



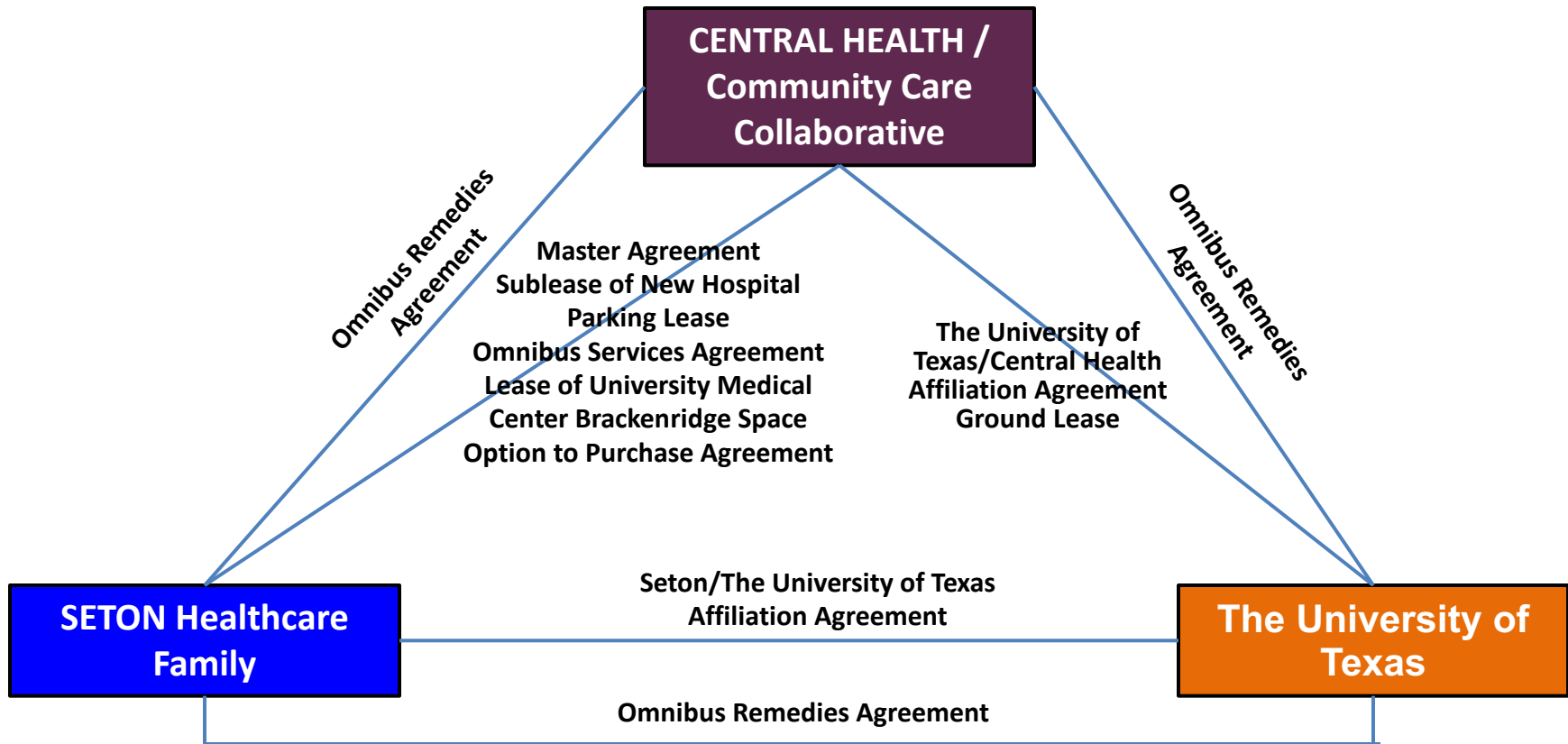
**The University of Texas / Central Health  
/ Community Care Collaborative  
AFFILIATION AGREEMENT**

**HUSCH BLACKWELL**

# Affiliation Agreement

- Sets out the terms of The University of Texas, Central Health, and the Community Care Collaborative regarding their collaboration to participate in an integrated delivery system for Travis County residents.
- This Agreement is part of a series of agreements between The University of Texas, Seton Healthcare Family, Central Health, and the Community Care Collaborative, which already includes the Master Agreement and the Omnibus Services Agreement between Seton Healthcare Family and Central Health.

# Affiliation Arrangements



# Basic Commitments – Community Care Collaborative

- The Community Care Collaborative will make investment payments of \$35 million (“Permitted Investment Payments”) annually to The University of Texas.
- Such funds can be used to fund only Permitted Investments.
- Permitted Investments include:
  - Enhancement of medical services for residents
  - Increase the healthcare services available to residents
  - Development of medical innovations to augment medical care
  - Development and operation of integrated health care
  - Activities necessary to facilitate the operations and accreditation of the medical school
  - Recruitment and retention of Faculty, Residents and Medical Students, and other staff

# Basic Commitments – Central Health

- Guarantees the Community Care Collaborative's commitments

# Basic Commitments – The University of Texas

- The University of Texas is committed to developing and operating the highest quality medical school.
- The University of Texas will recruit top tier Faculty and Residents who will provide clinical services to the residents of Travis County.
- The University of Texas will educate Medical Students to enable them to join the current population of physicians in Travis County.
- The University of Texas will conduct and implement research programs that are intended to improve the health care of Travis County residents.

# Basic Commitments – The University of Texas

- **Support the Integrated Delivery System**
  - Train Residents and Medical Students in community-based settings
  - Assist Central Health and the Community Care Collaborative in providing appropriate levels of services
  - Assist Central Health with the Delivery System Reform Incentive Payments projects
  - Focus on preventive care and delivery of medical services in the social context of illness

# Basic Commitments – The University of Texas (continued)

The University of Texas Faculty and Residents will provide care to all residents of Travis County in the same manner and with the same access as they provide services to any resident of Travis County regardless of gender, race, color, religion, health status, sexual orientation, disability, insurability, age, or source of payment.

Provide comprehensive women's clinical services.

Assist the Community Care Collaborative in assuring that Seton Healthcare Family's Ethical and Religious Directives do not impede the delivery of medically appropriate health care or the comprehensive education of the Medical Students and Residents.



# Basic Commitments – The University of Texas (continued)

- The University of Texas will make available Faculty and Residents to provide part of the physician component of the Central Health's Medical Access Program and Seton Healthcare Family's Charity Care services that are provided under the current Omnibus Services Agreement and/or as it is modified by agreement.

# Cooperation/Collaboration

## Formation of Joint Affiliation Committee (JAC)

- The University of Texas will communicate regarding Permitted Investment uses
- Coordinate clinical and Integrated Delivery System activities
- Meets quarterly

# Termination of Agreement by the Community Care Collaborative or Central Health

## The University of Texas Defaults

- Failure to open by July 1, 2018
- Closing of medical school
- Material reduction in accredited Continuing Medical Education programs not due to decrease in funding from the Community Care Collaborative
- Insolvency
- Reduction in the scope of clinical services provided by The University of Texas as presently provided by The University of Texas Southwestern Medical Center Faculty and Residents under the Omnibus Services Agreement as amended over the years

# Termination of Agreement by The University of Texas

## Central Health / Community Care Collaborative Defaults

- Insolvency

# Termination of Agreement by Both Parties

Both Parties may terminate as allowed by the Omnibus Remedies Agreement not yet completed.

# The University of Texas Remedies for Breach

The University of Texas may sue for breach:

- If Central Health refuses or is unable to participate in suit because of sovereign immunity, The University of Texas may suspend or reduce clinical services provided.
- If alleged default is not resolved in 3 years, The University of Texas may terminate.

# Central Health/Community Care Collaborative Remedies for Breach

Central Health/Community Care Collaborative may sue for breach:

- If The University of Texas refuses or is unable to participate in lawsuit because of sovereign immunity, Central Health may withhold any payments due to The University of Texas up to \$5 million per annum.
- If suit is successful, Central Health/Community Care Collaborative may offset damage award against amounts owed to The University of Texas.
- If no resolution of defaults for 3 years, Central Health may terminate. Termination is not effective until all then-existing Residents have graduated, been transferred, or dropped out.

# Reduction in Seton Healthcare Family Funding

- If Seton Healthcare Family reduces support to The University of Texas, Parties will cooperate to replace funding.
- If unable to do so within 4 years, either Party may terminate agreement, but termination is not effective until all the existing Residents have graduated, been transferred, or dropped out.