

Memorandum

To: Board of Managers
From: Jonny F. Hipp, Administrator
Date: March 26, 2015
Re: Board of Managers Meeting Agenda Item 4.B.1 - Renewal of Texas Medical Foundation Service Agreements

Recommended Action:

Ratify Service Agreements renewals with the Texas Medical Foundation for the period January 1, 2015 – December 31, 2016:

- 1) Non-Medicare Medical Records Review; and
- 2) Quality Assessment, Utilization Review, and Coding Review.

Background:

The Board of Managers of the Nueces County Hospital District (NCHD) has the legal authority to form a medical committee to evaluate medical and health care services provided by a health care facility that contracts with NCHD to provide those services.¹ The committee may compile a report of the services provided by the facility and submit the compilation to the facility's medical peer review committee or medical committee.² The compilation is confidential, not subject to disclosure under Chapter 552, Texas Government Code, and is subject to the same confidentiality and disclosure requirements to which a report of medical peer review committee is subject.³

The Texas Medical Foundation Health Quality Institute (TMF) is a private peer review and utilization review organization based in Austin, Texas. TMF focuses on promoting quality health care through contracts with federal, state, and local governments, as well as private organizations. For more than 40 years, TMF has assisted health care providers and practitioners in a variety of settings improve care for their patients. TMF was chartered in 1971 as a private, nonprofit organization of licensed physicians (MDs and DOs) to lead quality improvement and medical review efforts in Texas. Originally known as the Texas Medical Foundation, the company changed its name to TMF Health Quality Institute in 2005 to reflect the expansion of its work throughout the nation. Since 1984, TMF has been the Medicare Quality Improvement Organization for Texas. In this role, TMF works with the Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services (CMS) to improve patient care through cooperative efforts with the health care

¹ Texas Health and Safety Code, §161.0315(a).

² Texas Health and Safety Code, §161.0315(f).

³ Ibid.

community. The mission is better care, better health for people and communities, and affordable care through improvements.

In accordance with Section 1154(a)(11) of the Social Security Act, TMF's Medicare peer review contract with CMS, requires that TMF shall contract with public and private entities paying for health care in its area for review of services reimbursed by such entities. In addition, TMF is utilization review agent certified by the Texas Department of Insurance under article 21.58A of the Texas Insurance Code. TMF is fully accredited by the Utilization Review Accreditation Commission as an independent external review organization.

Since 2000, NCHD has continuously contracted with TMF to compile an annual report on the quality of health care services provided by Christus Spohn Health System Corporation to the Nueces Aid Program enrollees under the Indigent Care Agreement (i.e., Utilization Review and Coding Review) and to provide certain support services for the Program (i.e., Non-Medicare Medical Records Review and Quality Assessment). The annual report on the quality of health care services is transmitted to Christus Spohn for presentation to its appropriate medical peer review committee or medical committee.

Discussion:

TMF's principal business is to improve quality health care and it reviews most Texas hospitals, including Christus Spohn Health System Corporation's hospitals, through its federal Medicare contract with CMS; no other review entity occupies that level of prominence among Texas hospitals. TMF is a well-known professional review organization among the physicians who practice in and hospitals that operate in Texas. TMF has a demonstrated track record with NCHD and continues to be responsive to its needs.

Fiscal:

NCHD's budgeted amount for TMF's services during FY 2015 is \$125,000. The NCHD amount spent on the same TMF-related services during 2014 was \$129,467.

In addition, the attached payment schedule shows NCHD's expenditures for TMF-related services for the fiscal years ended 2000 – 2014 and for the initial one-third of fiscal year ending 2015.

Respectfully submitted,

A handwritten signature in black ink that reads "Jonny F. Hipp". The signature is written in a cursive, slightly slanted style.

