



Supplement No. 5
Contractual Agreement for Third Party Administrator Services
("Supplement")

Article 1. Background

- 1.1 WHEREAS, the Employees Retirement System of Texas ("ERS") and Blue Cross and Blue Shield of Texas, an Operating Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("TPA") entered into a Contractual Agreement for Third Party Administrator Services for the HealthSelectSM of Texas ("HealthSelect") program effective December 2, 2016 ("Contract");
- 1.2 WHEREAS, House Bill 952 enacted by the 79th Texas Legislature and Senate Bill 1761 enacted by the 80th Texas Legislature (now codified in Chapter 671, Texas Government Code), directed ERS to develop and implement a pilot program to provide health services to state employees in state office complexes ("Employee Health Center");
- 1.3 WHEREAS, ERS requested TPA to assist in administering the Employee Health Centers;
- 1.4 WHEREAS, an Employee Health Center has been in operation at the Texas Commission on Environmental Quality ("TCEQ") since March 15, 2006, and will cease operations as of August 31, 2020, unless continued for a new term; and
- 1.5 WHEREAS, both ERS and TPA desire to continue the operation of the TCEQ Employee Health Center for an additional year beyond August 31, 2020 until August 31, 2021; subject to Section 5.1(B)(4) and
- 1.6 WHEREAS, an Employee Health Center has been established at the Texas Department of Transportation ("TxDOT"); and
- 1.7 WHEREAS, both ERS and TPA desire to begin operation of the TxDOT Employee Health Center on September 1, 2020 and until August 31, 2021, subject to Section 5.1(B)(4).
- 1.8 NOW, THEREFORE, in consideration of the mutual terms and conditions set forth herein, the parties have agreed to supplement the Contract and continue the Employee Health Centers for a new term as follows:

Article 2. Term

- 2.1 TPA will contract with a multi-specialty medical group to operate the TCEQ Employee Health Center from September 1, 2020 through August 31, 2021, the term of the Supplement, unless continued for an additional term beyond August 31, 2021 by further written agreement of the parties or unless earlier terminated in writing by the parties as provided in Article 11 of this Supplement.
- 2.2 TPA will contract with a multi-specialty medical group to operate the TxDOT Employee Health Center from September 1, 2020 through August 31, 2021, the term of the Supplement, unless continued for an additional term beyond August 31, 2021 by further written agreement of the parties or unless earlier terminated in writing by the parties as provided in Article 11 of this Supplement.

Article 3. Compensation

- 3.1 TPA shall not receive additional compensation for providing any administrative services for the period September 1, 2020 through August 31, 2021. The parties agree that any continuance of the Employee Health Centers beyond August 31, 2021 may require the consideration of mutually acceptable administrative fees payable to TPA.

Article 4. ERS Responsibilities

4.1 ERS Employee Health Center responsibilities include administration and operational support, establishing and maintaining contracts for essential administrative services, statutory compliance and responding to legislative requests, if any, for Employee Health Center reports and information.

Article 5. Services Provided by TPA

5.1 TPA will provide the following services related to the Employee Health Centers:

- A. TPA will enter into agreements necessary to provide Employee Health Center staffing by licensed and appropriately credentialed health care professionals who maintain, during the term of this Supplement, professional liability insurance covering the Employee Health Center services to be provided.
- B. TPA will provide administrative services which will include, but are not limited to, the following:
 - 1) Billing and payment administration for the Employee Health Centers.
 - i) ERS will reimburse TPA monthly at the rate of \$12,000.00 for the fixed fee payable to the contracted health care provider operating the TCEQ Employee Health Center, so long as TCEQ continues to pay ERS for such services. For partial months the reimbursement rate will be prorated on a daily basis. TPA will be responsible for making monthly payments to contracting TCEQ Employee Health Center health care providers, so long as TCEQ continues to pay ERS for such services.
 - ii) ERS will reimburse TPA monthly at the rate of \$12,000.00 for the fixed fee payable to the contracted health care provider operating the TxDOT Employee Health Center, so long as TxDOT continues to pay ERS for such services. For partial months the reimbursement rate will be prorated on a daily basis. TPA will be responsible for making monthly payments to contracting Employee Health Center health care providers, so long as TxDOT continues to pay ERS for such services.
 - 2) ERS will not reimburse TPA for health care provider costs and expenses for periods of time beyond "regular leave," as defined below, when a qualified nurse practitioner is not physically present and providing services at the Employee Health Center. Payment for partial months shall be prorated on a daily basis.
 - 3) Medical group provider contract administration related to ongoing Employee Health Center operations. The TPA's contract with the health care provider shall provide that a nurse practitioner ("nurse") shall work on site at the Employee Health Center and will provide a minimum of thirty-five (35) patient contact hours per week and a minimum of five (5) hours of administrative duties per week. However, the nurse will be permitted to take a total of five (5) weeks of leave time which includes four (4) weeks total of combined sick and vacation time, with an additional one (1) week for continuing education classes (referred to collectively as "regular" leave).
 - 4) ERS and TPA agree that ERS will not reimburse TPA for health care provider costs and expenses for periods the TCEQ or TxDOT Employee Health Centers are not providing services due to the COVID-19 coronavirus pandemic. ERS and TPA acknowledge that TxDOT has sole discretion to determine the date on which operation of the TxDOT Employee Health Center may begin. If the contracted health care provider is unable or

unwilling to staff the TxDOT Employee Health Center, TPA agrees to use commercially reasonable efforts to identify and contract with a substitute health care provider for the TxDOT Employee Health Center. ERS and TPA will engage in good faith negotiations to determine a reasonable timeline to contract with the new health care provider.

- 5) TPA will also provide support for TCEQ and TxDOT employee communications related to utilization of the Employee Health Center.
- 6) Assist ERS in establishing a process for identifying, maintaining, and securing Employee Health Center health care participants and providers' information.
- 7) On a Quarterly basis beginning October 1, 2019, TPA will provide ERS with encounter data necessary for Employee Health Center reports and analysis, including the following data elements: Subscriber ID, date of service, primary, secondary and tertiary diagnosis code(s), and HCPCS CPT code(s).

Article 6. Collaboration

- 6.1 Services provided by TPA pursuant to this Supplement will be in compliance with provisions of the Texas Government Code, Texas Insurance Code, and Texas Administrative Code, and may change from time to time in order to reflect changes in statutes and regulations. The parties agree to cooperate in addressing required changes in Employee Health Center operations and administration.

Article 7. Relationship of the Parties

- 7.1 Employee Health Center services provided by TPA pursuant to this Supplement are in furtherance of services provided under the Contract.

Article 8. Contract Terms

- 8.1 Except to the limited extent supplemented herein, the provisions of the Contract shall apply to services provided by TPA pursuant to this Supplement.

Article 9. Employee Health Center Premises Liability

- 9.1 The parties agree that TPA and its contracting health care providers shall not be liable for any loss, damage, or injury of any kind to any person or property arising from the use of TCEQ facilities for the Employee Health Center or any part of such facilities, or caused by any defect in any building, structure, improvement or equipment on the TCEQ facility premises or caused by or arising from an act of TCEQ, or of any of its agents, employees, licensees, or invitees or by or from any accident or casualty brought about by TCEQ's failure to maintain the TCEQ facility premises in safe condition.
- 9.2 The parties agree that TPA and its contracting health care providers shall not be liable for any loss, damage, or injury of any kind to any person or property arising from the use of TxDOT facilities for the Employee Health Center or any part of such facilities, or caused by any defect in any building, structure, improvement or equipment on the TxDOT facility premises or caused by or arising from an act of TxDOT, or of any of its agents, employees, licensees, or invitees or by or from any accident or casualty brought about by TxDOT's failure to maintain the TxDOT facility premises in safe condition.

Article 10. Designated Representative

10.1 ERS and TPA shall each identify a designated representative to be the primary contact person for communication and notices related to the Employee Health Centers.

Article 11. Termination

11.1 Either party may terminate this Supplement without cause upon sixty (60) days written notice.

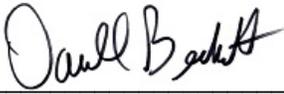
Article 12. Complete Agreement

12.1 The Contract as supplemented by this agreement constitutes the complete agreement of the parties with respect to Employee Health Center administrative services. In the event of a conflict between the provisions of this Supplement and the Contract with regard to Employee Health Center administrative services only, the Supplement provision shall control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, ERS and TPA have executed this Supplement No. 5 to the Contractual Agreement for Third Party Administrator Services to be effective on the date executed by ERS below.

BLUE CROSS AND BLUE SHIELD OF TEXAS,
an Operating Division of Health Care Service
Corporation, a Mutual *Legal Reserve Company*

By: 
Darrell Beckett
Divisional Senior Vice President

Date: 8/24/2020

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

By: 
Porter Wilson
Executive Director

Date: 8-24-2020