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# Board of Supervisors Memorandum

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August 20, 2012

**Intergovernmental Agreements to Expand Collaborative Initiatives  
with Community Partners**

**I. Introduction**

On June 28, 2012, I provided the Board of Supervisors with a report on the status of community health and wellness. The report described significant accomplishments and potential initiatives for the Board to reinforce and expand its commitment to a healthy and sustainable community.

In particular, the report highlighted the need for continued commitment to development of a workforce that can deliver the full continuum of health services, the importance of the hospital and healthcare infrastructure to the local economy and successful strategies to attract new businesses and jobs.

Healthcare and the delivery of medical services is a fundamental core value of the County in our overall economic development strategy.

**II. New Opportunities to Increase Economic Benefit of Physician Training Programs for our Region**

Ongoing discussions among County staff, state regulators and community partners have resulted in the identification of three opportunities to expand the local match efforts that have successfully generated more than \$100 million in the last four years for The University of Arizona Medical Center hospitals. Other discussions continue to identify ways to collaborate on public health goals in a more efficient and effective way.

The three new emerging opportunities would require a local match of \$5.4 million from Pima County and would generate as much as \$11 million in new federal funds for the local economy, further supporting the sustainability of local hospital systems, which is pivotal to the health and wellbeing of our community.

**III. Tucson Medical Center as a Partner with Pima County in Physician Training**

Since 1971, Tucson Medical Center (TMC) has trained an average of 48 physicians annually in its internal medicine and general surgery Graduate Medical Education (GME) programs affiliated with The University of Arizona. Discussions with the Arizona Healthcare Cost Containment System (AHCCCS) have confirmed TMC is eligible to receive GME funding through local match. This would be accomplished through two

intergovernmental agreements (IGAs) and local match from Pima County totaling \$4,170,499.06. This will generate \$8,583,320.68 in federal funds to be paid to TMC, along with the match funds. AHCCCS has indicated their commitment to participate in these two opportunities for GME at TMC applicable to Fiscal Years (FYs) 2011 and 2012.

Additionally, a third IGA is possible to secure new federal funds through the Disproportionate Share Hospital (DSH) initiative to offset a portion of the rapidly increasing costs of indigent care. TMC wrote off \$40 million in charity care and bad debt charges in 2011 (9.7 percent of net revenues) and expects this amount to climb to nearly \$70 million in 2012. The dramatic increase is resulting in large part from the changes implemented by AHCCCS last October, particularly those related to childless adults who are not able to reapply for coverage once they miss a renewal. AHCCCS is willing to process a local match from Pima County for no more than \$1,229,500.94, which would potentially generate approximately \$2.4 million in new federal funds to be paid to TMC, along with the local match funds. AHCCCS has notified all Arizona hospitals of this opportunity so they can determine their level of interest. AHCCCS will make a decision after August 25, 2012 on the DSH match dollar requirement related to FY 2010 experience. This approach permits all hospitals the opportunity to find a local match partner.

#### **IV. Benefits for the County Health and Community Wellness Initiatives**

Pursuing local match initiatives with TMC supports the County's commitment to expanded economic development and TMC's mission of improving quality of care in an education focused setting for Southeastern Arizona. TMC is the region's largest hospital, licensed for 629 acute care beds and an additional 16 licensed beds in Peppi's House, a freestanding inpatient hospice. TMC employs over 2,904 individuals, including many of the region's allied health professionals. For over 65 years, TMC has played a vital role in the health and wellness of our community for all demographics, including the elderly, children and those with behavioral health needs.

TMC continues to expand its health service offerings with a new 200,000 square foot, \$110 million building to house the Tucson Orthopaedic Institute, 40 new patient rooms and 24 operating rooms, including high-tech surgical suites, to meet the needs of those living in southern Arizona. The new facility will open in Spring 2013 and is the conclusion of a five-year campus redevelopment effort. TMC continues to be one of the leading healthcare service providers in southern Arizona; they have earned certification as a Primary Stroke Center, accreditation as a Chest Pain Center, and the Gold Plus Achievement Award for stroke programs from the American Heart Association/American Stroke Association.

The Honorable Chair and Members, Pima County Board of Supervisors  
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The TMC Foundation, the charitable wing of TMC, raises more than \$4 million annually through the Children's Miracle Network and other fundraising efforts, which supports programs that benefit from birth to the end of life in Pima County.

TMC's Palo Verde Hospital is a 48-bed inpatient and outpatient stand-alone behavioral health facility that supports patients on their path to recovery and wellbeing. Palo Verde Hospital is one of three licensed evaluating agency hospitals in Pima County. It provides court ordered evaluation and treatment services to patients in the involuntary commitment process for whom the County is financially responsible. For FY 2012, Palo Verde admitted 20 percent of Pima County's total court ordered evaluation (COE) patients. In January of this year, Palo Verde Hospital became even more vital to Pima County in meeting its statutory requirements for COE admissions as St. Mary's Hospital closed their behavioral health wing.

TMC has been a leader in our community in aligning providers with a strong sense of community and commitment to improving the patient experience and the health of the community while helping to control costs. TMC is part of Arizona Connected Care, a collaboration of more than 170 physicians, including three Federally Qualified Health Centers. Arizona Connected Care participates in the Medicare Shared Savings Program sponsored by the Centers for Medicare and Medicaid Services (CMS). Arizona Connected Care utilizes a Patient-Centered Medical Home approach to improving access to primary care while aligning efforts of specialists and institutions to assure patients throughout the community have access to necessary services with improved coordination of care in a supportive and education-based healthcare environment.

TMC has been recognized nationally for its early leadership in the development and adoption of both an electronic health record and health information exchange. TMC is the first hospital in Arizona and one of only 1.2 percent of the more than 5,000 U.S. hospitals to achieve Stage 7 on the Electronic Medical Record Adoption Model<sup>SM</sup> (EMRAM). Stage 7 represents an advanced paperless electronic patient record environment. Additionally, TMC was the first southern Arizona hospital and one of only 154 hospitals nationwide to secure the "Most Wired" honor in 2012; recognition for using technology to help improve care for patients, streamline data collection and boost efficiencies. Honorees were chosen from over 1,570 hospitals represented in a survey by *Hospitals & Health Networks*, a publication of the American Hospital Association. This designation exemplifies the strength of TMC's commitment in using technology to achieve clinical excellence.

**V. Specific Long-term Benefits to Pima County for our Investment in Physician Training**

TMC is continuing discussions with County staff to identify strategies that will enable the County to meet mandates for medical and behavioral health services, including

medications, in a manner that can further improve efficient and effective continuity of care. The increasing scarcity of resources to meet the health needs of the community reinforce the logic of collaboration and innovation on a local level wherever possible, and TMC is one of many community partners to the County supporting this philosophy in its actions.

TMC is a major healthcare service provider and economic driver in Pima County. With a local match of up to \$5.4 million, TMC will be able to further Pima County's vision of creating a robust and sustainable healthcare workforce for our residents, as well as increasing the quality and extending access to care for residents who otherwise would not have available healthcare.

While the initial expenditure from Pima County of \$5.4 million clearly can generate a significant benefit to Pima County residents through the return of nearly \$11 million in federal funds originally paid by local taxpayers, it is critical that the County budget be made whole for the \$5.4 million expenditure on the local match. This commitment for funding must be made now to assure AHCCCS has sufficient time to initiate its request to the federal government for approval. To do so requires approval of the IGAs by the Board of Supervisors with commitment to expend up to \$5.4 million.

I am confident the array of strategies under discussion with TMC will provide value to the County of equal or greater value. Possible establishment of a satellite pharmacy of the hospital at the County's Adult Detention Center could reduce the cost of most medications by as much as 25 percent and resolve gaps being discussed in relation to the electronic medical record as it relates to the pharmacy benefit management system. Additionally, financial benefit may be accomplished in relation to the reduction in shipping costs associated with the current use of a mail order system and additional dollars from drug rebates along with automation of key tracking and ordering functions. This initiative would also provide a clinical training site for The University of Arizona College of Pharmacy, which is a critical need for expansion of the healthcare workforce development efforts.

Another initiative related to electronic exchange of health information could reduce the manual work efforts now associated with telephone calls to the local Regional Behavioral Health Authority to verify whether a new detainee has a behavioral healthcare condition; and if so, whether the person is designated as a seriously mentally ill (SMI) patient requiring calls for 125 to 175 individuals booked into the Adult Detention Center daily. This labor intensive process is one of the strategies being examined to assure essential information is known at the point of intake at the Adult Detention Center to identify candidates for release into community treatment or housing in units that are staffed with specially trained custody officers prepared to deal with the needs of SMI individuals in a correctional setting. TMC has an established electronic health record and its own health information exchange offering the potential to automate health staff inquiries for critical

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data and securely share that information, electronically eliminating the costly and inefficient manual process now being piloted to compensate for delays in this key information.

TMC is also examining strategies for collaborating with the County Health Department to enhance outreach for vaccinations, immunizations and community based services, including school and sports physicals for children to facilitate their entry into sports and exercise programs critical to a healthy lifestyle. Any combination of these initiatives, as well as other possible efficiencies the staff continue to identify, will ultimately benefit the County financially at a level equal to or greater than the \$5.4 million match funding.

**VI. Recommendation**

I recommend the Board of Supervisors approve the three Intergovernmental Agreements (CT 13\*125, CT 13\*124 and CT 13\*160) between the County and the Arizona Health Care Cost Containment System (AHCCCS), including the third agreement, which is capped at \$1,229,500.94 to assure the total of the three agreements does not exceed the \$5.4 million cap set on the local match for Tucson Medical Center.

I further recommend the Chairman of the Board of Supervisors be authorized to execute the third Intergovernmental Agreement for Disproportionate Share Hospital funds related to Fiscal Year 2010, if AHCCCS determines it must approve an amount other than the proposed \$1,229,500.94.

Approval of these agreements will provide the County's portion of the matching funds needed to generate the two federal dollars for every match dollar, thereby establishing a stream of funding that would not otherwise be available to our community. The County matching funds of \$5.4 million will be provided from the Pima Health System Transition and Closure fund, where sufficient funds are now available.

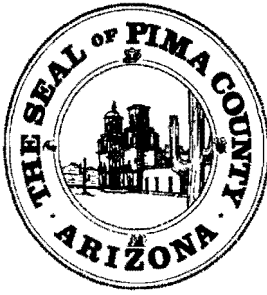
Respectfully submitted,



C.H. Huckelberry  
County Administrator

CHH/mjk – August 9, 2012

c: Jan Leshar, Deputy County Administrator for Medical and Health Services  
Honey Piviroto, Assistant County Administrator for Health Policy



Contract Number: CT-14-13\*124  
Effective Date: 6-30-11  
Term Date: 9-30-12  
Cost: 2,041,967.84  
Revenue: 2,041,967.94 NTE:  
Total: 2,041,967.94 Action  
Renewal By: \_\_\_\_\_  
Term: 9-30-12  
Reviewed by: [Signature]

## **BOARD OF SUPERVISORS AGENDA ITEM SUMMARY**

Requested Board Meeting Date: 8/20/2012

### **ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:**

*This Intergovernmental Agreement (IGA) between Pima County and the Arizona Health Care Cost Containment System (AHCCCS) prescribes funding from Pima County to AHCCCS to provide the Non-Federal share of Graduate Medical Education payments for FY 2011 to leverage available federal funds for GME. This agreement will provide the County's portion of the matching funds needed to generate at least two federal dollars for every match dollar thereby establishing a stream of funding that would not otherwise be available. The continued support of GME in Pima County will result in an eventual increase in medical professionals that will complete their medical education here and remain to live and work here, assisting in the reduction of the healthcare workforce shortage that currently prevails in the community.*

CONTRACT NUMBER (If applicable): CT 13\*124

**STAFF RECOMMENDATION(S): APPROVAL**

CORPORATE HEADQUARTERS: \_\_\_\_\_

To: CoB - P. P. 12  
Agenda 8-20-12  
(3)

CLERK OF BOARD USE ONLY: BOS MTG. \_\_\_\_\_

ITEM NO. \_\_\_\_\_

PIMA COUNTY COST: \$2,041,967.94 and/or REVENUE TO PIMA COUNTY: \$ 0

FUNDING SOURCE(S): General Fund  
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

YES       NO X

Board of Supervisors District:

1     2     3     4     5     All  X

IMPACT:

**IF APPROVED:** Pima County will have in place a mechanism to provide funding for the local match to draw down Federal funding for Graduate Medical Education that would not otherwise be available and to provide continued support of healthcare services in Pima County. The ability to provide this funding will directly benefit the community through a reduction in healthcare workforce shortage and expanded availability of services.

**IF DENIED:** Pima County will have no mechanism to continue to support local match initiatives resulting in limitations to the Graduate Medical Education program resulting in the loss of service expansion and considerable federal funding.

DEPARTMENT NAME:

CONTACT PERSON: Sarah Darragh TELEPHONE NO.: 520-243-7859

INTERGOVERNMENTAL AGREEMENT

BETWEEN  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION  
("AHCCCS")  
And  
PIMA COUNTY  
("Public Entity")  
For

<b>CONTRACT</b>
<i>CT-1H-13 00000 00000 00000 124</i>
<b>AMENDMENT NO.</b> _____
This number must appear on all invoices, correspondence and documents pertaining to this contract.

Supplemental Payments to Hospitals for Graduate Medical Education

WHEREAS, Arizona Revised Statutes § 36-2903.01(H)(9)(f) permits the Public Entity, as a local, county, or tribal government, or university under the jurisdiction of the Arizona Board of Regents, to contribute public funds to be used as the Non-Federal share of supplemental Medicaid payments to hospitals for expenditures for Graduate Medical Education ("GME"), contingent upon the approval by AHCCCS and the Centers for Medicare and Medicaid Services; and,

WHEREAS, the Public Entity, is authorized to enter into this Agreement under A.R.S. § 11-251 et seq. and

WHEREAS, AHCCCS is authorized to make supplemental payments to hospitals for GME under A.R.S. § 36-2903.01(H)(9); and

WHEREAS, AHCCCS and the Public Entity are authorized by A.R.S. § 11-951 et seq. as well as HB 2116 to enter into Intergovernmental Agreements for cooperative action pertaining to reimbursement or advancements of public funds for services performed; and

WHEREAS, the Public Entity and AHCCCS wish to enter into this Agreement in order to permit the Public Entity to provide the Non-Federal Share of GME payments.

NOW, THEREFORE, the Public Entity and AHCCCS (collectively, the "Parties"), pursuant to the above and in consideration of the matters hereinafter set forth, do mutually agree as follows:

1. DEFINITIONS: Unless otherwise defined in this Agreement, all terms have the same meaning as set forth in Title 36 of the Arizona Revised Statutes or Title 9, Chapter 22, of the Arizona Administrative Code (A.A.C.) as appropriate.
  - 1.1. Agreement: This document, together with any and all attachments, appendices, exhibits, schedules and future amendments as agreed to by the Parties. The term "Agreement" is synonymous with "Intergovernmental Agreement."
  - 1.2. AHCCCS: Arizona Health Care Cost Containment System Administration, an agency of the State, which administers the Medicaid program under Title XIX of the Social Security Act in Arizona.
  - 1.3. CFR: Code of Federal Regulations – the official compilation of Federal rules and requirements.
  - 1.4. Public Entity: Pima County, a political subdivision of the State of Arizona.
  - 1.5. CMS: Centers for Medicare and Medicaid Services, a Federal agency within the U.S. Department of Health and Human Services.
  - 1.6. Day: A calendar day, unless specified otherwise.
  - 1.7. GME or Graduate Medical Education: activities of a Graduate Medical Education program as defined by Arizona Administrative Code R9-22-701.



- 1.8. GME Payments means a supplemental payment by AHCCCS acting as the State Medicaid Agency to a hospital that qualifies for a payment pursuant to A.R.S. § 36-2903.01(H)(9), A.A.C. R9-22-712.05, and the Arizona State Plan for Medicaid under Title XIX of the Social Security Act.
  - 1.9. Eligible Hospital(s): Hospitals that are listed in Attachment A to this Agreement and that AHCCCS has determined qualify for and are entitled to GME Payments under A.R.S. § 36-2903.01(H)(9), A.A.C. R9-22-712.05, and the Arizona State Plan for Medicaid under Title XIX of the Social Security Act.
  - 1.10. FFP or Federal Financial Participation: the federal monies that AHCCCS claims from CMS for the Federal share of AHCCCS expenditures for the administration of and services paid for through the Medicaid Program, Title XIX of the Social Security Act.
  - 1.11. State: The State of Arizona.
  - 1.12. Non-Federal Share: The portion of AHCCCS expenditures for the administration of and services paid for through the Medicaid Program, Title XIX of the Social Security Act, for which FFP cannot be claimed and which meet the requirements of 42 C.F.R. Part 433, Subpart B.
2. PURPOSE: The purpose of this Agreement is to set forth the procedures under which the Public Entity will, at its discretion and contingent upon AHCCCS and CMS approval, transfer public funds for use as the Non-federal Share of GME Payments under this Agreement to Eligible Hospitals for administrative costs of operating or participating in a GME program from October 1, 2011 through September 30, 2012. It is the intent of the parties that the procedures herein fully comply with Federal and State laws, rules and regulations.
  3. ELIGIBILITY REQUIREMENTS. Monies transferred by the Public Entity and claimed by AHCCCS as Medicaid expenditures under this Agreement may only be used for permissible GME Payments distributed to Eligible Hospitals. AHCCCS will determine which Eligible Hospital qualify for GME Payments for the administrative costs of operating or participating in a GME program from October 1, 2011 through September 30, 2012 and the amount of any distribution. Eligibility and distribution amount determinations for GME Payments will be consistent with applicable Federal and State statutes, regulations, rules and the Arizona State Plan for Medicaid as approved by CMS under Title XIX of the Social Security Act.
4. AHCCCS RIGHTS AND OBLIGATIONS.
    - 4.1. Receipt and Distribution of Funds. Consistent with the Arizona State Plan for Medicaid, state and federal law and regulations, AHCCCS will use the funds transferred by the Public Entity to claim FFP and distribute an amount equal to sum of the Non-Federal Share transferred by the Public Entity under this Agreement and the corresponding FFP to Eligible Hospitals as GME Payments for the administrative costs of operating or participating in a GME program from October 1, 2011 through September 30, 2012 in the amounts shown on Attachment A to this Agreement. Both the Non-Federal Share and the FFP under this Agreement may only be used for GME payments to Eligible Hospitals.
    - 4.2. AHCCCS Payment Recoupment from Eligible Hospital. AHCCCS, upon prior written notice, will require Eligible Hospitals receiving GME payments as a result of this Agreement, to reimburse AHCCCS upon demand and, if not reimbursed upon demand, AHCCCS will deduct from any future payments otherwise payable by AHCCCS to the Eligible Hospital(s) any amount:
      - 4.2.1. Received by the Eligible Hospital from AHCCCS as GME Payments that were based on inaccurate information provided by the Eligible Hospital, that are found to be for an excluded expense, or that otherwise result in an inaccurate payment;

- 4.2.2. Paid by AHCCCS for which an Eligible Hospital's books, records, and other documents are not sufficient to clearly confirm that the Eligible Hospital was entitled to the GME payments;
    - 4.2.3. Identified as a payments that may not be claimed for FFP as the result of a CMS financial management review or audit.
  - 4.3. AHCCCS is responsible for satisfying CMS requirements regarding reporting, adjusting claims for or reimbursing FFP, as necessitated by a recoupment as noted in Paragraphs 4.1 and 4.2 of this Agreement or applicable Federal laws, rules and regulations. This provision does not relieve an Eligible Hospital from its obligations under Paragraph 4.2.2 or the obligations of the Public Entity under Paragraphs 6.2 and 6.3.
  - 4.4. In the event AHCCCS recoups GME Payments from an Eligible Hospital, AHCCCS will promptly return to the Public Entity, without demand, that portion of the recoupment representing the Non-Federal Share contributed by the Public Entity under this Agreement.
  - 4.5. Eligible Hospitals will receive and retain one hundred percent (100%) of all GME payments and except as provided in this Agreement or as required by federal law or regulatory authority Eligible Hospitals are not required to return any portion of the GME payment to the State, AHCCCS, or the Public Entity.
5. THE PUBLIC ENTITY'S RIGHTS AND OBLIGATIONS.
  - 5.1. The Public Entity will transfer to AHCCCS the amount identified in Attachment A to this Agreement which amount shall be used pursuant to Section 4.1 above. The Public Entity warrants that the Non-Federal Share transferred by the Public Entity to AHCCCS is derived from the public sources identified in Attachment A to this Agreement.
  - 5.2. Within fifteen (15) business days of AHCCCS receiving the funds transferred by the Public Entity under this Agreement, AHCCCS will make GME Payments to the Eligible Hospitals in the amounts shown on Attachment A to this Agreement pursuant to Section 4.1 hereof without any deductions or set offs.
  - 5.3. Within fifteen (15) days after the date of distribution of the GME payments to the Eligible Hospitals, AHCCCS will provide the Public Entity a report showing actual distribution of funds to the Eligible Hospitals.
6. COMPLIANCE WITH ADMINISTRATIVE REQUIREMENTS FOR STATE FINANCIAL PARTICIPATION
  - 6.1. Public Entity warrants that, consistent with 42 C.F.R. Part 433, Subpart B, no portion of the funds transferred to AHCCCS are derived from (1) provider-related donations other than bona fide provider-related donations or (2) health care-related taxes other than as permitted in Subpart B.
  - 6.2. Public Entity agrees to provide AHCCCS with supporting documentation that provides a detailed description (including but not limited to the amount, source, and uses) and the legal basis for (1) each provider-related donation received by the Public Entity including all bona fide and presumed-to-be bona fide donations, and (2) all health care-related taxes collected.
  - 6.3. If Public Entity fails to provide supporting documentation, or if any funds transferred by Public Entity are determined to be derived from provider-related donations or health care-related taxes such that CMS adjusts future grant awards to AHCCCS or disallows any expenditures claimed by AHCCCS, then Public Entity agrees to reimburse AHCCCS, upon demand by AHCCCS, in the amount of the adjustment or disallowance that is attributable to the impermissible provider-related donation and/or health care-related tax.

6.4. Public Entity certifies that, consistent with 42 C.F.R. § 433.51(c), the funds transferred to AHCCCS under this Agreement are not federal funds, or are federal funds authorized by federal law to be used to match federal funds. If any funds transferred to AHCCCS under this Agreement are determined to be federal funds such that the Center for Medicare and Medicaid adjusts future grant awards to AHCCCS or disallows any expenditures claimed by AHCCCS, then Public Entity agrees to reimburse AHCCCS, upon demand by AHCCCS, in the amount of the adjustment or disallowance that is attributable to the transfer of federal funds.

6.5. Public Entity certifies that the funds transferred to AHCCCS as described in this Agreement are made voluntarily and that neither the State nor AHCCCS has through statute, rule, or otherwise required the Public Entity to provide the funding.

## 7. GENERAL PROVISIONS.

7.1. Entire Agreement. This document, its attachments and appendices, including any approved subcontracts, amendments and modifications made thereto, shall constitute the entire Agreement between the Parties, and supersedes all other understandings, oral or written.

7.2. Exercise of Rights. Failure to exercise any right, power or privilege under this Agreement will not operate as a waiver thereof, nor will a single or partial exercise thereof preclude any other or further exercise of that or any other right, power, or privilege.

7.3. Contract Term. Notwithstanding the facts that certain AHCCCS or Public Entity obligations under this Agreement occur after the Term hereof, the parties agree that the Term of this Agreement is for one (1) year consistent with the period of time from October 1, 2011 through September 30, 2012 and is not effective until signed by both parties.

7.4. Compliance with Laws, Rules and Regulations. AHCCCS, the Public Entity, Eligible Hospitals, and their subcontractors must comply with all applicable Federal and state laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this Agreement.

7.4.1. Non-Discrimination. The parties shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties pursuant to this Agreement. The Parties shall comply with the provisions of Executive Order 755, as amended by Executive Order 994, which is incorporated into this Agreement by reference, as if set forth in full herein.

7.4.2. ADA. The parties shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101336, 42 U.S.C. 1210112213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

7.5. Choice of Law. The laws and regulations, of the State of Arizona govern the rights of the Parties, the performance of this Agreement, and any disputes arising from the Agreement.

7.6. Compulsory Arbitration. Any action relating to this Agreement must be brought by arbitration to the extent required by A.R.S. § 12-1518 or in an appropriate court. Any arbitration award will be enforced in an appropriate court.

7.7. Amendments. This Agreement, including its term, may be modified only through a duly authorized written amendment, executed with the same formality as the Agreement.

7.8. Notice. Any notice required by the terms of the Agreement and any questions regarding the duties and obligations of this contract shall be directed to:

7.8.1. For AHCCCS:

Michael Veit, Contracts Administrator  
AHCCCS  
701 E. Jefferson, MD 5700  
Phoenix, AZ 85034  
Phone: 6024174762  
Fax: 6024175957  
Email: Michael.Veit@azahcccs.gov

7.8.2. For the Public Entity:

Janet K. Leshner, Deputy County Administrator for Medical and Health Services  
Pima County  
130 W. Congress, 10<sup>th</sup> floor  
Tucson, AZ 85701-1333  
Phone: 520-724-8977  
Fax: 520-724-8171  
Email: Jan.Leshner@pima.gov

7.8.3. Notwithstanding section 7.7 of this Agreement, AHCCCS and the Public Entity will give notice by regular mail or any other means reasonably anticipated to provide actual notice to the other party of any change of the address, telephone number, name of the authorized signatory or designee; or name and/or address of the person to whom notices are to be sent.

7.9. Termination. Pursuant to A.R.S. § 38-511, either party to this Agreement may terminate this Agreement without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement is or becomes at any time while the Agreement or an extension of the Agreement is in effect an employee of or a consultant to any other party to this Agreement with respect to the subject matter of the Agreement. The cancellation will be effective when AHCCCS or the Public Entity receives written notice of the cancellation unless the notice specifies a later time.

7.10. Records. The Parties, including Eligible Hospitals, agree to retain all financial books, records, and other documents and will contractually require each subcontractor to retain all data and other records relating to the acquisition and performance of the Agreement for a period of five (5) years after the completion of the Agreement. All records are subject to inspection and audit by the Parties at reasonable times. Upon request, the Parties will produce a legible copy of any or all such records.

7.11. Severability. The provisions of this Agreement are severable. If any provision of this Agreement is held by a court to be invalid or unenforceable, the remaining provisions continue to be valid and enforceable to the full extent permitted by law.

7.12. Indemnification. Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

7.13. No Third Party Beneficiaries. Nothing in the provisions of this Agreement is intended to (1) create duties or obligations to or rights in Eligible Hospitals or any other persons or entities not parties to this Agreement or (2) effect the legal liability of either party to the Agreement with respect to Eligible Hospitals or any other persons or entities not parties to this Agreement.


7.14. No Joint Venture. Nothing in this Agreement is intended to create a joint venture between or among the Parties, including the Eligible Hospitals, and it will not be so construed. Neither AHCCCS' nor the Public Entity's employees will be considered officers, agents or employees of the other or be entitled to receive any employment related fringe benefits from the other.

NOW THEREFORE, AHCCCS and the Public Entity agree to abide by the terms and conditions set forth in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year specified below.

Pima County  
Public Entity ("Public Entity")

Arizona Health Care Cost Containment System  
("AHCCCS")

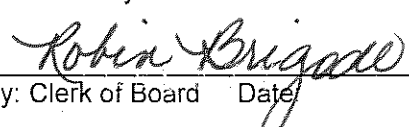
  
By: Janet K. Lesher, Deputy County  
Administrator for Medical and Health Services

  
By: Michael Veit, Contract Administrator


Date: 8-6-2012


Date: JUL 30 2012

Pima County  
  
By: Chairman, Board of Supervisors Date: AUG 20 2012

Pima County  
  
By: Clerk of Board Date: AUG 20 2012

In accordance with A.R.S. § 11-952, undersigned counsel have determined that this Intergovernmental Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona, including but not limited to A.R.S. §§ 36-2903 et seq and A.R.S. §§ 48-5501 et seq .

  
Counsel for Public Entity  
Date: 8-6-2012

  
Counsel for AHCCCS  
Date: JUL 30 2012

**ATTACHMENT A**

To The Intergovernmental Agreement  
Between  
The Arizona Health Care Cost Containment System Administration  
And  
**PIMA COUNTY**  
(the "Public Entity")

Pursuant to the Agreement: (1) the Public Entity has designated the hospitals listed below as Eligible Hospitals, (2) the Public Entity has agreed to transfer funds in the amount specified below as the Non-Federal Share of GME Payments to each Eligible Hospital; and has AHCCCS to make GME Payments using the transferred funds to make the GME Payments specified below:

<b>Eligible Hospital</b>	<b>Non-Federal Share</b>	<b>GME Payment</b>
Tucson Medical Center	\$2,041,967.94	\$6,244,550.26
<b>Totals:</b>	\$2,041,967.94	\$6,244,550.26

Pursuant to Paragraph of the Agreement, the Public Entity warrants that the amounts transferred under the Agreement are derived from the following public sources:

<b>Source</b>	<b>Amount</b>
General Fund	\$2,041,967.94
<b>Total:</b>	\$2,041,967.94

RESOLUTION NO. 2012- 70

RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN PIMA COUNTY AND THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM TO PROVIDE MATCHING FUNDS TO SECURE NEW FEDERAL FUNDING FOR GRADUATE MEDICAL EDUCATION IN PIMA COUNTY

**WHEREAS**, there exists a critical physician shortage in Arizona, the effects of which are particularly evident in Pima County, and an important factor to help reduce the physician shortage is the creation and maintenance of strong graduate medical education programs within the shortage area; and

**WHEREAS**, Tucson Medical Center has served as a physician training site for the University of Arizona College of Medicine since 1971 and wants to continue to expand its graduate medical education program; and

**WHEREAS**, the Pima County Board of Supervisors wishes to support reduction of the physician shortage by strengthening and expanding the graduate medical education programs; and

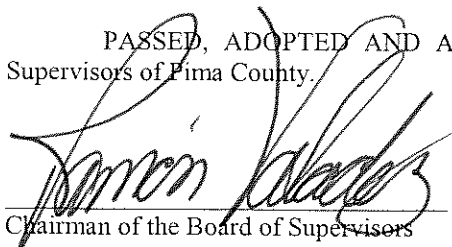
**WHEREAS**, Pima County and Tucson Medical Center are able to secure new federal Medicaid funding to support graduate medical education programs in Pima County by providing local matching funds to the Arizona Health Care Cost Containment System (AHCCCS), and

**WHEREAS**, the County will provide funds to AHCCCS through an intergovernmental agreement to bring the resulting matching and federal funds to teaching hospitals in Pima County for graduate medical education programs.

**NOW, THEREFORE, UPON MOTION DULY MADE, SECONDED AND CARRIED, BE IT RESOLVED THAT:**

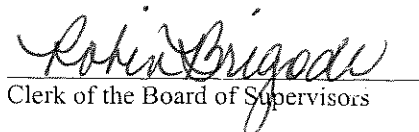
1. The intergovernmental agreement between Pima County and AHCCCS for transferring matching funding for the purpose of drawing down new federal funding is hereby approved.
2. The Chairman of the Board is hereby authorized and directed to sign the intergovernmental agreement for the Pima County Board of Supervisors.
3. The various officers and employees of Pima County are hereby authorized and directed to perform all acts necessary and desirable to give effect to this Resolution.

PASSED, ADOPTED AND APPROVED this 20th day of Aug, 2012 by the Board of Supervisors of Pima County.

  
Chairman of the Board of Supervisors

AUG 20 2012

ATTEST:

  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

  
Deputy County Attorney