

**INTERLOCAL AGREEMENT TO PROVIDE INMATE MEDICAL SERVICES
BETWEEN THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON AND
GALVESTON COUNTY**

THIS AGREEMENT by and between the County of Galveston ("County") and The University of Texas Medical Branch at Galveston ("UTMB"), for and on behalf of its Correctional Managed Care Division ("UTMB-CMC"), is entered into effective as of the 18th day of August, 2025. It is for the purpose of providing health care services to all inmates incarcerated in the Galveston County Jail except as otherwise specifically excluded by this Agreement. It is also for the purpose of providing limited health care services to County Corrections Staff.

WITNESSETH:

WHEREAS, County is required by state law to provide health care services to individuals incarcerated in the Galveston County Jail ("Jail"); and

WHEREAS, the objective of the County is to provide for the delivery of health care to Inmates in accordance with applicable law; and

WHEREAS, County desires to enter into a health care services agreement with UTMB-CMC to promote this objective; and

WHEREAS, UTMB-CMC contracts to provide correctional health care services and desires to provide such services for the County under the terms and conditions hereof;

NOW, THEREFORE, with the intent to be legally bound, and in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows:

ARTICLE I: HEALTH CARE SERVICES.

1. General Engagement. County engages UTMB-CMC to provide and to arrange to provide for the delivery of reasonable and necessary medical, dental, and mental health care to all individuals who are under the custody and control of County and incarcerated at the Jail ("Inmates"). UTMB-CMC accepts such engagement according to the terms and provisions hereof.
2. Scope of Services. UTMB-CMC will provide and arrange to provide on a regular basis the following Services.
 - 2.1. Onsite Services:
 - 2.1.1. professional medical, dental, and mental health care excluding required hospitalization; UTMB will have a separate contract with the County for offsite UTMB Hospital and Physician services for inpatient and outpatient health care services.
 - 2.1.2. related health care and administrative services for the Inmates, including a program for preliminary health screening of Inmates upon arrival at the Jail;
 - 2.1.3. comprehensive health evaluation of each Inmate following admission to the Jail;

- 2.1.4. regularly scheduled sick call and nursing coverage;
 - 2.1.5. regularly scheduled physician visits on site;
 - 2.1.6. mental health services to include on-site and on-call psychiatric physician services;
 - 2.1.7. medical records management;
 - 2.1.8. pharmacy services;
 - 2.1.9. health education and training services;
 - 2.1.10. a quality assurance program;
 - 2.1.11. administrative support services;
 - 2.1.12. UTMB will provide Electronic Medical Records (EMR), Telemedicine (DMS), and electronic prescription ordering system (for medical and dental prescriptive services);
 - 2.1.13. Telemedicine to include primary care and telepsychiatry and tele-mental health services;
 - 2.1.14. UTMB will provide onsite dialysis service;
 - 2.1.15. UTMB will provide laboratory services and radiology services;
 - 2.1.16. UTMB will provide health care services to both the adults and juveniles for the County;
 - 2.1.17. Attachment A, to include UTMB staffing at both the adult and juvenile facilities.
- 2.2. UTMB-CMC and the County Sheriff's Office will collectively oversee the initial establishment of services in order to ease transition of medical services from County's current medical provider to UTMB-CMC.
3. Medical Specialty Services. UTMB-CMC will arrange to provide radiology services on site to the extent of the capabilities of a mobile radiology service. Other medical specialty services (e.g., laboratory services, etc.) will be provided on site to the extent reasonably possible. To the extent routine medical specialty care or services is required and cannot be rendered on site, UTMB-CMC will make appropriate off-site arrangements within Galveston County whenever reasonable for the rendering of such care. The County will provide a Sheriff's Office vehicle and driver for the transportation of such inmates requiring these routine medical specialty services.
4. Emergency Services. UTMB-CMC professional staff will provide emergency medical treatment to Inmates, visitors, and Jail staff as necessary and appropriate on-site. UTMB-CMC, at its expense, will arrange off-site emergency medical care as required for Inmates through arrangements to be determined with UTMB Hospital. UTMB-CMC, at its expense, will arrange ambulance services for all inmates only for emergency circumstances.
5. Unauthorized Absence. UTMB-CMC will not be liable for any Inmate health care costs incurred during an unauthorized absence (e.g., jail escape) from the Jail.
6. Dispute Resolution. County understands and agrees that Chapter 2260, Texas Government Code, is applicable to this Agreement and not preempted by other applicable law or the Agreement and that the dispute resolution process provided for in Chapter 2260 and the

related rules adopted by the Texas Attorney General pursuant to Chapter 2260, will be used by UTMB-CMC and County to attempt to resolve any claim for breach of contract made by County that cannot be resolved in the ordinary course of business. The chief business officer of UTMB-CMC will examine County's claim and any counterclaim and negotiate with the County in an effort to resolve such claims. The parties hereto specifically agree that (1) neither the issuance of this Agreement by UTMB-CMC or any other conduct, action or inaction of any representative of UTMB-CMC relating to this Agreement constitutes or is intended to constitute a waiver of UTMB-CMC's or the States sovereign immunity to suit; and (2) UTMB-CMC has not waived its right to seek redress in the courts. For purposes of dispute resolution, County understands and agrees that The University of Texas System Administration, a state agency separate from UTMB-CMC but delegated authority to resolve certain legal disputes of UTMB-CMC, may enforce this Agreement on behalf of UTMB-CMC and aggregate claims or disputes of its component institutions arising under contracts between such institutions and County.

7. Refusal of Admission of Inmate. Through its receiving nurse or EMT stationed at the booking area of the Jail, UTMB-CMC may recommend that the Jail refuse to admit to the Jail any Inmate who, in the opinion of UTMB-CMC, displays signs of needing imminent health care due to untreated injury, illness or communicable disease until that Inmate has been treated and stabilized at a hospital emergency center. In addition, UTMB-CMC's receiving nurse or EMT on duty will execute the County's Medical Refusal Slip. In the event UTMB-CMC fails to exercise this option, UTMB-CMC will assume responsibility for treatment of said Inmate within the limits of this Agreement.
 - 7.1. After an Inmate has received treatment and been stabilized at a hospital emergency center for the injury, illness or communicable disease for which he/she was previously rejected for admission to the Jail, and law enforcement personnel present evidence of such treatment to UTMB-CMC personnel, that Inmate shall be admitted to the Jail and UTMB-CMC shall assume responsibility for treatment of said Inmate to the same degree it assumes responsibility for treatment of all other inmates.
8. Infant Care. UTMB-CMC will provide prenatal health services to any pregnant Inmate. UTMB-CMC personnel will make reasonable effort to arrange transportation for pregnant inmates for delivery upon timely notification of the onset of labor. Health care services will also be provided to the mother during and after birth. Health care services provided to an infant following birth will not be the responsibility of UTMB-CMC under this Agreement.
9. Elective Medical Care. UTMB-CMC will not be responsible for the provision of elective medical care to Inmates. For purposes of this Agreement, "elective medical care" means medical care which, if not provided, would not in the opinion of the treating physician cause the Inmate's health to deteriorate or pose an undue risk of harm to the Inmate.
10. Transportation Services. To the extent any Inmate requires routine off-site health care treatment other than emergency care (e.g., hospitalization, specialty services or health care

services), County will provide appropriate transportation services as requested by UTMB-CMC using County law enforcement vehicles and drivers.

11. Pharmacy Services. UTMB-CMC will provide all reasonable and medically necessary medications, prescription and nonprescription, (including mental health medications) as determined by UTMB-CMC providers. UTMB will use Correct Rx Pharmacy and/or other pharmaceutical vendors to provide prescriptive medications to service the County jail inmates until UTMB's registration of both the County adult and juvenile jail clinic sites are approved by HRSA to be eligible for 340B discount drug pricing.

11.1. As to all medications, as UTMB-CMC bears the risk associated with providing medications and pharmaceutical services for the inmate population, all discounts and rebates negotiated and received by UTMB-CMC or its pharmacy vendor will remain the property of UTMB-CMC and/or its pharmacy vendor.

11.2. Provisions necessary to ensure that the UTMB-CMC is eligible for and makes reasonable efforts to participate in the purchase of prescription drugs under Section 340B, Public Health Service Act (42 U.S.C. Section 256b);

11.3. UTMB and the County will have a separate Lease agreement for UTMB-CMC to operate and to provide medical care at both County jail clinics servicing the adults and juvenile inmates.

11.4. UTMB is fully responsible for the care on-site and hospitalizations, maintenance of medical record, employs healthcare staff, and is responsible for the operations of the clinic in both jail clinics. UTMB is responsible for the "ongoing" care of these County jail inmates.

11.5. After the 340B program registration has been submitted by UTMB-CMC and is approved by HRSA, County understands and agrees that UTMB-CMC will use an electronic pharmacy replacement system (PRS). For the purposes of operating the PRS, the County shall provide UTMB-CMC periodic updates (not less than 4 times per day) with accurate information detailing the Inmate Identification Numbers (or other unique identification number), Last Name, First Name, DOB, Sex, date of incarceration/book-in date, and locations of all inmates booked in and housed in Galveston County Jail. This information shall be provided in an electronic format with either fixed field or field-delimited columns.

3. Off-Site Inmate Health Care Costs Excluded: This agreement does not include any offsite costs or charges for hospital and physician services. UTMB and the County will have a separate and independent 'Health Services Agreement – Inmate Care' agreement for offsite UTMB hospital and UTMB physician services. Through this separate independent agreement, UTMB hospital and UTMB physician services will provide inpatient and outpatient health care services to the County jail inmates.

ARTICLE II: CONTRACT MONITORING

1. The County will designate the Galveston County Sheriff and the County's designees as the authorized representatives for County. Both shall be given full authority to act on behalf of the County in all matters relating to this Agreement including the review of invoices issued by UTMB-CMC.
 - 1.1. UTMB has designated Marjorie Cisneros, Vice President for UTMB-CMC, or her designees as the authorized representatives of UTMB-CMC. Marjorie shall be given full authority to act on behalf of UTMB-CMC in all matters relating to this Agreement.
2. The County shall have the right to monitor and audit UTMB-CMC'S work in every respect. In this regard, UTMB-CMC shall provide its full cooperation and insure the cooperation of its employees, agents, and independent contractors. UTMB- CMC shall also request the full cooperation of its vendors and of its service providers. Further, UTMB-CMC shall make available for inspection and/or copying when requested, original time sheets, invoices, charge slips, credentialing statements, performance evaluations, continuing education and training records, and any other non- proprietary data, records and accounts relating to UTMB-CMC'S work and performance under the Agreement, subject to any restrictions related to HIPAA and Texas law regarding confidentiality of medical records. In the event any such material is not held by UTMB-CMC or any of its service providers in its original form, a true copy shall be provided.

ARTICLE III: PERSONNEL

1. Staffing. UTMB-CMC will provide a medical director and such other medical, dental, mental health, technical and support personnel necessary for the rendering of health care services to Inmates as contemplated herein. UTMB-CMC agrees that neither the medical nor the mental health personnel providing services in the County jail facility will be students, or post-graduate medical physicians known as interns or residents.
 - 1.1. All on-site personnel, with the possible exception of the psychiatrist, dentist, and some allied health professionals like radiology technicians, physical and occupational therapists and the like will be employees of UTMB-CMC. These individuals may be Independent Contractors or Subcontractors. County expressly consents to such an arrangement but reserves the right to have any such Independent Contractor or Subcontractor removed. UTMB- CMC will use its best efforts to engage Medical Professionals fully qualified in their respective areas of expertise. As the relationship between UTMB-CMC and these Medical Professionals will be that of independent contractor, UTMB-CMC will not exercise control over the manner or means by which these Medical Professionals perform their professional duties.
 - 1.2. All personnel will meet the requirements and perform the duties as described by UTMB-CMC. The health care staff will at a minimum be at levels consistent with the staffing

plan as noted on Exhibit A to this Agreement, for the management and delivery of health care for Inmates of Galveston County (up to 1,200 inmates in most instances).

1.2.1. If the average daily population exceeds 1,200 inmates, staffing will be increased if necessary to meet levels sufficient for the management and delivery of health care for inmates.

1.2.2. If the average daily population exceeds 1,200 inmates for a period of thirty days, UTMB-CMC reserves the right to negotiate with Galveston County for additional staff as agreed to by both parties and the subsequent compensation for the additional staff.

1.3. Licensure, Certification and Registration of Personnel. All personnel provided or made available by UTMB-CMC to render services hereunder will be licensed, certified or registered, as appropriate, in their respective areas of expertise pursuant to applicable Texas law. Specialty physicians will be Board Certified or Board Eligible.

1.4. County Satisfaction with Health Care Personnel. If County should become dissatisfied with any health care personnel provided by UTMB-CMC, County will give written notice to UTMB-CMC of its reasons for dissatisfaction. UTMB-CMC will exercise its best efforts to immediately resolve the problem and if the problem is not resolved to County's satisfaction, will remove the individual according to UTMB-CMC's personnel policy or independent contractor agreement.

1.5. Use of Inmates in the Provision of Health Care Services. Inmates will not be employed or otherwise engaged by either UTMB-CMC or County in the direct rendering of any health care services. Inmates may be used in positions not involving the rendering of health care services directly to Inmates as UTMB-CMC and County may mutually agree.

1.6. Discrimination. UTMB-CMC will recruit, select, train, promote, transfer and release its personnel, as contemplated hereunder, without regard to race, color, religion, national origin, handicap, Vietnam veteran status, age or sex (except where age, sex or handicap is a bona fide occupational qualification). Further, UTMB-CMC will administer its other personnel policies such as compensation, benefits, layoffs, return from layoff, company sponsored training, education, and tuition assistance without regard to race, color, religion, national origin, handicap, Vietnam-Era status, age, or sex.

1.7. Restrictive Covenant. Recognizing among other things the unique services provided by the employees and Independent Contractors of UTMB-CMC during the term of this Agreement, County will not, directly or indirectly, solicit or engage at the Jail said employees, or said Independent Contractors of UTMB-CMC during the term of this Agreement (including any renewals thereof) and for a period of one (1) year thereafter without the prior written consent of UTMB-CMC; provided, however, that this limitation shall not apply to persons who were employed at the Jail immediately prior to the commencement of UTMB-CMC's services hereunder.

ARTICLE IV: ACCREDITATION

1. UTMB-CMC will maintain National Commission of Correctional Health Care (NCCHC) accreditation of the County Jail. UTMB-CMC will maintain, at its cost, NCCHC accreditation throughout the length of this agreement and any renewals thereof. UTMB-CMC will not be held responsible for lack of NCCHC accreditation if the reason for failure to maintain accreditation is primarily out of the control of UTMB-CMC (i.e., physical plant, etc.). UTMB-CMC will notify the Jail Administration of any situation which would preclude it from maintaining its accreditation within a time frame that will allow the Jail to address the situation.

ARTICLE V: EDUCATION AND TRAINING.

1. Inmate and Staff Health Education. UTMB-CMC will conduct an ongoing health education program for Inmates and County Corrections Staff at the Jail toward the objective of raising the level of Inmate health and health care.

ARTICLE VI: REPORTS AND RECORDS.

1. Electronic Medical Records. UTMB-CMC will use the current electronic medical records at the County jail until such date, UTMB-CMC will transition to UTMB's electronic medical records. This medical records will be maintained pursuant to applicable law. All medical records of any inmate will be made available to the authorized County officials upon request and as otherwise authorized by law. Otherwise, medical records will be kept confidential, and UTMB-CMC will follow the County's policy with regard to access by Inmates and Jail staff to medical records, subject to applicable law regarding confidentiality of such records. No information contained in the medical records will be released by UTMB-CMC except as provided by this Agreement, by County's policy, by a court order, or otherwise in accordance with applicable law. All medical records are the property of the County and will remain with the County upon expiration or early termination of this Agreement.
2. Regular Reports by UTMB-CMC to County. UTMB-CMC will provide monthly and annual reports to County containing an analysis of health care services rendered hereunder. The formats and reports provided will be as mutually agreed upon. At a minimum, these mutually agreed upon monthly and annual reports will contain sufficient data and other non-proprietary information to enable County to prepare a request for proposal of such depth for subsequent jail health care service providers to make informed proposals.
3. Inmate Information. In order to assist UTMB-CMC in providing the best possible health care services to Inmates, County will provide UTMB-CMC with information in County's possession pertaining to Inmates that UTMB-CMC identifies and requests as reasonable and necessary for UTMB-CMC adequately to perform its obligations hereunder.
4. UTMB-CMC Records Available to County with Limitations on Disclosure. UTMB-CMC will make available to County, at County's request, all records, documents and other papers relating to the direct delivery of health care services to Inmates hereunder; provided,

however, that County understands that the systems, methods, procedures, written materials and other controls employed by UTMB-CMC in the performance of its obligations hereunder are proprietary in nature and will remain the property of UTMB-CMC and may not, at any time, be disclosed, used, distributed, copied or otherwise utilized by County, except in connection with the delivery of health care services hereunder, or unless such disclosure is approved in advance in writing by UTMB-CMC or unless such disclosure is required by what is commonly referred to as the Texas Open Records Act.

5. County Records Available to UTMB-CMC with Limitations on Disclosure. During the term of this Agreement and for the time period thereafter required by the Texas State Library and Archives Commission Local Records and Retention Schedules County will keep and provide UTMB-CMC, at UTMB-CMC'S request and expense, such County records relating to the provision of health care services to Inmates as may be requested by UTMB-CMC or as are pertinent to the investigation or defense of any claim related to UTMB-CMC'S conduct. County will make available to UTMB-CMC such records as are maintained by County, hospitals, and other outside health care providers involved in the care or treatment of Inmates (to the extent County has any claim to those records) as UTMB-CMC may reasonably request consistent with applicable law; provided, however, that any such information released by County to UTMB-CMC that County considers confidential will be kept confidential by UTMB-CMC and will not, except as may be required by law, be distributed to any third party without prior written approval by County.
6. Inmate Grievances. UTMB-CMC shall specify the policies and procedures to be followed in dealing with inmate medical complaints or inmate requests for medical treatment regarding any aspect of the health care delivery system. UTMB- CMC shall maintain monthly statistics of all medical grievances and requests filed at the Jail, i.e., those with and without merit. All medical grievance procedures shall also be in accordance with the County's regulations and shall be approved by County prior to their implementation. The County reserves the right to review any inmate complaint or request and to review UTMB-CMC' actions. UTMB-CMC must implement the County's recommendations in disputed cases, provided such recommendations are not contrary to the best medical judgment of the UTMB-CMC Medical Director.

ARTICLE VII: SECURITY.

1. General. UTMB-CMC and County understand that adequate security services are necessary for the safety of the agents, employees, and subcontractors of UTMB-CMC, as well as for the security of Inmates and Jail staff. County will provide security services satisfactory to UTMB-CMC and sufficient to enable UTMB-CMC and its personnel safely to provide the health care services called for hereunder. UTMB-CMC and its personnel (regardless of their status as UTMB-CMC employees, Independent Contractors, or Subcontractors) shall be subject to and shall comply with all security regulations and procedures of the County and the Jail. Violations of regulations may result in the personnel being denied access to the Jail.

In this event, UTMB-CMC shall provide alternate personnel to supply services, described herein, subject to the County's approval.

2. Security Off-Site. County will provide security as necessary and appropriate in connection with the transportation of any Inmate between the Jail and any other location for off-site services as contemplated herein. Security for federal prisoners may be provided by the United States Marshal.
3. Fraternization with Inmates. UTMB-CMC will provide training for its medical staff and its personnel that fraternization between such individuals and inmates is prohibited.

ARTICLE VIII: OFFICE SPACE AND EQUIPMENT.

1. Office Space and Support. The County agrees to provide UTMB- CMC with office space, examination rooms, and utilities, except for long-distance phone services (which will be credit card or billed to UTMB-CMC) to enable UTMB-CMC to perform its obligations and duties under the Agreement. UTMB-CMC shall be responsible for special line charges relating to facsimile equipment.
2. Delivery of Possession. County will deliver to UTMB-CMC on the date of commencement of this Agreement possession and control of all office equipment and supplies then in place at the Jail's health care facilities that is County's property. All equipment maintenance is the responsibility of UTMB-CMC.
3. Supplies. UTMB-CMC warrants and represents that the quality and quantity of supplies on hand during this Agreement will be sufficient to enable UTMB- CMC to perform its obligations hereunder. All unused supplies purchased for use in the County Jail will be transferred, at no additional cost, to the County at the expiration or early termination of this Agreement.
4. General Maintenance Services. County will provide for each Inmate receiving health care services no less than the full range of non-medical services and facilities provided by County for other Inmates at the Jail including, but not limited to, daily housekeeping services, dietary services, building maintenance services, personal hygiene supplies and services, and linen supplies.

ARTICLE IX: TERM AND TERMINATION OF AGREEMENT.

1. Contract Term. This Agreement shall be effective beginning 8:00am on August 18, 2025 and shall continue in full force and effect for a period of five (5) years, expiring on August 17, 2030, unless earlier termination. Either party may terminate this Agreement for any reason with a ninety (90) day notice to the other party. Any extension or renewal of this Agreement beyond the initial five-year term shall be made only by written amendment signed by both parties.
2. Termination. Either party may terminate this Agreement for any reason with a ninety (90) day notice to the other party. This Agreement may be sooner terminated on the first to occur of the following:

- 2.1. Termination by Agreement. In the event County and UTMB- CMC mutually agree in writing, this Agreement may be terminated on terms and dates stipulated therein.
- 2.2. Termination for Default. In the event either party shall give notice to the other that such other party has materially defaulted in the performance of any of its obligations hereunder and such default shall not have been cured within ninety (90) days following the giving of such notice, the party giving notice shall have the right immediately to terminate this Agreement.
- 2.3. Termination by UTMB-CMC for Special Situations. UTMB- CMC may terminate this Agreement immediately upon the occurrence of any of the following:
 - 2.3.1. Failure of the governing body of County to authorize or appropriate funds sufficient for County to meet its obligations hereunder;
 - 2.3.2. Disavowal or repudiation of this contract by any authorized agent of County;
 - 2.3.3. Insolvency, bankruptcy, or receivership of County;
- 2.4. Termination by County for Special Situations. County may terminate this Agreement immediately upon occurrence of any of the following.
 - 2.4.1. Failure of Appropriation. This contract is subject to the appropriation of funds by the Commissioner's court for the current or any upcoming fiscal year. Nothing in this contract may be deemed to be binding on a future Commissioner's Court. The failure of the Commissioner's Court to appropriate monies for the County's obligations under this contract will automatically result in the termination of the contract.
 - 2.4.2. Acceptance of Gratuity. The County may terminate this contract if, after notice and hearing by Commissioners' Court, it is determined that a gratuity, in the form of entertainment, a gift, or otherwise, was offered or given by UTMB-CMC, or any agent or representative of UTMB-CMC, to any officer or employee of County with the intent to: (i) secure a contract; or (ii) secure favorable treatment in awarding or amending a contract or in making a determination regarding the performance of a contract. The County must give written notice to UTMB-CMC of the termination. The existence of the facts upon which Commissioner's Court makes its findings may be reviewed in any court of competent jurisdiction in Galveston County. If this contract is terminated under this Section, the County is entitled to: (i) pursue the same remedies against the contractor as it can pursue in the event of breach by the contractor; and (ii) collect exemplary damages in an amount as determined by Commissioner's Court which is not less than three nor more than ten times the amount of the gratuity offered or given to any County officer or employee. The rights and remedies of County provided in this Section are not exclusive and are in addition to any other rights and remedies provided by law.
 - 2.4.3. Termination by County for Convenience. County may terminate this Agreement without cause or for convenience by giving UTMB-CMC at least ninety (90) days prior written notice.

- 2.4.4. Responsibility for Inmate Health Care. Upon expiration or termination of this Agreement, responsibility for providing health care services to all Inmates, including Inmates receiving health care services at facilities off site will no longer be the responsibility of UTMB-CMC.
- 2.4.5. Dispute Resolution. Payor understands and agrees that Chapter 2260, Texas Government Code, is applicable to this Agreement and not preempted by other applicable law or the Agreement and that the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, will be used by UTMB-CMC and Payor to attempt to resolve any claim for breach of contract made by Payor that cannot be resolved in the ordinary course of business. The chief business officer of UTMB-CMC will examine Payor's claim and any counterclaim and negotiate with the Payor in an effort to resolve such claims. The parties hereto specifically agree that (1) neither the issuance of this Agreement by UTMB-CMC or any other conduct, action or inaction of any representative of UTMB-CMC relating to this Agreement constitutes or is intended to constitute a waiver of UTMB-CMC's or the States sovereign immunity to suit; and (2) UTMB-CMC has not waived its right to seek redress in the courts. For purposes of dispute resolution, Payor understands and agrees that The University of Texas System Administration, a state agency separate from UTMB-CMC but delegated authority to resolve certain legal disputes of UTMB-CMC, may enforce this Agreement on behalf of UTMB-CMC and aggregate claims or disputes of its component institutions arising under contracts between such institutions and Payor.

ARTICLE X: PAYMENT FOR SERVICES

1. Payment Schedule: The County agrees to pay UTMB as follows: Year 1 (August 18, 2025 through August 17, 2026) in the amount of \$8,806,801.00; Year 2 (August 18, 2026 through August 17, 2027) in the amount of \$8,449,846.00; Year 3 (August 18, 2027 through August 17, 2028) in the amount of \$8,628,942.00; Year 4 (August 18, 2028 through August 17, 2029) in the amount of \$8,811,922.00; Year 5 (August 18, 2029 through August 17, 2030) in the amount of \$8,998,874.00. The total contract amount for the 5-year contract is \$43,696,384.00.
 - 1.1 Advance Payment and Reconciliation: The County agrees to remit an advance payment to UTMB in the amount of \$500,000 on the 10th of each month which the first payment by the County to UTMB will be September 10th. These funds are to be applied toward the expenses associated with the delivery of services. On or before the 25th of each month, UTMB will summarize the previous month's actual costs and submit a request for payment to reflect the difference between the actual costs incurred and amount issued by the County according to the 'Payment Schedule.'

- 1.2 After the first three (3) months of providing correctional health care services to the inmates at the County jail, UTMB-CMC reserves the right to review the actual expense. If the expense is higher than proposed payment schedule to operate the County jail, UTMB-CMC will negotiate with the County as agreed to by both parties for additional compensation.

ARTICLE XI: LIABILITY AND RISK MANAGEMENT.

1. Employee Liability. As an agency of the State of Texas, liability for the tortuous conduct of UTMB-CMC employees is provided solely by the provisions of Chapters 101 and 104 of the Texas Civil Practice and Remedies Code.
2. Faculty Physician Liability Coverage. UTMB-CMC represents and warrants to County that UTMB shall maintain in full force and effect during the term of this Agreement self-funded professional liability coverage for designated faculty physicians known as The University of Texas System Medical Malpractice Self- Insurance Plan. The University of Texas System Medical Malpractice Self-Insurance Plan provides for professional liability coverage in the amount of \$500,000 per occurrence and \$1,500,000 in the aggregate.
3. Independent Contractors. UTMB-CMC will require each and every Independent Contractor or Subcontractor whose services UTMB-CMC utilizes in connection with this Agreement to maintain Professional Liability Insurance of \$1 million per occurrence and \$1.5 million per aggregate unless the County accepts, in writing, lesser limits on an exception basis. It is UTMB-CMC's responsibility to require that proof of this coverage is maintained and on file in the medical unit of the Jail for each and every Independent Contractor or subcontractor retained. The County reserves the right to review these files without prior notice.
 - 3.1. All Insurance is to be placed with insurers having a Best rating of no less than A-. The certificates for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. UTMB-CMC shall be required to mandate that all Independent Contractors and Subcontractors maintain annual renewals for each required insurance policy during the initial term of this contract and each renewal thereof.
 - 3.2. UTMB-CMC shall notify the County immediately upon any changes in the status of any insurance policies. All policies must waive any and all rights to subrogation against the County, its officials, employees, and agents. UTMB-CMC shall use any proceeds under any policy of insurance to first satisfy any obligations which may arise under indemnification.
 - 3.3. The professional liability insurance required shall be either (i) on an occurrence basis or (ii) on a claims made basis. If the coverage is on a claims made basis, UTMB-CMC will require each Independent Contractor and Subcontractor to purchase, at the termination of the Agreement, tail coverage for the County for the period of County's relationship with UTMB-CMC. Such coverage shall be in the amounts set forth above.
4. Indemnification. To the extent authorized by the Constitution and laws of the State of Texas UTMB-CMC shall agree to assume all risk and responsibility for, and agrees to indemnify,

defend, and save harmless, the County, its elected and appointed officials and department heads, employees and agents from and against all claims, demands, suits, actions, recoveries, judgments, and costs and expenses (including reasonable attorney's fees) in connection therewith on account of the loss of life, property or injury or damage to the person, which shall arise from or result directly or indirectly from the work performed or materials supplied under this contract.

5. Changes in Scope: Notwithstanding anything herein to the contrary, if:
 - 5.1. any applicable law, statute, rule, regulation, standard, court order or decree, or any policy, practice, or procedure of any applicable governmental unit, agency or office (including but not limited to the federal, state or local courts, legislative bodies, and agencies, including the County or its respective officers or agents} is adopted, implemented, amended or changed; or if
 - 5.2. any standard of care or treatment protocol changes or evolves in any material respect, or if any new medication or therapy is introduced to treat any illness, disease or condition;
 - 5.3. and if any such change in scope as described in (i) or (ii) materially affects the cost to UTMB-CMC of providing health care services or impacts the scope of services or staffing hereunder, UTMB-CMC and the County agree to meet to negotiate compensation or service requirement changes. The parties agree to meet and negotiate in good faith within thirty (30) days following the giving of notice by one party to the other party of a requested change (whether such change is anticipated or implemented). If the parties fail to reach agreement regarding compensation or service requirement changes within the foregoing thirty (30) day period, then this Agreement may be terminated on such date as the parties, both operating in good faith, mutually agree. Alternatively, UTMB-CMC may give notice of its intention not to renew this Agreement as set forth in Article 9.1 of this Agreement.

ARTICLE XII: MISCELLANEOUS.

1. Independent Contractor Status. County expressly acknowledges that UTMB-CMC is an "Independent Contractor". Nothing in this Agreement is intended nor shall be construed to create an agency relationship, an employer/employee relationship, a joint venture relationship, or any other relationship allowing County to exercise control or direction over the manner or method by which UTMB-CMC or its subcontractors perform hereunder.
2. Assignment. This Agreement may be assigned by UTMB-CMC to another entity. But, UTMB-CMC shall not assign this Agreement, in whole or in part, to any other corporation without the express prior written consent of the County. Such consent, if granted, shall not relieve UTMB-CMC of any of its responsibilities under the contract. County and UTMB-CMC 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.

3. Notice. 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, transmitted by facsimile, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the appropriate party at the following address or such other address as may be given in writing to the parties:

[COUNTY NOTICE ADDRESS]

(a) _____

[UTMB NOTICE ADDRESS]

- (b) Marjorie M. Cisneros
Vice President, CMC Inpatient Operations & Hospital Galveston
Hospital Galveston
301 University Boulevard
Galveston TX 77555-0449

With a copy to:
UTMB CMC-Finance
1560 West Bay Area Blvd., Suite 354
Friendswood, Texas 77546

4. Governing Law. 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, and venue shall lie in Galveston County, Texas.
5. Entire Agreement. This Agreement 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 modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.
6. 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.
7. Enforcement. In the event either party incurs legal expenses or costs to enforce the terms of this Agreement through litigation, the prevailing party shall be entitled to recover the costs of such action so incurred, including, without limitation, reasonable attorney's fees.
8. Force Majeure. UTMB-CMC or the County shall not be deemed in violation of this Agreement if either are prevented from performing any of their obligations hereunder for any reason beyond their control, including, without limitation, inmate disturbances, acts of God,

civil or military authority, acts of public enemy, war, accidents, fires, explosions, hurricanes, earthquakes, floods, failure of transportation, or any similar cause beyond the reasonable control of either party.

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.
10. Mergers, Acquisitions. If there is a direct merger or acquisition of UTMB-CMC by another firm, the following documents must be submitted to the County:
 - 10.1. Corporate resolutions prepared by the awarded service provider and new entity ratifying acceptance of the original contract, terms, conditions, and prices.
 - 10.2. UTMB-CMC' (or new entity) Federal Identification Number (FEIN)
11. General Certification. UTMB-CMC certifies that it: (i) is a duly qualified, capable, and otherwise bendable business entity; (ii) is not in receivership and does not contemplate going into receivership; (iii) has not filed for bankruptcy; and (iv) is not currently delinquent with respect to payment of property taxes within County.
12. Warranty Against Contingent Fees. UTMB-CMC warrants that it has not employed or retained a person or selling agency to solicit or secure this Agreement with an agreement or understanding for a commission, percentage, brokerage, or contingent fee. This warranty does not apply to a bona fide employee or established commercial selling agency maintained by UTMB-CMC for the purpose of securing business. If this warranty is breached, County may: (i) terminate this Agreement without liability; or (ii) deduct from the contract price for consideration, or Otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.
13. Benefit. This Agreement is intended to inure only to the benefit of UTMB-CMC and County. This Agreement is not intended to create, nor shall be deemed or construed to create, any rights in third parties.
14. Meaning of Words. Except as provided otherwise, words shall be given their ordinary meaning. If a word is connected with and used with reference to a particular trade or subject matter or is used as a word of art, the word shall have the meaning given by experts in the particular trade, subject matter, or art.
15. Tense, Number and Gender. Words in the present or past tense include the future tense. The singular includes the plural and the plural includes the singular unless expressly provided otherwise. Words of one gender include the other gender.
16. Headings. The headings at the beginning of the various provisions of this Agreement have been included only in order to make it easier to locate the subject covered by each provision and are not to be used in construing this contract.
17. Taxes. Galveston County, Texas is a body corporate and politic under the laws of the State of Texas and claims exemption from sales and use taxes. A copy of a tax-exempt certificate will be furnished upon request.

18. Sovereign Immunity. Each party specifically reserves any claim that it may have to sovereign, qualified or official immunity as a defense to any action arising in conjunction with this contract.
19. Applicable Laws. County contracts are subject to all legal requirements provided by county, state, or federal statutes, rules, and regulations.
20. Opinion of Counsel. This Agreement is contingent upon issuance of approval by counsel for County substantially in form and content as set forth below.
21. Authority. Each party represents and warrants for itself that the individual executing this Agreement on its behalf has full power and authority to do so, and this Agreement constitutes the legal, valid, and binding Agreement of each such party.
22. Board of Regents Approval. This Agreement is subject to review and approval by The University of Texas Board of Regents (the “Board of Regents”) on behalf of UTMB-CMC. The validity and effectiveness of this Agreement is contingent upon the approval of this Agreement by the Board of Regents through the consent agenda requirements and approval process under the Rules and Regulations of the Board of Regents. In the event the Board of Regents fails to approve this Agreement, then this Agreement will terminate, except for those provisions that by their terms or nature will survive such termination.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto as of the day and year first above written.

**THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT
GALVESTON, on behalf of
UTMB-CMC**

COUNTY OF GALVESTON

Jamie D. Bailey, MBA, CPA, CFE
Executive Vice President and Chief
Financial Officer

[PRINTED NAME]

[TITLE]

Date:

Date:

Content Review: _____

EXHIBIT A
Staffing Chart

Sum of FTE Row Labels	Column Labels		
	Galveston County Adult	Galveston County Juvenile	Grand Total
Administrative Associate	1.0		1.0
Advanced Practice Provider	1.0		1.0
Associate Legal Officer	0.2		0.2
Certified Medication Aide	9.0	1.0	10.0
Cluster Nurse Manager	1.0		1.0
Correctional Dentist	0.8		0.8
Dental Assistant	1.0		1.0
ER Tech	4.5		4.5
Mental Health Clinician	4.5		4.5
Mental Health Manager	1.0		1.0
Nurse Clinician	9.5	1.0	10.5
Nursing Supervisor	1.0		1.0
Physician	1.0	0.1	1.1
Senior Business Manager	1.0		1.0
Sr. Human Resources Consultant	0.2		0.2
Staff Psychiatrist	1.3		1.3
Utilization Review Case Manager	1.0		1.0
Vocational Nurse	12.5	1.0	13.5
Correctional Care Associate	2.5		2.5
Grand Total	53.9	3.1	57.0