

**AMENDMENT 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 **Amendment of The Interlocal Cooperation Act Contract** ("Amendment") 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, 2016.

**RECITALS**

- A. Hospital District and UTMB entered into the Interlocal Cooperation Act Contract and Business Associate Agreement effective September 1, 2014 (the "Contract"), wherein UTMB agreed to provide health care services to Hospital District's eligible residents, as more specifically described in the Contract.
- B. Hospital District and UTMB entered into a one year Renewal, having an effective date of September 1, 2015 ("Renewal"), as more particularly described therein.
- C. Hospital District and UTMB now wish to (a) amend the term of the Contract by extending the term to September 1, 2016 through August 31, 2017; (b) amend the term of the Contract by adding a renewal provision that renews the Contract for two additional consecutive one year terms through August 31, 2019; (c) update payment mailing addresses and contact information for notices; and (d) ratify the terms of the Contract and enter into this Amendment as provided herein.

**CONTRACT AMENDMENT**

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 amend the Contract, as follows:

**1. AMENDMENT OF TERM.**

Section 4.1, Term and Termination is amended by extending the term and adding a renewal provision as follows:

4.1 The term of this Contract shall be from September 1, 2016 through August 31, 2017, regardless of the date of execution. The Contract will renew for two additional consecutive one year terms, September 1, 2017 through August 31, 2018 and September 1, 2018 through August 31, 2019, subject to any applicable rate changes published by the Texas Health and Human Services Commission, which will be provided annually to the Hospital District in Exhibit A.

**2. AMENDMENT OF NOTICE PROVISION.**

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

**EXHIBIT A**  
**Compensation Schedule**  
**(Rates effective as of 01/01/2017)**

- 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 39% 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 28% of current billed charges.
- Outpatient Surgery:** Hospital District agrees to pay authorized Outpatient Surgeries in accordance with UTMB's TEFRA Out-Patient Percentage of 28% of billed charges.
- Implants:** Hospital District agrees to pay for authorized implants at 28% 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 28% 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 28% 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.

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

3. **Ratification and Defined Terms.** Except as modified by this Amendment, 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 Amendment, the provisions of this Amendment shall control and govern. Except as otherwise defined in this Amendment, each of the terms used herein shall have the same meaning assigned to such terms in the Contract.

IN WITNESS WHEREOF, each of the parties agrees to the terms of this Amendment and has caused this Amendment to be executed on the following page by its duly authorized representative to be effective as of September 1, 2016.

**NUECES COUNTY  
HOSPITAL DISTRICT**

**THE UNIVERSITY OF TEXAS MEDICAL  
BRANCH AT GALVESTON**

By: Jonny F. Hipp

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

Name: Jonny F. Hipp, ScD, FACHE

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

Title: Administrator/CEO

Date: January 26, 2017

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

Attest: Sara G. Lopez  
Sara G. Lopez

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

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

Paper Monthly Statement  
 Electronic