

**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, 2019 ("Effective Date"), regardless of the date of execution.

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 entered into an amendment 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 the amendment as provided therein.
- D. Hospital District and UTMB now wish to enter into this Amendment to (a) amend the term of the Contract by extending the term, effective September 1, 2019 through August 31, 2020; (b) amend the Contract by adding an auto-renewal provision for additional one year terms; (c) amend the Contract to add without cause termination language; (d) amend the Notice section for UTMB's information; (e) clarify that UTMB will send annual rate updates to Hospital District through mutually agreed upon manner and method; and (f) 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 & DELETE A SECTION.**
 - a. Section 4.1, Term and Termination is amended by replacing the first paragraph as follows:

"4.1 The term of this Contract shall be from September 1, 2019 through August 31, 2020, regardless of the date of execution. The Contract will automatically renew for one year terms, 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 a manner and method mutually agreed upon between the parties, appearing as Exhibit D under the Contract. This Contract may be terminated without cause by either party at any time by giving thirty (30) days' written notice to the other party, or as otherwise specified herein."

b. Section 4.12 is hereby deleted from the Contract.

2. **AMENDMENT OF NOTICE PROVISION.**

4.6 UTMB's Notice section is hereby updated as follows [update in bold]:

"UTMB: Cheryl A. Sadro, CPA, MSM
Chief Financial Officer
The University of Texas Medical Branch
301 University Blvd.
Galveston, TX 77555-0128"

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 by its duly authorized representative as of the Effective Date.

NUECES COUNTY HOSPITAL DISTRICT

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

By: Jonny F. Hipp

By: Cheryl A Sadro
Cheryl A. Sadro, CPA, MSM
Chief Financial Officer

Name: Jonny F. Hipp

Title: Administrator / CEO

Date: 12/16/2020

Date: 12/17/2020

Attest: Belinda E. Chism

Content Reviewed NJA

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

Paper Monthly Statement
 Electronic

EXHIBIT D
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 current TEFRA In-Patient Percentage 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 current TEFRA Out-Patient Percentage of current billed charges.
- Outpatient Surgery:** Hospital District agrees to pay authorized Outpatient Surgeries in accordance with UTMB's then TEFRA Out-Patient Percentage.
- Implants:** Hospital District agrees to pay for authorized implants at 33% of UTMB's billed charges.
- Outpatient Laboratory Services:** Hospital District agrees to pay authorized Outpatient Laboratory Services in accordance with UTMB's current TEFRA Out-Patient Percentage 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 UTMB's billed charges.