

**STATE OF TEXAS**

**COUNTY OF HIDALGO**

**INTERLOCAL COOPERATION CONTRACT**

This Interlocal Cooperation Contract (this "Contract") is entered into by and between the Contracting Parties shown below pursuant to authority granted in and in compliance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code.

- I. Contracting Parties:** The University of Texas Health Science Center at San Antonio, an agency of the State of Texas.

**The Receiving Party:** Hidalgo County, Texas.

**II. Statement of Services to be Performed**

Performing Party will perform the following service(s):

1. Provide the services of Health Management Associates, Inc. ("HMA") described in that certain letter dated October 1, 2012 from HMA to Performing Party hereto as Exhibit A.

**III. Obligation of Receiving Party**

Receiving Party shall reimburse Performing Party against invoice for actual amounts paid by Performing Party to HMA.

**IV. Contract Amount**

The total amount of this Contract shall not exceed \$100,000.

**V. Payment of Services**

Receiving Party will remit payments to Performing Party for services satisfactorily performed under this Contract in accordance with the Texas Prompt Payment Act, Chapter 2251, Texas Government Code.

Payments made under this Contract will (1) fairly compensate Performing Party for the services performed under this Contract, and (2) be made from current revenues available to Receiving Party.

**VI. Warranties**

Receiving Party warrants that (1) the services 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

October 1, 2012

Andrea Marks, M.B.A., C.P.A.  
Vice President and Chief Financial Officer  
The University of Texas Health Science Center at San Antonio  
7703 Floyd Curl Drive  
MC 7834  
San Antonio, Texas 78229-3900

Dear Ms. Marks:

This proposal outlines the HMA scope of work that would assist University of Texas Health Science Center at San Antonio (UTHSCSA) in developing a community Regional Health Partnership (RHP) and the Delivery System Reform Incentive Payment (DSRIP) plan to meet the requirements of the Health and Human Services Commission (HHSC) Section 1115 waiver approved by the Center for Medicare and Medicaid Services (CMS). The activities will support RHP 5 which includes Hidalgo, Cameron, Willacy, and Star counties.

We believe that the proposed activities described below, as well as HMA's subject matter expertise with federal 1115 waivers, the Texas Medicaid program, and the current health care delivery system, should enable UTHSCSA and its community partners in RHP 5 to confidently move forward with this initiative.

**Scope of Services**

Provide technical assistance and consulting to UTHSCSA to develop a community Regional Health Partnership (RHP) and the Delivery System Reform Incentive Payment (DSRIP) plan based on the terms and conditions of the Section 1115 waiver entitled "Texas Healthcare Transformation and Quality Improvement Program". This project will include multiple tasks such as:

1. Assist in development of delivery system reform incentives in partnership with UTHSCSA and its key community partners.
2. Assist UTHSCSA and RHP 5 key leadership in the development, writing, and submittal of the Regional Healthcare Plan.
3. Provide consulting and technical assistance to UTHSCSA and RHP 5 key leadership regarding federal and state requirements (e.g., statutory, regulatory, 1115 waiver).
4. Assist in the development of strategies with UTHSCSA and RHP 5 key leadership to identify critical elements for success.
5. Meet with UTHSCSA and RHP 5 key leadership as necessary.

**Our Qualifications**

Health Management Associates (HMA) is a consulting firm specializing in the fields of health system restructuring, health care program development, health economics and finance, program evaluation, and data analysis. HMA is widely regarded as a leader in providing technical and analytical services to health care purchasers, payers, and providers, with a special concentration on those who address the needs of the medically indigent and underserved. Founded in 1985, Health Management Associates has offices in Lansing, Michigan; Chicago, Illinois; Denver, Colorado; Tallahassee, Florida; Indianapolis, Indiana; Columbus, Ohio; Washington, DC; Austin, Texas; New York, New York, Sacramento, California; Bay Area, California; Southern California; Atlanta, Georgia; Harrisburg, Pennsylvania; and Boston, Massachusetts.

HMA has clients across the country, including the major safety net health systems, private sector providers, and local, state, and federal governments. The firm has extensive experience and expertise in the design and implementation of health programs, particularly with respect to federal waivers, system development, data analysis, managed care, long-term care, and behavioral health care.

#### **Staffing**

Linda Wertz will serve as the HMA project advisor and be assisted by other HMA colleagues, Lisa Duchon, Ph.D., project manager, Dianne Longley, Lillian Spuria, Gary Young and Catie Hilbelink. Additional HMA staff can be available on an as needed basis. Biographies are listed below:

**Linda Wertz**, a HMA Managing Principal based in Austin, Texas, was the Texas Medicaid Director and Deputy Commissioner for Medicaid and CHIP from 1996 to 2002 and has over thirty years' experience in the Medicaid program. Since her retirement from public service in 2002, Linda established and ran her own consulting business, working with both government and private sector clients in areas such as Medicaid operations and administration, policy development, contract management, fiscal agent management, federal, state, and local government relations, program integrity, and business development. In 2010 Linda began employment with HMA and her duties have consisted of technical assistance and consultation with federal, state, and local government entities, managed care organizations, hospitals, and professional health and human service organizations. Linda earned her Bachelor of Business Administration degree from the University of Texas at Austin.

**Lisa Duchon, Ph.D.** is a Principal in the Austin, Texas office. With more than 20 years of experience in health care management and research, Lisa Duchon conducts survey, evaluation and policy research and analysis, with an emphasis on public programs for children and families. Her areas of expertise include quality and performance measurement, pay-for-performance and medical home initiatives; public sector coverage initiatives; and urban-suburban health and safety net issues. She was previously Deputy Director of Research & Evaluation and a senior program officer at The Commonwealth Fund, where her research and grant making concentrated on strategies to expand insurance coverage and improve access to care. With an MPA and PhD in Public Administration and a bachelor's degree in industrial engineering, Ms. Duchon also has senior management experience with Denver's public health, hospital and primary care system, and was a management engineer for Kaiser Permanente. Administration degree from the University of Texas at Austin.

**Dianne Longley** joined the Austin office as a Principal after 29 years in state service with the Texas Department of Insurance (TDI). Over the course of her career at TDI, Dianne held various positions, most recently as the Director of Research and Analysis for the Life, Health and Licensing Program. Dianne has often been the "go to" person within the Department and has led several special projects, including: Federal Health Reform Coordination (with emphasis in the Health Benefit Exchange), Director of Healthy Texas Implementation, and Director of the Texas State Planning Grant Program. Dianne has a wide range of experience in research development and oversight, project management, report writing and editing, public speaking, and interaction with legislative offices, insurance regulators, public health agencies, healthcare and health insurance entities, employers and consumers. Dianne earned her Bachelor of Science degree at Texas A & M University.

**Gary Young** is a Senior Consultant in the Austin, Texas office. Mr. Young comes to HMA from the Texas Health and Human Services Commission where he has served as a Senior Policy Advisor in the Medicaid and CHIP division. Gary assisted in the design, planning, and management of the \$6 billion competitive procurement for the Texas Medicaid managed care expansion, and participated on the state team

responsible for designing and negotiating the State's new 1115 Demonstration waiver, which was approved in December 2011. Also, during his tenure at the Health and Human Services Commission (HHSC), Gary assisted in developing 1915(b) and 1915(c) waivers for federal approval, integrating value-based purchasing into Medicaid and CHIP managed care contracts, reviewing health plan financial performance, and rates. Prior to his time at HHSC, Gary served as a Research Associate at the Texas Office of Public Insurance Counsel, where he initiated and directed implementation of the state's first HMO consumer report card, and analyzed underwriting practices and financial data of the managed care industry. Gary earned his Bachelor of International Studies at the School for International Training, and his Juris Doctor at the University Of Denver College Of Law.

**Catie Hilbelink** is a Research Associate in the Austin, Texas office. She earned her Masters in Public Policy from Michigan State University (MSU). While at MSU, she was a research assistant at both the MSU Public Policy Program and the Julian Samora Research Institute. Catie earned her Bachelor of Science degree at Calvin College in Grand Rapids, MI.

#### **Project Fees**

We propose to perform the activities described in this proposal on a time-and-materials basis using the following hourly rate structure: Principals - \$300; Senior Consultants - \$290; Research Associate - \$190; Administrative Staff - \$90. Travel time will be billed at 50 percent of full rates. All out-of-pocket expenses, such as copies, travel, fax and telephone expense, are to be reimbursed as incurred. Project costs will not exceed \$100,000.00, inclusive of travel time and expenses, without prior written approval of UTHSCSA, Andrea Marks, Vice President and CFO.

Finally, we propose to submit invoices monthly for work performed in the previous month. Invoices shall provide sufficient detail concerning work performed, by whom, and time worked. Invoices shall also provide sufficient detail concerning out-of-pocket expenses.

Work will be performed and delivered as required to meet UTHSCSA's needs, and mutually agreed upon between both parties. The parties also agree that work assignment on behalf of UTHSCSA to HMA will be provided at the direction of Joseph B. McCormick, M.D., Vice President for South Texas Programs.

#### **Term of Agreement**

This Letter Agreement shall commence as of October 1, 2012 and terminate December 31, 2012. HMA is prepared to begin work upon the receipt of the signed letter agreement.

#### **Termination**

Any party may terminate this Letter Agreement by giving thirty (30) days written notice to the other party.

#### **Confidentiality and Non-Disclosure**

HMA provides services to many health care organizations and other clients. In order to preserve the trust and confidence of our clients, HMA adheres closely to a set of operating guidelines related to confidentiality and non-disclosure. These guidelines are intended to ensure that HMA will not make inappropriate use of data or other information acquired in the course of providing services to a client and that your interests, proprietary and otherwise, are fully protected. We would be happy to discuss this proposal with you or to provide you with any additional information you may require.

If this proposal is agreeable to you, please sign and return to HMA's contract manager, Jeff DeVries, via email, fax, or mail to the following address:

Jeff DeVries  
Health Management Associates  
120 N. Washington Square, Suite 705  
Lansing, MI 48933  
[jdevries@healthmanagement.com](mailto:jdevries@healthmanagement.com)  
517-482-0920 (fax)

Please direct any questions to me at 512-473-2626 or email [lwertz@healthmanagement.com](mailto:lwertz@healthmanagement.com).

Sincerely,

Linda K. Wertz  
Managing Principal

Approved by:

---

Kelly Johnson, Chief Operating Officer  
Health Management Associates, Inc.

---

Andrea Marks, M.B.A, C.P.A  
Vice President, CFO  
University of Texas Health Science Center at  
San Antonio

---

Date

---

Date

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.

Performing Party warrants that (1) it has authority to perform the services under authority granted in Chapter 791, Texas Government Code; and (2) the representative signing this Contract on its behalf is authorized by its governing body to sign this Contract.

**VII. Term of the Contract**

This Agreement is effective as of the date fully executed by both parties ("Effective Date") and shall terminate on December 31, 2012.

**VIII. Termination**

In the event of a material failure by a Contracting Party to perform its duties and obligations in accordance with the terms of this Contract, the other party may terminate this Contract without cause upon thirty (30) days advance written notice of termination.

EXECUTED EFFECTIVE as of the Effective Date by the following duly authorized representatives of the Contracting Parties:

RECEIVING PARTY

County of Hidalgo, Texas

By: Ramon Garcia  
Ramon Garcia, County Judge

Date: 10/9/12

PERFORMING PARTY

The University of Texas Health Science Center at San Antonio

By: Andrea Marks  
Andrea Marks, Vice President, CFO

Date: 9/28/12

ATTEST:

Arturo Guajardo, Jr.  
Arturo Guajardo, Jr. Hidalgo County Clerk

APPROVED BY  
10/11/12