [] Referral []
Consultation [] More Visits []

Procedure/Service Requested: _____

_____ CPT: _____

Diagnosis: _____ ICD-9: _____

Symptoms: _____

Pertinent History: _____

Previous Treatments: _____

Current Meds: _____

Treatment Plan: _____

Financial Information

County/District Name: _____ Phone #: _____

County/Dist rep's name: _____ Patient's Phone #: _____

Patient Name: _____ SS#: _____

Authorization #: _____ County #: _____ Case in computer? Y / N

No. of visits approved: _____ Expiration date of approval: _____

Other pertinent information: _____

Appointment made? Y / N

Patient notified? Y / N

Date/Time of Appointment: _____

IF denied, MD notified? Y / N

IF denied, patient notified? Y / N

Authorization obtained by: _____ Date: _____

Write in Patient Information/Affix Label:

Name: _____

UH#: _____

Contract Care Approval Form

The University of Texas
Medical Branch Hospitals & Clinics
Galveston, Texas

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and Hidalgo County, Texas to Provide Health Care Services