



## Travis County Commissioners Court Agenda Request

**Meeting Date:** Friday, November 7, 2014

**Prepared By/Phone Number:** C.W. Bruner, 854-9760

**Elected/Appointed Official/Dept. Head:** Cyd Grimes

**Commissioners Court Sponsor:** Judge Biscoe

**Approve contract award for Assessment Services Related to the Operational Effectiveness and Financial Viability of the Travis County Health & Wellness Clinic to Chenoweth & Associates, Inc.**

➤ **Purchasing Recommendation and Comments:**

This contract will provide assessment services related to the operational effectiveness and financial viability of the Travis County Health & Wellness Clinic for the Travis County Human Resources Management Department.

Since the inception of the Travis County Health and Wellness Clinic, there have been advancements in technology and an evolution of the implementation of best practices in employer managed clinic operations. An internal review of the current operations determined that the clinic operations may improve operational efficiencies and develop and implement practices that allow for an accurate assessment of the impact on health care benefit costs. This preliminary information supported a need for an assessment of current clinic operations and to support the development and implementation of business practices that will allow improved efficiencies and an accurate assessment of Travis County's return on investment for an employer sponsored Clinic. A firm with experience and expertise in working with public entity on-site medical clinics is needed to complete an assessment of the Travis County Health and Wellness Clinic.

Based on the quote submitted by Chenoweth & Associates, Inc., their firm is recommended for contract award to perform the operational assessment because Chenoweth & Associates, Inc. provided a quote that most closely matches the scope of services requested by HRMD. The firm has experience in conducting similar operational assessments for other public entities.

The cost of services for this assessment is not to exceed \$27,440 plus reimbursement of travel, which is not to exceed \$3,800.00 for a total Not to Exceed Contract Award Amount of \$31,240.00.

➤ **Contract-Related Information:**

Award Amount: \$31,240.00

Contract Type: One time purchase.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to [agenda@co.travis.tx.us](mailto:agenda@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.

Contract Period: Upon execution of both parties through September 30, 2015

➤ **Funding Information:**

SAP Shopping Cart # / Funds Reservation #: 300001541

Funding Account(s):

Comments:

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to [agenda@co.travis.tx.us](mailto:agenda@co.travis.tx.us) by **Tuesdays at 5:00 p.m.** for the next week's meeting.



## Human Resources Management Department

700 Lavaca St. Suite 420

● P.O. Box 1748

● Austin, Texas 78767

● (512) 854-9165 / FAX(512) 854-3128

# Memorandum

To: Cyd Grimes, Purchasing Agent, CPB, CPPO  
C.W. Bruner, Purchasing Agent Assistant IV, CTP

From: Debbie L. Maynor, HRMD Director  
John Rabb, HR Manager

Date: October 27, 2014

Subject: Health and Wellness Clinic Assessment Services

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The Travis County Health and Wellness Clinics have been in operation since 2005. Employer managed on-site clinics can be a key component in supplementing the cost effective design of health care delivery for an organization. Since the inception of the Travis County Health and Wellness Clinic, there have been advancements in technology and an evolution of the implementation of best practices in employer managed clinic operations. An internal review of the current operations determined that the clinic operations may improve operational efficiencies and develop and implement practices that allow for an accurate assessment of the impact on health care benefit costs. This preliminary information supported a need for an assessment of current clinic operations and to support the development and implementation of business practices that will allow improved efficiencies and an accurate assessment of Travis County's return on the investment for an employer sponsored Clinic.

An assessment of the three current clinic operations by an entity with expertise in working with public sector employer managed on-site medical clinic operations will allow identification of technology, equipment and organizational operations that can maximize efficiency. It is the goal that an assessment would provide value to the County and increase the effectiveness of the clinic operations. A firm with experience and expertise in working with public entity on-site medical clinics was sought to complete an assessment of the Travis County Health and Wellness Clinic; here after referred to as "the Clinic".

Debbie L. Maynor, HRMD Director and John Rabb, HR Manager for Benefits (and temporarily for Clinic Operations) considered firms based on the firm's ability to provide the scope of services as described. This included an examination of the firm's ability and willingness to operate in an advisory capacity, to participate in appropriate meetings to review and to discuss findings and recommendations with Commissioner's Court.

Based on the quote submitted the firm selected to perform the operational assessment is Chenoweth & Associates. David H. Chenoweth, PhD is President of Chenoweth and Associates. Dr. Chenoweth provided a quote that most closely matches the scope of services requested. The firm has experience in conducting similar operational assessments for other public entities. The approximate cost of services is \$27, 440 plus travel. Funding provided under funds reservation #300001541. The funds center and commitment item is 111 006 8956 511890 (Other consulting services).

**PROFESSIONAL SERVICES  
CONTRACT**

FOR

**ASSESSMENT SERVICES  
Related to the Operational Efficiency,  
Clinical Effectiveness  
and Financial Viability of  
the Travis County Health & Wellness Clinic**

BETWEEN

**TRAVIS COUNTY**

AND

**CHENOWETH & ASSOCIATES, INC.**

**CONTRACT NO. 4400002144**



**Travis County Purchasing Office**

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## **PROFESSIONAL SERVICES CONTRACT**

### **FOR ASSESSMENT SERVICES Related to the Operational Efficiency, Clinical Effectiveness and Financial Viability of the Travis County Health & Wellness Clinic**

This Contract is made by the following parties: Travis County, Texas, (the "County") and Chenoweth & Associates, Inc., (the "Contractor").

#### RECITALS

The County desires a qualified provider to obtain assessment services related to the operational efficiency, clinical effectiveness and financial viability of the Travis County Health & Wellness Clinic. These services are needed for a public purpose.

The Contractor has the professional training, experience, ability, licenses, and certifications to provide these services.

The County has the authority to obtain professional services without solicitation under Chapter 262 of the Texas Local Government Code, and other statutes.

#### AGREEMENT

##### 1.0 DEFINITIONS

In this Contract:

- 1.1 "Commissioners Court" means the Travis County Commissioners Court.
- 1.2 "Contract" means this document and all attachments and exhibits to it referred to in the Table of Contents.
- 1.3 "County Auditor" means the Travis County Auditor or her designee.
- 1.4 "Day" means calendar day.
- 1.5 "Implementation Services" means the activities, obligations, and deliverables described as Implementation in Attachment C and any modification by County exercising its option to expand the Contract to include these services, if the modification is signed by both parties.
- 1.6 "Notice" means a written statement delivered in compliance with section 9.0 Notice.
- 1.7 "Project Manager" means the Human Resources Director, Human Resources Management Department or her designee.
- 1.8 "Purchasing Agent" means the Travis County Purchasing Agent or her designee.
- 1.9 "Services" means the activities, obligations, and deliverables described as Phases 1 through VI in the Description of Services in Attachment C.

1.10 "Working Day" means Monday through Friday except for days that County has designed as holidays.

## 2.0 TERM

2.1 Initial Term. The Initial Term commences upon execution of it by both parties and continues through September 30, 2015, unless sooner terminated as provided in it.

2.2 Option for Implementation Services. County has the option to expand the services performable under this Contract to include Implementation Services at any time before the termination of the Initial Term.

2.3 Renewal by Written Modification. Unless sooner terminated, and subject to continued funding by the Commissioners Court, this Contract may be renewed by written modification signed by County and Contractor. Unless otherwise provided in that modification, any renewal is on the condition that all terms and conditions, including negotiated rates, remain unchanged.

## 3.0 CONTRACTOR RESPONSIBILITIES

3.1 Description of Services. Contractor shall perform the Services in a timely manner.

3.2 Cooperation and Coordination. Contractor shall cooperate and coordinate with County staff and other entities as reasonable and necessary and as required by the Project Manager.

3.3 Personnel Used. Contractor expressly acknowledges that, in entering into this Contract, County has relied on the representations of Contractor about the training and experience of persons who will perform the Services. Contractor shall ensure that all work is done by the persons that Contractor represented as performing the Services in its proposal and who are listed with their qualifications in Attachment C. Contractor shall not substitute any other person to provide Services without the prior written approval of the Purchasing Agent and the Project Manager. For non-professional support services, Contractor may substitute personnel as needed.

3.4 Professional Qualifications. At all times during Contract, Contractor shall maintain in good standing its professional license and accreditations applicable to Services. Contractor shall perform all acts reasonably necessary to maintain and improve its professional competence and training. Contractor shall Notify County within 2 Work Days if any adverse action related to its professional license and accreditations occurs.

3.5 Right to Contractual Material. All work products created or produced by Contractor as a result of Services, including programming, reports, charts, schedules, or other appended documentation to any responses, inquiries, correspondence, and related material are the property of the County at the time of creation. Any intellectual property rights granted to the County survive the termination of this Contract and endure for the useful life of the contractual material and other intellectual property rights provided.

3.6 Rights to Contractor's Work Products. Upon full payment, Contractor assigns to County any and all rights, title and interest, including, without limitation, copyrights, trade secrets and proprietary rights to the work products developed or prepared specifically for County under this Contract. The work products exclude all third party works and products whether or not included or embedded in the Contractor's work products. The work products are deemed to be "works made for hire" under the federal copyright laws. Contractor shall give County reasonable

assistance, at County's expense, to perfect this assignment of these rights, title and interest. However, if the work products include intellectual property owned or developed by Contractor before and independent from, its obligations under this Contract, Contractor retains all rights to that previous and independent product. In addition, Contractor retains the right to use its knowledge, experience, and know-how, including processes, ideas, concepts and techniques developed in the course of performing the Services.

- 3.7 **Standard of Care.** Despite anything to the contrary in this Contract, Contractor shall perform all Services using at least the standard of care that a reasonably prudent person in that profession in Travis County, Texas would use in similar circumstances. Contractor shall perform the Services and other obligations in this Contract in a good and workmanlike manner. This Contract shall not be interpreted to relieve Contractor of this duty.
- 3.8 **Ethical Standards.** Contractor shall perform the Services and exercise all discretionary powers in a manner consistent with applicable standards of professional conduct and ethics and Contractor's best professional judgment.
- 3.9 **Civil Rights/ADA Compliance.** In performing the Services, Contractor shall not discriminate against any applicant, employee, patient or other person on the basis of race, color, religion, sex, age, national origin or disability and shall provide reasonable accommodations for disabilities as required by the Americans with Disabilities Act as amended.
- 3.10 **Records.**
- 3.10.1 **Maintenance and Retention.** Contractor shall create and maintain all necessary and appropriate information and documentation (including accounting records) related to the Services for at least three (3) years after providing the Services, or until any litigation concerning any Services has been satisfactorily resolved, whichever occurs later.
- 3.10.2 **Access.** At reasonable times and on reasonable notice, Contractor shall make available to County or its duly authorized representatives any information and documentation in Contractor's possession or control, which directly pertains to Services for audits, examinations, excerpts, and transcriptions for as long as Contractor has access to the information and documentation.
- 3.10.3 **Duplication of information and documentation.** Contractor shall provide copies of information and documentation to County upon written request to Contractor at a cost based on the rates applicable to copies provided pursuant to the Texas Public Information Act.
- 3.11 **Legal Compliance** Contractor shall comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the performance of all Services.
- 3.12 **Conflict of Interest Questionnaire.** If required, Contractor shall complete, file and update a Conflict of Interest Questionnaire in compliance with Chapter 176 of the Texas Local Government Code. Contractor acknowledges that the law requires the County to provide access to this questionnaire on the official Travis County website.

- 3.13 HIPAA Business Associate Agreement. Contractor shall execute and deliver to County the Business Associate Agreement in the form in Attachment G simultaneously with the execution of this Contract.

#### 4.0 CONTRACTOR WARRANTIES AND ACKNOWLEDGEMENTS

- 4.1 Contractor acknowledges that no officer, agent, employee, or representative of County has any authority to change this Contract, to approve assignment of any part of it, or to waive any provision of it unless expressly granted that specific authority by Commissioners Court.
- 4.2 Copyrights, Patents, and Licenses. Contractor represents that all applicable copyrights, patents, licenses, and other proprietary or intellectual property rights which may exist on materials used in this Contract have been adhered to, and warrants that the County is not liable for any infringement of those rights.
- 4.3 Payment of Property Taxes. Contractor warrants that Contractor is not currently delinquent in payment of property taxes to the Travis County Tax Assessor-Collector.
- 4.4 Federal Funds. Contractor warrants that Contractor has not paid and will not pay, and no one else has paid or will pay on behalf of Contractor, any federally appropriated funds to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- 4.5 Independent Contractor. Contractor acknowledges that Contractor is an independent contractor, operating solely in that capacity, and assumes all of the rights, obligations and liabilities applicable to it as an independent contractor. Contractor acknowledges that neither it nor its employees are an employee of County, and Contractor and its employees do not gain any rights against County pursuant to the County personnel policies and procedures.
- 4.6 No Agency Relationship. Contractor acknowledges that it does not have the authority to enter into any contract in the name of County or otherwise bind County in any way without the express written consent of County. County does not have the authority to enter into any contract in the name of Contractor or otherwise bind Contractor in any way without the express written consent of Contractor.
- 4.7 Return of County Equipment and Access Keys. At the end of this Contract, Contractor shall return property of any kind, including all keys, access cards and other means of access to county buildings and other property that have been provided to it or its staff. Contractor shall not permit its staff to take or retain any County property or any property of County employees.

#### 5.0 COMPENSATION AND PAYMENT

- 5.1 Taxpayer Identification Number. Contractor shall provide County with an Internal Revenue Form W-9 Request for Taxpayer Identification Number and Certification that is completed in

compliance with the Internal Revenue Code, its rules and regulations before any Contract funds are payable.

- 5.2 **Fees and Invoicing.** In consideration of the satisfactory performance of the Services by Contractor and Contractor's compliance with this Contract, County shall pay Contractor in accordance with the Fee Rates and Payment Schedule in Attachment B after Contractor invoices County in compliance with Attachment B. Contractor shall not invoice County in advance and County is not liable for any advance payments.
- 5.3 **Acceptance of Services.** County is not responsible for the cost of any Services until County has accepted the Services. County shall accept Services when County determines, in its sole discretion, that the Services have been performed and completed in a good and timely manner to County's satisfaction and at a standard acceptable in Contractor's profession. County shall not unreasonably withhold acceptance.
- 5.4 **Delayed Payment to Contractor with Outstanding Debt.**
- 5.4.1 In section 5.4, "Debt" includes delinquent taxes, fines, fees owing to the state or the County, and indebtedness arising from written agreements with Texas or County for which a notice with evidence has been filed with the County Auditor or Travis County Treasurer.
- 5.4.2 Section 154.045 of the Texas Local Government Code authorizes County not to draw a check on any County fund in favor of the Contractor, or its agent or assignee until the Debt is paid after the Travis County Treasurer notifies Contractor in writing that the Debt is outstanding.
- 5.4.3 If the Treasurer's notice states that any amount owed by the County to Contractor may be applied to reduce the outstanding Debt, County may apply any amount County owes Contractor to the outstanding balance of the Debt.
- 5.5 **Timely Payment.** County pays Contractor within thirty (30) Days after County accepts the Services and County receives a complete and accurate invoice, whichever is later. County pays interest on overdue payments in compliance with Chapter 2251 of the Texas Government Code.
- 5.6 **Unauthorized Invoicing.** County is not liable for any of the following:
- 5.6.1 costs incurred or performances rendered by Contractor before or after the Contract term,
- 5.6.2 expenses not billed to County within the applicable time limits in this Contract, or
- 5.6.3 any costs for activities not included as Services.
- 5.7 **Return of Overpayment.** Contractor is liable to County if and when County determines that a payment has resulted in overpayment. Contractor shall repay the overpayment to County within thirty (30) Days after County requests a repayment. If Contractor does not repay the overpayment within thirty (30) Days, County may offset the amount of any overpayment against the next amount payable to Contractor under this or any other contract.

6.0 **RISK ALLOCATION**

- 6.1 **Definition of Claim** In section 6.2 and 6.3, "Claim" means any negligence, cause of action, suit, proceeding before any administrative agency, loss, damages, or liability of any kind, including all expenses of litigation, court costs and attorney's fees.
- 6.2 **Indemnification.**
- 6.2.1 Contractor shall indemnify and hold harmless County, its officers, agents, and employees, from all Claims for injury to or death of any person, for any act or omission by Contractor, or for damage to any property, arising out of or in connection with the Services.
- 6.2.2 Contractor shall indemnify and hold harmless the County, its officers, agents, and employees from all Claims for damages to any person or property arising in connection with any alleged or actual infringement of existing patents, licenses, copyrights or other intellectual property rights applicable to materials used in and work products arising from this Contract.
- 6.3 **Claims Notification.** If Contractor receives notice or becomes aware of any Claim against Contractor or County, without regard to who brought it, Contractor shall give County Notice within three (3) Working Days after Contractor becomes aware of the Claim or threat of Claim. Unless otherwise directed, Contractor shall furnish County copies of all pertinent papers received by Contractor regarding the Claim. Contractor's Notice shall include:
- 6.3.1 a written description of the Claim;
- 6.3.2 the name and address of whoever made or threatened to make the Claim;
- 6.3.3 the basis of the Claim;
- 6.3.4 the court or administrative tribunal, if any, where the Claim was instituted; and
- 6.3.5 the name of any other persons against whom this Claim is being made or threatened.
- 6.4 **Requirement for Insurance.** Contractor shall have and maintain at least the minimum types of insurance listed in Attachment D throughout the term of this Contract. Contractor's insurance must be sufficient to cover the needs of Contractor pursuant to applicable generally accepted business standards related to the risks associated with providing the Services, but not less than the minimum coverage limits stated in Attachment D. Depending on Services provided by Contractor, supplemental insurance requirements or alternate insurance options may apply in addition to those stated in Attachment D. If County authorizes Contractor to subcontract Services under this Contract, Contractor shall either maintain insurance that covers all subcontractors and complies with 6.5 and Attachment D throughout the term of the Contract or ensure that all subcontractors have and maintain insurance for the work related to the Services that is performed by them and that their insurance complies with sections 6.4 and 6.5 and Attachment D while performing work related to the Services.
- 6.5 **General Insurance Requirements.** Contractor shall comply with the following requirements related to insurance :

- 6.5.1 Contractor shall obtain insurance written by companies licensed in Texas that have an A.M. Best rating of B+ VIII or higher. If Contractor wants to use surplus carriers, these carriers are subject to County approval.
- 6.5.2 Before Contractor begins Services, Contractor shall have at least the required insurance in force. Contractor shall not allow any insurance to be cancelled or lapse and shall not permit the minimum limits of coverage to erode or otherwise be reduced during this Contract. Contractor is responsible for all premiums, deductibles, and self-insured retention.
- 6.5.3 Contractor shall submit a Certificate of Insurance written on the state-approved form and signed by the writing agent or the carrier to the Purchasing Agent within ten (10) Working Days after the earlier of execution of the Contract by both parties, or the effective date of the Contract. The Certificates of Insurance must include the endorsements applicable to the type of insurance stated in Part III, section 5 and the following:
  - 6.5.3.1 the Travis County contract number, and
  - 6.5.3.2 all deductibles and self-insured retention.
- 6.5.4 On its request, County is entitled to receive certified copies of policies and endorsements at no additional expense to County.
- 6.5.5 Contractor acknowledges that County has the right to review insurance requirements during any term of the Contract and to require that Contractor make reasonable adjustments when the Services have changed or expanded.
- 6.5.6 Insurance coverage specified in this Contract is not intended and will not be interpreted to limit the responsibility or liability of the Contractor.

**7.0 CHANGES TO CONTRACTOR'S RIGHTS AND OBLIGATIONS**

- 7.1 **General.** Unless specifically provided otherwise in this Contract, any change to this Contract must be in writing and signed by each party.
- 7.2 **Requests for Changes.** Contractor shall submit requests for changes to this Contract to the Purchasing Agent with a copy to the Project Manager.
- 7.3 **Purchasing Agent Authority.** The Purchasing Agent has certain limited authority to approve changes subject to Chapter 262 of the Texas Local Government Code and County policy approved by the Commissioners Court. Within that authority, the Purchasing Agent may approve certain requests to change this Contract. At any time, the Purchasing Agent may submit any request to the Commissioners Court for approval, regardless of the authority of the Purchasing Agent to approve the change.
- 7.4 **Change of Name.** If Contractor's actions require County to recognize a change of Contractor's name, Contractor must notify the Purchasing Agent immediately. County does not recognize any change in its Contractor's obligations until Commissioners Court approves the change.

- 7.5 **Assignment.** The parties may not assign any rights or duties in this Contract without the prior written approval of the other party. Contractor may submit a written request for an assignment to the Purchasing Agent with a copy to Project Manager. The Purchasing Agent shall submit requests to the Commissioners Court for appropriate action. If Contractor fails to obtain approval, County may delay payment or exercise other legal or equitable rights. If Contractor assigns this Contract in compliance with this section, all aspects of this Contract are binding upon and inure to the benefit of its successors in interest and assigns. If County assigns this Contract in compliance with this section, all aspects of this Contract are binding upon and inure to the benefit of its successors in interest and assigns.
- 7.6 **Subcontracting.** Except as otherwise specifically provided in this Contract, Contractor may not subcontract with any other person to perform any of the Services or other obligations under this Contract. If subcontracting is allowed, Contractor must provide for insurance for subcontracts as stated in section 6.4 and require subcontractors to complete and update a Certification Regarding Debarment on the form in Attachment E whenever there is a change in status and provide the Purchasing Agent with copies of these certifications.

## 8.0 **DISPUTE RESOLUTION**

### 8.1 **Procedure.**

- 8.1.1 In this section 7.1, “Correspondence” means any notice, document, letter, email, or other tangible transfer of information related to an issue and “Dispute Manager” means the Purchasing Agent or other representative authorized by Commissioners Court.
- 8.1.2 **Notice of Dispute.** If the Contractor and the Project Manager have been unable to resolve any issue related to this Contract, Contractor may submit a Notice of the dispute to the Dispute Manager. The Notice should contain specific details about the issues and Contractor’s preferred resolution of the dispute, including mediation, if desired. The Contractor may include any other relevant information.
- 8.1.3 **Flow of Information.** After the Dispute Manager’s receives the Contractor’s Notice, the Dispute Manager represents the County in the administration of the dispute. After this Notice, any additional Correspondence is not effective unless it is directed to or sent by the Dispute Manager. If Contractor disagrees with any Correspondence issued by the Dispute Manager, Contractor shall submit a written response detailing its reasons for disagreement with the Correspondence to the Dispute Manager and the Project Manager within ten (10) Days after receipt of the Correspondence.
- 8.1.4 **Proposed Resolution.** Within thirty (30) Days after the Dispute Manager receives Contractor’s response, the Dispute Manager must send a final written proposal for resolution of the dispute to Contractor.
- 8.1.5 **Appeal.** If the final written proposal does not resolve the dispute to Contractor’s satisfaction, Contractor may submit a written appeal to the Commissioners Court through the Dispute Manager within ten (10) Days after receipt of the unsatisfactory proposal. The Dispute Manager forwards a copy of the appeal to the Project Manager for it to be placed on the Commissioners Court agenda. The Commissioners Court hears the appeal. Contractor may make a presentation at that hearing.

- 8.2 **Mediation.** When mediation is acceptable to both parties, the parties may use a mutually acceptable mediator, or a mediator appointed by a court of competent jurisdiction. Mediation is conducted in compliance with Chapter 154 of the Texas Civil Practice and Remedies Code. Unless both parties are satisfied with the mediated resolution, the mediation is not a final and binding resolution of the dispute. All communications within the scope of the mediation must remain confidential in compliance with section 154.073 of the Texas Civil Practice and Remedies Code, unless both parties agree in writing to waive confidentiality.
- 8.3 **Non-Waiver of Default.** County expressly reserves all its rights under this Contract. Any action that County takes to exercise any right or remedy shall not be interpreted as a waiver of any other rights or remedies or preclude the exercise of any other right or remedy under this Contract or under any law. A payment, act, or omission by County shall not impair or prejudice any of its rights or remedies.

## 9.0 **TERMINATION**

- 9.1 **Termination for Convenience.** Either party may terminate this Contract at any time by giving the other party Notice of termination at least sixty (60) Days before the effective date of the termination. If County terminates this Contract, County is not liable for any loss of profits anticipated by Contractor.
- 9.2 **Termination for Default.** Either party may terminate this Contract for the failure of the other party to perform any material provision of this Contract by delivering Notice of termination for default. A party may not terminate for default if the party was a contributing cause of the failure to perform. The Contract terminates immediately when the defaulting party receives that Notice. If County terminates this Contract, County is not liable for any loss of profits anticipated by Contractor.

## 10.0 **NOTICE**

- 10.1 **Written Notice.** All notices between the parties and related to this Contract shall be given to the other party in writing. If a notice is delivered in person to the address in this section 10.0 for the party to whom the notice is given, that notice is deemed to have been given immediately. If a notice is placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the address in this section 10.0 for the party to whom the notice is given, that notice is deemed to have been given on the third Working Day following mailing.
- 10.2 **County Address.** The address of County for all purposes and notices under this Contract is:

Cyd Grimes, C.P.M. CPPO (or her successor)  
Travis County Purchasing Agent  
P.O. Box 1748  
Austin, Texas 78767

With copies to (registered or certified mail, not required):

Debbie L. Maynor, Project Manager  
Human Resources Management Director,  
Human Resources Management Department

P.O. Box 1748  
Austin, Texas 78767

10.3 Contractor Address. The address of Contractor for all purposes and notices under this Contract is:

Chenoweth & Associates, Inc.  
Attn: David Chenoweth  
128 St. Andrews Circle  
New Bern, NC 28562-2907  
dave@chenoassociates.com

10.4 Change of Address. Each party may change its address for notice by giving Notice of the new address. County and Contractor shall give Notice to each other of any change in its address, including a change in the person to whom attention is directed, within fifteen (15) Days of the change.

#### 11.0 GENERAL PROVISIONS

11.1 Time is of the Essence. Timing of performance of the Services and of delivery of all deliverables is of the essence. If delivery or completion dates cannot be met, Contractor must inform the Project Manager immediately. Providing this information does not change the delivery or completion dates unless this Contract is amended.

11.1.1 Forfeiture of Contract Benefits. In section 11.2 and Attachment F, "Is doing business" and "has done business" mean:

11.1.1.1 paying or receiving in any calendar year any money or valuable thing with a value of more than \$250 in the aggregate in exchange for personal services or for the purchase of any property or property interest, either real or personal, either legal or equitable; or

11.1.1.2 loaning or receiving a loan of money or goods, or otherwise creating or having in existence any legal obligation or debt with a value of more than \$250 in the aggregate in a calendar year;

11.1.1.3 but do not include:

11.1.1.3.1 any retail transaction for goods or services sold to a Key Contracting Person at a posted, published, or marked price available to the public,

11.1.1.3.2 any financial services product sold to a Key Contracting Person for personal, family, or household purposes in accordance with pricing guidelines applicable to similarly situated individuals with similar risks as determined by Contractor in the ordinary course of its business; and

11.1.1.3.3 if Contractor is a national or multinational corporation, any transaction for a financial service or insurance coverage made on behalf of Contractor by its agent, employee, or other representative who does not know and is not in a position that he or she should have known about the Contract.

- 11.1.2 In section 11.2 and Attachment F, “Key Contracting Person” means any person or business listed in Exhibit 1 to the Ethics Affidavit attached to this Contract as Attachment F.
- 11.1.3 Contractor shall forfeit all benefits of this Contract and County shall retain all performance by Contractor and recover all considerations, or the value of all consideration, paid to Contractor pursuant to this Contract if Contractor
- 11.1.3.1 was doing business with a Key Contracting Person when this Contract was executed,
- 11.1.3.2 had done business with a Key Contracting Person during the year immediately before execution of this Contract,
- 11.1.3.3 or does business with any Key Contracting Person at any time after execution of this Contract and before full performance of it.
- 11.1.4 Contractor shall give County notice if the Contractor does business with any Key Contracting Person at any time after execution of this Contract and before full performance of it within twenty (20) Days Contractor begins doing business.
- 11.2 Force Majeure. “Force Majeure” means any cause generally recognized under Texas law as constituting impossible conditions. Neither party is financially liable to the other party for delays or failures in Contract performance caused by Force Majeure. These delays or failures to perform extend the period of performance for a period of time equal to the subsistence of the impossible conditions. If Force Majeure conditions exist, the party affected by them shall give the other party Notice within five (5) Working Days after the conditions begin. If timely Notice is impractical due to the Force Majeure conditions, then the party must provide Notice in as timely a manner as practicable. If Notice is not provided timely, the party experiencing Force Majeure waives it as a defense.
- 11.3 Entire Agreement. This Contract contains the entire agreement between County and Contractor related to the subject matter of this Contract. If County and Contractor made any prior agreements, promises, negotiations, or representations that County and Contractor have not expressly stated in this Contract, those prior agreements, promises, negotiations, or representations are of null and void. The Attachments listed below are a part of this Contract, and are promised performances by Contractor under this Contract:
- 11.3.1 Attachment A – Description of Services & Performance Measures
- 11.3.2 Attachment B – Pricing, Invoicing and Payment
- 11.3.3 Attachment C – Contractor’s Written Proposal: Technical & Strategic Assessment Services
- 11.3.4 Attachment D – Minimum Insurance Coverage
- 11.3.5 Attachment E –Certification Regarding Debarment, Suspension, Ineligibility, And Voluntary Exclusion For Covered Contracts
- 11.3.6 Attachment F – Ethics Affidavit
- 11.3.6.1 Exhibit 1 – List of Key Contracting Persons
- 11.3.7 Attachment G – Business Associate Agreement

- 11.4 Authority.
- 11.4.1 The Purchasing Agent acts County's overall contract administrator. The Purchasing Agent may designate representatives to transmit instructions and receive information.
- 11.4.2 Project Manager has been designated as County's primary representative on the project and acts on behalf of County with respect to Services. Project Manager has the authority to interpret and define County policies and decisions regarding Services.
- 11.4.3 Project Manager may designate representatives to transmit instructions and receive information. Project Manager reviews, inspects and examines Contractor's performance of Services.
- 11.5 Law and Venue. This Contract is governed by the laws of the State of Texas and all obligations under this Contract are performable in Travis County, Texas.
- 11.6 Binding Contract. Despite any other provision in this Contract, this Contract is binding upon County and Contractor and their respective successors, executors, administrators, and assigns.
- 11.7 Non-Exclusivity. As a part of this Contract, the parties understand that Contractor may provide services outside this Contract as it sees fit at those times when Contractor is not obligated to County and there is no conflict with County interests. The parties also understand that County is free to have more than one contractor providing the type of services included in this Contract.
- 11.8 Survival. Conditions and covenants of this Contract which by their terms are performable after the termination of this Contract shall survive such termination and remain fully performable.
- 11.9 Interpretational Guidelines
- 11.9.1 Sovereign Immunity and Affirmative Defenses. This Contract shall not be interpreted to include anything that is effective as a waiver of sovereign immunity or any affirmative defenses available to County.
- 11.9.2 Severability. If any portion of this Contract is ruled invalid by a court of competent jurisdiction, the remainder of the Contract shall remain valid and binding.
- 11.9.3 Computation of Time. In computing a time period under this Contract, exclude the first Day and include the last Day. If the last Day does not occur on a Working Day, the period is extended until the next Working Day after the last Day. Commissioners Court usually designates the following as holidays: New Year's Day (January 1), Martin Luther King's Birthday (third Monday in January), Presidents' Day (third Monday in February), Memorial Day (fourth Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veterans' Day (November 11), Thanksgiving and day after (last Thursday and Friday in November), Christmas Day and either the day before or day after which ever results in a four day weekend (December 25 plus one)
- 11.9.4 Number and Gender. Unless the context clearly requires otherwise, words of any gender are construed to include the other two genders and words in singular and plural are construed to include the other.

11.9.5 Headings. The headings and titles throughout this Contract are included only to make it easier to locate the subject matter covered by that section or subsection and are not to be used in construing this Contract.

11.10 Exemption from County Purchasing Act. Pursuant to Section 262.024 of the Texas Local Government Code, the Commissioners Court hereby orders this Contract exempt from the requirements established by Section 262.023 of the Texas Local Government Code because it is a contract for the purchase of personal or professional services.

11.11 Duplicate Originals. This Contract will be executed in duplicate originals and be effective when executed by both parties.

12.0 SIGNATURES

12.1 Those signing this Contract on behalf of Contractor, or representing him or her or themselves as signing this Contract on behalf of Contractor, warrant and guarantee that he, she or they have been duly authorized by Contractor to sign this Contract on behalf of Contractor and to bind Contractor validly and legally to all terms, performances, and provisions in this Contract.

**Chenoweth & Associates, Inc.**

**Travis County**

By: David Chenoweth  
David Chenoweth  
President

By: \_\_\_\_\_  
Samuel T. Biscoe  
Travis County Judge

Date: Oct 20, 2014

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

Approved as to Legal Form By: \_\_\_\_\_  
Assistant County Attorney

Funds Verified By: \_\_\_\_\_ Date: \_\_\_\_\_  
County Auditor

Approved by Purchasing: \_\_\_\_\_ Date: \_\_\_\_\_  
Cyd Grimes, C.P.M., CPPO, Purchasing Agent

**ATTACHMENT A**  
**DESCRIPTION OF SERVICES,**  
**SCHEDULE FOR COMPLETIONS AND PAYMENT,**  
**DELIVERABLES**

**1.0 Description of Services.**

1.1 The Services include Phases 1 through VI which are described in pages 1 through 16 inclusive and page 18 of Attachment C - Proposal Technical and Strategic Assessment Services and are intended to include between 139 and 177 hours. The time spent on each Phase shall approximate the times shown on page 18 of Attachment C.

**2.0 Deliverables for Services.**

2.1 The deliverables for the Services are a typed report detailing the results of the assessment and two on-site meetings.

2.2 Contractor shall be available to the management staff of the Travis County Human Resources Department for at least one on-site meeting to discuss the results of the assessment and the report during County's normal working hours. Normal business hours shall be considered to be from 9:00 a. m. Central time to 6:00 p. m. Central time, Monday through Friday, exclusive of County holidays.

2.3 Contractor shall be available to the Travis County Commissioners Court, the Travis County Judge and Commissioners, or other Travis County personnel during County's normal working hours for questions with respect to the assessment services being performed pursuant to this Contract. It is intended that the meetings in 2.2 and 2.3 will be held on consecutive days.

2.4 Contractor shall deliver three hard copies of its typed report and an electronic copy. The hard copies must be delivered to the

Debbie L. Maynor,  
Director, Human Resources Management Department  
Travis County  
P. O. Box 1748  
Austin, TX 78767

The electronic copy must be delivered to [Debbie.maynor@traviscountytexas.gov](mailto:Debbie.maynor@traviscountytexas.gov).

**3.0 Schedule for Completion**

3.1 Contractor shall complete the Services within 90 days after execution of this Contract by both parties.

**4.0 Implementation Services.**

4.1 Implementation Services are described on page 17 of the Attachment C— Proposal Technical and Strategic Assessment Services and are intended to include between 10 and 16 hours. The description in Attachment C may be supplemented in any modification to expand the services under this Contract that is signed by both parties. The modification to expand may also include the approximate number of hours for completion, the schedule for delivery and specific deliverables for the Implementation Services.

## ATTACHMENT B

### FEE RATES, PAYMENT SCHEDULE AND INVOICING REQUIREMENTS

#### 1. FEE FOR SERVICES:

- 1.1 In consideration of full performance of Services for County, County shall pay Contractor the total of \$25,490.00 for satisfactory completion of all Services and receipt of an accurate and complete invoice in compliance with this Attachment B.
- 1.2 If County exercises its option to expand services performable under this Contract to include Implementation Services as described in Attachment C, page 18, in consideration of full performance of Implementation Services for County, County shall pay Contractor the total of \$1,950.00 for satisfactory completion of all Services and receipt of an accurate and complete invoice in compliance with this Attachment B. If the services to be provided under any modification by County to exercise its option under this Contract are amended in that modification, Contractor may negotiate the fee payable for the additional services based on the time required to perform them and on an hourly rate not to exceed \$150.

2. **TRAVEL EXPENSES:** County shall reimburse Contractor for the expenses when incurred in performing Services at the direct cost incurred by Contractor to a maximum total reimbursement of \$3,800.

When approved in writing by Project Manager in advance, travel including mileage, transportation, accommodation, and food, County shall reimburse Contractor at rates in compliance with the County Budget Rules at the time the expense is incurred. The maximum total reimbursement of such expenses may not exceed the total stated in the written approval.

#### 3. INVOICING REQUIREMENTS

- 3.1 Address: Contractor shall submit its invoice for Services to the following address:

Project Manager  
Debbie L. Maynor, Benefits Manager  
P.O. Box 1748  
Austin, Texas 78767

- 3.2 Content of Invoices for Services: Contractor shall include at least the following information in invoices:
  - 3.2.1 Name, address, and telephone number of person to be paid and similar information if payment is to be made to a different address,
  - 3.2.2 County Contract number,
  - 3.2.3 Identification of type of Service,
  - 3.2.4 Fee for Service stated in this Attachment B,
  - 3.2.5 Total amount due, and
  - 3.2.6 Any additional payment information required by the Contract.

- 3.1 **Content of Invoices for Travel Expenses:** Contract shall include at least the following additional information in invoices that include reimbursement of travel expenses incurred as a result of Services:
- 3.3.1 the name of the person incurring the expense,
  - 3.3.2 the reason for the expense,
  - 3.3.3 a description of the expenses to be reimbursed,
  - 3.3.4 the amount of the expense for each item to be reimbursed,
  - 3.3.5 the total for each person, and
  - 3.3.6 the total amount of reimbursement due on that invoice.
- 3.4 **Copies of Receipts:** If County requests receipts, Contractor shall provide copies of receipts or supporting documentation for all expenses to be reimbursed.
- 3.5 If County requests Contractor's presence in Travis County, Contractor may invoice County for time and actual travel expenses incurred.

Attachment C

**Proposal**

**Technical & Strategic Assessment Services**

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***Assessing the Operational Efficiency,  
Clinical Effectiveness, and Financial Viability of  
the Travis County Health & Wellness Clinic***

**Travis County  
Human Resources Management  
Austin, Texas**



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**Submitted**

**by**

**Chenoweth & Associates, Inc.**

**May 12, 2014**

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## **Introduction**

**T** Travis County government in Austin, Texas, currently operates three-site Health & Wellness Clinics, which are available for members of the Travis County Health Plan, ages 10 and older. The current health plan enrollment is approximately 4,800 employees, 750 retirees, and 4,600 dependents. The current mission of the clinic is to partner with health plan participants and to empower them through education, prevention, medical care and personal responsibility, to make choices that lead to a healthier lifestyle that reduces the cost of chronic illness and promotes workplace productivity.

The clinic was opened in 2005 and is currently operating with the following staff:

- one Medical Director (*vacant*)
- two (2) medical doctors
- two (2) registered nurses (one is the Health Services Supervisor)
- one licensed vocation nurse
- two (2) medical assistants
- one administrative assistant

Recently, the director of **Travis County's Department of Human Resource Management** (HRM) contacted **Chenoweth & Associates, Inc. (C&A)** to discuss the county's immediate interest in having an independent assessment of the clinic. Subsequently, the director emailed a copy of (1) the Business Plan, (2) a roster of clinic staffing, (3) a provider summary report, and (4) an initial draft of requested clinic services to be assessed for C&A's review.

As a leading health management data analysis, program evaluation, and econometric consulting firm for the past 34 years, C&A appreciates the opportunity to be considered for this solicitation. By virtue of preparing this customized proposal, C&A *expresses its sincere interest* in conducting a comprehensive assessment of Travis County's Health & Wellness Clinic operations.

## **Scope of Services Requested by HRM**

In responding to this solicitation, C&A is confident that it can effectively collaborate with HRM leaders and any designated groups in completing this important assignment. In doing so, C&A is fully aware that the scope of services requested by HRM leaders calls for a comprehensive assessment of clinic operations – with particular emphasis on efficiency, effectiveness, compliance and comparisons to the best practices in the industry or industry standards relevant to:

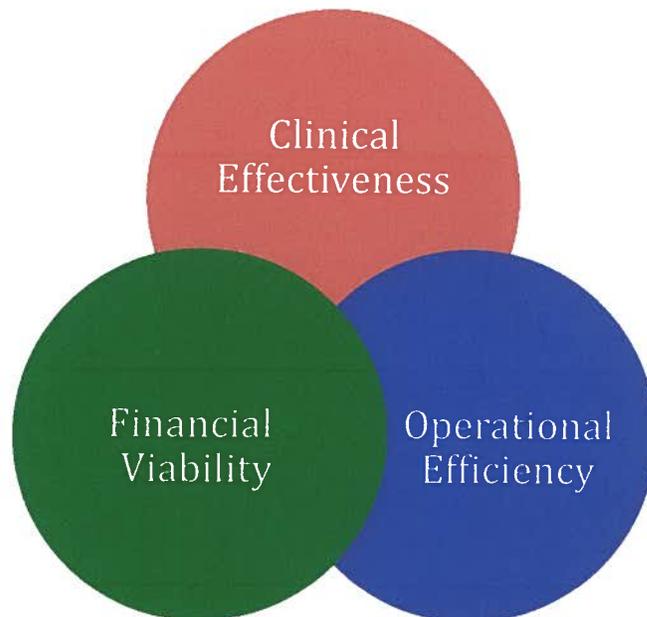
- Reviewing and analyzing the current staffing model of the Clinic
- Reviewing and analyzing technology used by the Clinic; and identifying technology not currently utilized that would improve operational efficiency.
- Reviewing, analyzing, and making recommendations on the hours of

operations

- Reviewing and analyzing the feasibility and viability of the (a) number of and (b) current locations of the three Clinics; and, providing recommendations to maximize services provided
- Assessing current compliance and necessary action(s) needed by the Clinic to comply with the *Patient Protection and Affordable Care Act (PPACA)* in 2014 and future years.
- Developing and/or recommending reporting methods and models to capture the return on investment of operating the Clinics.

If selected to conducted this assessment, C&A will *integrate* all of the preceding task outcomes into a comprehensive report that will provide decision-makers with an accurate and objective assessment of each clinic site's:

- Clinical effectiveness
- Operational efficiency
- Financial viability

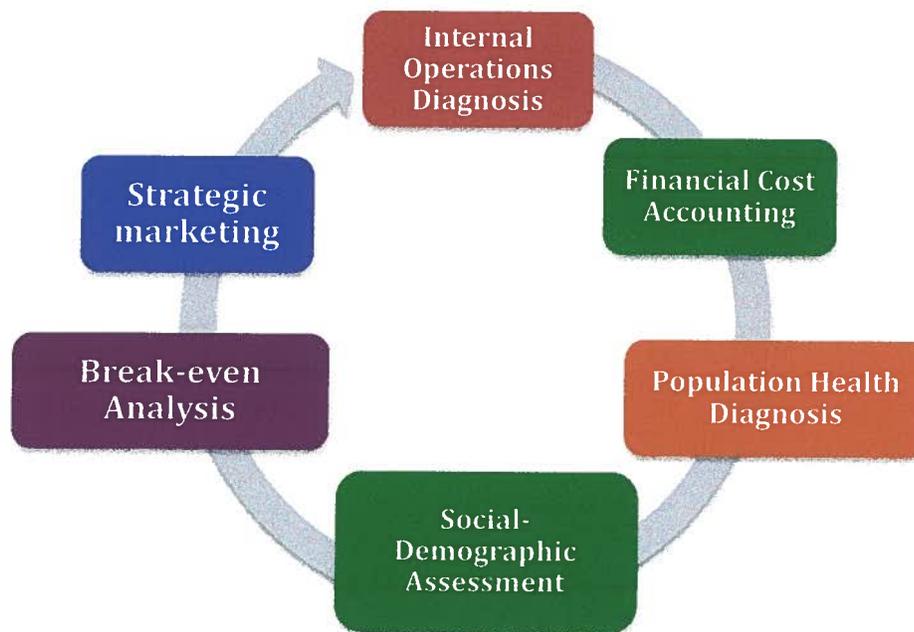


## **Conceptual Framework**

C&A envisions that a multi-phasic framework, as illustrated in Figure 1, would be an appropriate scope of work to meet all of the department's specified expectations.

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**Figure 1. Major phases that comprise a comprehensive clinic operational assessment.**





## *Phase I* *Internal Operations Diagnosis*

The primary purpose of initiating and conducting this phase is for C&A to understand the *scope of current clinic services, how each clinic site operates, and provider and client perceptions of the clinic's overall performance*. In doing so, C&A will focus on all tangible operational parameters ranging from staffing and technology to operating hours and scope of services provided. Two major objectives will guide this phase.

**Objective #1:** For HRM leaders and C&A to meet *in person* to address the following issues:

- A. Identification of major stakeholders responsible for determining the scope of services provided (e.g., chain of command).
- B. Initial reason(s) vs. current rationale for establishing a clinic.
- C. Official roles assigned to UHC, Optum, Rx Benefits Manager, Network Providers, and Clinic Staff
- D. Management's perspective of the clinic's:
  - Strengths (e.g., attributes)
  - Weaknesses (e.g., deficiencies)
  - Opportunities (e.g., to reach more employees in need, cost containment, achieve "break-even" status, etc.)
  - Threats (e.g., trends that compromise the clinic's ability to perform at maximum efficiency and effectiveness)
- E. Perceptions of how employees view the clinic

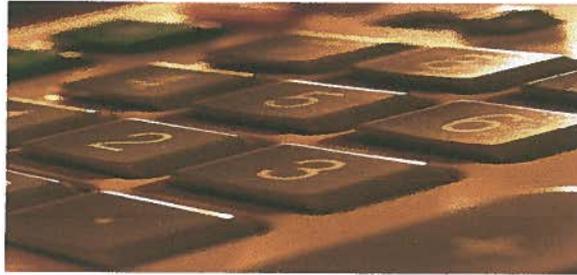


**Objective #2:** For C&A to visually assess the physical environment and clinical operations of each site in order to:

- identify the operating health care *delivery* model
- identify scope of services provided (e.g., urgent, acute care, case management, disease management, etc.)
- solicit a staff member's perspective of a clinic's strengths, weaknesses, opportunities, and threats
- solicit a staff member's perspective of why employee use/not use clinic
- understand how/why an employee (1) decides to use the clinic, (2) receives specific services, and (3) exits the clinic with/without a referral to network provider
- differentiate a (a) basic level, (b) intermediate level, and (c) advanced level clinic encounter
- acknowledge the five (5) most common conditions treated at the clinic
- interview clinic users to assess their perspective of the clinic

After meeting with HRM leaders to initiate and conduct essential activities around each of the preceding objectives – as well as to gather any readily-available information – C&A will proceed with Phase II: ***Financial Cost Accounting***.

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## Phase II

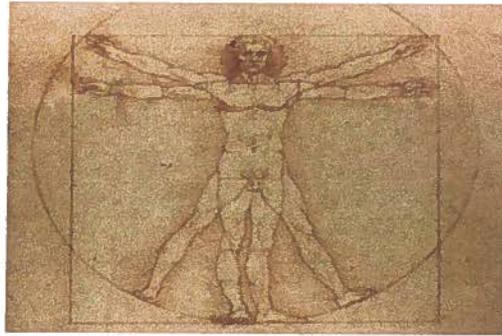
### Financial Cost Accounting

The primary goal of this phase is for C&A to *understand the (1) basis of, (2) rationale for, and (3) overall distribution of financial costs relevant to health care services provided to Travis County employees.* In order to do so, C&A will assess:

- itemized clinic operating costs incurred per year
- the method of procuring all cost items (e.g., purchased out right, leased, rented, bartered, etc.)
- clinic staff compensation levels with respect to regional and national norms
- Travis County's annual medical care expenses (outpatient vs. inpatient) for 2011-2013
- per capita health plan costs paid by employees (e.g., premium, deductible, co-pay) for 2011-2014
- proportionate costs borne by payer vs. payer when an employee uses *non-clinic* emergency care and outpatient [primary care physician] services
  - Employee's financial responsibility
  - UHC's/Optum's financial responsibility
  - Network provider's financial responsibility (e.g. discount)
  - Travis County's (employer) financial responsibility

After completing an assessment of the preceding variables, C&A will proceed with ***Phase III: Population Health Diagnosis.***

---



### Phase III

## Population Health Diagnosis

The primary purpose of conducting a customized population health diagnosis is for C&A to *understand the overall health status and health care needs of the client-eligible population*. In doing so, C&A will assess and analyze the following types of data and resources:

- Health risk assessment (HRA) tools and techniques
  - online health risk appraisal
  - biometric/clinical screening protocols (BMI, hemoglobin A1c, blood pressure, etc.)
- Online health coaching records (e.g., utilization and frequency)
- Aggregate (group) medical claims data for 2010-2013
  - by International Classification of Disease (ICD) codes for outpatient
  - by Diagnostic Related Group (DRG) for inpatient
  - "case mix" (to determine what percentage of outpatient claims are amenable to clinic treatment)
- Prescription drug dispensing by clinic
  - # of drugs dispensed
  - type of drugs dispensed
- Clinic utilization patterns for 2010-2013
  - total number of annual visits
  - number of annual visits by type by CPT or ICD code

After completing an assessment of the preceding variables, C&A will proceed with ***Phase IV: Social-Demographic Assessment***.



## Phase IV

### Socio-Demographic Assessment

The primary purpose of conducting a socio-demographic assessment of the population is for C&A to *understand how specific social, demographic, occupational, economic, and environmental factors relate to clinic utilization or the lack thereof*. In doing so, C&A will acquire and assess the following types of data:

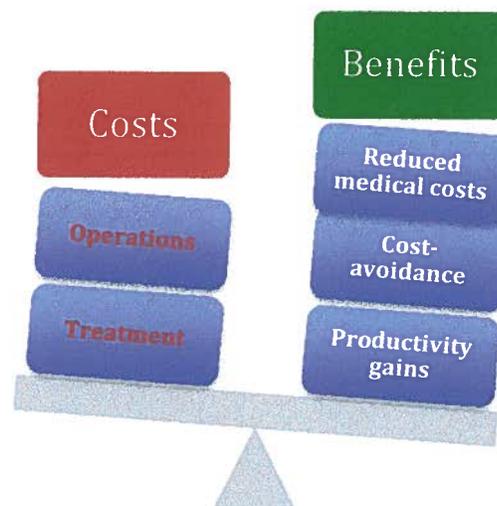
- Employees' age distribution
- Workforce ratio of females-to-males
- Workforce ethnic distribution
- Median # of years employed in Travis County government
- Median annual salary
- Distribution of employees by work shift
- % of workforce enrolled in employer-sponsored health plan
  - average monthly premium
  - average annual deductible
  - average annual co-pay
- % of employees who live within 5 miles of the closest clinic location
  - Main clinic
  - Del Valle clinic
  - Airport Boulevard clinic

After completing an assessment of the preceding variables, C&A will proceed with ***Phase V: Break-Even Analysis.***

## Phase V

### Break-Even Analysis

The primary purpose of a **break-even analysis** (BEA) is to determine if an existing program, service, or facility (e.g., Health & Wellness Clinic) is a *sound business decision* – especially in financial terms. Fundamentally, is the current clinic [multi-site] operations generating sufficient medical care cost-savings to offset its operational costs? And, if not, how many positive impacts (clinic users) are needed to achieve (1) a *break-even status* (when cost-savings equal operating costs) and (2) a *net return on the investment* (when cost-savings exceed operating costs).



Sometimes referred to as “cost-volume-profit analysis” or “contribution analysis,” BEA offers decision-makers a measurement tool to determine if the clinic’s costs and cost-saving projections are on the right track. In order to assess this relationship, C&A will prepare a *customized BEA* on the existing clinic operations by acquiring and analyzing the following types of data:

#### Capital & Developmental Expenses

- construction and/or renovation costs of each clinic facility
- equipment acquisition cost
- professional installation & assembly of equipment
- personnel recruitment and training
- administrative and information technology support

## Operational Expenses

- screening equipment and supplies
- medical supplies
- Rx drug medication
- utilities (water, HVAC, etc.)
- personnel wages & benefits (compensation)
- maintenance
- risk management (e.g., liability insurance)
- marketing and promotion
- continuing education, accreditation and certification of staff

Once all operational costs are quantified, C&A will identify and calculate medical care cost-savings attributed to the clinic. Annual cost saving values will be based on an assessment of 2010-2013 medical care costs paid by Travis County government for (1) inpatient claims, (2) outpatient claims, and (3) selected ICD-based claims. Operational cost and medical care cost saving values will then be integrated into a BEA framework to determine if, and when, *break-even status* will be achieved. A ***sample*** framework is illustrated below:

		Year 1	Years 1 & 2	Years 1 & 2	Years 1 & 2	# of Additional Visits	# of Additional Weekly Visits for "BE Point"
Projected Revenue	Cost Difference	Projected Revenue	Projected Revenue	Projected Visits	Projected Weekly Visits	Required @ 2 yrs	
A. Clinic							
1. Phys. Therapy	\$96	\$253,440	\$599,040	6,240	60.0	92.1	32.1
B. Treatment							
1. ICD 250.0	\$55	\$13,860	\$49,610	902	8.7	13.3	4.6
2. 300.0		\$4,158	\$14,883				
3. 346 & 354	\$18	\$22,800	\$45,600	2,501	24.1	36.9	12.9
4. 460 & 472	\$30	\$16,000	\$34,000	1,133	10.9	16.7	5.8
5. 710 & 780	\$102	\$138,300	\$276,600	2,712	26.1	40.0	14.0
6. V-code rehab	\$616	\$80,000	\$160,000	260	2.5	3.8	1.3
C. Premium		<u>\$250,000</u>	<u>\$500,000</u>				
Annual Revenue		\$764,698	\$1,630,123				
Cumulative Expenses			\$2,394,821				
Capital		\$2,796,810			Efficiency		
Operating		\$403,575	\$530,257		Index	Deficiency	
Depreciation		<u>\$174,677</u>	<u>\$349,354</u>		65.14%	34.86%	
Annual		\$3,375,062	\$879,611				
Cumulative		\$3,375,062	\$3,676,421				

In addition to the preceding break-even analysis framework, C&A will also employ a *"break even estimator"* calculation to determine what level of clinic utilization is needed to achieve a break-even point. This approach would incorporate the following variables:

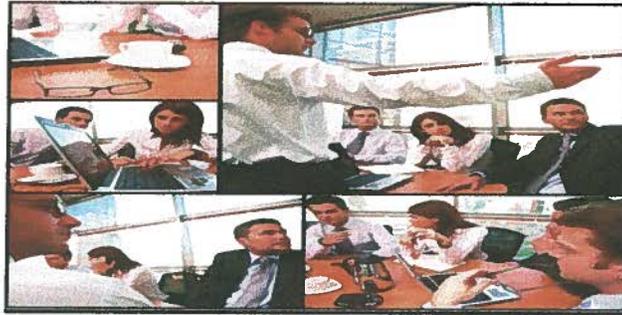
- Total outpatient medical care claim costs paid by Travis County
- Outpatient medical care claims that are amenable to clinic treatment
- # of outpatient claimants
- Clinic utilization rates at various intervals (e.g., 10%, 20%, 30%, etc.)
- % of employees with a health plan deductible >\$1,000
- Employees' median age
- Employees' health risk level

By virtue of the utilization-based break-even point values generated, decision-makers can determine if the current level of clinic utilization is sufficient to offset the clinic operational costs.



## Phase VI

### Strategic Marketing



The sixth and final phase of the clinic operations assessment is strategic marketing. The primary purpose of this phase is for C&A to *identify ways in which current [and new] resources can be used strategically to effectively promote the level of clinic utilization* that will achieve (1) employee health status improvements, (2) cost-effective treatment outcomes, and (3) organizational cost management targets. In doing so, C&A will analyze HRM's current marketing resources and efforts with respect to the *four P's* of the marketing mix:

- **Product** [branding]: establishing an appealing identity/logo for the clinic
- **Placement**: identifying the population sectors to target
- **Promotion**: identifying appropriate techniques/tools/media to reach each sector of the targeted population of employees, dependents, and retirees; and, develop the content ("message") to tap each sector's readiness to respond
- **Price**: determining what, *if any*, out of pocket fee structure would be appropriate

In doing so, C&A will essentially consider key participation indicators such as:

1. **Penetration** ("reach"): the percentage of a given population that has a genuine interest in using the clinic.
2. **Utilization** ("engagement"): the number of individuals expected to use the clinic at least once in a designated timeframe (e.g., weekly, monthly, quarterly, etc.).
3. **Adherence** ("reliance"): the number of individuals who use the clinic on a regular basis (e.g., multiple times) in a designated timeframe.

The level of actual participation significantly influences the overall impact and value proposition of a clinic. Thus, it is essential that any clinic assessment that is strategically designed to render accurate, objective, and verifiable results must investigate the presence of specific **benchmarks** and **best practices** that have a *strong correlation to participation*. C&A's experience in visiting, consulting with, and evaluating employee health clinics over the past three decades indicates that any clinic operation, including Travis County's Health & Wellness Clinic operations, should be assessed – at a minimum - on its ability to exhibit the following industry-driven best practices:

- Strong senior management support and involvement
- Effectively communicating its services and “value proposition” to employees
- Having a physical location that is easily accessible and safe
- Having enthusiastic, client-focused personnel
- Delivering quality, client-tailored services
- Providing unconditional personal privacy and confidentiality safeguards
- Being aligned with health plan benefits that promote clinic utilization, when appropriate

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### **Benchmark**

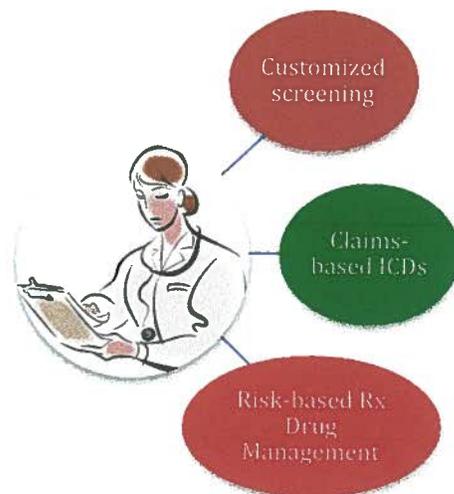
*A standard against which something can be measured or assessed.*

### **Best Practice**

*A technique or methodology that, through experience and research, has been proven to reliably lead to a desired result.*

---

C&A will identify [and recommend, where needed] best practices that will facilitate the development of key benchmarks within each of the respective clinic sites.



## Strategic Recommendations

Upon completing phases I through VI of its comprehensive clinic assessment, C&A will integrate key findings, outcomes, and strategic recommendations into a **typed report** (hard copy and electronic versions). A typical report ranges from 35 to 50 pages in length.

In particular, **strategic recommendations** provided by C&A will be applied to three major operational parameters and involve specific assessment metrics requested by HRM leaders (see Table 1).

**Table 1**

**Correlation Between Assessment Metrics, Phases  
and Major Operational Parameters**

Assessment Metric	Operational Efficiency	Clinical Effectiveness	Financial Viability
Current staffing model	√	√	√
Technology used; identifying new technology	√	√	
Hours of operation	√	√	√
Number of current locations			√
Location of current locations			√
Current compliance with PPACA	√	√	√
Reporting methods to enhance ROI	√	√	√

Phase	Operational Efficiency	Clinical Effectiveness	Financial Viability
I Internal Operations Diagnosis	√		
II Financial Cost Accounting			√
III Population Health Diagnosis	√	√	
IV Socio-Demographic Assessment	√	√	
V Break-Even Analysis			√
VI Strategic Marketing		√	

## **Implementation Phase**

### **-Post-Analysis and Reporting-**

#### **[OPTIONAL]**

The primary purpose of this phase is for C&A to provide Travis County decision-makers with a timeframe to implement strategic recommendations from each of the respective [6] phases. Table 1 provides a sample template that C&A will use in (a) preparing an itemized listing of key recommendations for each phase, (b) specifying the level in which each recommendation is strategically aligned with each of the three clinic sites, and (c) a timeframe in which the strategic recommendation can be implemented. The implementation timeframe will be established by C&A to ensure:

- 
- compatibility with the performance goals established for each of the onsite clinic operations
  - efficient implementation into the existing [or revised] clinic operations
  - financial compliance with the county's budgetary allocation for the clinic operations
  - the overall effectiveness of the clinics' ability to meet the primary health care needs of the target population
- 

**Table 2**

**Sample Implementation Timeline of Strategic Recommendations**

Phase	Activity	Strategic Recommendation	LaVaca (Main)	Del Valle	Airport Blvd.	2014	2015	2016
I	Internal Operations Analysis							
II	Financial Cost Accounting							
III	Population Health Diagnosis							
IV	Socio-Demographic Assessment							
V	Break-Even Analysis							
VI	Strategic Marketing							

## **Consulting Timeframe & Workload**

Table 3 illustrates an approximate workload that C&A envisions to initiate and complete each of the respective phases.

**Table 3 - Approximate Workload by Phase and Activity**

Phase	Activity	Work Hrs.
<b>I. Internal Operations Diagnosis</b>	A. On-site meeting (HRM and C&A) and clinic tours (3)	16 [2 days]
	B. Information and Data Analysis	8-10
	C. Pre-report Preparation	4-6
<b>II. Financial Cost Accounting</b>	A. Data Request & Follow-up	2-3
	B. Data Analysis	16-20
	C. Pre-report Preparation	3-5
<b>III. Population Health Diagnosis</b>	A. Data Request & Follow-up	3-4
	B. Data Analysis	18-22
	C. Pre-report Preparation	4-6
<b>IV. Socio-Demographic Assessment</b>	A. Data Request & Follow-up	2-3
	B. Data Analysis	10-12
	C. Pre-report Preparation	3-5
<b>V. Break-Even Analysis</b>	A. Data Request & Follow-up	2-3
	B. Break-Even Analyses (2)	10-14
	C. Pre-report Preparation	3-5
<b>VI. Strategic Marketing</b>	A. Information Request & Follow-up	1
	B. Information Analysis	2-4
	C. Pre-report Preparation	2-4
	Implications and Strategic Recommendations	10-12
	Final Report Preparation and Editing	8-10
	On-site Powerpoint and Executive Summary Presentation	12
	<b>Total Workload Phases I-VI</b>	<b>139-177 hours</b>
<b>Implementation [OPTIONAL]</b>	A. Integrate Key Recommendation into Implementation Framework	4-6
	B. Align Key Recommendations per Clinic Site	4-6
	C. Pre-report Preparation	2-4
	<b>Total Workload Phases I-VI and Implementation</b>	<b>149-193</b>

**David Chenoweth / 252-636-3241 / [dave@chenoassociates.com](mailto:dave@chenoassociates.com)**

## **ATTACHMENT D**

### **MINIMUM COVERAGE FOR INSURANCE**

- 1.0 Minimum Coverage.** Contractor shall maintain each type of insurance coverage described in Attachment D with liability limits at least as great as the minimum insurance coverage in this Attachment D and this insurance shall be applicable to both Contractor and any subcontractor performing work related to Services. Minimum insurance coverage may be written as combined single limits or structured using primary and excess or umbrella coverage that follows the form of the primary policy.
- 1.1 Workers' compensation and employers' liability insurance that meets the following minimum requirements:**
- 1.1.1 Coverage shall be consistent with statutory benefits outlined in the Texas Workers' Compensation Act.**
  - 1.1.2 Employers' liability with minimum coverage limits as follows:**
    - 1.1.2.1 \$500,000 bodily injury each accident,**
    - 1.1.2.2 \$500,000 bodily injury by disease, and**
    - 1.1.2.3 \$500,000 aggregate policy limit.**
  - 1.1.3 These policies shall be subject to the laws of Texas and include the following endorsements in favor of Travis County:**
    - 1.1.3.1 Waiver of Subrogation (Form 420304), and**
    - 1.1.3.2 Thirty (30) Day Notice of Cancellation (Form 420601).**
- 1.2 Commercial general liability insurance that meets the following minimum requirements:**
- 1.2.1 Minimum limits for coverage:**
    - 1.2.1.1 \$500,000 per occurrence for coverage A for Bodily Injury and Property Damage,**
    - 1.2.1.2 \$500,000 per occurrence for coverage B Personal Injury and Advertisement, and**
    - 1.2.1.3 \$1,000,000 aggregate policy limit.**
  - 1.2.2 The Policy shall be subject to the laws of Texas and include the following endorsements in favor of Travis County:**
    - 1.2.2.1 Blanket contractual liability for this Contract,**
    - 1.2.2.2 Independent Contractor Coverage,**
    - 1.2.2.3 Waiver of Subrogation (Form CG 2404),**

- 1.2.2.4 Thirty (30) Day Notice of Cancellation (Form CG 0205), and
  - 1.2.2.5 Travis County named as additional insured (Form CG 2010).
- 1.3 Business automobile liability insurance that meets the following minimum requirements:
- 1.3.1 If Contractor provides any form of transportation for county personnel or clients, minimum limits for coverage for all owned, non-owned, and hired vehicles shall have a combined single limit of \$300,000 per occurrence.
  - 1.3.2 The Policy shall be subject to the laws of the State of Texas and include the following endorsements in favor of Travis County:
    - 1.3.2.1 Waiver of Subrogation (Form TE 2046A),
    - 1.3.2.2 Thirty (30) Day Notice of Cancellation (Form TE 0202A), and
    - 1.3.2.3 Travis County named as additional insured (Form TE 9901B).
  - 1.3.3 Alternative Automobile Insurance Requirement. If Contractor provides no transportation services of any type, and Contractor's use of motor vehicles is strictly limited to travel to and from work or work sites, evidence of Personal Auto Policy coverage with limits of \$100,000 / \$300,000 / \$50,000 may be provided instead of Business Automobile Liability Insurance in sections 1.3.1 and 1.3.2.
  - 1.3.4 Any policy Contractor provides in compliance with section 1.3.3 shall be subject to the laws of Texas and include the following endorsements in favor of Travis County:
    - 1.3.4.1 Waiver of Subrogation (Form CG 2404),
    - 1.3.4.2 Thirty (30) Day Notice of Cancellation (Form CG 0205), and
    - 1.3.4.3 Travis County named as additional insured (Form CG 2010).
- 1.4 Professional liability / Errors & Omissions insurance that meets the following minimum requirements:
- 1.4.1 Minimum limit for coverage for malpractice, negligent acts, errors, or omissions and sexual harassment:
    - 1.4.1.1 \$1,000,000 per claim, and
    - 1.4.1.2 \$3,000,000 aggregate policy limit.
  - 1.4.2 The Policy shall be subject to the laws of Texas and include the following endorsements in favor of Travis County:
    - 1.4.2.1 Waiver of Subrogation (Form CG 2404), and
    - 1.4.2.2 Thirty (30) Day Notice of Cancellation (Form CG 0205).
    - 1.4.2.3 Travis County named as additional insured (Form CG 2010)

- 1.4.3 If this coverage is written on a claims made basis, the retroactive date must be prior to the earlier of the date this Contract is signed or its effective date and include a three (3) year extended reporting period from the date this Contract ends. The Certificate of Insurance must state whether the coverage is claims made and, if so, contain both the retroactive date of coverage and the extended reporting date.
- 1.4.4 Any subcontractor who is not covered under Contractor's professional liability insurance shall provide Contractor with current certificates of insurance on the state approved form annually on the renewal date of their insurance policy.



**ATTACHMENT F**

**ETHICS AFFIDAVIT**

STATE OF TEXAS  
COUNTY OF TRAVIS

ETHICS AFFIDAVIT

Date: OCTOBER 20, 2014  
Name of Affiant: DAVID H. CHENOWETH  
Title of Affiant: PRESIDENT  
Business Name of Contractor: ~~CHENOWETH & ASSOCIATES, INC.~~ CHENOWETH & ASSOCIATES, INC.  
County of Contractor: CRAVEN (NORTH CAROLINA)

Affiant on oath swears that the following statements are true:

1. Affiant is authorized by Contractor to make this affidavit for Contractor.
2. Affiant is fully aware of the facts stated in this affidavit.
3. Affiant can read the English language.
4. Contractor has received the list of Key Contracting Persons associated with this Contract which is attached to this affidavit as Exhibit 1.
5. Affiant has personally read Exhibit 1 to this Affidavit.
6. Affiant has no knowledge of any Key Contracting Person on Exhibit 1 with whom Contractor is doing business or has done business during the 365-Day period immediately before the date of this affidavit.

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Address

SUBSCRIBED AND SWORN TO before me by David Chenoweth on Oct 20, 2014.

Catherine N. Marling  
\_\_\_\_\_  
Notary Public, State of NC

Typed or printed name of notary  
My commission expires: 3/26/2019

EXHIBIT A

**LIST OF KEY CONTRACTING PERSONS**  
**October 17, 2014**

**CURRENT**

<b>Position Held</b>	<b>Name of Individual Holding Office/Position</b>	<b>Name of Business Individual is Associated</b>
County Judge .....	Samuel T. Biscoe	
County Judge (Spouse) .....	Donalyn Thompson-Biscoe	
Executive Assistant .....	Cheryl Brown	
Executive Assistant .....	Melissa Velasquez	
Executive Assistant .....	Josie Z. Zavala	
Executive Assistant .....	David Salazar	
Commissioner, Precinct 1 .....	Ron Davis	
Commissioner, Precinct 1 (Spouse) .....	Annie Davis	Seton Hospital
Executive Assistant .....	Deone Wilhite	
Executive Assistant .....	Felicitas Chavez	
Executive Assistant .....	Sue Spears	
Commissioner, Precinct 2 .....	Bruce Todd	
Commissioner, Precinct 2 (Spouse) .....	Elizabeth Christian	Consultant
Executive Assistant .....	Sara Krause*	
Executive Assistant .....	Joe Hon	
Executive Assistant .....	Peter Einhorn	
Commissioner, Precinct 3 .....	Gerald Daugherty*	
Commissioner, Precinct 3 (Spouse) .....	Charyl Daugherty	Consultant
Executive Assistant .....	Bob Moore*	
Executive Assistant .....	Martin Zamzow*	
Executive Assistant .....	Madison A. Gessner*	
Commissioner, Precinct 4 .....	Margaret Gomez	
Executive Assistant .....	Edith Moreida	
Executive Assistant .....	Norma Guerra	
County Treasurer .....	Dolores Ortega-Carter	
County Auditor .....	Nicki Riley	
County Executive, Administrative .....	Vacant	
Interim County Executive, Planning & Budget .....	Leroy Nellis*	
County Executive, Emergency Services .....	Danny Hobby	
County Executive, Health/Human Services .....	Sherri E. Fleming	
County Executive, TNR .....	Steven M. Manilla, P.E.	
County Executive, Justice & Public Safety .....	Roger Jefferies	
Director, Facilities Management .....	Roger El Khoury, M.S., P.E.	
Chief Information Officer .....	Tanya Acevedo	
Director, Records Mgmt & Communications .....	Steven Broberg	
Travis County Attorney .....	David Escamilla	
First Assistant County Attorney .....	Steve Capelle	
Executive Assistant, County Attorney .....	James Collins	
Director, Land Use Division .....	Tom Nuckols	
Attorney, Land Use Division .....	Julie Joe	
Attorney, Land Use Division .....	Christopher Gilmore	
Director, Transactions Division .....	John Hille	
Attorney, Transactions Division .....	Daniel Bradford	
Attorney, Transactions Division .....	Elizabeth Winn	
Attorney, Transactions Division .....	Mary Etta Gerhardt	
Attorney, Transactions Division .....	Barbara Wilson	
Attorney, Transactions Division .....	Jennifer Kraber*	
Attorney, Transactions Division .....	Tenley Aldredge	
Director, Health Services Division .....	Beth Devery	
Attorney, Health Services Division .....	Prema Gregerson	

Purchasing Agent .....Cyd Grimes, C.P.M., CPPO  
 Assistant Purchasing Agent .....Elaine Casas, J.D.\*  
 Assistant Purchasing Agent .....Marvin Brice, CPPB  
 Assistant Purchasing Agent .....Bonnie Floyd, CPPO, CPPB  
 Purchasing Agent Assistant IV .....CW Bruner, CTP, CPPB  
 Purchasing Agent Assistant IV .....Lee Perry  
 Purchasing Agent Assistant IV .....Jason Walker  
 Purchasing Agent Assistant IV .....Richard Villareal  
 Purchasing Agent Assistant IV .....Patrick Strittmatter, CPPB  
 Purchasing Agent Assistant IV .....Lori Clyde, CPPO, CPPB, CTPE  
 Purchasing Agent Assistant IV .....Scott Wilson, CPPB  
 Purchasing Agent Assistant IV .....Jorge Talavera, CPPO, CPPB  
 Purchasing Agent Assistant IV .....Loren Breland, CPPB  
 Purchasing Agent Assistant IV .....John E. Pena, CTPM, CPPB  
 Purchasing Agent Assistant IV .....Angel Gomez  
 Purchasing Agent Assistant IV .....Jesse Herrera, CPPB, CTPM, CTCM, CTP  
 Purchasing Agent Assistant III .....Vacant  
 Purchasing Agent Assistant III .....David Walch  
 Purchasing Agent Assistant III .....Michael Long, CPPB  
 Purchasing Agent Assistant III .....Sydney Ceder  
 Purchasing Agent Assistant III .....Ruena Victorino  
 Purchasing Agent Assistant III .....Rachel Fishback  
 Purchasing Agent Assistant II.....L. Wade Laursen  
 Purchasing Agent Assistant II.....Sam Francis  
 HUB Coordinator.....Sylvia Lopez  
 HUB Specialist .....Betty Chapa  
 HUB Specialist .....Jerome Guerrero  
 Purchasing Business Analyst .....Scott Worthington  
 Purchasing Business Analyst .....Rosalinda Garcia  
 HRMD, Director .....Debbie Maynor  
 HRMD, Benefits Manager .....John Rabb  
 HRMD, Benefits Administrator .....Shannon Steele  
 HRMD, Wellness Coordinator.....Josie Pena\*

**FORMER EMPLOYEES**

<u>Position Held</u>	<u>Name of Individual Holding Office/Position</u>	<u>Date of Expiration</u>
Purchasing Agent Assistant III .....	Shannon Pleasant .....	08/22/15
Purchasing Business Analyst .....	Jennifer Francis .....	11/29/14
Executive Assistant.....	Barbara Smith .....	01/15/15
Attorney, Transactions Division .....	Jim Connolly.....	02/28/15
County Executive, Planning & Budget.....	Leslie Browder... ..	03/31/15

\* - Identifies employees who have been in that position less than a year.

**Proposer acknowledges that Proposer is doing business or has done business during the 365 day period immediately prior to the date on which this RFP is due with the following Key Contracting Persons and warrants that these are the only such Key Contracting Persons:**

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**If no one is listed above, Proposer warrants that Proposer is not doing business and has not done business during the 365 day period immediately prior to the date on which this RFP is due with any Key Contracting Person.**

**ATTACHMENT G**  
**MUTUAL BUSINESS ASSOCIATE AGREEMENT**  
**BETWEEN TRAVIS COUNTY AND**  
**CHENOWETH & ASSOCIATES, INC.**

This Business Associate Agreement ("BAA") is executed by the following parties:

Travis County, a political subdivision of Texas ("County") and  
Chenoweth & Associates, Inc., an S corporation, ("Contractor").

**RECITALS**

County and Contractor are entering into a contract that involves access to information governed by HIPAA and HITECH.

They are entering into this BAA:

- (1) to provide Contractor with satisfactory assurances, in accordance with 45 C.F.R. § 164.314(a), that County will appropriately safeguard any electronic protected health information that County creates, receives, maintains or transmits on Contractor's behalf and
- (2) to provide County with satisfactory assurances, in accordance with 45 C.F.R. § 164.314(a), that Contractor will appropriately safeguard any electronic protected health information that Contractor creates, receives, maintains or transmits on County's behalf. 45 CFR 164.308 (b).

**AGREEMENT**

NOW, THEREFORE, County and Contractor mutually agree to the following terms and conditions.

**I. TERM.**

- 1.1. This BAA commences on the date on which it is signed by the last party to sign it. This BAA continues in force until it is terminated by one of the parties.

**II. COUNTY RESPONSIBILITIES AND AUTHORITY**

- 2.1. **Directly Regulated.** County acknowledges that it is directly regulated by HIPAA and HITECH and Part 164.
- 2.2. **County Compliance with Part 164.** County shall comply with the applicable requirements of Part 164. 45 CFR 164.314 (a)(2)(A). County shall use appropriate safeguards and comply, where applicable, with Part 164 to prevent use or disclosure of electronic protected health information other than as provided for in this BAA. 45 CFR 164.504 (e)(2)(ii)(B).
- 2.3. **Subcontractor Compliance with Part 164.** County shall ensure that any subcontractors that create, receive, maintain, or transmit electronic protected health information on behalf of County agree to comply with the applicable requirements of Part 164 by entering into a contract with the subcontractor that complies with 45 CFR 164.314 (a)(2)(B). If County knows of a pattern of activity or practice of a subcontractor that constitutes a

material breach or violation of the subcontractor's obligation under that contract, County shall take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps were unsuccessful, terminated the contract, if feasible. 45 CFR 164.502(e)(1)(iii).

2.4. Notice of Breach to Contractor. County shall report to Contractor any security incident of which it becomes aware, including breaches of Contractor's unsecured protected health information as required by 45 CFR § 164.410. County shall report to Contractor any successful security incident in detail as promptly as possible and no later than two (2) business days after County becomes aware of it. County may report to Contractor unsuccessful security incidents in the aggregate at least once each quarter. County determines if there has been a data breach for data that initiated with County and whether data that initiated with County has been compromised. 45 CFR 164.314 (a)(2)(C).

2.5. Policies and Training. County shall implement, maintain and enforce procedures and policies consistent with the applicable requirements of HIPAA, HITECH and Part 164. County shall provide its employees working in areas treated as a covered entity with appropriate regular training in these policies and procedures and compliance with the applicable requirements of HIPAA, HITECH and Part 164. County shall ensure that these employees comply with these procedures and policies.

2.6. Notice of Breach. Following the discovery of a breach of unsecured protected health information, County shall notify Contractor of the breach without unreasonable delay and no later than 60 calendar days after discovery of a breach. This notice shall include, to the extent possible, the identity of each individual whose unsecured protected health information has been, or is reasonably believed by County to have been accessed, acquired, used, or disclosed during the breach and any other available information that Contractor is required to include in its notice to the individual under 45 CFR § 164.404(c). For purposes of this paragraph, a breach shall be treated as discovered by County as of the first day on which that breach is known to County or, by exercising reasonable diligence, would have been known to County. County shall be deemed to have knowledge of a breach if the breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach, who is an employee, officer, or other agent of County. 45 CFR 164.410.

2.7. Permitted Uses and Disclosures. County may use protected health information provided to County by Contractor data for the following activities:

2.7.1. Treatment of patients,

2.7.2. Payment,

2.7.3. Healthcare operations including quality assessment and improvement activities, competence or qualifications of health care professionals, conducting or arranging for medical review business planning and development, business management and general administrative activities of County,

2.7.4. proper management and administration of County,

2.7.5. Making protected health information available for amendment and incorporating any amendments to protected health information in accordance with Part 164, and

2.7.6. Making the information required to provide an accounting of disclosures available in accordance with Part 164.

2.8. Required Uses and Disclosures. County shall disclose protected health information and make its

internal practices, books, and records relating to the use and disclosure of protected health information received from, or created or received by County available to the Secretary of the Department of Health and Human Services for purposes of determining Contractor's or County's compliance with Part 164. County shall also disclose protected health information to Contractor when requested by an individual or the individual's designee, as necessary to satisfy Contractor's obligations to provide the individual with access to inspect and obtain a copy of his or her protected health information in a designated record set, subject to the exclusions in § 164.524(a)(1), in the electronic format requested if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by the covered entity and the individual in compliance with Part 164.

2.9. Prohibited Uses and Disclosures. County shall not use or further disclose genetic information for underwriting purposes or sell protected health information or use or disclose protected health information other than as permitted or required by the BAA or as required by law. For purposes of this paragraph, sale of protected health information means a disclosure of protected health information by County where County directly or indirectly receives remuneration from or on behalf of the recipient of the protected health information in exchange for the protected health information but does not include disclosure of protected health information as specifically limited in 45 CFR § 164.502(5).

2.10. Accounting of Disclosures. Except as otherwise permitted or required by this BAA, County shall report to Contractor any use or disclosure of the information of which it becomes aware, including breaches of unsecured protected health information. 45 CFR § 164.410 and 45 CFR 164.504 (e)(2)(ii)(C).

2.11. Return or Destruction of Data. At termination of the BAA, if feasible, County shall return or destroy all protected health information received from, or created or received by County on behalf of Contractor that County still maintains in any form and retain no copies of such information. If such return or destruction is not feasible, County shall extend the protections of the BAA to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

2.12. Compliance with Laws. County shall comply with all applicable laws, rules and regulations in the performance of this BAA.

### **III. CONTRACTOR RESPONSIBILITIES AND AUTHORITY**

3.1. Directly Regulated. Contractor acknowledges that it is directly regulated by HIPAA and HITECH and Part 164.

3.2. Contractor Compliance with Part 164. Contractor shall comply with the applicable requirements of Part 164. 45 CFR 164.314 (a)(2)(A). Contractor shall use appropriate safeguards and comply, where applicable, with Part 164 to prevent use or disclosure of electronic protected health information other than as provided for in this BAA. 45 CFR 164.504 (e)(2)(ii)(B).

3.3. Subcontractor Compliance with Part 164. Contractor shall ensure that any subcontractors that create, receive, maintain, or transmit electronic protected health information on behalf of Contractor agree to comply with the applicable requirements of Part 164 by entering into a contract with the subcontractor that complies with 45 CFR 164.314 (a)(2)(B). If Contractor knows of a pattern of activity or practice of a subcontractor that constitutes a material breach or violation of the subcontractor's obligation under that contract, Contractor shall take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps were unsuccessful, terminated the contract, if feasible. 45 CFR 164.502(e)(1)(iii).

3.4. Notice of Breach to County. Contractor shall report to County any security incident of which it becomes aware, including breaches of County's unsecured protected health information as required by 45 CFR §

164.410. Contractor shall report to County any successful security incident in detail as promptly as possible and no later than 2 business days after Contractor becomes aware of it. Contractor may report to County unsuccessful security incidents in the aggregate at least once each quarter. Contractor determines if there has been a data breach for data that initiated with Contractor and whether data that initiated with Contractor has been compromised. 45 CFR 164.314 (a)(2)(C).

3.5. Policies and Training. Contractor shall implement, maintain and enforce procedures and policies consistent with the applicable requirements of HIPAA, HITECH and Part 164. Contractor shall provide its directors, employees, and volunteers with appropriate regular training in these policies and procedures and compliance with the applicable requirements of HIPAA, HITECH and Part 164. Contractor shall ensure that its directors, employees, volunteers and subcontractors comply with these procedures and policies.

3.6. Notice of Breach. Following the discovery of a breach of unsecured protected health information, Contractor shall notify County of the breach without unreasonable delay and no later than 60 calendar days after discovery of a breach. This notice shall include, to the extent possible, the identity of each individual whose unsecured protected health information has been, or is reasonably believed by Contractor to have been accessed, acquired, used, or disclosed during the breach and any other available information that County is required to include in its notice to the individual under 45 CFR § 164.404(c). For purposes of this paragraph, a breach shall be treated as discovered by Contractor as of the first day on which that breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor. Contractor shall be deemed to have knowledge of a breach if the breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor. 45 CFR 164.410.

3.7. Permitted Uses and Disclosures. Contractor may use protected health information provided to Contractor by County data for the following activities:

3.7.1. Treatment of patients,

3.7.2. Payment,

3.7.3. Healthcare operations including quality assessment and improvement activities, competence or qualifications of health care professionals, conducting or arranging for medical review business planning and development, business management and general administrative activities of Contractor,

3.7.4. Proper management and administration of Contractor,

3.7.5. Making protected health information available for amendment and incorporating any amendments to protected health information in accordance with Part 164, and

3.7.6. Making the information required to provide an accounting of disclosures available in accordance with § 164.528.

3.8. Required Uses and Disclosures. Contractor shall disclose protected health information and make its internal practices, books, and records relating to the use and disclosure of protected health information received from, or created or received by Contractor available to the Secretary of the Department of Health and Human Services for purposes of determining Contractor's or County's compliance with Part 164. Contractor also shall disclose protected health information to County when requested by an individual or the individual's designee, as necessary to satisfy County's obligations to provide the individual with access to inspect and obtain a copy of his or her protected health information in a designated record set, subject to the exclusions in § 164.524(a)(1), in

the electronic format requested if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by the covered entity and the individual in compliance with Part 164.

3.9. **Prohibited Uses and Disclosures.** Contractor shall not use or further disclose genetic information for underwriting purposes or sell protected health information or use or disclose protected health information other than as permitted or required by the BAA or as required by law. For purposes of this paragraph, sale of protected health information means a disclosure of protected health information by Contractor where Contractor directly or indirectly receives remuneration from or on behalf of the recipient of the protected health information in exchange for the protected health information but does not include disclosure of protected health information as specifically limited in 45 CFR § 164.502(5).

3.10. **Accounting of Disclosures.** Except as otherwise permitted or required by this BAA, Contractor shall report to County any use or disclosure of the information of which it becomes aware, including breaches of unsecured protected health information. 45 CFR § 164.410 and 45 CFR 164.504 (e)(2)(ii)(C).

3.11. **Return or Destruction of Data.** At termination of the BAA, if feasible, Contractor shall return or destroy all protected health information received from, or created or received by Contractor on behalf of County that Contractor still maintains in any form and retain no copies of such information. If such return or destruction is not feasible, Contractor shall extend the protections of the BAA to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

3.12 **Compliance with Laws.** Contractor shall comply with all applicable laws, rules and regulations in the performance of this BAA.

#### **IV. LIABILITY**

4.1. County is not liable for and Contractor assumes full risk of any claims, damages or attorney's fees of every kind for injury to or death of any person and for damages to or loss of property arising in whole or in part, directly or indirectly, as a result of the operations, including acts and omissions, of the Contractor under this BAA.

4.2. Contractor is not liable for and County assumes full risk of any claims, damages or attorney's fees of every kind for injury or death of any person and for damages to or loss of property arising in whole or in part, directly or indirectly, as a result of the operations, including acts or omissions, of the County under this BAA.

4.3. By entering into this BAA, County does not waive, and shall not be deemed to waive, any right, defense, or immunity that County may have.

#### **V. LIMIT ON AGENTS**

5.1. No agent, official, employee, or representative of County has the authority to amend or assign this BAA or waive violations of it unless expressly granted this specific authority by the Commissioners Court.

#### **VI. BREACH**

6.1. The failure of either party to comply with the terms and conditions of this BAA is a breach of this BAA.

#### **VII. MEDIATION**

7.1. When mediation is acceptable to both parties in resolving a dispute arising under this BAA, the parties agree to use the Dispute Resolution Center of Austin, Texas as the provider of mediators for mediation as described in the TEX. CIV. PRAC. AND REM. CODE ANN. §154.023. Unless both parties are satisfied with the

result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation must remain confidential as described in TEX. CIV. PRAC. AND REM. CODE ANN. §154.073, unless both parties agree, in writing, to waive the confidentiality.

## VIII. TERMINATION

8.1 County for Cause Termination. County has the right to terminate this BAA and the BAA, in whole or in part, for one or more of the following reasons at any time in compliance with 7.2:

8.1.1 Contractor fails to cease violations of this BAA or HIPAA or HITECH or Part 164,

8.1.2 Contractor has violated its policies and procedures arising from compliance with HIPAA or HITECH or Part 164 or both, one or more times,

8.1.3 Contractor has failed to comply with any term or condition of this BAA, or

8.1.4 Contractor is unable to conform to changes required by federal, state or local laws or regulations related to performance under this BAA.

8.2 Procedure. At least thirty (30) days before the effective date of termination, County must notify Contractor in compliance with Article XIII of the decision to terminate this BAA, the existence and nature of the breach, the effective date of termination and, in the case of a partial termination, the portion of the BAA to be terminated. Contractor may avoid termination of this BAA pursuant to 7.1.1, 7.1.2, and 7.1.3 if Contractor cures the breach to the satisfaction of County within thirty (30) days of receipt of notice of breach. The time to cure may be extended, at the sole discretion of County, as long as the Contractor diligently continues to work toward completion of the cure. If the breach is not cured to the satisfaction of County prior to the effective date of termination or any extension of the date allowed by County in writing, the Contractor is in default and the participation of the Contractor is automatically terminated on that date.

8.3 Contractor For Cause Termination. Contractor may terminate this BAA, in whole or in part, at any time for any of the following reasons in compliance with 7.4:

8.3.1 County fails to cease violations of this BAA or HIPAA or HITECH or Part 164,

8.3.2 County has violated its policies and procedures arising from compliance with HIPAA or HITECH or Part 164 or both, one or more times,

8.3.3 County has failed to comply with any term or condition of this BAA, or

8.3.4 County is unable to conform to changes required by federal, state or local laws or regulations related to performance under this BAA.

8.4 Procedure. At least thirty (30) days before the date of termination, Contractor must notify County in compliance with Article XIII of the decision to terminate this BAA, the reasons for termination, the effective date of termination and in the case of a partial termination, the portion of the BAA to be terminated. County may avoid termination of this BAA pursuant to 7.3.1 or 7.3.2 or 7.3.3 if County corrects the causes of the reasons for termination stated in the notice to the satisfaction of the Contractor prior to the effective date of termination.

8.5 Mutual Termination. Either party has the right to terminate this BAA, in whole or in part, when both parties agree, in writing, that the continuation of the activities under this BAA would not produce beneficial results commensurate with the further expenditure of funds and what conditions of termination will apply, including the effective date of termination and, in case of partial termination, the portion of the BAA to be terminated.

## IX. NON-WAIVER AND RESERVATION OF REMEDIES

9.1 Non-Waiver. Any act of forbearance by either party to enforce any provision of this BAA shall not be interpreted as a modification of this BAA or as a waiver of any breach or default of the other party which then

exists or may subsequently exist. The failure of either party to exercise any right or privilege granted in this BAA shall not be interpreted as a waiver of that right or privilege. In this BAA, County and Contractor do not waive any immunity or defense that would otherwise be available to them against claims arising in the exercise of their governmental powers and functions.

9.2. Reservation of Rights and Remedies. All rights of both parties under this BAA are specifically reserved. Any payment, act or omission by a party must not impair or prejudice any remedy or right of that party under this BAA. Any right or remedy stated in this BAA must not preclude the exercise of any other right or remedy under this BAA, the law or at equity, nor must any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies.

## **X. ENTIRE AGREEMENT**

10.1. Agreement All Inclusive. All oral and written agreements between the parties to this BAA relating to the subject matter of this BAA that were made prior to the execution of this BAA have been reduced to writing and are contained in this document.

## **XI. ASSIGNABILITY**

11.1. Neither party may assign any of the rights or duties created by this BAA without the prior written approval of the other party. It is acknowledged by Contractor that no officer, agency, employee or representative of County has any authority to grant such assignment unless expressly granted that authority by the Commissioners Court.

## **XII. AMENDMENTS**

12.1. Amendment of BAA. Any change to the provisions of this BAA must be made in writing and signed by both parties: County and Contractor. It is acknowledged by Contractor that no officer, agency, employee or representative of County has any authority to change the provisions of this BAA unless expressly granted that authority by Commissioners Court.

12.2. Contractor Request. Contractor must submit all requests for changes to this BAA to the County Purchasing Agent. The County Purchasing Agent must present the Contractor 's requests to Commissioners Court for consideration.

12.3. County Request. County must submit all requests for changes to this BAA to the person designated for notice by Contractor. That person must present County's requests to the Contractor for consideration.

## **XIII. NOTICES**

13.1. Written Notice. All notices sent pursuant to this BAA shall be in writing and either hand delivered or sent by registered or certified mail, postage prepaid, return receipt requested.

13.2. County Address. Notice sent pursuant to this BAA may be delivered or mailed to County. If delivered, notice shall be delivered at the following address:

County Purchasing Agent  
700 Lavaca, Suite 800  
Austin, Texas 78701

13.3. If mailed, notice shall be mailed to the following address:

County Purchasing Agent  
P.O. Box 1748  
Austin, Texas 78767

13.4. Contractor Addresses. Paper Notices sent pursuant to this BAA shall be delivered or mailed to Contractor at the addresses shown in its contract with County for third party administration service for its health plan unless notice of change has been provided.

13.5. Time of Delivery. When notices sent are hand delivered, notice is effective upon delivery. When notices are mailed by registered or certified mail, notice shall be deemed effective three days after deposit in a U.S. mail box or at a U.S. post office.

13.6 Change of Address. Contractor may change its address for notice under this contract by providing a notice of the change to County in compliance with this Article XIII.

#### XIV. INTERPRETATION OF CONTRACT

14.1. Third Party Rights Not Created. This BAA is not intended and shall not be interpreted to create any rights or remedies in any person or legal entity that is not a party to it and neither County nor Contractor is waiving any defense or immunity to which it is entitled against any person or legal entity that is not a party to it.

14.2. Law. This BAA is governed by the laws of the United States of America and the laws of Texas. This BAA is performable in Travis County, Texas.

14.3. Severability. If any portion of this BAA is ruled invalid by a court of competent jurisdiction, the remainder of it must be construed as if that portion were not included in the BAA and the remainder remains valid and binding.

14.4. Definitions. In this BAA, all words and phrases used in this BAA and defined in 45 CFR Parts 160 through 164 inclusive have the same meaning in this BAA as they have in 45 CFR Parts 160 through 164 inclusive. In addition, in this BAA

14.4.1. Business Day. "Business Day" means Monday through Friday unless County has designated one of these days as a County holiday.

14.4.2. Commissioners Court. "Commissioners Court" means the Travis County Commissioners Court.

14.4.3. HIPAA. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

14.4.4. HITECH. "HITECH" means the Health Information Technology for Economic and Clinical Health Act of 2009.

14.4.5. Part 164. "Part 164" means 45 Code of Federal Regulations, Part 164 which forms a portion of the regulations issued under HIPAA and HITECH.

14.4.6. County Purchasing Agent. "County Purchasing Agent " means the Travis County Purchasing or her designee.

14.5. Computation of Time. When any period of time is stated in this BAA, the time must be computed to exclude the first day and include the last day of the period. If the last day of any period falls on a Saturday, Sunday or a day that County has declared a holiday for its employees, these days must be omitted from the computation.

14.6. Number and Gender. Words of any gender in this BAA must be construed to include any other gender and words in either number must be construed to include the other unless the context in the BAA clearly requires otherwise.

14.7. Headings. The headings at the beginning of the various provisions of this BAA have been included only to make it easier to locate the subject matter covered by that section or subsection and are not to be used in construing this BAA.

**XV. DUPLICATE ORIGINALS**

15.1. This document is executed in duplicate originals.

**TRAVIS COUNTY**

By: \_\_\_\_\_  
Samuel T. Biscoe, County Judge  
Travis County, Texas

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

**CHENOWETH & ASSOCIATES, INC.**

By: David Chenoweth  
David Chenoweth  
President

Date: OCT 20, 2014

# Funds Reservation 300001541

General Data			
Document type	FC	Document type	030
Company code	1000	Document date	10/30/2014
FM area	1000	Posting date	10/30/2014
Controlling area	1000	Currency	USD/ 1.00000
Statistics			
Entered by	MCREEN	Created on	10/30/2014
Last changed by		Last changed	
More Data			
Text	Funds reservation for clinic assessment		
Reference			
Overall Amount	31,240.00 USD		

Document item 001			
Text			
Commitment item	511890	Funds center	1110068956
Fund	8956	G/L account	511890
Cost center	1110068956	Due on	
Vendor		Customer	
Amount	31,240.00 USD		