

August 11, 2023

Mr. Hunter Alley
Senior Buyer
Collin County Purchasing Department
2300 Bloomdale, Suite 3160
McKinney, TX 75071

RE: Health Services Agreement - Renewal Year 2024

Greetings Mr. Alley:

Per our conversations, please see below our renewal ask for the County's 2024 fiscal year. We are fortunate to partner with the Collin County. We have provided information and details of our ask and hope to hear from you soon.

Contract Renewal

Per Section 9.3 of our agreement, the base compensation and per diem rate will include a reasonable increase at the end of each 12-month period of the Agreement to ensure the delivery of the same quality and quantity of healthcare services.

Compensation Adjustment

Wellpath would typically request a CPI increase consistent with the 12-month percent change in the Consumer Price Index ("CPI") for Urban Consumers – Dallas-Fort Worth TX, for the Medical Care Services Component, for the month of May. Medical Care Services are not reported by the Bureau of Labor Statistics for the Dallas-Fort Worth area. Therefore, we will share and report on the Consumer Price Index ("CPI") for Urban Consumers – Dallas-Fort Worth TX, for the Medical Care Component, for the month of May which is 1.8% for 2023.

To maintain the quality and standard of medical services provided to the inmates and it is necessary for us to adjust the contract amount to reflect the current market rates. Therefore, we request to increase the contract amount by **4.7%**. We understand the budget constraints of the County and the contractual identified terms of increase. Given these items, we are willing to adjust our proposed CPI increase from 4.7% to 1.8% and intend to make a future request clarifying the CPI dates and language within the contract.

The 1.8% CPI adjustment would increase the per diem rate from \$1.49 to \$1.51 and shall increase the contract total for Juvenile Services by \$11,516.52 annually and Adult Services by \$202,036.58 annually for a total proposed increase of \$213,553.09 annually or \$17,796.09 monthly.



Total Proposed Compensation

The following table presents the associated monthly and annual costs to implement the proposed CPI increase:

Collin County, TX - Cost Adjustment	Monthly	Annually
Current Compensation (Adult)	\$935,354.53	\$11,224,254.36
Current Compensation (Juvenile)	\$53,317.20	\$639,806.40
Proposed 1.8% CPI Adjustment (Adult and Juvenile)	\$17,796.09	\$213,553.09
Proposed Compensation (Adult)	\$952,190.91	\$11,426,290.94
Proposed Compensation (Juvenile)	\$54,276.91	\$651,322.92
Total Proposed Compensation Effective October 1, 2023	\$1,006,467.82	\$12,077,613.85

If the County accepts, please email a signed copy of this letter to Joseph Figg, Retention Specialist, at JFigg@wellpath.us. Upon receiving the signed proposal, our Legal Department will draft a formal contract amendment and route it to the appropriate County individuals for signature. All other terms of the current Agreement, including any changes detailed above, shall remain in full force and effect.

We appreciate the relationship we have established over the years and look forward to continued success. Please do not hesitate to contact Charles Guffey, Director of Operations, at (615) 551-0094 with any questions or concerns.

Sincerely,



Cole Casey
Regional Vice President

*Cc: Charles Guffey, Director of Operations
John Roth, Director, Partner Services
Christi Cunningham, Contract Administrator*

The undersigned is authorized by Collin County to accept the above terms:

Authorized Collin County Representative

Date Signed

Print Name

Title



PLEASE NOTE: Final delivery of the contract amendment will be via email. If hard copies with original signatures are required, please indicate the number of copies needed: ____.

Attachment 1: BLS Data for Medical Care

12-Month Percent Change

Series Id: CUURS37ASAM, CUUSS37ASAM


Not Seasonally Adjusted

Series Title: Medical care in Dallas-Fort Worth-Arlington, TX, all urban consumers, not seasonally adjusted

Area: Dallas-Fort Worth-Arlington, TX

Item: Medical care

Base Period: 1982-84=100

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2018	1.5		0.4		1.0		1.8		1.4		1.5		1.4	1.1	1.6
2019	3.0		3.8		3.4		3.2		4.2		4.7		3.8	3.6	4.0
2020	4.2		4.2		5.8		5.3		4.4		3.2		4.4	4.6	4.2
2021	2.0		1.7		0.8		0.9		-0.3		0.4		0.9	1.3	0.4
2022	3.2		3.4		3.1		3.7		6.2		4.8		4.1	3.4	4.7
2023	4.6		2.6		1.8									2.7	

Attachment 2: BLS Data for All Items



12-Month Percent Change
Series Id: CUURS37ASA0, CUUSS37ASA0


Not Seasonally Adjusted

Series Title: All items in Dallas-Fort Worth-Arlington, TX, all urban consumers, not seasonally adjusted

Area: Dallas-Fort Worth-Arlington, TX

Item: All items

Base Period: 1982-84=100

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2018	2.7		2.9		3.9		3.5		2.4		2.2		3.0	3.3	2.6
2019	2.1		2.7		1.5		2.3		2.2		1.8		2.1	2.1	2.2
2020	2.1		1.0		-0.5		0.4		0.4		0.3		0.6	0.6	0.5
2021	1.5		3.4		6.3		5.6		5.9		7.5		5.2	4.0	6.5
2022	7.8		9.0		9.1		9.4		9.2		8.4		8.8	8.9	8.7
2023	7.5		5.8		4.7									5.7	

