CONTRACTOR OF THE PARTY OF THE

COUNTY OF ORANGE HEALTH CARE AGENCY

FINANCIAL AND ADMINISTRATIVE SERVICES CONTRACT DEVELOPMENT AND MANAGEMENT

Excellence Integrity Service

MARK A. REFOWITZ INTERIM DIRECTOR

JEFFREY A. NAGEL, PH.D. DEPUTY AGENCY DIRECTOR FINANCIAL/ADMINISTRATIVE SERVICES

DANIEL J. DAVIS, DPA DIVISION MANAGER CONTRACT DEVELOPMENT/MANAGEMENT

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TRANSMITTAL

June 6, 2012

TO:

Advanced Medical Management, Inc.

5000 Airport Plaza Dr., Suite 150 Long Beach, CA 90815-1260

FROM:

Duane Bankey

Contract Administrator

(714) 834-5833

THE FOLLOWING ENCLOSURE IS FOR YOUR INFORMATION:

First Amendment to Agreement for the Provision of Fiscal Intermediary Services for Medical Services Programs between County of Orange and Advanced Medical Management, Inc. The term of the agreement is August 10, 2011 through September 30, 2014.

DB:ap

Enclosure

cc:

Anthony Rose, Program Melissa Tober, Program

Ron Norby, DAD

Holly Veale, MS Operational Chief

Shelly Vrungos, Admin 1 Celina Guzman, HCA/CDM

ORANGE COUNTY BOARD OF SUPERVISORS MINUTE ORDER

May 22, 2012

Submitting Agency/Department: HEALTH CARE AGENCY

Approve amendment 1 to master agreements with various providers of hospital services, clinic services and indigent and trauma care, 7/1/11 - 6/30/14; approve amendment 1 to agreement with Advanced Medical Management, Inc. for fiscal intermediary services; and approve agreement with Hospital Association of Southern California for administrative services, 7/1/12 - 6/30/13 (\$286,801) and 7/1/13 - 12/31/13 (\$139,601); and authorize Director or designee to execute individual agreements - All Districts

The following is action taken by the Board of S	upervisors:
APPROVED AS RECOMMENDED ☑ OTHER □	
Unanimous ☑ (1) NGUYEN: Y (2) MOORLACH: Y (3) Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=	
Documents accompanying this matter:	
☐ Resolution(s) ☐ Ordinances(s) ☐ Contract(s)	
Item No. 18	
Special Notes:	
Copies sent to:	
HCA – Ronald Norby	
5/25/12	



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors, Orange County, State of California. Susan Novak, Clerk of the Board

Susan Ive van, Cicir of the Board

By: Deput

Agenda Item



AGENDA STAFF REPORT

ASR Control 12-000456

MEETING DATE:

05/22/12

LEGAL ENTITY TAKING ACTION:

Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S):

All Districts

SUBMITTING AGENCY/DEPARTMENT:

Health Care Agency (Approved)

DEPARTMENT CONTACT PERSON(S):

Ronald B. Norby (714) 834-4099

2012 MAY -8 A11 10: 58

SUBJECT: Amendments and Agreement for Medical Services Programs

CEO CONCUR Concur

COUNTY COUNSEL REVIEW
Approved Agreement to Form

CLERK OF THE BOARD
Consent Calendar
3 Votes Board Majority

Budgeted: N/A

Current Year Cost: N/A

Annual Cost:

FY 12/13: \$286,801 FY 13/14: \$139,601

Staffing Impact: No

of Positions:

Sole Source: Yes

Current Fiscal Year Revenue: N/A

Funding Source: General Fund: 14%, Federal: 47%, State: 34%, Fees/others: 5%

Prior Board Action: 8/9/2011 #28, 8/23/2011 #13

RECOMMENDED ACTION(S):

- 1. Approve the First Amendment to the Master Agreement with various providers for Provision of Hospital Services for the Medical Services Initiative Program, to modify the period for which Hospital Services shall be provided to July 1, 2011 through June 30, 2014.
- 2. Approve the First Amendment to the Master Agreement with various providers for Provision of Clinic Services for the Medical Services Initiative Program, to modify the period for which Clinic Services shall be provided to July 1, 2011 through June 30, 2014.
- 3. Approve the First Amendment to the Master Agreement for Provision of Indigent and Trauma Care, to modify the period for which services shall be provided to July 1, 2011 through June 30, 2014.
- 4. Approve the First Amendment to Agreement for Provision of Fiscal Intermediary Services for the Medical Services Initiative Program with Advanced Medical Management, Inc., to modify the language to be consistent with the Master Hospital, Clinic, and Indigent and Trauma Care Amendments set forth in items 1, 2, and 3 above.
- 5. Approve the Agreement with Hospital Association of Southern California for Provision of Page 1

Administrative Services for the Medical Services Initiative Program with a maximum obligation of \$286,801 for the period July 1, 2012 through June 30, 2013 and a maximum obligation of \$139,601 for the period July 1, 2013 through December 31, 2013



6. Authorize the Health Care Agency Director, or designee, on behalf of the Board of Supervisors, to execute the individual Agreements as set forth in items number 1, 2, 3, 4, and 5 with contracting providers.

SUMMARY:

The Health Care Agency requests approval of Amendments and an Agreement for Medical Services Programs for the provision of healthcare services from July 1, 2011 through June 30, 2014.

BACKGROUND INFORMATION:

The Health Care Agency (HCA) Medical Services Initiative (MSI) Program contracts with private physicians, clinics and hospitals to deliver healthcare services for indigent patients in Orange County under the Low Income Health Program (LIHP).

Health Care Services

On June 21, 2011, your Honorable Board approved the Master MSI Hospital and Clinic Agreements with various providers for the 2011-12 program year. At the request of the providers, HCA is amending these agreements to cover the period until the LIHP program is anticipated to terminate (January 1, 2014) plus a six-month period to reconcile outstanding claims, through June 30, 2014. Commensurate with this extension is the corresponding change to the agreement with the fiscal intermediary (Advanced Medical Management) for processing claims. The fiscal intermediary agreement was originally approved on August 9, 2011.



Additionally, on June 28, 2011, your Board approved a Master Agreement for Provision of Indigent and Trauma Care which distributes various State funds and fees (e.g. penalty assessments on fines relating to certain penal code violations and funding from Measure H, the Tobacco Settlement Revenue) to reimburse hospitals for uncompensated and emergency health care.

At the request of contracting hospitals, HCA is amending the Master Agreement to allow TSR funds to be used as match for additional federal dollars through claiming to the LIHP. As with the other Amendments, the time frame is extended through June 30, 2014.

Administrative Services

The Hospital Association of Southern California (HASC) provides administrative support and assistance in interfacing with Orange County hospitals for the Medical Services Initiative (MSI) Program. These services consist of assistance in working with hospitals to assure optimal operation of the MSI program, training of Certified MSI Application Technicians (CMATs) who enroll eligible Orange County residents into the MSI Program, and providing assistance in coordinating services and acting as intermediary for operational issues.





HASC also directly employs four CMATs which are stationed at locations as directed by the MSI Program and deployed as requested to meet workload demands. These locations include various HCA Behavioral Health Clinics, physician offices and the County's Community Center in Westminster. The proposed Agreement continues these services through December 31, 2013 when the LIHP Program is expected to terminate.

The Agreement with the Hospital Association of Southern California may have subcontracts.

HCA requests that your Board approve the First Amendments to the various Master Agreements and the Fiscal Intermediary Agreement as well as the renewal Agreement with the Hospital Association of Southern California as referenced in the Recommended Actions.

FINANCIAL IMPACT:

Services under the aforementioned Agreements have multiple contractors that share aggregate budgeted funding amounts, except the Fiscal Intermediary Services Agreement and the Administrative Services Agreement, which have maximum obligation components. It is estimated that for these services represents ten percent or less of the contractor's total annual operating budget. Funding for these contractors will vary depending upon utilization of services. Should services need to be reduced or terminated due to lack of funding, these Agreements contain language that allows the Health Care Agency to give 30 calendar days notice to either terminate or renegotiate the level of services to be provided. The notice will allow the Health Care Agency adequate time to transition or terminate services to clients, if necessary. Health Care Agency staff has reviewed each contractor's financial documentation, including their most recently submitted financial statements. At this time, there appear to be no issues that would impact the contractors' ability to perform the services.



STAFFING IMPACT:

N/A

ATTACHMENT(S):

- A. First Amendment to Agreement for Provision of Hospital Services for the Medical Services Initiative Program
- B. First Amendment to the Agreement for Provision of Clinic Services for the Medical Services Initiative Program
- C. First Amendment to the Agreement for Provision of Indigent and Trauma Care



D. First Amendment to Agreement for Provision of Fiscal Intermediary Services for the Medical Services Initiative Program



- E. Agreement for Provision of Administrative Services for the Medical Services Initiative Program
- F. Redline Version to Attachment A
- G. Redline Version to Attachment B
- H. Redline Version to Attachment C
- I. Redline Version to Attachment D
- J. Redline Version to Attachment E







1	FIRST AMENDMENT TO AGREEMENT FOR PROVISION OF
2	FISCAL INTERMEDIARY SERVICES
3	FOR MEDICAL SERVICES PROGRAMS
4	BETWEEN
5	COUNTY OF ORANGE
6	AND
7	ADVANCED MEDICAL MANAGEMENT, INC.
8	AUGUST 10, 2011 THROUGH SEPTEMBER 30, 2014
9	
10	THIS FIRST AMENDMENT TO AGREEMENT is entered into this 22nd day of May, 2012 by and
11	between the County of Orange (COUNTY) and Advanced Medical Management, Inc., a California
12	for-profit corporation (INTERMEDIARY). This Agreement shall be administered by the County of
13	Orange Health Care Agency (ADMINISTRATOR).
14	WHEREAS, COUNTY desires to assure the availability of Medical Services to all low income
15	persons for whom COUNTY is legally responsible pursuant to State of California (State) Law through
16	its Medical Services Initiative (MSI) Program; and,
17	WHEREAS, COUNTY anticipates receiving Low Income Health Program (LIHP) Funding to
18	expand eligibility requirements for a limited number of additional low income persons and expand scope
19	of service benefits beyond its legal responsibility pursuant to State law; and,
20	WHEREAS, COUNTY has entered into a separate agreement with hospital providers for provision
21	of MSI Hospital Services (MSI Hospital Agreement); and,
22	WHEREAS, COUNTY has entered into a separate agreement with clinic providers for provision of
23	MSI Clinical Services (MSI Clinic Agreement); and,
24	WHEREAS, COUNTY established the Emergency Medical Services Fund (EMSF) Program in
25	accordance with Health and Safety Code Section 1797.98a; and
26	WHEREAS, a portion of the EMSF is designated as the Physicians' Allocation; and,
27	WHEREAS, INTERMEDIARY, is the current fiscal intermediary for the MSI and EMSF Program
28	services specified herein; and,
29	WHEREAS, the parties wish to provide for equitable reimbursement of those providing MSI and
30	EMSF Program services with a minimum of administrative costs; and,
31	WHEREAS, the parties desire to state their respective rights and responsibilities related to
32	providing, claiming, and reimbursing MSI and EMSF Program services;
33	NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:
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- 1. Subparagraph I.C.2. of Exhibit A to the Agreement is amended to read as follows:
- "2. For FQHC Clinics, an amount or amounts equivalent to CLINIC's Prospective Payment System (PPS) Rate(s), in effect for each period of the Agreement, and in accordance with the STCs and the LIHP Agreement. The PPS rate is the per visit rate negotiated between CLINIC and Department, which rate may vary by location if CLINIC has more than one site designated as an FQHC Clinic."
- 2. Subparagraph I.I.2.e. of Exhibit A to the Agreement is amended to read as follows:
 - "e. For pharmacy charges claimed through INTERMEDIARY:
- 1) For services provided during Period One: Average Sales Price (ASP) plus six percent (6%). Claims containing pharmaceutical codes that do not have ASP pricing will be paid at the Average Wholesale Price (AWP) less sixteen percent (16%) (brand) and AWP less sixty percent (60%) (generic).
- 2) For services provided during Period One: Pharmaceuticals related to home health services claims shall be paid at AWP less sixteen percent (16%) (brand) and AWP less sixty percent (60%) (generic).
- 3) For services provided during Period Two and Period Three: One hundred percent (100%) of the prevailing Medicare rate. Claims containing pharmaceutical codes that do not have Medicare pricing will be paid at rates detailed in the existing agreement with COUNTY's Pharmacy Benefits Manager, for brand name pharmaceuticals or generic name pharmaceuticals, or one hundred percent (100%) of the prevailing Medicare rate whichever is lower.
- 4) For services provided during Period Two and Period Three: Pharmaceuticals related to home health services claims shall be paid at rates detailed in the existing agreement with COUNTY's Pharmacy Benefits Manager, for brand name pharmaceuticals or generic name pharmaceuticals, or one hundred percent (100%) of the prevailing Medicare rate whichever is lower."
- 3. Subparagraph I.AC. of Exhibit A to the Agreement is amended to read as follows:
- "AC. "MSI Clinic Agreement" means the Agreement between the COUNTY and Contracting Clinics for Clinic Services for the Medical Services Initiative Program dated July 1, 2011, as it exists now or may hereafter be amended."
- 4. Subparagraph I.AE. of Exhibit A to the Agreement is amended to read as follows:
- "AE. "MSI Hospital Agreement" means the Agreement between COUNTY and Contracting Hospitals for Hospital Services for the Medical Services Initiative Program dated July 1, 2011, as it exists now or may hereafter be amended."
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5. Subparagraph I.AT. of Exhibit A to the Agreement is amended to read as follows:

"AT. "Recovery Accounts" means separate hospital, physician, clinic, dental, outpatient services, and administrative accounts for monies recovered from All Providers or third party payers."

6. Subparagraph II.A.3.b. of Exhibit A to the Agreement is amended to read as follows:

"b. In the event that Physician and/or Other Provider is determined by ADMINISTRATOR to have discriminated in the provision of Medical Services on the basis of the patient's status as an MSI Patient, ADMINISTRATOR shall advise INTERMEDIARY to levy appropriate financial penalties for each occurrence against Physician and/or Other Provider, in the period the discrimination is deemed to have occurred, which may include, but not be limited to, the following:

- 1) A reduction in payment related to the episode of care from any payment due Physician and/or Other Provider, including Final Settlement.
- 2) Withholding of any payment due Physician and/or Other Provider pending satisfactory compliance."
- 7. Subparagraph II.H.4.a. of Exhibit A to the Agreement is amended to read as follows:
- "a. All financial records connected with the performance of the Agreement shall be retained by the parties, at a location in the County of Orange, or other location approved in advance and in writing by ADMINISTATOR, for a period of seven (7) years after termination of the Agreement."
- 8. Subparagraph IV.B. of Exhibit A to the Agreement is amended to read as follows:
- "B. "MSI Base Funding" means the MSI Program pass through funding for reimbursement of all MSI Program services for each Period, except those provided by INTERMEDIARY, which shall be as specified in the Referenced Contract Provisions of the Agreement. The parties agree that the funds may be deposited into a Holding Account in accordance with Paragraph II of Exhibit B to the Agreement and may be added to the MSI Base Funding as specified herein."
- 9. Subparagraph IV.D.2.b. of Exhibit A to the Agreement is deleted in its entirety.
- 10. Subparagraph IV.D.6.c. of Exhibit A to the Agreement is added to read as follows:
- "c. Implantable Devices Upon written authorization from ADMINISTRATOR, INTERMEDIARY shall, during Period Two and/or Period Three of the Agreement, reimburse Hospital for one-hundred percent (100%) of Hospital's actual cost of Implantable Devices. Said reimbursement shall be deducted one-hundred percent (100%) from Hospital Funding and shall not be subject to Final Settlement."
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11. Subparagraph II.A.1. of Exhibit B to the Agreement is amended to read as follows:

"1. INTERMEDIARY shall maintain a separate accounting of Funds commingled in the Imprest Account for each service for which specific funding has been identified by COUNTY in Paragraph IV of Exhibit A to the Agreement, which services are: Hospital, Physician, Clinic, Dental and Outpatient Services. The separate accounting of Funds within the Imprest Account for these services shall be referred to respectively as the Hospital Account, Physician Account, Clinic Account, Dental Account, and Outpatient Account. Within the Imprest Account, INTERMEDIARY shall also maintain a separate accounting of funds for the HCA Recovery, HCA Exception, and HCA Holding service accounts."

12. Subparagraph II.C.1.c. of Exhibit B to the Agreement is added to read as follows:

"c. COUNTY may have the ability, for each period of the Agreement, to use each Contracting Hospital's proportional share of Tobacco Settlement Revenue (TSR) funding, as established in the Agreement for the Provision of Indigent and Trauma Care between COUNTY and HOSPITAL, dated July 1, 2011, and as may hereafter be amended, as match to receive additional federal dollars through the COUNTY's Medical Services Initiative (MSI) Program. If Contracting Hospital has approved the use of TSR funding for the MSI Program, in writing, and returned it's fully executed agreement, or any subsequent amendments, COUNTY shall authorize INTERMEDIARY, in writing, to submit to ADMINISTRATOR an invoice for the aforementioned TSR funding, and upon receipt of said funds proceed with a Supplemental PIP payment to each Contracting Hospital in an amount equivalent to its proportional share of TSR funding, on or around the first working day of June for each period."

13. Subparagraph VIII.C.1. of Exhibit B to the Agreement is amended to read as follows:

"1. For Medical Services provided during the term of the Agreement:

	M. P. Hillians	Non-Medical	Non-FQHC Contracting	FQHC Contracting
Camria	Medical Home Physicians	Home <u>Physicians</u>	Clinics	Clinics
<u>Service</u> Medical for Period One	60%	<u>1 mysicians</u> 50%	60%	60%
Medical for	2.1.1	- 7.		550/
Period Two and Three	60%	50%	55%	55%
Anesthesia	100%	100%	100%	100%"

14. Subparagraph VIII.F. of Exhibit B to the Agreement is amended to read as follows:

"F. Prior to Final Settlement, ADMINISTRATOR shall instruct INTERMEDIARY on the distribution methodology for the Quality and Outcomes Framework incentive to those physicians who provide Medical Home Services to MSI Patients. Distribution of funds shall be proportional determined

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"HOSPITAL PERIODIC INTERIM PAYMENTS (PIP)

INTERMEDIARY shall pay Contracting Hospitals the PIP payment stipulated below for services provided during the period July 1, 2012 through June 30, 2013 for Period Two, which payment may be revised pursuant to Paragraph II. of Exhibit B to the Agreement.

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7	HOSPITAL	PIP	PAYMENTS
8	Anaheim General Hospital	\$	21,327
9	AHMC Anaheim Regional Medical Center, L.P.	\$	267,079
10	Chapman Medical Center, Inc., dba Chapman Medical Center	\$	19,286
11	Coastal Communities Hospital, Inc., dba Coastal Communities Hospital	\$	70,247
12	Fountain Valley Regional Hospital	\$	354,898
13	Hoag Memorial Hospital Presbyterian (includes Newport Beach and Irvine)	\$	218,199
14	Kaiser Foundation Hospitals, IncAnaheim and Irvine	\$	12,927
15	Los Alamitos Medical Center	\$	34,028
16	Mission Hospital (includes Mission Viejo and Laguna Beach)	\$	266,896
17	Orange Coast Memorial Medical Center	\$	99,726
18	Placentia Linda Community Hospital	\$	30,609
19	Prime Healthcare Anaheim	\$	86,399
20	Prime Healthcare Garden Grove	\$	74,176
21	Prime Healthcare Huntington Beach	\$	60,673
22	Prime Healthcare La Palma	\$	10,832
23	Regents of the University of California	\$	501,196
24	Saddleback Memorial Medical Center (includes Laguna Hills and San Clemente)	\$	81,608
25	Saint Joseph Hospital - Orange	\$	158,100
26	Saint Jude Medical Center	\$	165,813
27	WMC-A, Inc., dba Western Medical Center Hospital -Anaheim	\$	20,168
28	WMC-SA, Inc., dba Western Medical Center Hospital - Santa Ana	<u>\$</u>	185,599
29	Total PIP Payments	\$3	2,739,786"
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DID DAMMENITS

19. Exhibit D-3 to the Agreement is amended to read as follows: "HOSPITAL PERIODIC INTERIM PAYMENTS (PIP) INTERMEDIARY shall pay Contracting Hospitals the PIP payment stipulated below for services provided during the period July 1, 2013 through December 31, 2013 for Period Three, which payment may be revised pursuant to Paragraph II. of Exhibit B to the Agreement. PIP PAYMENTS HOSPITAL \$0 Anaheim General Hospital \$0 AHMC Anaheim Regional Medical Center, L.P. \$0 Chapman Medical Center, Inc., dba Chapman Medical Center Coastal Communities Hospital, Inc., dba Coastal Communities Hospital \$0 \$0 Fountain Valley Regional Hospital Hoag Memorial Hospital Presbyterian (includes Newport Beach and Irvine) \$0 \$0 Kaiser Foundation Hospitals, Inc.-Anaheim and Irvine \$0 Los Alamitos Medical Center \$0 Mission Hospital (includes Mission Viejo and Laguna Beach) Orange Coast Memorial Medical Center \$0 \$0 Placentia Linda Community Hospital \$0 Prime Healthcare Anaheim \$0 Prime Healthcare Garden Grove \$0 Prime Healthcare Huntington Beach \$0 Prime Healthcare La Palma \$0 Regents of the University of California Saddleback Memorial Medical Center (includes Laguna Hills and San Clemente) \$0 \$0 Saint Joseph Hospital - Orange \$0

Saint Jude Medical Center

Solution Saint Jude Medical Center Hospital - Anaheim

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WMC-A, Inc., dba Western Medical Center Hospital -Anaheim

WMC-SA, Inc., dba Western Medical Center Hospital - Santa Ana

WMC-SA, Inc., dba Western Medical Center Hospital - Santa Ana

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Total PIP Payments

In all other respects, the terms of the Agreement not specifically changed by this First Amendment

shall remain in full force and effect.

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1	IN WITNESS WHEREOF, the parties have executed this First Amendment to Agreement, in the	
2	County of Orange, State of California.	
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4	ADVANCED MEDICAL MANAGEMENT, INC.	
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7	BY: K Deyrtrom	DATED: 5/29/20/2
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9	BY: Regition TITLE: President	
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12	BY:	DATED: 5-29-212
13		, and the second
14	TITLE: EXECUTIVE DESIDENT	
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19	COUNTY OF ORANGE	
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21		4/
22	BY: / May	DATED: 4/5/12
23	HEALTH CARE AGENCY	
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25		
26	APPROVED AS TO FORM	
27	OFFICE OF THE COUNTY COUNSEL	
28	ORANGE COUNTY, CALIFORNIA	
29		
30		DATED: 4/30/12
31	BY:	DATED: 1/5-/-
32	DEPUTY	
33		
34	If the contracting party is a corporation, two (2) signatures are required	d: one (1) signature by the Chairman of the Board, the
35	President or any Vice President; and one (1) signature by the Secretary	y, any Assistant Secretary, the Chief Financial Officer
36	or any Assistant Treasurer. If the contract is signed by one (1) authorized by the board of directors has empowered said authorized by the board of directors has empowered said authorized by the board of directors has empowered said authorized by the board of directors has empowered by the board of directors have been directors as the board of directors have been directors and directors have been directors as the board of directors have been directors and directors have been direct	zed individual only, a copy of the corporate resolution norized individual to act on its behalf by his or her
37	signature alone is required by HCA.	·