

COLLIN COUNTY INDIGENT CARE AFFILIATION AGREEMENT

This Indigent Care Affiliation Agreement ("Agreement") is entered into as of the 5th day of March, 2012 ("Effective Date"), by and among Collin County, a political subdivision organized under the laws of Texas ("the County"), and Centennial Medical Center (the "Affiliated Hospital").

R E C I T A L S:

WHEREAS, the Affiliated Hospital and the County have collectively provided millions of dollars worth in uncompensated care to indigent persons;

WHEREAS, the State's under-funding of, and reductions in eligibility for, Medicaid increases the volume of indigent patients who rely on hospital services as the source of primary healthcare and shifts the burden for indigent care to the Affiliated Hospital, the County, and the local community;

WHEREAS, the County and the Affiliated Hospital recognize that the Texas Medicaid program will continue to be under-funded and that the indigent numbers in the community will continue to grow;

WHEREAS, the County and the Affiliated Hospital desire to ensure that the indigent have access to and receive quality Health Care Services;

WHEREAS, the County and the Affiliated Hospital recognize that they need to collaborate to ensure their ability to deliver Health Care Services to indigent patients residing in the community;

WHEREAS, the County and the Affiliated Hospital recognize that it is in the community's best interest to increase funding for the Medicaid population and to access local and federal funding to which the Affiliated Hospital is entitled under Medicaid supplemental payment principles;

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and agreed, the parties agree as follows:

1.0 REPRESENTATIONS AND WARRANTIES

1.1 Party Representations and Warranties. The parties independently represent and warrant that:

- a. There is no agreement to condition the amount transferred by the County nor the amount of Medicaid supplemental payments on the amount of indigent care the Affiliated Hospital has provided or will provide;

- b. There is no agreement to condition the amount of the Affiliated Hospital's indigent care obligation on the amount transferred by the County nor the amount of any Medicaid supplemental payment the Affiliated Hospital might receive;
- c. No escrow, trust, or other funding mechanism exists, the amount of which is conditioned or contingent on the amount of indigent care services provided or to be provided by the Affiliated Hospital; any escrow, trust or other funding mechanism utilized in connection with an anticipated intergovernmental transfer ("IGT") from the County will be disclosed to the Texas Health and Human Services Commission ("HHSC") and is not used to effect a *quid pro quo* for the provision of indigent care services by or on behalf of the Affiliated Hospital;
- d. The County has not received and will not receive refunds of payments the County made or makes to the Affiliated Hospital for any purpose in consideration for an IGT by the County to fund Medicaid supplemental payments.

2.0 OBLIGATIONS OF THE AFFILIATED HOSPITAL

- 2.1 **Agreement to Collaborate.** The Affiliated Hospital agrees to work collaboratively with the County to improve access to Health Care Services for indigent persons residing in the community.
- 2.2 **Documentation.** The Affiliated Hospital agrees to provide the County documentation at regular intervals, but not more frequently than quarterly, that demonstrates the amount and types of health care (including indigent health care and Medicaid services historically provided in the community).
- 2.3 **Indigent Care Program Participation.** At all times during the term of this Agreement, the Affiliated Hospital shall use its best efforts to maintain its qualification for participation in the Medicaid and Medicare programs.

3.0 OBLIGATIONS OF THE COUNTY

- 3.1 **Agreement to Collaborate with the Affiliated Hospital.** The County agrees to work cooperatively with the Affiliated Hospital to improve access to Health Care Services for indigent persons residing in the community.
- 3.2 **No Condition on Medicaid Funding.** The County agrees that it will not condition the amount to which it funds the non-federal share of supplemental payments on a specified or required minimum amount of prospective indigent care.
- 3.3 **Retrospective Evaluation of Services.** The County may retrospectively evaluate the amount and impact of the Affiliated Hospital's indigent care delivery and can

rely on such historical information in determining whether and to what degree it will provide an IGT and/or set aside funds for an IGT in the future.

3.4 Documents Publicly Available. The County agrees to make publicly available any documentation utilized in connection with intergovernmental transfers of funds consistent with the Texas Public Information Act, Chapter 552, Government Code.

3.5 Use of Public Revenue. To the extent the County decides to provide funding for the Medicaid supplemental payment program, the County agrees to only use public funds as that term is defined in TEX. ADMIN CODE §355.8070 (b)(11) or as may be defined in future regulations consistent with this restriction.

4.0 GENERAL PROVISIONS

4.1 Admission of New Hospital. The County may amend this Agreement to add one or more hospitals. A copy of any such amendment shall be provided to each party to this Agreement at the address set forth in Section 4.4 below.

4.2 Withdrawal. Either party may withdraw from this Agreement by providing written notice to the other party at least ninety (90) days prior to the date of withdrawal.

4.3 Term and Termination. The term of this Agreement shall be one year from the Effective Date and shall automatically continue thereafter for additional terms of one (1) year unless the parties agree otherwise; provided, however, that this Agreement shall terminate immediately in the event that the County withdraws from this Agreement or the Affiliated Hospital withdraws from this Agreement pursuant to Section 4.2.

4.4 Notices. All notices required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery, by overnight carrier, by email, or by United States mail, postage prepaid, registered or certified mail, addressed to the parties as follows:

County: COLLIN COUNTY
Collin County Administration Building
2300 Bloomdale Road, Suite 4192
McKinney, Texas 75071
ATTN: Judge Keith Self

Affiliated Hospital: CENTENNIAL MEDICAL CENTER
12505 Lebanon Road
Frisco, Texas 75035
Attention: Joe Thomason, CEO

With a Copy to: Lance Ramsey
GJERSET & LORENZ, LLP
2801 Via Fortuna, Suite 500
Austin, Texas 78746

- 4.5 **Relationships between the Parties.** The relationship between the County and the Affiliated Hospital is solely a contractual relationship between independent contractors. No party hereto is an agent or employee of any other party. Nothing in this Agreement shall prevent any affiliation or contracting by either party with any third party.
- 4.6 **Governing Law.** This Agreement shall be governed by the laws of the State of Texas. The Affiliated Hospital understands that the County is a political subdivision of the State of Texas and governed by certain statutes applicable thereto.
- 4.7 **Venue.** Venue for any action involving the County arising out of this Agreement shall be in a court of competent jurisdiction in Collin County, Texas, exclusively.
- 4.8 **Assignment.** No party may assign any right, obligation, or responsibility under this Agreement except to a successor in interest.
- 4.9 **No Third Party Beneficiary.** The parties to this Agreement do not intend to establish any third party beneficiary relationships by virtue of this Agreement.

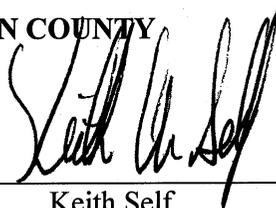
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IN WITNESS WHEREOF, the parties have hereunto set their hand as of the date set forth above.

GOVERNMENTAL ENTITY:

COLLIN COUNTY

By _____

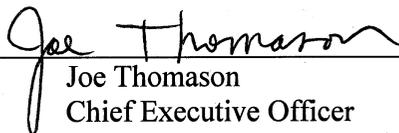


Keith Self
County Judge

AFFILIATED HOSPITAL:

CENTENNIAL MEDICAL CENTER

By _____



Joe Thomason
Chief Executive Officer