

**INTERLOCAL AGREEMENT BETWEEN
NUECES COUNTY AND NUECES COUNTY HOSPITAL DISTRICT**

This Agreement, effective as of the date of the last signature below, is entered into by and between Nueces County (the “County”), a political subdivision of the State of Texas, and the Nueces County Hospital District (the “Hospital District” or “District”), a political subdivision and special district of the State of Texas created pursuant to Article IX, Section 4 of the Texas Constitution, under the authority of and in accordance with the Interlocal Cooperation Act, as set out in Chapter 791 of the Texas Government Code.

WITNESSETH:

WHEREAS, the Hospital District and the County recognize the need to attract and retain competent and able employees by providing health benefits and life insurance; for their employees;

WHEREAS, the Hospital District and the County recognize the need to foster, promote and encourage employment by and service to political subdivisions as a career profession for people of high standards of competence and ability;

WHEREAS, the Hospital District and the County have authority to provide health and accident, group dental, accidental death and dismemberment, hospital, surgical, and medical expense coverage for political subdivision officials, employees, retirees, and their dependents pursuant to §172.004(a)-(c) of the Texas Local Government Code;

WHEREAS, the Hospital District and the County have authority to enter into an interlocal contract to provide administrative functions, as defined by §791.003 pursuant to Chapter 791 of the Texas Government Code, to other political subdivisions; and,

WHEREAS, the provision of health, life, vision, and dental insurance coverages, for political subdivision employees, and their dependents are an administrative function of government.

NOW, THEREFORE, for and in consideration and exchange of mutual covenants and conditions contained herein the Hospital District and the County agree as follows:

**I.
PURPOSE**

The purpose of this Interlocal Agreement is to enable employees of the Hospital District to participate in certain employee benefits available in Nueces County’s Employee Benefit Plans.

II. BENEFIT COVERAGE

County agrees to provide certain administrative functions for the Hospital District by agreeing to include the District's enrolled employee and family as participants in the County's Employee Group Health Insurance Plan, Employee Group Life Insurance Plan, Employee Group Vision Insurance Plan, and Employee Group Dental Insurance Plan (collectively, the "County Employee Benefit Plans").

III. HOSPITAL DISTRICT PAYMENTS

In consideration of County Employee Benefit Plans provided by the County to the Hospital District under this Agreement, the District agrees as follows:

A. To pay the County the sum of the monthly premiums associated with the District's employee and family participation in the County's Employee Benefit Plans, except for the County's Employee Group Health Insurance Plan premiums (the "Non-Health Plan Premiums"). The District will pay the Non-Health Plan Premiums subject to receipt of a monthly invoice from the County and no later than the 20th day after receipt.

B. To pay the County the sum of the monthly premiums associated with the District's employee and family participation in the County's Employee Group Health Insurance Plan (the "Health Plan Premiums). Subject to the provisions of Article IV below, the District will pay the Health Plan Premiums plus an additional 10% of the Health Plan Premiums (the "Health Insurance Premium Subsidy") to mitigate any upfront costs paid by the County for health insurance claims of Hospital District employee and family participation in the Employee Group Health Insurance Plan during the Fiscal Year (the paid Health Plan Premiums and Health Insurance Premium Subsidy are collectively referred to as the "Paid and Subsidized Health Plan Premiums") subject to receipt of a monthly invoice from the County and no later than the 20th day after receipt.

C. To pay the County the remainder amount resulting from subtraction of the sum of the Paid and Subsidized Health Plan Premiums paid during the fiscal year from the sum of the County-paid health insurance claims associated with the District's employee and family participation in the Employee Group Health Insurance Plan, net of any related refunds and adjustments (the "Remainder Claims Amount" if the remainder amount is negative, or the "Overpaid Claims Amount" if the remainder amount is positive). Subject to the provisions of Article IV below, the District will pay the Remainder Claims Amount after receiving an annual claims invoice from the County and no later than the 20th day after receipt. The County's annual invoice shall be submitted to the District not later the 90th day following the end of the fiscal year.

1. The phrase "paid health insurance claims" means the amounts paid by the County after adjudication by the County's independent third-party claims administrator according to the County Employee Group Health Insurance Plan's coverage schedule in effect for the related fiscal year.

2. In the event any aggregate health insurance claims incurred by a specific individual during the fiscal year amount to more than the County's specific individual stop-loss insurance deductible for the related year, the District shall not pay the County more than the stop-loss insurance deductible for the fiscal year. For the initial term of this Agreement, the County agrees its specific individual stop-loss deductible for aggregate health insurance claims incurred by a specific individual is \$475,000.
3. The County agrees that its costs of maintaining and administering the Employee Group Health Insurance Plan are included in and not in addition to the premiums paid by the District for employee and family participation in the Plan. The County agrees that such costs include, but are not limited to claims administration, provider network management, customer service support, compliance and regulatory monitoring and reporting, enrollment and eligibility management, medical management services, reporting and data analytics, stop-loss insurance, plan design and any other costs typically needed to maintain and administer a self-funded health insurance plan.
4. In the event there is an Overpaid Claims Amount, the amount shall be processed by the County as directed by the Hospital District and upon the County's receipt of written instructions from the District,
5. The term "health insurance claims" used herein and elsewhere in this Agreement refers to claims for both health insurance and prescriptions as provided in the Employee Group Health Insurance Plan coverage schedule.

IV.

PROVISION OF COUNTY HELD CLAIMS INFORMATION

In consideration of the Hospital District's fiscal management requirements and payments under this Agreement, the County agrees as follows:

- A. To provide the District, every 3 months during this Agreement and no later than the 20th day of such month, with Health Insurance Portability and Accountability Act (HIPAA)-compliant information on all healthcare insurance claims incurred by the District's employee and family participation in the County's Employee Group Health Insurance Plan.
- B. To provide the District not later than the 120th day after the end of each fiscal year during this Contract and no later than the 20th day of such month with a HIPAA-compliant accounting of all claims incurred by the District's employee and family members participating in County's Employee Group Health Insurance Plan during the fiscal year.
 1. The claims accounting shall reflect the requisite detail and sum of the claims paid, by the County after adjudication by the County's independent third-party claims

administrator according to the County Health Insurance Plans's benefits schedule in effect for related fiscal year. net of any refunds and adjustments.

**V.
NOTIFICATIONS**

The Hospital District shall promptly notify the County in writing when an employee is no longer employed by the District. The Hospital District shall use their best efforts to keep the District's list of employee and family participation current at all times.

The County shall promptly notify the Hospital District in writing of (1) any material changes to the County Employee Benefit Plans, (2) changes to the amount of the specific individual stop-loss insurance deductible under Employee Group Health Insurance Plan, and (3) changes to the Employee Group Health Insurance Plan's coverage and benefits.

**VI.
USE OF CURRENT REVENUES**

Each party hereto paying for the performance of governmental functions or services hereunder must make those payments from current revenues available to the paying party.

**VII.
JURISDICTION AND VENUE**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue of any legal action filed shall be in a court of competent jurisdiction in Nueces County, Texas.

**VIII.
CURRENT YEAR SERVICES**

Upon execution of this Agreement by both parties, payments by the Hospital District to the County for any services provided after October 1, 2024 shall be calculated pursuant to the terms of this Agreement and are herein ratified. All terms and conditions as set out in this Agreement apply to such ratified compensation, fees, and services.

**IX.
TERM AND RENEWAL**

The initial term of this Agreement shall be effective October 01, 2024, and terminate at the close of business on September 30, 2025.

Thereafter, the term of the Agreement shall run each fiscal year (i.e., from October 01 of the then current to September 30 of the following year) and shall automatically renew on a fiscal-year basis unless either party terminates the Agreement by providing written notice of termination at least 6 months prior to the effective date of termination as provided in this Article IX.

**X.
AMENDMENT**

This Agreement may be amended by mutual consent of both parties. In order to be effective, any amendment to the Agreement must be in writing and signed by both parties after approval by the respective governing bodies at a publicly noticed meeting.

**XI.
SEVERABILITY**

In the event that one or more of the provisions contained in this Agreement is or are for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of the Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, but shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

**XII.
RELATIONSHIP OF THE PARTIES**

Each party shall have and retain the exclusive right of control over its employees and contractors assigned to perform services under this Agreement in accordance with the applicable laws of the State of Texas. Neither party has the authority to bind nor otherwise obligate the other orally, in writing or by any act or omission. Nothing contained herein shall establish an agency, employee-employer relationship, partnership, joint enterprise, joint employer, or joint venture relationship by or between the parties.

**XIII.
NOTICES; OTHER COMMUNICATIONS**

All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or five (5) days after being deposited in the United States Postal Service, and sent by certified mail, return receipt requested, postage prepaid, addressed to the designated party at the following address or to any other party at any other address as may be designated in writing in advance by the parties:

IF TO THE COUNTY:

Nueces County
Attn: County Judge
Nueces County Courthouse, Room 303
901 Leopard Street
Corpus Christi, Texas 78401

IF TO THE HOSPITAL DISTRICT:

Nueces County Hospital District
Attn: Administrator/Chief Executive Officer
555 North Carancahua St., Suite 950
Corpus Christi, Texas 78401-0835

**XIV.
WAIVER OF DEFENSES; IMMUNITIES**

Neither the Hospital District nor the County waives any defenses assertible by either party including governmental immunity, or immunity from liability afforded under law.

**XV.
GOVERNING BODY APPROVAL**

This Contract must be approved by the governing bodies of both parties in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

**XVI.
AUTHORITY TO SIGN; ENTIRE AGREEMENT**

The undersigned signatories hereby represent and warrant that they are officers and that they have full and complete authority to enter into this Contract. This Contract contains the entire agreement among the parties relating to such matter and supersedes all other negotiations and agreements, whether written or oral. No prior agreement or understanding between the parties pertaining to any such matter contained herein shall be effective.

NUECES COUNTY

NUECES COUNTY HOSPITAL DISTRICT

By: _____
Connie Scott
County Judge

By: _____
Jonny F. Hipp
Administrator/Chief Executive Officer

Date: _____

Date: _____

ATTEST:

By: _____
Kara Sands
County Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Jenny P. Dorsey
County Attorney

Date: _____