

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

This Renewal of The Interlocal Cooperation Act Contract ("Renewal") is made and entered into by and between Nueces County Hospital District ("Hospital District") and The University of Texas Medical Branch at Galveston ("UTMB"), to be effective as of September 1, 2015.

**RECITALS**

A. Hospital District and UTMB entered into the Interlocal Cooperation Act Contract and Business Associate Agreement effective as of September 1, 2014 (the "Contract"), wherein UTMB agreed to provide health care services to County's eligible residents, as more specifically described in the Contract.

B. Hospital District and UTMB now wish to (a) extend the term of the Contract by renewing for an additional one year term commencing September 1, 2015; (b) update payment mailing addresses and contact information for notices; and (c) ratify the terms of the Contract and enter into this Renewal as provided herein.

C. Ratification and Defined Terms. Except as modified by this Renewal, the Contract shall continue in full force and effect. UTMB and Hospital District each hereby ratify, affirm, and agree that the Contract, as herein modified and extended, represents the valid, binding and enforceable obligations of UTMB and Hospital District respectively. In the event of any conflict or inconsistency between the provisions of the Contract and this Renewal, the provisions of this Renewal shall control and govern. Except as otherwise defined in this Renewal, each of the terms used herein shall have the same meaning assigned to such terms in the Contract.

**CONTRACT RENEWAL**

For and in consideration of the terms and conditions set forth herein, and for other good and valuable consideration, Hospital District and UTMB hereby agree to renew the Contract as follows:

- 1.1 **Cap Out:** The maximum annual Hospital District liability per Eligible Resident under this Contract, which UTMB and Hospital District agree shall be \$60,000 for services provided by UTMB.
- 2.1.4 **Physician payments mailed to:** UTMB Faculty Group Practice, P.O. Box 650859, Dept 710, Dallas, TX 75265-0859.
- 2.1.5 **Hospital payments mailed to:** UTMB at Galveston, P.O. Box 660120, Dept 730, Dallas, TX 75266-0120.

- 4.1 **Term and Termination.** This term of this Contract shall be from September 1, 2015 through August 31, 2016, regardless of the date of execution.
- 4.4 **Entire Agreement/Renewal.** This Contract Renewal constitutes the entire agreement between the parties. This Contract may be amended only in writing and signed by both parties.
- 4.6 **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: Cheryl A. Sadro, CPA, MSM  
Executive Vice President  
Chief Business & Finance Officer  
The University of Texas Medical Branch  
301 University Blvd.  
Galveston, TX 77555-0128

Cc to: Department of Legal Affairs  
The University of Texas Medical Branch  
301 University Blvd.  
Galveston, Texas 77555-0171  
Phone: (409) 747-8738  
Fax: (409) 747-8741

If to Hospital District: Jonny F. Hipp, CEO  
Nueces County Hospital District  
555 N. Carancahua Street, Suite 950  
Corpus Christi, TX 78401-0835  
361-808-3300

4.12 This Renewal shall commence on the September 1, 2015 for an initial term of one (1) year and can be renewed under like terms for one (1) year periods thereafter, subject to approval in writing by both parties.

IN WITNESS WHEREOF, each of the parties agrees to the terms of this Renewal and has caused this Renewal to be executed on the following page by its duly authorized representative to be effective as of September 1, 2015.

NUECES COUNTY  
HOSPITAL DISTRICT

By: Jonny F. Hipp

Name: Jonny F. Hipp, ScD

Title: Administrator/CEO

Date: October 6, 2015

Attest: Sara G. Lopez  
Sara G. Lopez

THE UNIVERSITY OF TEXAS  
MEDICAL BRANCH

By: \_\_\_\_\_

Cheryl A. Sadro, CPA, MSM  
Executive Vice President  
Chief Business & Finance Officer

Date: \_\_\_\_\_

Content Reviewed \_\_\_\_\_

**Election by Hospital District as to Method of Invoicing (please initial one):**

Paper Monthly Statement

Electronic

**EXHIBIT A**  
**Compensation Schedule**

- Inpatient Services:** Hospital District agrees to pay for authorized Inpatient Services in accordance with Texas Medicaid allowable In-Patient TEFRA rate calculated from UTMB's most recent cost report. Payments for services rendered will be in accordance with UTMB's facility specific TEFRA In-Patient Percentage of 41% of current billed charges.
- Outpatient Services:** Hospital District agrees to pay for authorized Outpatient Services in accordance with Texas Medicaid allowable Out-Patient TEFRA rate calculated from UTMB's most recent cost report. Payments for services rendered will be in accordance with UTMB's facility specific TEFRA Out-Patient Percentage of 33% of current billed charges.
- Outpatient Surgery:** Hospital District agrees to pay authorized Outpatient Surgeries in accordance with UTMB's TEFRA Out-Patient Percentage of 33% of billed charges.
- Implants:** Hospital District agrees to pay for authorized implants at 33% of eligible billed charges.
- Outpatient Laboratory Services:** Hospital District agrees to pay authorized Outpatient Laboratory Services in accordance with the UTMB's TEFRA Out-Patient Percentage of 33% of billed charges.
- Professional Services:** Hospital District agrees to pay all authorized physician services, except Anesthesia services reimbursed per ASA unit, at 120% of the current Texas Medicaid Reimbursement Methodology. If the Center for Medicare and Medicaid, the state of Texas or any other governmental agency with governing authority reduces the Texas Medicaid Reimbursement Methodology during the term of this agreement, the parties hereto will increase the physician payment rates in equal proportion to offset the reduction.
- Mid-Level Providers:** Hospital District agrees to pay all covered mid-level provider services at 95% of the physician payment rates listed above under Professional Services.
- Anesthesia:** Hospital District agrees to pay \$55 per ASA unit, based on current ASA units and 15 minute time units.
- Any outpatient fees not otherwise defined:** Hospital District agrees to pay 33% of billed charges.

**Limit on Charge Master Increases.** UTMB is limited to an aggregate increase during the one-year term of this Contract not to exceed eight percent (8%) for all charges submitted that are reimbursed on a percentage of billed charges, excluding medical supplies and pharmaceuticals. Medical supplies shall include but not be limited to: implants, prosthetics, orthotics and stents. If during the term of this Contract UTMB has an aggregate increase in its charge master greater than eight percent (8%), UTMB agrees to adjust the percentage rate of billed charges set forth in Exhibit D such that Hospital District does not pay an amount that exceeds the eight percent (8%) cap on the increase in UTMB's charge master.