

**INTERLOCAL AGREEMENT
BETWEEN
HOUSTON INDEPENDENT SCHOOL DISTRICT
AND
CROSBY INDEPENDENT SCHOOL DISTRICT
REGARDING
SCHOOL HEALTH AND RELATED SERVICES (SHARS) PROGRAM**

- I. **GENERAL:** An Interlocal Agreement (Agreement) is one of the six procurement methods allowed under Section 44.031, of the Texas Education Code. This Agreement is entered into by and between Houston Independent School District hereafter referred to as "HISD" and CROSBY INDEPENDENT SCHOOL DISTRICT hereafter referred to as "CISD" or "client district" as the contracting parties, pursuant to Chapter 791, Texas Government Code, as amended. In consideration of the provisions, covenants and mutual responsibilities herein expressed, the parties hereto enter into this Agreement as follows:

- II. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for all purposes incident to this Agreement shall lie in Harris County, Texas.

- III. **PURPOSE:** The purpose of this Agreement is for the HISD to manage and provide Medicaid Billing and Claiming Services for the CISD's School Health and Related Services (SHARS) Program. These services to be offered by HISD to CISD, and the duties and responsibilities of CISD, are described in "**EXHIBIT A: ROLES AND RESPONSIBILITIES**" section of this Agreement. The services of HISD are defined and limited to the claiming for Medicaid reimbursement of the SHARS program activities and associated costs.

- IV. **TERM AND TERMINATION:** This Agreement shall commence on **May 1, 2026**, and shall remain in effect until **April 30, 2027**, and this Agreement will be automatically renewed annually for four (4) consecutive years after the completion of the above term, except with 60 days advance written notice of termination by either party in accordance with this Agreement.

Either party may terminate this Agreement at any time without cause upon sixty (60) days advanced written notice to the other party. In the event of termination by either party, each party will cooperate with the other party to facilitate the turnover of materials and records as needed to assure continued support or on-going operations. Any rights each party has to receive revenues from Medicaid reimbursements shall survive termination of this Agreement to the extent that such revenues were completely earned for SHARS claims billed and/or for consulting services provided prior to the effective date of the termination of the Agreement.

- V. **DATA AND PROPRIETARY RIGHTS:** HISD retains for itself sole ownership of all proprietary rights in and to all designs, engineering details and other data pertaining to any discoveries, inventions, patent rights, software, improvements, and all related materials originated and/or developed by HISD personnel. HISD will own all proprietary rights to all SHARS program billing records, documents, and proprietary or confidential information and/or trade secrets developed, created and/or originated by HISD prior to the commencement of this Agreement, or by HISD and CISD during the continuation of this Agreement. Upon termination of this Agreement according to provisions in Section IV above, the CISD shall make available to the HISD and turn over at HISD's request, all SHARS program billing records, documents, and proprietary information received from the HISD.

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- VI. **RECORDS, DOCUMENTS, AND CONFIDENTIALITY:** The CISD acknowledges and agrees not to disclose to any nonparty to this Agreement, other than as required to implement the terms of this Agreement, any SHARS records, documents, proprietary information, reports, operating information, financial data, or other business information, relating to the other parties without written permission from an HISD official, except as otherwise provided by the Texas Public Information Act or other applicable law.
- VII. **CONFIDENTIAL AND PROPRIETARY INFORMATION:** The parties may provide technical information and expertise to each other that is either: **(1)** marked as being confidential or, **(2)** if delivered in oral form, is summarized in writing within 10 working days and identified as being confidential (“Confidential Information”). The receiving party shall for a period of five (5) years from the date of disclosure **(i)** hold the disclosing party’s Confidential Information in strict confidence, and **(ii)**, except as previously authorized in writing by the disclosing party, not publish or disclose the disclosing party’s Confidential Information to anyone other than the receiving party’s employees on a need-to-know basis, and **(iii)** use the disclosing party’s Confidential Information solely for performance of this Agreement. The foregoing requirement shall not apply: **(a)** to any portion of a party’s publicly known information through no wrongful act or omission on the part of the receiving party; **(b)** to any such information that is already known to the receiving party at the time of the disclosure without similar non-disclosure obligations; **(c)** to any such information that is rightfully received by the receiving party from a third party without similar non-disclosure obligations; **(d)** to any such information that is approved for release by written authorization of the disclosing party; or **(e)** to any such information that is required to be disclosed by order of a court or government body or by applicable law, provided that the party intending to make such required disclosure shall promptly notify the other party of such intended disclosure in order to allow such party to seek a protective order or other remedy. Upon expiration of the above mentioned five (5) year period, both parties agree to return all confidential materials to the disclosing party. Confidential information shall not be disclosed in violation of these terms at any time, including beyond expiration of the five (5) year period described above.
- VIII. **SHARS REVENUE:** SHARS revenue shall mean the following: **(1)** the gross Federal Share of the SHARS program’s reimbursements before the allocation of gross Federal reimbursements between the State of Texas and the CISD, and **(2)** cash and any credits received by the State of Texas on the behalf of or for the CISD’s benefit as a direct result of participating in the SHARS program.
- IX. **COMPENSATION FOR SERVICES** HISD shall be compensated by the CISD in amounts based on the fee schedule listed in “**Exhibit B**” attached hereto and made a part of this Agreement.

HISD shall be entitled to payment for all current and retroactive claims successfully completed and for which SHARS revenue has been received by the CISD. HISD shall send CISD a monthly invoice of fees due to HISD and each invoice will be due and payable to HISD within 30 days of receipt of said invoice. Any error or disputed amount in an invoice submitted for payment by HISD shall be handled in accordance with the Prompt Pay Act (Chapter 2251 of the Texas Government Code), including Section 2251.402, and CISD’s failure to comply with the provisions of the Prompt Pay Act shall constitute a waiver of any error or disputed amount

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in an invoice.

SHARS revenue for claims filed retroactively in accordance with regulatory Medicaid

guidelines in the Texas Medicaid Plan will be due and payable based on the current schedule listed in “**Exhibit B**” of this Agreement. The basis for claims filed retroactively is described in “**Exhibit C**” of this Agreement, which is made a part hereof. All invoices shall include appropriate documentation to support the payment. Upon termination of this Agreement, HISD shall be entitled to payment for all SHARS revenue for claims successfully transmitted to Texas Medicaid and Healthcare Partnership/Medicaid to date of termination, and as payment is received by CISD.

In the event that any federal and/or state agency shall demand return of any payments for claims remitted on behalf of CISD, including applicable interest, penalties, or charges related to such claims, CISD shall be responsible for reimbursement of all such amounts.

In the unforeseen event that HISD must incur substantial increases in cost for personnel and/or material to keep in compliance with new Medicaid regulations, the parties to this Agreement mutually agree to negotiate a reasonable increase in fees or costs that would be incurred by the HISD to maintain Medicaid compliance.

Both Parties, in the performance of governmental functions or services shall, respectively, render performance and make payments from current revenues legally available to the Party.

X. EVENTS OF DEFAULT: Upon the occurrence of an Event of Default (as hereafter defined) by either party to this Agreement, the non-defaulting party may terminate this Agreement effective thirty (30) days from the date of written notice to the defaulting party. Each of the following events constitutes an Event of Default:

- A. CISD fails to make any payments to HISD on or before the due date and fails to cure this delinquency within thirty (30) days of notice of such delinquency from HISD;
- B. CISD fails to perform or observe any other duty or obligation to be performed or observed by it under this Agreement, and such failure shall continue for thirty (30) days after written notice thereof from HISD to the CISD, or
- C. HISD fails to perform any of its duties hereunder, and such failure shall continue for thirty (30) days after written notice of such failure sent by the CISD to HISD.

XI. CONFIDENTIALITY OF STUDENT CLINICAL OR MEDICAL DATA CISD shall not, during or subsequent to the term of this Agreement, directly or indirectly disclose confidential information or clinical data of students from CISD to anyone other than an employee of the CISD, who requires such information to perform hereunder, or an employee of HISD, except as otherwise may be required by the terms of the Texas Public Information Act, the Family Educational Rights and Privacy Act (FERPA), Health

Insurance Portability and Accountability Act (HIPAA), or pursuant to subpoena or court

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order.

HISD shall not, during or subsequent to the term of this Agreement, directly or indirectly disclose confidential information or clinical data of students from the CISD to anyone other than an employee or agent of HISD who requires such information to perform hereunder, or as required in order to perform the claims Submission process, except as otherwise may be required by the terms of the Texas Public Information Act, the Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA), or pursuant to subpoena or court order.

No information shall be deemed confidential unless designated as such in writing by the party asserting such confidential nature, or unless designated as confidential by law under any of the aforementioned statutes or other applicable laws, rules, or regulations.

- XII. CUSTOMER SUPPORT:** HISD will provide comprehensive client support services including the handling of all incoming client district calls during normal HISD business hours regarding the SHARS program or HISD client services related to SHARS reimbursement.

Upon mutual execution of this Agreement, HISD agrees, within 15 business days, to begin formal training and/or orientation with CISD on the finance and program processes and/or procedures of this SHARS program.

- XIII. IMMUNITY AND DISCLAIMER:** HISD does not waive or relinquish any immunity or defense on behalf of itself, and its trustees, officers, employees (paid or volunteer) and agents all in both their individual and official capacities, as a result of the execution of this Agreement and performance of the functions or obligations described herein.

The Parties expressly agree that HISD has made no warranties whatsoever, express, or implied, regarding the accuracy, dependability, or viability of the data or the SHARS program or any products related to the SHARS reimbursement process.

HISD hereby expressly disclaims, and the CISD expressly agrees to such disclaimer, of any and all express and implied warranties with regard to the SHARS program and/or services provided by HISD under this Agreement, including, without limitation, any implied warranties of merchantability or fitness.

In no event shall HISD be liable for any loss, inconvenience, claims or damages, including without limitation, any damages for loss of business profits, business interruption, loss of any actual or potential SHARS revenue or reimbursements, or claims for reimbursement, or any other direct or indirect claims or causes of action, resulting from or arising out of this Agreement and the obligations herein.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of any third party against HISD.

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- XIV. ERRORS AND OMISSIONS:** No accidental errors or omissions upon the part of either party shall relieve the other party of its responsibilities under this agreement, provided such errors and omissions are reported as soon after discovery as possible.
- XV. SOLICITATION:** During the term of this Agreement, and for a period of one year thereafter, neither CISD nor HISD will solicit for employment, in areas related to Medicaid programs, any employees of the other party or its affiliates who directly participated in the work being performed hereunder.
- XVI. NO ASSIGNMENT:** No assignment of this Agreement or of any duty or obligation of performance hereunder, shall be made in whole or in part by either party without the prior written consent of the other party.
- XVII. SECTION HEADINGS:** The heading of sections contained in this Agreement are for convenience only, and they shall not, expressly or by implication, limit, define, extend, or construe the terms or provisions of the sections of this Agreement.
- XVIII. NOTICE:** Any notice required to be given under the provisions of the Agreement shall be in writing and shall be duly served when it shall be hand-delivered to the addressees set out below, or shall have been deposited, duly registered or certified, return receipt requested, in a United States Post Office addressed to the other party at the following addresses:

To: Houston Independent School District

Attn: F. Mike Miles
Superintendent of Schools
4400 West 18th Street
Houston, Texas 77092

Copy to:

Attn: Dr. James Terry
Chief Financial Office Operations Officer
4400 West 18th Street
Houston, Texas 77092

To: CROSBY INDEPENDENT SCHOOL DISTRICT

Attn: Robert L. Heniff
Chief Financial Officer
14670 FM 2100
Crosby, Texas 77532

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XIX. MISCELLANEOUS: This Agreement and Exhibits A-E attached hereto and incorporated herein shall constitute the complete understanding of HISD and CISD relative to the purpose of this Agreement and supersedes any other representatives, agreements, arrangements, negotiations, understandings, oral or written, between the parties to this Agreement and may not be modified in any manner without the express written consent of both parties.

If any portion of this Agreement shall be declared or held unenforceable for any reason, the remaining portions hereof shall continue in full force and effect. All exhibits attached hereto are expressly made a part of this Agreement.

Neither HISD nor client district shall be deemed to have breached any provision of this Agreement as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or internet equipment or service, pandemic, other catastrophes, or any other occurrences which are reasonably beyond HISD or client district. The party seeking relief due to force majeure is required to promptly notify the other party in writing, citing the details of the force majeure event and relief sought, and shall resume performance immediately after the obstacles to performance caused by a force majeure event have been removed, provided the Contract has not been terminated on grounds unrelated to force majeure. Delay or failure of performance, by either party to this Agreement, caused solely by a force majeure event, shall be excused for the period of delay caused solely by the force majeure event. HISD and client district shall not have any claim for damages against any other party resulting from delays caused solely by force majeure. Notwithstanding any other provision of this Agreement, in the event client district's performance of its obligations under this Agreement is delayed or stopped by a force majeure event for longer than ninety (90) days, either party shall have the option to terminate this Agreement. This section shall not be interpreted as to limit or otherwise modify any of HISD's or client district's contractual, legal, or equitable rights.

Except as otherwise expressly stated herein, no failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof.

Client district agrees that the normal rules of construction that require that any ambiguities in this Agreement are to be construed against the drafter shall not be employed in the interpretation of this Agreement.

In WITNESS WHEREOF, the parties hereto (who, by signing below represent and acknowledge they have legal authority to bind their respective governmental entity) have caused this Agreement to be duly executed as of the date(s) set forth herein.

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[SIGNATURE PAGE TO FOLLOW]

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**CROSBY INDEPENDENT SCHOOL
DISTRICT**

**HOUSTON INDEPENDENT
SCHOOL DISTRICT**

By: _____
Dr. Paula Patterson Date
Superintendent of Schools

By: Not Required

F. Mike Miles Date
Superintendent of Schools

**APPROVED AS TO FUNDING/
BUSINESS TERMS**

**APPROVED AS TO FUNDING/
BUSINESS TERMS**

By: _____
Robert L. Heniff Date
Chief Financial Officer

By: _____
James Terry, Ph.D, CPA, RTSBA Date
Chief Finance and Operations Officer

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____
Date

By: _____
Catosha Woods Date
General Counsel

EXHIBIT "A"
ROLES AND RESPONSIBILITIES

HOUSTON ISD/BILLING AGENT

- 1) Assist the client district in obtaining a Medicaid Provider Identification Number.
- 2) Assist the client district in executing a provider contract as required by TMHP to file electronic claims.
- 3) Verify student eligibility for each claim submitted (**HISD pays for and maintains a direct-line access to the State Medicaid eligibility mainframe on behalf of all its school districts**).
- 4) Provide the client district with pre-printed or on-line SHARS service tickets generated from the client district's Medicaid eligible student list.
- 5) Process all required data to create and maintain student, clinician/therapist, and service files.
- 6) Process each SHARS claim generated by the client district's clinician or health care providers documenting each SHARS service provided to Medicaid eligible students.
- 7) Submit SHARS claim data to TMHP/Medicaid for SHARS reimbursement utilizing HISD billing software for electronic claims submission for which Medicaid reimbursement will be sought.
- 8) Provide the client district with support services for Claims Tracking for the client district's use in tracking monthly service tickets for SHARS Medicaid eligible students.
- 9) Issue monthly invoice for services provided to client district that discloses claims successfully processed, submitted, and subsequently paid by TMHP/Medicaid.
- 10) Maintain billing records including site storage for data stored at HISD.
- 11) Generate quarterly reports, which show: **(1)** SHARS revenue billed to date, and **(2)** SHARS revenue received to date.
- 12) Provide access to applicable documentation and records required by federal and state laws, rules and regulations, and guidelines for Medicaid or other governmental compliance.
- 13) Provide support with the Center for Medicare and Medicaid Services (CMS), Texas Health and Human Services Commission (THHSC), and Texas Education Agency (TEA) audits.
- 14) Provide client support Hot Line with free 1-800 long distance access during normal HISD business hours.
- 15) Monitor compliance with changing federal and state Medicaid laws.
- 16) Assist client district with the quarterly submission of the "Certification of Expended State Funds Letter" as required by CMS and THHSC.

CISD / CLIENT DISTRICT

- 1) Designate contact person(s) or coordinator to officially communicate and maintain on-going contact with the HISD
- 2) Obtain a Medicaid Provider Identification Number.
- 3) Execute a provider contract as required by TMHP to file electronic claims.
- 4) Authorize HISD to act as billing agent by executing **Billing Service Authorization** per **“Exhibit D”** of this Agreement.
- 5) Submit a listing, and/or data base of all of CISD’s special education students for HISD to determine SHARS Medicaid eligibility, and update list as required by HISD.
- 6) Submit copies of monthly SHARS service tickets to HISD for claims processing and submission.
- 7) Maintain source documentation for a period of seven (7) years on services for which SHARS claims were filed.
- 8) Warrant to the best of the knowledge of the client district, its agents, officers, and employees, the accuracy, reliability, and completeness of any and all information submitted to HISD.
- 9) Pay monthly invoices received from HISD for SHARS revenue received and services provided to CISD in accordance with the **Current Fee Schedule** in **“Exhibit B”** of this Agreement.
- 10) Require clinicians and SHARS service providers to complete monthly pre-printed SHARS Service Tickets for monthly processing and claims submission for Medicaid reimbursement.
- 11) Authorize HISD as billing agent, by executing Release of Information as per **“Exhibit E”** to obtain a copy of the client district quarterly **“Certification of Expended State Funds Letter”** from TMHP.
- 12) Maintain documentation related to certifications, licensures, etc. of all staff/service providers for whose services client district is seeking SHARS reimbursement.
- 13) Maintain individual education programs (IEPs) within the school-based Medicaid program guidelines for all services for which client district is seeking SHARS reimbursement.
- 14) Maintain necessary paperwork related to all Medicaid-required referrals, orders, and/or recommendations for services for which the client district is seeking SHARS reimbursement.
- 15) Maintain attendance records.
- 16) Maintain actual cost data for covered services.
- 17) Provide other information and services as requested by HISD in order to successfully complete the SHARS claim process.

EXHIBIT "B"
FEE SCHEDULE

**HISD SERVICE FEE SCHEDULE
CROSBY INDEPENDENT SCHOOL DISTRICT
ELECTRONIC CLAIM SUBMISSION**

**HISD SERVICE FEE SCHEDULE FOR
CLIENT DISTRICT'S PAID CLAIMS**

SERVICE FEE OF 4% OF ALL SHARS REVENUE RECEIVED,
\$1500 ANNUAL TECHNOLOGY INFRASTRUCTURE FEE
0% OF COST REPORT

PLEASE NOTE:

- 1) Service fee will only apply to PAID CLAIMS that generated SHARS revenue.
- 2) Annual Technology Infrastructure Fee will be invoiced and payable on October 1st of each year.
- 3) Annual contract renewals will be effective May 1st of each consecutive year.

EXHIBIT "C"
RETROACTIVE CLAIMS

For retroactive claims submitted during the period designated in the Texas Medicaid Plan, HISD shall be entitled to payment only for claims successfully completed and for which SHARS revenue has been received by the CISD during the term of this Agreement. Billings by HISD under this Agreement shall be due and payable only for claims for which CISD has received reimbursement(s). Fees due and payable will be based on the fee schedule in "**Exhibit B**" of this Agreement. These terms apply only to the retroactive claim filing period as designated by the Texas Health and Human Services Commission (THHSC) and do not impact claims incurred during the current academic year.

EXHIBIT "D"
BILLING SERVICE AUTHORIZATION

This form authorizes the Houston Independent School District through its billing software service to act on the behalf of CISD in meeting the requirements authorized in the following paragraphs, when submitting Medicaid claims on behalf of CISD.

This is also to certify that information appearing on billings submitted by CISD for the Texas Medical Assistance Program is and will be true, accurate and complete. CISD understands that payment of any Texas Medical Assistance Program claim will be from federal and state funds and that any falsification or concealment of a material fact may be prosecuted under federal and state laws. These certifications are made in accordance with requirements found at 42 Code Federal Regulations 455.18 and 455.19.

CISD also certifies that the items billed to the Texas Medical Assistance Program are and will be for services that have been and will be provided by CISD, and in cases of physician services, the services, supplies, or other items billed have been and will be medically necessary for the diagnosis or treatment of the condition of the patients, and are provided without regard to race, color, sex, national origin, age, or handicap.

Additionally, CISD agrees to keep such records as are necessary to disclose fully the extent of services provided to individuals under the Texas Medical Assistance Program and to furnish and provide access to information regarding any payment claimed for providing such services as the State Agency, Attorney General's Office, and Department of Health and Human Services (HHS) Office may request for seven (7) years from date of service, or until any dispute is settled, whichever occurs first.

CISD agrees to accept the amounts paid by the Medicaid program as full payment for the services rendered for which a Medicaid benefit is provided under the Texas Medical Assistance Program.

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This form, to be retained in HISD files, bears CISD's original authorized signature:

NPI # 1811235765

Medicaid Provider Number

**CROSBY INDEPENDENT SCHOOL
DISTRICT**

Provider (District Name)

14670 FM 2100

P.O. Box / Street

Crosby, TX 77532

City/State/Zip

Dr. Paula Patterson

Name of Authorized Representative

Authorized Signature

Superintendent of Schools

Title

Date

EXHIBIT "E"

RELEASE OF INFORMATION

CROSBY INDEPENDENT SCHOOL DISTRICT authorizes HISD, as billing agent, to obtain a copy of the quarterly "**Certification of Expended State Funds Letter**" from the Texas Medicaid and Healthcare Partnership (TMHP) at the time it is sent to the district.

EXECUTED ON: _____

Authorized Signature

Dr. Paula Patterson
Printed Name

Superintendent of Schools
Title

Date