INTERAGENCY CONTRACT
BETWEEN
THE TEXAS HEALTH AND HUMAN SERVICES COMMISSION
AND
HEALTH-RELATED INSTITUTION

I. CONTRACTING PARTIES
This Agreement is between the Texas Health and Human Services Commission ("HHSC") and Texas A&M Health Science Center, Texas A&M Physicians ("HRI") (collectively, "the Parties"). This Agreement is authorized by and in compliance with the provisions of the Interagency Cooperation Act, Texas Government Code, Chapter 771.

II. BACKGROUND AND PURPOSE
A. HHSC is the single state agency designated in Texas to administer the medical assistance program known as Medicaid.

B. HHSC will implement the Network Access Improvement Program ("NAIP") through Medicaid managed care organizations ("MCOs"). Through the NAIP initiative, Texas hopes to achieve the following goals and objectives:

1. Improve the availability of and Medicaid access to primary care physicians staffed by HRIs.

2. Enhance the coordination and continuity of services and quality of care of Medicaid managed care members who receive primary care services through those physician practices.

3. Increase access to primary care in these settings, underscoring the importance of primary care residency programs and influencing future physician participation.

4. Promote provider education on Medicaid program requirements and the specialized needs of Medicaid recipients.

5. Measure progress through increased primary care access and physician compliance with quality objectives.

Under the NAIP initiative, MCOs will provide incentive payments to qualified HRIs for meeting one or more of the NAIP program goals and objectives.

C. The HRI has separately entered into NAIP participation agreements with one or more Medicaid MCOs. The NAIP participation agreement(s) describe the specific program under which the HRI becomes eligible for incentive payments from the MCO(s). These agreements must comply with the terms and conditions of the Medicaid MCO(s)’ HHSC-approved NAIP proposal(s), as amended or modified. In the event of a conflict between
terms in the NAIP participation agreement(s) and this Agreement or the HHSC-approved NAIP proposal(s), this Agreement and the approved proposal prevail.

D. By entering into this Agreement, the HRI certifies that the NAIP program initiatives included in its NAIP participation agreements do not and will not duplicate or otherwise overlap with Delivery System Reform Incentive Payment ("DSRIP") programs and metrics implemented by the HRI.

E. The purposes of this Agreement are:

1. To provide terms and conditions for the HRI to transfer state-appropriated and/or local funds to HHSC for use as the non-federal share of NAIP incentive payments to the HRI from the MCO(s);

2. To describe the expectations of the Parties in the event the HRI fails to timely transfer funds to HHSC for this purpose or the HRI fails to achieve the NAIP performance metrics described in its NAIP participation agreements; and

3. To describe the process that HHSC will use to reconcile the non-federal percentage of payments from HHSC to the MCOs with the amount of funds transferred to HHSC from the HRI for the Program Period.

III. PROGRAM PERIOD AND CONTRACT PERIOD

A. The Program Period begins on the later of September 1, 2016, or the day that HHSC implements the NAIP initiative, and ends on August 31, 2017.

B. The Contract Period begins on the latest date a party signs this Agreement and continues until completion of the final reconciliation that is described in Section VII of this Agreement.

C. The term of the Program Period or Contract Period may be modified by written agreement between the Parties.

IV. CONTRACT AMOUNT

A. For each Medicaid managed care program and service area in which the HRI participates in a NAIP initiative, HHSC's managed care contract with participating MCOs will require the MCOs to allocate a fixed percentage of the capitation rates to the HRI's NAIP initiatives (the "NAIP Rate Component"), less any amounts withheld or recouped due to the HRI's failure to achieve all or part of its NAIP performance metrics. The HRI agrees to reimburse HHSC for the non-federal percentage of the NAIP Rate Component for all Medicaid programs and service areas in which the HRI participates in the NAIP initiative.
The non-federal percentage of the NAIP Rate Component equals one-hundred percent minus the applicable Federal Medical Assistance Percentage for Medicaid for Texas in effect when HHSC incurs the expense.

B. The Parties estimate that the Contract Amount will not exceed $291,622.00 (TWO HUNDRED NINETY-ONE THOUSAND SIX HUNDRED TWENTY-TWO DOLLARS), which equals the non-federal percentage of the values described in all of the HHSC-approved NAIP proposals plus ten percent.

V. STATEMENT OF SERVICES TO BE PERFORMED

A. By HRI:

1. Beginning on August 10, 2016 and continuing on the tenth day of each month through July 10, 2017, the HRI will transfer to HHSC an amount equal to at least one-twelfth of the estimated Contract Amount described in section IV.B. of this Agreement. If at any time during the Program Period HHSC determines that the Contract Amount is likely to exceed the amount described in section IV.B. of this Agreement, HHSC will notify the HRI of a revised amount that the HRI must transfer on the tenth day of each month remaining in the Program Period.

2. The HRI will transfer to HHSC any shortfall amount calculated as described in Section VII of this Agreement. The HRI will complete the transfer within 30 days of receipt of HHSC’s notice regarding the shortfall.

B. By HHSC:

1. Prior to August 10, 2016, HHSC will provide the HRI with the NAIP Rate Component for each MCO, Medicaid program, and service area in which the HRI participates in a NAIP initiative.

2. HHSC will perform the reconciliation processes described in Section VII of this Agreement.

VI. FAILURE BY THE HRI TO TRANSFER FUNDS TO HHSC OR COMPLETE PROGRAM METRICS

A. If the HRI does not transfer the full amount described in Section V.A. of this Agreement for one or more months, HHSC may elect to take any or all of the following actions:

1. Determine that the HRI is ineligible to participate in the NAIP initiative for future eligibility periods, subject to Section VII;

2. Withhold any or all future Medicaid payments from HRI until HHSC has recovered an amount equal to the amount of the shortfall; and

3. Retain any funds that would normally be returned to the HRI as part of the reconciliation process described under Section VII of this Agreement.
B. If the HRI does not achieve all of the NAIP program performance metrics described in its NAIP participation agreements that are attributable to the Program Period, HHSC will:

1. Recoup from the MCO an amount that is equal to the value of the incomplete performance metrics; and

2. Refund the federal percentage of the recouped amount to the Centers for Medicare and Medicaid Services.

At its discretion, HHSC may retain all or part of the non-federal percentage of the recouped amount pending the outcome of the reconciliation process described in Section VII of this Agreement.

VII. RECONCILIATION

HHSC will complete the reconciliation in multiple parts:

A. HHSC will complete the first reconciliation on or before August 31, 2017.

1. For each Medicaid program and service area in which the HRI participates in the NAIP initiative, HHSC will determine the amount expended for the Program Period by multiplying the NAIP Rate Component by the total member months included in the Program Period. Total member months include any adjustments to enrollment that occurred for the Program Period prior to the reconciliation.

2. HHSC will compare the amount transferred by the HRI to HHSC for the Program Period, including any amounts identified in Section VI. of this Agreement, to the non-federal percentage of the NAIP Rate Component expended by HHSC for the Program Period.

   a. If the amount transferred by the HRI exceeds 102% of the non-federal percentage of the NAIP Rate Component expended by HHSC:

      I. HHSC will refund the difference between the amount transferred and 102% of the amount expended by HHSC;

      II. HHSC will return any excess funds following the reconciliation described in Paragraph C. of this Section.

   b. If the amount transferred by the HRI is less than 102% of the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will notify the HRI of the amount of the shortfall and of a deadline for the HRI to transfer the shortfall to HHSC.

B. HHSC may complete interim reconciliations between August 31, 2017, and August 31, 2019, as updated enrollment data for the Program Period, as reflected in adjusted member months, becomes available. HHSC will follow the process described in paragraph A of this section for such interim reconciliations.
C. HHSC will complete the final reconciliation no later than August 31, 2019. The purpose of the final reconciliation is to ensure that final enrollment figures are available to confirm HHSC’s total expenditures under this Agreement.

1. For each Medicaid program and service area in which the HRI participates in the NAIP initiative, HHSC will determine the amount expended for the Program Period by multiplying the NAIP Rate Component by the total member months included in the Program Period. Total member month include any adjustments to enrollment that occurred subsequent to a reconciliation.

2. HHSC will compare the amount transferred by the HRI to HHSC for the Program Period, including any amounts identified in Section VI. of this Agreement, to the non-federal percentage of the NAIP Rate Component expended by HHSC under this Agreement relating to the Program Period.
   a. If the amount transferred by the HRI exceeds the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will refund the excess and the amount retained under Paragraph A.2.a. of this Section;
   b. If the amount transferred by the HRI is less than the non-federal percentage of NAIP Rate Component expended by HHSC plus the amount retained under paragraph A.2.a. of this Section, HHSC will notify the HRI of the amount of the shortfall and of the 30-day deadline for the HRI to transfer the shortfall to HHSC.

D. If the HRI does not timely complete the transfer described in paragraphs A.2.b. or C.2.b. of this section, HHSC will withhold any or all future Medicaid payments from the HRI until HHSC has recovered an amount equal to the amount of the shortfall under this Agreement and the HRI will be ineligible for future participation in the Network Access Improvement Program.

VIII. ADDITIONAL TERMS

A. The services specified above are necessary and authorized for activities that are properly within the statutory functions and programs of the Parties.

B. The services contracted for are not required by Section 21 of Article XVI of the Constitution of Texas to be supplied under contract given to the lowest responsible bidder.

C. All acts required under this Agreement will be done in conformity with federal and state laws and regulations.

D. If any portion of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement remains valid and enforceable.
E. The dispute resolution process provided for in Texas Government Code Chapter 771 (the Interagency Cooperation Act) will be used by the Parties to attempt to resolve any claim for breach of the Agreement.

IX. TERMINATION

A. HHSC may terminate this agreement at any time at its discretion by providing written notice to the HRI.

B. The HRI has no termination rights for the duration of the Contract Period.

X. NOTICE

A. All communications to the HRI will be sent to:
   
   Name: Barry C. Nelson, Ph.D
   Title: Associate Vice President for Finance & Administration
   Address: 200 Technology Way Suite 2079
             College Station, Texas 77845

B. All communications to HHSC will be sent to Charles Smith, Executive Commissioner, Health and Human Services Commission, Brown-Heatly Bldg., 4900 North Lamar Blvd., Austin, TX 78751.

The individuals below are authorized representatives of their respective agencies and have the authority to bind their respective agencies in a contractual agreement:

HEALTH & HUMAN SERVICES COMMISSION

By: ___________________________
    Gary Jessie
    Associate Commissioner

HRI

By: ___________________________
    Name: Paul L. Ogaard, MD
    Title: Interim Senior Vice President & COO

Date: __________________________

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