

STATE OF TEXAS           §  
  §  
COUNTY OF HIDALGO   §

**CONSULTING SERVICES CONTRACT  
FOR THE MEDICAID 1115 WAIVER TEXAS HEALTHCARE TRANSFORMATION  
AND QUALITY IMPROVEMENT PROGRAM**

THIS Agreement, made and entered into this 11<sup>th</sup> day of February, 2014 by and between **HIDALGO COUNTY, TEXAS** (the “County”) and **Kevin Nolting dba Nolting Consulting LLC**, (the “Consultant”) and confirms that the County has chosen the Consultant to assist and support Hidalgo County with its Anchor Duties and help coordinate with the Regional Healthcare Partnership (RHP) participants and Texas Health & Human Services Commission (HHSC) pertaining to the RHP Plan.

**ENGAGEMENT & SCOPE OF SERVICES**

Hidalgo County is serving as the “Anchor” for Region 5 in the development and coordination of the Regional Health Plan required by the Medicaid 1115 Waiver. Consultant will work closely with the County and its designated representative and staff. As the Anchor, Consultant and the County will need to work closely with the region’s performing providers and rely on their input as well as to compile the necessary information required by HHSC and/or the Center for Medicare and Medicaid (CMS).

The Consultant will support the Anchor by:

1. Assisting with interactions with HHSC in responding to CMS on RHP 5 questions and issues;
2. Coordinating, screening, and assisting in obtaining answers from HHSC on issues that arise relating to RHP 5;
3. Providing policy updates to Anchor and regional stakeholders as directed by protocols and new interpretations made by HHSC and/or CMS;
4. Assisting Anchor in reviewing information provided by HHSC related to requested Intergovernmental Transfers (IGT) processing and communicating that information to performing providers who are eligible for waiver reimbursements;
5. Assisting Anchor staff with all Regional Learning Collaborative activities (as needed) including documentation and reporting;
6. Assist Anchor staff in compiling and submitting annual required reporting; and
7. Other Anchor support functions mutually agreed upon.

**COMMUNICATION WITH THE COUNTY**

Consultant will make himself available to the County for discussion regarding services provided under this agreement at reasonable times, and at the request of the County.

## **EXPENSES**

Consultant's fee for these professional services will be a flat fee of \$7,500.00 (Seven Thousand Five Hundred Dollars) per month. Any out-of town travel and other out-of-pocket expenses will require prior written approval by the County and will be according to Hidalgo County's travel policies. The County will be responsible for only the fees directly related to the time spent on the preparation and writing of Region 5's Regional Healthcare Partnership (RHP) Plan and will bear expenses for general research and preparation on a pro rata basis with any other Clients of Consultant. Consultant will provide County with an itemized billing statement each month detailing services rendered.

## **TERM**

The term of this engagement will commence upon the execution of this agreement and terminate on September 30, 2016. The parties agree that Consultant shall use its best efforts to conclude its work in a timely manner, and the County agrees to use its best effort to provide the information requested in a timely manner. Either party may terminate this agreement with or without cause by giving 60 days written notice to the other party. If the agreement is terminated by the Consultant before the termination date all research and work product regarding the County's plan will be turned over to the County and the County will be reimbursed for half the fees billed up to the date of the termination notice. If the County terminated the agreement before the termination date the Consultant will be paid for the services billed and payable up to the notice of termination and any work done by Consultant after the notice will require prior written approval by the County.

## **INSURANCE COVERAGE**

At all times during the term of this Agreement, Consultant shall maintain insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured and shall furnish to County certificates of such insurance coverage.

## **INDEMNIFICATION**

The Consultant shall indemnify and hold County, its affiliated entities, and their respective directors, officers, employees, agents, and representatives, harmless from and against any and all claims, actions, liabilities, damages and expenses (including but not limited to costs of judgments, settlements, court costs, and attorney's fees, regardless of the outcome of such claim or action) arising out of, caused by, resulting from, or alleged negligent or intentional acts or omissions or any failure to perform any obligation undertaken or any covenant in this agreement, whether such act, omission, or failure was the indemnifying party's or that of any person providing services hereunder through or for the Consultant. Upon written notice from the County, the Consultant will defend and indemnify, by counsel reasonably satisfactory to County, any such claim or action. The Consultant will carry proper insurance identifying the County as a named additional insured.

## **NOTICES**

Notices provided herein shall be delivered to:

If to County: Ramon Garcia, Hidalgo County Judge  
302 West University Drive  
Edinburg, Texas 78539

If to Consultant: Kevin Nolting, Consultant  
10812 Wintergreen HL  
Austin, Texas 78750-3452

## **LAW**

The Interpretation and enforcement of this agreement shall be governed by the laws of the State of Texas and is performable in Hidalgo County, Texas.

## **COMMITMENT OF CURRENT REVENUES**

In the event that, during any term hereof, the County does not appropriate sufficient funds to meet its obligations under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. The County agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of the County pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

## **SERVERABILITY**

The invalidity or unenforceability of any provisions of this Agreement will not affect the validity or enforceability of any other provision.

## **ASSIGNABILITY**

The Consultant may not assign Consultant's rights or obligations under this Agreement without the County's written consent. Any assignment in violation of this provision shall give the County the right to terminate this Agreement immediately, upon written notice to the Consultant.

## **AMENDMENTS**

Any amendments to this Agreement will be effective only if in writing and signed by the County and the Consultant.

**ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement of the parties with respect to the subject matter hereof.

**NO WAIVER**

No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision of this Agreement shall be construed to be a waiver of such breach.

**VARIATIONS OF PRONOUNS**

All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons or entity may require.

**AUTHORIZATION FOR AGREEMENT**

The execution and performance of this Agreement by County and Consultant have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of Consultant and County in accordance with its terms.

**WITNESS THE HANDS OF THE PARTIES** effective as of the day and year first written above.

**CONSULTANT:**

\_\_\_\_\_  
Kevin Nolting dba Nolting Consulting, LLC

**ATTESTED:**

\_\_\_\_\_  
Arturo Guajardo, Jr. County Clerk

**HIDALGO COUNTY**

\_\_\_\_\_  
Ramon Garcia, County Judge

**APPROVED AS TO FORM:**

Office of Criminal District Attorney  
Rene Guerra  
By: \_\_\_\_\_  
Michael L. Garza  
Assistant District Attorney

**APPROVED** by Commissioners Court on:

\_\_\_\_\_

## **PROFILE**

***Kevin Nolting, Nolting Consulting LLC.***

### ***Healthcare Reimbursement Consultant***

Mr. Nolting graduated from Angelo State University with a Bachelor's of Business Administration Degree and received his Masters of Business Administration Degree from the University of North Texas. Mr. Nolting worked for the Texas Department of Mental Health and Mental Retardation from 1987 to 2004. He began his TDMHMR career as an accountant at the Big Spring State Hospital. He transferred to the Denton State School as Chief Accountant and was promoted to the Director of Fiscal Services. Mr. Nolting was hired as the Director of State Facilities Financial Services at TDMHMR Central Office in Austin in 1996 and was promoted to Budget Director for the agency in 2002 and ultimately served as its Chief Financial Officer when the agency was dissolved in 2005.

Mr. Nolting served as Director of Budget and Data Management from 2005 to 2007 at the newly created Department of Aging and Disability Services. In 2007, Mr. Nolting was hired to be the Director of Hospital Reimbursement at the Texas Health and Human Services Commission (HHSC).

Mr. Nolting was responsible for the development and oversight of Medicaid reimbursement programs for various hospital-based and clinic-based services whose combined payments equaled approximately \$7 billion per year. These programs included hospital inpatient and outpatient services, Disproportionate Share Hospital Program, Upper Payment Limit Supplemental Payment Program, Graduate Medical Education Program and the 1115 Transformation Waiver. He was responsible for the development and oversight of the administrative rules and Medicaid State Plan for these programs. He worked closely with Texas Hospital Associations as well as individual hospitals related to Medicaid hospital policy initiatives and interpretations. He was also responsible for providing technical assistance, guidance, information and support to HHSC staff and board members; Legislative Budget Board; Governor's Budget Office; other state agencies and external organizations related to hospital reimbursement.

Mr. Nolting retired from state government in 2012 and is currently providing consultative services related to governmental reimbursement programs for a variety of healthcare organizations, associations and related entities. He is currently under contract and provides consultative services to the Anchor in Regions 9, 14 and 20.

## Brief Summary of the 1115 Waiver

In December 2011, Texas received federal approval of an 1115 waiver that would preserve Upper Payment Limit (UPL) funding under a new methodology, but allow for managed care expansion to additional areas of the state.

The purpose of the 1115 Healthcare Transformation waiver, supplemental payment funding, managed care savings, and negotiated funding will go into two statewide pools now worth \$29 billion (all funds) over five years. Funding from the pools will be distributed to hospitals and other providers to support the following objectives: (1) an uncompensated care (UC) pool to reimburse for uncompensated care costs as reported in the annual waiver application/UC cost report; and (2) a Delivery System Reform Incentive Payment (DSRIP) pool to incentivize hospitals and other providers to transform their service delivery practices to improve quality, health status, patient experience, coordination, and cost-effectiveness.

Uncompensated Care Pool Payments are designed to help offset the costs of uncompensated care provided by the hospital or other providers.

DSRIP Pool Payments are incentive payments to hospitals and other providers that develop programs or strategies to enhance access to health care, increase the quality of care, the cost-effectiveness of care provided and the health of the patients and families served.

Under the transformation waiver, eligibility to get Uncompensated Care or DSRIP payments will require participation in a regional healthcare partnership. Within a partnership, participants include governmental entities providing public funds known as intergovernmental transfers (IGT), Medicaid providers and other stakeholders. Participants will develop a regional plan identifying partners, community needs, the proposed projects, and funding distribution. Each partnership must have one anchoring entity, which acts as a primary point of contact for HHSC in the region and is responsible for seeking regional stakeholder engagement and coordinating development of a regional plan.

## **Scope of Services**

### Scope of Work to support Anchor:

1. Assist Anchor with interactions with HHSC by assisting in responding to CMS on RHP 5 questions and issues.
2. Coordinate, screen, and assist in obtaining answers from HHSC on issues that arise relating to RHP 5.
3. Provide policy updates to Anchor and Regional stakeholders as directed as protocols and new interpretations are made by HHSC and/or CMS.
4. Assist Anchor in assessing IGT timing with performing provider reporting to claim DSRIP waiver reimbursement.
5. Assist Anchor staff with all Regional Learning Collaborative activities (as needed) including and documentation and reporting.
6. Assist Anchor staff in compiling and submitting annual required reporting.
7. Other Anchor support functions mutually agreed.

## **Proposal**

RHP 5 shall pay Consultant a flat fee each month of \$7,500 (FIVE THOUSAND DOLLARS). Consultant shall submit a monthly invoice to RHP 5 for obtaining the monthly fee. RHP 5 will pay Consultant within thirty (30) days of receipt of invoice. RHP 5 shall reimburse Consultant for all authorized travel and for other reasonable out-of-pocket expenses incurred as a result of specifically requested services.

Either party may terminate this agreement with Sixty (60) days prior written notice for any reason.



Zimbra

evangelina.garcia@co.hidalgo.tx.us

---

**Re: Consulting Services for the 1115 Waiver**

---

**From :** Evangelina Garcia

&lt;evangelina.garcia@co.hidalgo.tx.us&gt;

Tue, Feb 04, 2014 10:40 AM

**Subject :** Re: Consulting Services for the 1115 Waiver**To :** michael garza <michael.garza@da.co.hidalgo.tx.us>**Cc :** Dairen Sarmiento <dairen.sarmiento@hchd.org>, perla lopez <perla.lopez@hchd.org>, josephine ramirez <josephine.ramirez@da.co.hidalgo.tx.us>

Great news.....will proceed ahead and get this going.  
Thank you for your help.

---

**From:** "Michael Garza" <michael.garza@da.co.hidalgo.tx.us>  
**To:** "Evangelina Garcia" <evangelina.garcia@co.hidalgo.tx.us>  
**Cc:** "Dairen Sarmiento" <dairen.sarmiento@hchd.org>, "perla lopez" <perla.lopez@hchd.org>, "josephine ramirez" <josephine.ramirez@da.co.hidalgo.tx.us>  
**Sent:** Tuesday, February 4, 2014 10:22:47 AM  
**Subject:** Consulting Services for the 1115 Waiver

Vangie,

Attached is the agreement for consulting services for the 1115 Waiver, which our office approves as to form.

Please let me know if you have any questions or concerns.

**Michael Garza**

*Assistant Criminal District Attorney*  
Contracts and Civil Litigation Section  
Office of Criminal District Attorney  
Hidalgo County, Texas  
100 N Closner Rm 303  
Edinburg, TX 78539  
(956) 318-2313 ext. 3824  
(956) 318-2079 FAX  
[michael.garza@da.co.hidalgo.tx.us](mailto:michael.garza@da.co.hidalgo.tx.us)

\*\*\*\*\*

The information contained in this e-mail may be 1.SUBJECT TO THE ATTORNEY-CLIENT PRIVILEGE; 2.ATTORNEY WORK PRODUCT; and/or 3.CONFIDENTIAL. It is intended only for the individual or entity designated above. Any distribution, copying, or use of or reliance upon the information contained in this e-