

HEALTH SERVICES AGREEMENT

THIS AGREEMENT between Collin County, Texas (hereinafter referred to as the "County"), and Southwest Correctional Medical Group, Inc. (SWCMG), a Corporation (hereinafter referred to as Contractor), is dated for reference purposes as of the August 17 day of 2015 (hereinafter referred to as the "Agreement"). Services under this Agreement shall commence on October 1, 2015, and shall continue in accordance with Sections 8.1 and 8.2.

WITNESSETH:

WHEREAS, the County is charged by law with the responsibility for obtaining and providing reasonably necessary health care for inmates at the Collin County Detention Center located at 4300 Community Avenue, McKinney, Texas 75071 and at the Collin County Minimum Security Facility at 4800 Community Avenue, McKinney, Texas 75071 and the juveniles at the John R. Roach Juvenile Detention Center located at 4700 Community Avenue, McKinney, Texas 75071 (hereinafter referred to collectively as the "Facilities").

WHEREAS, the County desires to provide for health care to the inmates /juveniles in the Facilities in accordance with applicable law; and

WHEREAS, the County desires to enter into this Agreement with Contractor to promote this objective; and

WHEREAS, Contractor is in the business of providing correctional health care services and desires to provide such services for the County under the terms and conditions hereof,

NOW, THEREFORE, in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows:

ARTICLE 1: HEALTH CARE SERVICES

1.1 General Engagement. The County hereby contracts with the Contractor to provide for the delivery of medical, dental, and mental health care to individuals committed to the custody of any of the Facilities. The terms and conditions of the accepted Request for Proposal for "Services: Inmate Health Care, RFP No. 2015-122" is incorporated herein verbatim as if fully set forth. Individuals, who are unconscious, injured or seriously ill at the time of booking shall not be committed to the custody of the Facilities. These individuals shall be immediately referred to a third party provider for medical attention and their admission and booking (or their return to one of the Facilities) will be predicated on written medical clearance from the third party provider. Contractor will not be responsible for any cost associated with medical care that is delivered prior to an individual's being booked into the facility.

ORDER OF PRECEDENCE. The parties further agree that in the event of any conflict among the documents reference in this AGREEMENT, the order of precedence shall be as follows: 1) this AGREEMENT; 2) Exhibit A: Best and Final Offer; 3) Exhibit B: Contractor Response to Collin County's Formal Request including power point presentation; and 4) Exhibit C: Collin County's Formal Request for Proposal, RFP 2015-122, including all addendums.

1.2 Scope of General Services. For the purposes of this Agreement, Contractor responsibility for medical care commences when an individual is booked into any of the Facilities. Contractor shall provide health care services for all persons committed to the physical custody of any one of the Facilities and to individuals who are engaged in work release activities but who spend each night at one of the Facilities. Contractor shall provide on a regular basis, all professional medical, dental, mental health, related health care and administrative services for the inmates/juveniles. These services include intake health screenings, regularly scheduled sick call, nursing coverage, regular physicians visits on site, infirmary care, hospitalization, medical specialty services, emergency medical care, medical records management, pharmacy and pharmaceutical services, laboratory services, radiology services, auditory services, ophthalmology services, health education and training services, utilization review, a quality assurance program, administrative support services, dental services, and on-site emergency medical treatment for visitors or County personnel, all as more specifically described 1) Exhibit C) Collin County's Formal Request for Proposal, RFP 2015-122, including addendums 1 and 2, 2) Exhibit A: Best and Final Offer; 3) Exhibit B: Contractor Response to Collin County's Formal Request including power point presentation.

Inmates/juveniles to be housed in any Collin County Detention Facility shall receive an intake health screening before completion of booking process.

1.3 Exceptions to the Provision of Medical Care. Contractor will not be responsible for providing elective medical care to inmates/juveniles. For purposes of this Agreement, "elective medical care" means medical care which, if not provided, would not, in the opinion of Contractor Medical Director, cause the inmate's/juvenile's health to deteriorate or cause definite harm to the inmate's/juvenile's well-being. Such decisions concerning medical care shall be consistent with applicable laws and general medical standards. Contractor will give notice to the County of any referral of inmates /juveniles for elective medical care prior to the provision of such services. Contractor will not be responsible for providing newborn care or for abortions that are not medically indicated.

1.4 Transporting Services. Non-emergency and emergency transportation services including reasonable security will be provided and paid for by the County. Contractor is responsible for requesting transportation in accordance with the policies and procedures regarding the transportation of inmates/juveniles for medical reasons mutually developed by Contractor and the County.

ARTICLE II: PERSONNEL

2.1 Staffing. Contractor shall provide medical, mental health, dental, technical and support personnel necessary for the rendering of health care services to inmates/juveniles at the Facilities as described in Exhibit E. The staffing matrixes set forth in Exhibit E are based on an average inmate/juvenile population of 1010 inmates/juveniles in the adult detention facilities and in the juvenile detention facility. Should the total inmate population increase to an average level of 1010 or more for a period of sixty (60) days or longer, additional health care staffing beyond the positions in Exhibit E, may be necessitated, and, Contractor reserves the right to review the staffing and contract price, and, with the County's participation and approval, which shall not be

unreasonably withheld, make necessary adjustments in staffing and contract price in order to accommodate any additional staff positions which may be needed to serve the increased inmate population.

2.2 Licensure, Certification and Registration of Personnel. Contractor shall ensure that all personnel provided or made available by Contractor to render services hereunder shall be licensed, certified or registered, as appropriate, in their respective areas of expertise as required by applicable law. Each license or certification shall be on file at a central location as mutually agreed upon. All Contractor personnel, prior to entering the Facilities, shall be required to undergo a criminal background check conducted by the County at no cost to Contractor. Contractor agrees that all of its personnel employed in the Facilities will sign a Nondisclosure Agreement provided by the County. This Nondisclosure Agreement will be kept in each employee's personnel file. Contractor shall monitor the license and/or certification and/or registration of each employee on a monthly basis to confirm its status and good standing. Contractor shall also require each of its employees to advise Contractor if their [employee's] license and/or certification and/or registration has been revoked, suspended, restricted, limited, or in any way impaired. Contractor shall notify Collin County in writing of any personnel whose license and/or certification and/or registration has been revoked, suspended, restricted, limited, or in any way impaired. Such notice shall be provided within three (3) business days of Contractor's knowledge of the change in status, but in no event no later than thirty (30) days after the status has changed.

2.3 Sheriff's Satisfaction with Health Care Personnel. If the County becomes dissatisfied with any health care personnel provided by Contractor hereunder, in recognition of the sensitive nature of correctional services, shall, following receipt of written notice from the County of the grounds for such dissatisfaction and in consideration of the reasons therefore, shall exercise its best efforts to resolve the problem. If the County is not satisfied that the problem has been solved, the County may revoke the employee's right to enter the detention center. If the County revokes a Contractor employee's right to enter the detention center, the County will provide Contractor written notice to that effect. The decision to revoke a Contractor employee's right to enter the Facilities shall be at the sole discretion of the County.

2.4 Use of inmates/juveniles in the Provision of Health Care Services. Inmates/juveniles shall not be employed or otherwise engaged by either Contractor or the County in the direct or indirect rendering of any health care services. Inmate workers may be used in positions not involving the rendering of health care services directly or indirectly to other individuals in the Facilities if Contractor and the County mutually agree.

2.5 Subcontracting and Delegation. In order to discharge its obligations hereunder, Contractor will engage certain health care professionals as independent contractors rather than as employees. The County may request to approve such professionals, but approval will not be unreasonably withheld. Subject to the approval described above, the County consents to such subcontracting or delegation. As the relationship between Contractor and these health care professionals will be that of independent contractor, Contractor will not be considered or deemed to be engaged in the practice of medicine or other professions practiced by these professionals. Contractor will not exercise control over the manner or means by which these independent contractors perform their professional medical duties. However, Contractor shall exercise administrative supervision over such professionals necessary to ensure the strict fulfillment of the obligations contained in this Agreement. For each agent and subcontractor, including all medical professionals, physicians, dentists, psychiatrist and nurses performing duties as agents or independent contractors of Contractor under this Agreement, Contractor shall provide the County

proof, prior to the effective date of this agreement, that there in effect a professional liability or medical malpractice insurance policy, as applicable coverage for each health care professional identified herein, in an amount of at least One Million Dollars (\$1,000,000) coverage per occurrence and Three Million Dollars (\$3,000,000) aggregate. In addition, for each agent or subcontractor hired by the Contractor, the agent or subcontractor shall include Collin County, its officials, officers and employees as additional insureds on the certificate of insurance and shall provide the County with a copy of the certificate of Insurance within thirty (30) days of the engagement of the agent or subcontractor. If requested by the County, Contractor will provide to the County copies of subcontractor agreement providing service warranted under the Agreement.

2.6 Discrimination. During the performance of this Agreement, Contractor, their employees, agents, subcontractors, and assignees agree as follows:

1. They will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, age, Vietnam Veteran status, disability as defined in the Americans with Disabilities Act or national origin, except where age, religion, sex, disability or lack thereof or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. They will agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. In all solicitations or advertisements for employees, they will state that it is an equal opportunity employer.
3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

2.7 Staffing Penalties. Contractor agrees to a no missed shifts guarantee see Exhibit A. In the event that Contractor fails to fill any shift vacant position(s) through employment, appointment or contracting with a qualified person on a permanent or temporary basis (including the utilization of existing staff on an overtime basis at Contractor's expense) from the first day, Contractor shall issue a credit consisting of 100% of the hourly salary for each position not covered or vacant from the first day. Both parties agree that a paid position is deemed to be a filled position. Each quarter any credited amount will be reported and payable to the County from Contractor as a credit to the County's next monthly billing by Contractor.

ARTICLE III: ACCREDITATION

3.1 Obligation of Contractor. Contractor's services shall be designed to meet the standards promulgated/developed by the National Commission on Correctional Health Care for Jails (NCCHC).

ARTICLE IV: EDUCATION

4.1 Inmate and Staff Education. Contractor shall conduct an ongoing health education program for inmates/juveniles at the Facilities with the objective of raising the level of inmate health and health care. Contractor staff will provide relevant training to County's staff on at least a quarterly basis on topics agreed upon by both parties.

4.2 Medical Services Staff Education. Contractor will require that its medical, professional and para-professional staff receive all necessary and requisite legal and statutorily mandated in-service, annual or proficiency training and other such professional or para-professional education and training programs needed to provide current proficiency in the professional's or para-professional's particular medical discipline or specialty.

ARTICLE V: REPORTS AND RECORDS

5.1 Medical Records. Contractor shall cause and require to be maintained a complete and accurate medical record for each inmate who has received health care services from Contractor. Each medical record will be maintained in accordance with applicable laws, NCCHC standards and the County's policies and procedures. The medical records belong to the County, and Contractor shall be custodian of these records during the term of this Agreement, keeping the medical records separate from the inmate's confinement record. A complete legible copy of the applicable medical record shall be available, at all times, to the County and may be available to accompany each inmate who is transferred from one of the Facilities to another location for off-site services or transferred to another institution. Medical records shall be kept confidential, subject to applicable law (including HIPAA and the State of Texas Public Information Act). Contractor shall provide all medical records, forms, jackets, and other materials necessary to maintain the medical records. Upon the expiration or termination of this Agreement, all medical records shall be delivered to and remain with the County. However, the County shall, within the limits of applicable law, provide Contractor with reasonable ongoing access to all medical records even after the termination/expiration of this Agreement to enable Contractor to properly prepare for litigation or anticipated litigation or any other legal or regulatory action brought or threatened by third persons in connection with services rendered during the term hereof. The County, at its sole discretion, will determine how to appropriately respond to a request for medical records made as part of any "claim" as defined in paragraph 10.2 of this Agreement.

5.2 HIPAA Compliance. Contractor shall comply with all Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements and the requirements of the State of Texas Open Records Act relating to Contractor's responsibilities under this Agreement.

5.3 Regular Reports by Contractor to the County. Upon the County's request, Contractor shall provide to the County, on a date and in a form mutually acceptable to Contractor and the County, monthly and annual reports relating to services rendered under this Agreement. If requested, Contractor shall submit monthly and other periodic reports to the Collin County Jail Administrator/Director of Juvenile Probation, concerning and reflecting on the overall health of the inmates/juveniles committed to the custody of the County. Such reports shall be submitted on a regular, periodic, or as requested basis to be determined by mutual written agreement of Contractor and the County. Contractor will fully cooperate with the County to respond to reporting requests to support any provision or section of this Agreement, without any additional charge, fee or assessment to the County.

Reports shall also be provided daily to the Collin County Jail Administrator/ Director of Juvenile Probation regarding inmates /juveniles in offsite, hospital care. Report shall include inmate/detainee/juvenile condition and estimated duration of hospital stay and approximate date of return to Collin County Detention Facility. As it is Collin County's desire to provide as much

onsite care as possible, it is requested that Contractor Staff confirm the need for continued offsite care through this daily report.

5.4 Third Party Reimbursement. Contractor will seek information concerning health insurance which would cover services provided by Contractor from each inmate treated, as allowed by law. Payment for services will only be made by Contractor after all third party efforts have been exhausted. A report detailing all third party reimbursement will be provided to the County on a quarterly basis.

5.5 Inmate/Juvenile Information. Subject to the applicable law, in order to assist Contractor in providing the best possible health care services to inmates/juveniles, the County will provide Contractor with inmate/juvenile information that Contractor and the County mutually identify as reasonable and necessary for Contractor to adequately perform its obligation hereunder.

5.6 Contractor Records Available to the County with Limitations on Disclosure. Contractor shall make available to the County, at the County's request, all records, documents, and other papers relating to the direct delivery of health care services to inmates/juveniles hereunder. The County understands that many of the systems, methods, procedures, written materials and other controls employed by Contractor in the performance of its obligations hereunder are proprietary in nature and will remain the property of Contractor. Information concerning such may not, at any time, be used, distributed, copied or otherwise utilized by the County, except in connection with the delivery of health care services hereunder, and as permitted or required by law, unless such disclosure is approved in advance in writing by Contractor.

The Contractor agrees that at any time during normal business hours, and as often as County may deem necessary, Contractor shall make available to representatives of the County for examination all of its records with respect to all matters covered by the resulting contract, and will permit such representatives of the County to audit, examine, copy and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by the resulting contract, all for a period of three (3) years from the date of final settlement of contract or of such other or longer period, if any, as may be required by applicable statute or other lawful requirements.

5.7 County's Records Available to Contractor with Limitations on Disclosure. During the term of this Agreement and for a reasonable time thereafter, the County will provide Contractor, at Contractor's request, the County's records relating to the provision of health care services to inmates/juveniles as may be reasonably requested by Contractor or as are pertinent to the investigation or defense of any claim related to Contractor's conduct. Consistent with applicable law, the County will make available to Contractor such records as are maintained by the County, hospitals and other outside health care Contractors involved in the care or treatment of inmates/juveniles (to the extent the County has any control over those records) as Contractor may reasonably request. Any such information provided by the County to Contractor that the County considers confidential and clearly labeled confidential and clearly labeled confidential shall be kept confidential by Contractor and shall not, except as may be required by law, be distributed to any third party without the prior written approval of the County.

ARTICLE VI: SECURITY

6.1 General. Contractor and the County understand that adequate security services are necessary for the safety of the agents, employees and subcontractors of Contractor as well as for the security of inmates/juveniles and the County's staff, consistent with the correctional setting. The County will use reasonable efforts to provide sufficient security to enable Contractor, and its personnel, to safely and adequately provide the health care services described in this Agreement. Contractor, its staff and personnel, understand that working in the Collin County Detention and Juvenile Detention Centers involves inherent dangers. Contractor, its staff and personnel further understand that the County cannot guarantee anyone's safety in such a facility and nothing herein shall be construed to make the County or its employees a guarantor of the safety of Contractor employees, agents or subcontractors, including their employees.

In the event that any recommendation by Contractor for particular health services for any inmate/juvenile or transfers to a medical facility should not be implemented and carried out for security reasons, Contractor will be released from professional liability for any damages resulting from any such decision on the part of the County not to respond or to institute a requested transfer of any inmate.

6.2 Loss of Equipment and Supplies. The County shall not be liable for the loss of, or damage to, equipment and supplies of Contractor, its agents, employees or subcontractors unless such loss or damage was caused by the negligence of the County or its employees.

6.3 Security During Transportation Off-site. The County will provide security as necessary and appropriate in connection with the transportation of any inmate/juvenile between any of the Facilities and any other location for off-site services as contemplated herein.

ARTICLE VII: OFFICE SPACE, EQUIPMENT, INVENTORY AND SUPPLIES

7.1 General. The County agrees to provide Contractor with office space, facilities, equipment (See Exhibit D), and utilities sufficient to enable Contractor to perform its obligations hereunder. Contractor will supply and be responsible for payment of long distance access for use of its personnel. Contractor shall provide all necessary office supplies and medical supplies. The County shall be responsible for providing substitute space should the designated medical facility become unsafe for any reason.

7.2 Delivery of Possession. The County will provide to Contractor, beginning on the date of commencement of this Agreement, possession and control of all medical and office equipment and supplies, which are the County's property, in place at the detention centers' health care units. At the termination of this or any subsequent Agreement, Contractor will return to the County possession and control of all supplies, medical and office equipment, in working order, reasonable wear and tear excepted, which were in place at any of the detention centers' health care units prior to the commencement of services under this Agreement and/or purchased by Contractor or the County during the term of this agreement.

7.3 Equipment. The Contractor will provide all medical equipment required for the efficient operation of the health care facilities except for equipment and materials stated as County furnished property.

7.4 General Maintenance Services. The County will provide the same range of services and facilities for those inmates /juveniles that are confined to reside in a health clinical area for the purpose of receiving medical services, to include, but not be limited to, dietary services, building maintenance services, personal hygiene supplies and services, and linen supplies.

7.5 Supplies. Contractor warrants and represents that the quality and quantity of supplies on hand during this Agreement will be sufficient to enable Contractor to perform its obligations hereunder.

ARTICLE VIII: TERM AND TERMINATION OF AGREEMENT

8.1 Term. This Agreement will be effective at 12:01 a.m. on October 1, 2015. The term of this Agreement shall be through September 30, 2018 Thereafter, based upon fiscal funding appropriation this Agreement may be renewed for two (2) additional one (1) year renewals terms if agreed to in writing by both parties before the expiration of the then current term.

8.2 Termination. This Agreement may be terminated as otherwise provided in this Agreement or as follows:

(a) Termination by Agreement. In the event that the parties mutually agree in writing, this Agreement may be terminated on the terms and date stipulated therein.

(b) Termination by Cancellation. This Agreement may be cancelled without cause by the County or Contractor upon thirty (30) days prior written notice; however, The notice must state the reasons for the termination.

(c) Termination for Default. In the event either party shall give detailed notice to the other that such party has materially defaulted in the performance of any of its material obligations hereunder and such default shall not have been cured within thirty (30) days following the giving of such notice in writing, the party giving the notice shall have the right immediately to terminate this Agreement, provided, however, that the cure period shall be limited to ten (10) days if the default is failure by the County to timely make any payments due to Contractor hereunder.

(d) Annual Funding. This Agreement will terminate at the end of any annual term if the Commissioners' Court fails to authorize or appropriate funds sufficient for the County to meet its obligations hereunder.

(e) Immediate Termination by the County: The County, in its sole discretion, may terminate this Agreement immediately upon the occurrence of any of the following events:

1. The insolvency, bankruptcy, or receivership of Contractor; or
2. Contractor fails to maintain insurance in accordance with the Insurance Section of this Agreement, unless such failure is due to circumstances beyond the control of Contractor.

8.3 Responsibility for Inmate Health Care. Upon the termination or expiration of this Agreement, all of Contractor's responsibility for providing health care services to all inmates/juveniles, including inmates/juveniles receiving health care services at sites outside the detention centers, will terminate.

ARTICLE IX: COMPENSATION

9.1 Base Compensation. To compensate Contractor for the services provided to the inmates of the Collin County Detention and Minimum Security facilities, the County will pay Contractor \$4,841,892.00 the sum of \$403,491.00 each month. To compensate Contractor for the services provided to the juvenile detainees of the Collin County Juvenile Detention Facility, the County will pay Contractor \$433,370.00 the sum of eleven equal payments of \$36,114.17 each month and one payment of \$36,114.13.

If during any month of the Agreement the average number of adult inmates/juvenile detainees per day in such month exceeds 1010, the County will pay Contractor the additional sum of per inmate per day as additional compensation.

If the average total number of adult inmates/juvenile detainees per day in such month exceeds 1010 and the average number of adult inmates is over 930 the Collin County Detention and Minimum Security facilities will be invoiced at Ninety-One cents \$0.91 per inmate. If the average total number of adult inmates/juvenile detainees per day in such month exceeds 1010 and the average number of juvenile detainees is over 80 the Collin County Juvenile Detention Facility will be invoiced at Fifty-Six cents \$0.56 per juvenile.

These above referenced per diems are intended to cover additional costs in those instances where minor, short-term increases in the inmate population result in the higher utilization of routine supplies and services. However, the per diem is not intended to provide for any additional fixed costs, such as new staffing positions, which might prove necessary if a population increase is sustained.

Contractor will invoice the County thirty (30) days prior to the month in which services are to be provided. The County agrees to pay Contractor in accordance with V.T.C.A., Government Code, Title 10, Chapter 2251. In the event this Agreement should commence or terminate on a date other than the first or last day of any calendar month, compensation to Contractor will be prorated accordingly for the shortened month. Any per diem charges incurred will be billed to the County the second month following the month in which the charges were incurred. (For example, if the County incurred per diem charges in January, the charges will be reflected in the March bill from Contractor.)

Invoices will be mailed to:

Collin County Auditor's Office
2300 Bloomdale, Suite 3100
McKinney, TX 75071
Email address: accountspayable@collincountytx.gov

All invoices will contain: 1) Collin County Purchase Order Number; 2) Contractor's name, address, and tax identification number; and 3) a detailed breakdown of all charges for the services provided including the applicable time frames.

9.2 Inmates /juveniles from Other Jurisdictions. Medical care rendered at one of the Facilities to inmates/juveniles from other jurisdictions housed in one of the Facilities pursuant to a contract between the County and such other jurisdictions will be the responsibility of Contractor and will be included in the average daily inmate population count. Contractor will arrange medical care that cannot be rendered on-site at the detention center to these inmates/juveniles, but Contractor shall have no financial responsibility for such services.

9.3 Annual Compensation Escalator. The annual compensation Contractor is to receive pursuant to this Agreement, which includes the base compensation amount and the per diem rate described in paragraph 9.1, for subsequent years of this Agreement, including any extensions, shall include a reasonable increase at the end of each twelve month period of the Agreement to insure the delivery of the same quality and quantity of health services.

The provider is to submit a bid that will be fixed for one (1) year. On each anniversary date of the contract, the Provider may be granted an increase or decrease in their bid, dependent upon fluctuations in the Department of Labor Consumer Price Index (CPI) for Medical Care Services, Dallas/Ft. Worth, TX. not seasonally adjusted for the preceding, as published by the U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. 20212. Visit their website at www.bls.gov/. Information can be found on All Urban Consumers (current series) –multi-screen date search, Not Seasonally Adjusted, A316 Dallas-Fort Worth TX, Current, SAM Medical Care, 12 Month Percent Change.

The Provider has the sole responsibility to request, in letter form, an adjusted rate and shall provide a copy of the index and other supporting documentation necessary to support the increase or decrease with the request. This request and documentation must be received at the office of the Purchasing Agent no later than ninety days (90) prior the anniversary date. To ensure timely delivery, certified mail is recommended. If the request is submitted and received within the required time frame, the adjustment will be submitted for processing. Provider will be notified in writing upon approval. For purposes of this contract, the Medical CPI shall not exceed a total increase of 3.0% each year.

Should a provider fail to submit the request and supporting documentation to the proper location within ninety days (90) of the anniversary date, provider shall be deemed to have waived its right to any increase in price, but the County shall not be barred from making the appropriate adjustment in the case of a decrease determined in accordance with the below methodology.

The anniversary date will be October 1 of each year. The 'base' month for determining adjustments will be the sixth (6th) month prior to the anniversary date of the contract. The base month is fixed and will not be adjusted year to year. The adjustments will be based on the difference in the base month for each applicable year and will become effective on the first day of the anniversary month. If the contract allows for an adjustment after the first year, it would be based on the difference between the May 2015 CPI and the May 2016 CPI and become effective in October 2016. If the contract allows for an adjustment after the second year, it would be based on the difference between the May 2016 CPI and the May 2017 CPI and become effective October 2017.

9.4 Contractor's Financial Responsibility. Contractor is responsible for the costs associated with intake health screenings, regularly scheduled sick call, nursing coverage, regular physician visits on site, infirmary care, chronic care clinics, on-site emergency medical care, medical records management, clinical labs (as that term is defined in Collin County's Request for Proposal), health education services, utilization review, a quality assurance program, other administrative support services, medical and office supplies, pharmacy and pharmaceutical services, EKGs, waste disposal, accreditation fees, all needed equipment to set up a dental suite for the juvenile facility, a performance bond, and on-site emergency medical treatment for visitors and County personnel. Contractor will not be financially responsible for costs associated with any off-site treatment, hospitalization, medical specialty services (whether provided on-site or offsite), radiology services, and transportation services. Contractor is to provide services to the inmates /juveniles in the physical custody of the County. Contractor will not be financially responsible for any person remanded to, or in the custody of, any other law enforcement officer or agency or other correctional/detention facility of any city, county, state or federal authority. This contract specifically excludes medical care provided to inmates/juveniles under the jurisdiction of Collin County but incarcerated in a facility owned by, operated by, and/or located in another county or state.

9.5 Responsibility for Inmates in the Sheriff's Work Release Program. Notwithstanding any other provisions of this Agreement to the contrary, the parties agree that inmates assigned to any Work Release Program are personally responsible for the costs of any medical services rendered outside the facility without Contractor's prior authorization.

9.6 Changes. If any statute, rule or regulation is passed or any order issued or any statute, guideline or standard of care adopted or interpretation made, or additional facilities opened that materially changes the scope of services or materially increases the cost to Contractor of providing health care services hereunder, Contractor and the County agree to negotiate additional compensation to be paid by the County to Contractor as a result of such changes.

ARTICLE X: LIABILITY AND RISK MANAGEMENT

10.1 Insurance. At all times during this Agreement, Contractor shall maintain professional liability insurance covering Contractor, its representatives, employees, officers, agents, and subcontractors with limits of one million dollars (\$1,000,000) per occurrence, three million dollars (\$3,000,000) in the aggregate per physician/dentist or other contractor, and \$5,000,000 annual aggregate for corporate/ancillary personnel. Physicians and dentists provided by Contractor will be included in the coverage or provide their own coverage with these limits. Coverage shall be maintained for an appropriate period in accordance with the Texas Statute of Limitations.

At all times during this Agreement, Contractor shall maintain commercial general liability insurance covering Contractor, its representatives, employees, officers, agents, and subcontractors with limits of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate. Physicians and dentists provided by Contractor will be included in the coverage or provide their own coverage with these limits. Coverage shall be maintained for an appropriate period in accordance with the Texas Statute of Limitations. The County, its officials, officers and employees shall be listed as additional insureds on the certificate of insurance. This coverage shall be primary with respect to any insurance or self-insured retention programs covering the County, its officials, officers and employees.

Contractor will maintain over the term of this Agreement, Workers' Compensation Insurance for all of its employees connected with the work of this Agreement with limits of not less than those required by statute. Contractor will also maintain employer's liability insurance with limits of not less than \$500,000.00 per occurrence.

Contractor will maintain Commercial Automobile Liability insurance with no less than \$1,000,000.00 combined single limits per accident for bodily injury and property damage, including owned, non-owned, and hired vehicle coverage.

Contractor will retain all required certificates of coverage for the duration of the project and for one year thereafter. Contractor will notify the County in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project. Contractor will post on each project site a notice, in the text, form and manner prescribed by Texas Workers Compensation Commission, informing all persons providing services on Contractor's behalf that they are required to be covered, and stating how a person may verify coverage and report lack of coverage. Contractor shall provide a copy of the certificate of insurance to the County within ten (10) business days from the execution of this Agreement.

10.2 Indemnity. Contractor agrees to indemnify, defend and hold harmless the County, its elected officials, officers, agents and employees from all claims, complaints, costs (including attorney fees), actions, lawsuits, damages, judgments and/or liabilities suffered or incurred by the County, its officers, agents and/or employees resulting in any way from the negligence, inadvertence, error, or omission of Contractor, its officers, agents and/or employees or their failure to carry out their responsibilities hereunder.

For purposes of the Contractor's obligation to indemnify, defend and hold harmless the County, its elected officials, officers, agents and employees, a "claim" shall be broadly defined and construed to include, but not limited to, requests submitted for medical records under the Texas Public Information Act; complaints made to the Texas Commission on Jail Standards; written, electronic, or oral allegations of inappropriate or improper medical care or treatment; submission of a formal "notice of claim" made pursuant to the Texas Tort Claims Act, Texas Civil Practice & Remedies Code Section 101.101; receipt of a subpoena and/or notice of deposition for any County employee or official to provide, discuss, or present medical records or information about the medical care or treatment of a person detained in the Collin County Facilities covered by this Agreement in a court or any other proceeding; or any other matter alleging or suggesting a failure of the Contractor to comply with the requirements of this Agreement which requires the assistance, guidance, and advice of legal counsel. Nothing in this definition of "claim" modifies or alters the

statutory or legal requirement that the County receive a notice of claim in accordance with Texas law or any other applicable law, statute, or ordinance.

The determination of whether Contractor is obligated to indemnify, defend and hold harmless the County, its elected officials, officers, agents and employees from all claims, complaints, costs (including attorney fees), actions, lawsuits, damages, judgments and/or liabilities suffered or incurred by the County, its officers, agents and/or employees resulting in any way from the negligence, inadvertence, error, or omission of Contractor, its officers, agents and/or employees or their failure to carry out their responsibilities hereunder, shall be made at the sole discretion of Collin County. Such determination by Collin County will be based, in part, on the totality of the circumstances of the matter as well as the allegations, if any, contained in the claim, complaint, notice, subpoena, request, pleadings and all subsequent amendments thereto. The Contractor shall acknowledge and accept a request for indemnification no later than fifteen (15) days after the receipt of a request for indemnification from the County and the Contractor shall send the County or its retained counsel written acceptance of the request for indemnification along with any claim number and information regarding submission of billing for attorney's fees. The failure of Contractor to acknowledge and accept a request for indemnification within the fifteen (15) day period shall be a material breach of a material obligation of the Contractor subject to the terms of paragraph 8.2(c).

For all such matters described above under which Collin County, its elected officials, officers, agents and employees are owed a defense and indemnification by the medical care Contractor, Collin County shall have exclusive right to choose defense counsel to represent Collin County, the Collin County Sheriff's Office, and any and all elected officials, employees, agents and representatives of Collin County who may be named as parties to such matter. This choice of counsel is at the sole discretion of Collin County and the medical care Contractor cannot substitute nor change Collin County's choice of counsel without express written permission from Collin County. The County's choice of retained counsel may include outside counsel and/or attorneys from the Collin County District Attorney's Office, or both. The medical care Contractor expressly agrees that such counsel selected by Collin County will directly bill the medical care Contractor for all such attorney's fees and costs which are associated with the defense of Collin County and/or its elected officials, employees, agents and representatives in such matter and such bills will be paid in a timely manner, but in no event later than forty five (45) days after the date such bills are submitted to the Contractor or their designated representative. The failure by Contractor to pay the attorney's fees in the forty five (45) day time period shall be a material breach of a material obligation of the Contractor subject to the terms of paragraph 8.2(c) The County's retained counsel will provide legal services in accordance with generally acceptable billing practices and will seek to comply with, but is not obligated to follow, billing guidelines requested by the Contractor or its designated agent.

The obligation of the Contractor to indemnify, defend, and hold harmless the County, its elected officials, officers, agents and employees, does not grant nor provide the Contractor with any right or power of any kind to in any way control, direct, influence, or manage the handling of a "claim" by the County's retained counsel. While input from the Contractor and/or its legal counsel may be considered, all strategic, legal, and any other decisions about the handling of any "claim" covered under this Agreement for which indemnification of the County, its elected officials, officers, agents and employees is required are matters solely to be made by the County in conjunction with its retained counsel. Disagreement by the Contractor with strategic, legal, or other decisions made by the County and/or its retained counsel as part of the handling of any

“claim” shall not be grounds to reduce and/or refuse to pay the County’s retained counsel’s submitted attorney’s fees and costs associated with the handling of any “claim.” The failure by Contractor to pay the attorney’s fees in the forty five (45) day time period because Contractor disagrees with the handling of any “claim” by the County’s retained counsel shall be a material breach of a material obligation of the Contractor subject to the terms of paragraph 8.2(c).

The obligation of the Contractor to indemnify, defend, and hold harmless the County, its elected officials, officers, agents and employees as described above shall continue until such time as the matter has been fully and finally resolved to the satisfaction of the County based, in part, on legal guidance and advice from its retained counsel and considering the applicable status of the matter, finality of judgments, applicable deadlines, and statutes of limitation. The determination of whether the matter has been finally resolved to the satisfaction of the County is at the sole discretion of the County.

ARTICLE XI: MISCELLANEOUS

11.1 Independent Contractor Status. The parties acknowledge that Contractor is an independent contractor. Contractor has the sole responsibility for all diagnosis, treatment and disbursement of medication for all medical, mental and dental health. Contractor shall have primary, but not exclusive, responsibility for the identification, care, and treatment of inmates/juveniles requiring medical care and who are security risks or who present a danger to themselves and/or others. On these matters of security, the Collin County Sheriff and the Director of Juvenile Probation shall support, assist and cooperate with Contractor, and Contractor shall support, assist and cooperate with the Collin County Sheriff and the Director of Juvenile Probation, whose decisions in any non-medical matter shall be final.

11.2 Assignment and Subcontracting. Contractor shall not assign or subcontract this Agreement in whole or in part, to any other entity or person without the express written consent of the Collin County Sheriff or the Director of Juvenile Probation, which consent shall not be unreasonably withheld. Any such assignment or subcontract shall include the obligations contained in this Agreement. Any assignment or subcontract shall not relieve Contractor of its independent obligation to provide the services and be bound by the requirements of this Agreement. The County and Contractor each binds itself, its successors, assigns and legal representatives to the other party hereto and to the successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained herein.

11.3 Notice. Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or sent by certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at the following address or to any other person at any other address as may be designated in writing by the parties.

(a) County

Collin County
Attn: Office of the Purchasing Agent
Purchasing Department
2300 Bloomdale, Suite 3160
McKinney, TX 75071

(b) Contractor Southwest Correctional Medical Group, Inc.
Attn:
2511 Garden Road, Suite A160
Monterey, CA 93940

Notices shall be effective upon receipt.

11.4 Governing Law and Venue. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas. Venue for any litigation arising from this Agreement shall be in a State District Court of Collin County, Texas.

11.5 Entire Agreement. This Agreement, along with the terms and conditions of the accepted Request For Proposal for "Services: Inmate Health Care, RFP No. 2015-122" which are incorporated herein verbatim as if fully set forth, constitutes the entire agreement of the parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions and agreements that have been made in connection with the subject matter hereof. No modifications or amendments to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto. All prior negotiations, agreements and understandings with respect to the subject matter of this Agreement are superseded hereby.

11.6 Amendment. This Agreement may be amended or revised only in writing and signed by all parties.

11.7 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

11.8 Other Contracts and Third-Party Beneficiaries. The parties agree that the County shall take all reasonable steps necessary to assist in securing third party reimbursement. The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of others who might otherwise be deemed to constitute third-party beneficiaries hereof.

11.9 Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

11.10 Force Majeure. Neither party shall be held responsible for any delay or failure in performance (other than payment obligations) to the extent that such delay or failure is caused, without limitation, but strikes, inmate disturbances, acts of public enemy, fire, flood, earthquakes, hurricanes, failure of transportation, explosion, war, embargo, government regulation, civil or military authority, acts of God, acts or omissions of carriers or other similar causes beyond its control.

11.12 Performance Guaranty. Contractor will furnish a surety bond in the amount of \$500,000 payable to the County.

11.13 Permits and License. Contractor acknowledges that it will maintain all relevant permits and licenses required to perform the services required by this Agreement. This will include, but not be limited to licenses and permits for radiology and pharmacy. Contractor shall ensure that all individuals or entities performing that health care services required under this Agreement, including its employees, agents, assignees, subcontractors or independent contractors shall be appropriately licensed, registered or certified as required by applicable law. Contractor shall immediately notify the County of any revocation, suspension, termination, expiration restrictions, etc., of any required license, registration or certification of any individual or entity to perform the services herein specified.

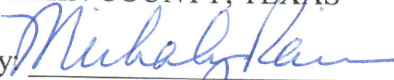
11.14 Software. Contractor will transition from "CorEMR" and provide "Uniek EMR" for use in the County's facility at no cost to the County. Contractor will maintain ownership of this software and the County shall be entitled to quantitative and select information as required by the County and shall be entitled to use the software during the course of this Agreement. At the termination or expiration of this Agreement, Contractor shall remove the "Uniek EMR" software. Any medical information regarding inmates /juveniles within the "Uniek EMR" will remain the property of the County and, upon the County's request; Contractor will convert any and all healthcare data to an acceptable receptacle for use with a different software system.

11.15 Authority. Each party hereto expressly represents and warrants that the person executing this Agreement is the legal, valid binding representative of each party.

11.16 Exhibits. Exhibits A, B, C, D and E are incorporated herein and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

COLLIN COUNTY, TEXAS

By: 
Michalyn Bins
Title: Purchasing Agent


Date: 8-18-15

ATTEST:

By: Court Order # 2015 -- 536-08-17

Date: 8-17-15

CONTRACTOR

By: Contractor 
Kip Hallman
Title: Contractor CEO

Date: Contractor 8/19/15

ATTEST:

By: Contractor 

Date: 8/19/15