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FOR SPECIAL CALLED TELEPHONE MEETING
of
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS**

December 5, 2011
Austin, Texas

- A. CONVENE THE BOARD IN OPEN SESSION 3:00 p.m.
- B. RECESS TO EXECUTIVE SESSION PURSUANT TO *TEXAS GOVERNMENT CODE*, CHAPTER 551
1. Negotiated Contracts for Prospective Gifts or Donations - Section 551.073
 - a. **U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
 - b. **U. T. San Antonio: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
 - c. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
 2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
 - a. **U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
 - b. **U. T. Health Science Center - Houston: Discussion of Legal Issues related to proposed settlement of disputed claim to enforce a pledge of Linda K. Finger, deceased**
 - c. **U. T. Medical Branch - Galveston: Discussion regarding legal issues related to the Second Amended and Restated Interim Agreement with the Texas Department of Criminal Justice for correctional health care services for FY 2012**
 3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
 - a. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees**

C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON AGENDA ITEMS 3:20 p.m.

1. Consider Action on Executive Session Items

2. U. T. Medical Branch - Galveston: Discussion and appropriate action related to the Second Amended and Restated Interim Agreement with the Texas Department of Criminal Justice for correctional health care services for FY 2012

3:30 p.m.

D. ADJOURN

C.2. U. T. Medical Branch - Galveston: Discussion and appropriate action related to Second Amended and Restated Interim Agreement with the Texas Department of Criminal Justice for correctional health care services for FY 2012

RECOMMENDATION

Chancellor Cigarroa, Executive Vice Chancellor Shine, and President Callender recommend approval of a Second Amended and Restated Interim Agreement between U. T. Medical Branch - Galveston (UTMB) and the Texas Department of Criminal Justice (TDCJ) for correctional health care services for FY 2012 as described below.

BACKGROUND INFORMATION

On October 31, 2011, the Board of Regents approved the following actions:

- to negotiate and enter into an Amended and Restated Interim Agreement, extending for a single 30-day period the Interim Agreement negotiated with the Texas Department of Criminal Justice on September 1, 2011, for the delivery of correctional health care services until December 1, 2011; and
- to negotiate, in the event a new correctional health care services contract for the period through December 31, 2012, is not successfully accomplished prior to December 1, 2011, a transition plan and agreement to limit or terminate the role of UTMB in provision of correctional health care services not later than December 31, 2012.

UTMB and TDCJ have negotiated a Second Amended and Restated Interim Agreement (Second Amendment), constituting a new interim agreement, to be effective December 1, 2011, and continue to August 31, 2012. The Second Amendment calls for UTMB to continue providing correctional health care services to TDCJ and the prisoners under its control through August 31, 2012, consistent with the offender health care services plan negotiated by UTMB and TDCJ.

UTMB and TDCJ will continue to negotiate the terms for delivery of correctional health care through August 31, 2013, with a deadline for those negotiations of February 1, 2012. If agreement is not reached by that date, UTMB and TDCJ will enter into a transition agreement to transition all correctional care services to TDCJ by August 31, 2012. Prior to August 31, 2012, either party can also propose a transition or adjustment of specific services being provided, including, for example, the shift of utilization management or free-world provider contracting

and payment obligations to TDCJ. At that point, further amendments to the FY12 agreement will be negotiated.

Subject to a prompt, end-of-quarter reconciliation process and a final year-end reconciliation process, UTMB will be paid in advance quarterly at agreed-upon rates that are proxies for UTMB's costs (e.g., Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA] rates for hospital services). The Second Amendment also incorporates by reference the termination provisions of the prior agreement, which permit UTMB to immediately terminate the agreement if TDCJ does not pay timely.

Under the terms of the Second Amendment and to ensure that UTMB is fully paid for its services, TDCJ has requested authority from the Legislative Budget Board (LBB) to spend-forward up to \$45 million of its state appropriations from correctional health care for FY13 in FY12. UTMB is authorized to terminate the agreement and move to a transition mode if this approval is not received by December 31, 2011. The Second Amendment also acknowledges that the \$6.2 million in unused supplemental appropriations from the 2010-2011 biennium can be applied to UTMB's FY12 costs.

The Second Amendment is made conditional on approval of the U. T. System Board of Regents and the Texas Board of Criminal Justice.