

Health Services Agreement – Inmate Care

This Health Services Agreement – Inmate Care (“Agreement”), effective as of August 18, 2025 (“Effective Date”), is between the County of Galveston (“County”) and The University of Texas Medical Branch at Galveston d/b/a UTMB Health (“UTMB”), an institution of The University of Texas System, an agency of the state of Texas, on behalf of its UTMB Health System and/or UTMB Faculty Group Practice (either of which may be individually or collectively referenced as “UTMB Department”), with its principal place of business at 301 University Blvd., Galveston, TX, 77555-0419.

WHEREAS, UTMB has entered into an agreement with County to arrange for inpatient and outpatient health care services to those inmates under the custody and control of Galveston County Jail (“Jail”); and

WHEREAS, UTMB, through its UTMB Department, provides both inpatient and outpatient health care services to a wide range of patients; and

WHEREAS, County would like to arrange for UTMB to provide inpatient and outpatient health care services to Jail inmates (“Inmates”); and

WHEREAS, UTMB agrees to provide such inpatient and outpatient health care services to Inmates presented by County, and County agrees to accept and provide payment for such services from UTMB.

NOW THEREFORE, in consideration of the agreements contained herein, the Parties hereby covenant and agree as follows:

I. Responsibilities of UTMB

1. UTMB, through its UTMB Department, agrees to provide those inpatient and outpatient health care services to Inmates presented by County (“UTMB Services”), as more fully described and/or listed in Exhibit One, attached hereto and incorporated by reference.
2. UTMB warrants, currently and for the duration of this Agreement, that its providers and employees have and will maintain all licenses, certifications and board authorization required to provide UTMB Services in accordance with the laws and regulations of the State of Texas, and all facilities are properly accredited and qualified to support such UTMB Services to the extent required by federal and/or state laws, rules and regulations.
3. UTMB will submit claims for those UTMB Services rendered to County within ninety (90) days after providing such UTMB Services. Claims shall be in such detail and/or format mutually agreed between the parties, and submitted to County as follows:

Contact Name:	<u>Mark Henry</u>
Company Name:	<u></u>
Address:	<u>722 Moody, 2nd Floor</u>
City, State, Zip Code:	<u>Galveston, Texas 77550</u>
Phone Number:	<u>409-766-2268</u>

4. UTMB will accept payment from County for UTMB Services in those amounts specified in Exhibit One. Any invoice reflecting UTMB Services directed to County will not be billed to or collected from any Inmate, or other party, for such UTMB Services provided under this Agreements.

II. Responsibilities of County

1. County will coordinate with UTMB to properly schedule all non-emergency UTMB Services provided to Inmates, providing appropriate advance notice to assure adequate timing related to Inmate arrival and duration of the encounter, and allowing UTMB to arrange necessary facility resources and staff depending upon the location for such specific UTMB Services.
2. County shall, either independently or directly coordinating with County, arrange and provide appropriate transportation and security services related to each Inmate encounter at UTMB, including all necessary law enforcement personnel, vehicles, and related staff, for the entire duration of each Inmate encounter at UTMB.
3. County agrees to remit payment to UTMB for those UTMB Services provided to Inmates within forty-five (45) days of receipt of UTMB's claim for payment. County will submit payment to UTMB at the following address:

UTMB Dept 730 Agency
P.O. Box 660120
Dallas, TX 75266-0120

III. Mutual Responsibilities and Agreements

1. The parties agree that the relationship between the parties of this Agreement is strictly that of independent contractors, and the parties have not entered into a joint venture, partnership or other entity in any capacity.
2. Each party shall obtain and maintain, at its own expense, policies of insurance for general business operations and professional negligence, or self-insurance as the case may be, for itself and its employees, agents and representatives. Pursuant to the authority of Chapter 59 of the Texas Education Code, UTMB will maintain during the term of this Agreement a self-funded program for professional liability coverage for UTMB Physicians in the amount of \$500,000 per claim/\$1.5 million in annual aggregate against any claims for damages arising by reason of personal injury or death occasioned directly or indirectly by the negligent acts or omissions of UTMB Physicians. As an agency of the State of Texas, UTMB's liability for the tortious conduct of its agents and employees or for injuries caused by conditions of tangible state property is provided for by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapters 101, 104 and 108). Workers' Compensation Insurance coverage for employees of UTMB is provided under a self-insured, self-managed program as authorized by the provisions of Texas Labor Code, Chapter 503. Any applicable certificate or proof of insurance shall be made available upon request.
3. To the extent permitted by the laws and constitution of the state of Texas, UTMB shall defend, indemnify and hold County, its employees, representatives or agents harmless from and against any claims, liabilities, demands, causes of action, losses, damages, and expenses (including reasonable attorneys' fees) (collectively, "Claims") for bodily injury or death or property damage or loss to the extent arising out of or related to UTMB's breach of this Agreement or any act or omission of UTMB, its employees, representatives or agents in connection with or related to the performance of the UTMB Services or UTMB's other duties and obligations set forth in this Agreement (the "UTMB Indemnification Obligations"). To the extent permitted by the laws and constitution of the state of Texas, County shall defend, indemnify and hold UTMB, its employees, representatives or agents harmless from and against any Claims for bodily injury or death or property damage or loss to the extent arising out of or related to County's breach of this Agreement or any act or omission

of County, its employees, representatives or agents in connection with or related to County's duties and obligations set forth in this Agreement (the "County's Indemnification Obligations" and, together with the UTMB Indemnification Obligations, the "Indemnification Obligations"). The Parties' respective Indemnification Obligations shall not be diminished in any regard if a Claim is caused in part by the concurrent or joint negligence, either active or passive, of UTMB and County; provided, however, that, in the event of joint or concurrent negligence or fault of UTMB and County, each Party's Indemnification Obligations shall be limited to the allocable share of such Party's joint or concurrent negligence or fault. The Indemnification Obligations shall survive after the termination of this Agreement, and all rights associated with the Indemnification Obligations shall inure to the benefit of the successors or assigns of County or UTMB, as applicable.

4. Notwithstanding anything herein to the contrary, neither party (nor the parent, any subsidiary or affiliate of either party) shall be liable for any other party's indirect or consequential loss or damage, including, without limitation, lost profits, regardless of whether the parties have been advised of the possibility of such loss or damage.
5. 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 terminated. Either party may terminate this Agreement for any reason with ninety (90) days' notice to the other party. Either party may terminate this Agreement upon a breach of any of the material terms and conditions. The non-breaching party that intends to terminate, shall give the breaching party written notice of the breach. If said breach of this Agreement is not cured within ninety (90) days after written notice from the non-breaching party, this Agreement will terminate.
6. UTMB shall document and maintain all results and findings within the appropriate medical record management system for each Inmate. All medical records created, collected, and maintained by UTMB under this Agreement are the exclusive property of and owned by UTMB. All medical records of any Inmate will be kept confidential, and UTMB will follow applicable law regarding confidentiality of such records. No information contained in the medical record will be released by UTMB except as provided by applicable law.
7. The parties agree that the laws of the state of Texas shall govern in any dispute concerning the rights of the parties, and that Texas shall be the proper venue for such dispute.
8. 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 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 will examine County's claim and any counterclaim and negotiate with County in an effort to resolve such claims. The parties hereto specifically agree that (1) neither the issuance of this Agreement by UTMB nor any other conduct, action or inaction of any representative of UTMB relating to this Agreement constitutes or is intended to constitute a waiver of UTMB's or the States sovereign immunity to suit; and (2) UTMB 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 but delegated authority to resolve certain legal disputes of UTMB, may enforce this Agreement on behalf of UTMB and aggregate claims or disputes of its component institutions arising under contracts between such institutions and County.
9. Exhibit One may be amended from time to time by mutual written agreement of the parties.
10. County understands and agrees that UTMB is subject to all statutes, court decisions,

and the opinions of the Texas Attorney General with respect to disclosure of public information. To the extent UTMB discloses County information pursuant to the Texas Public Information Act (Texas Government Code Chapter 552) or other state or federal law, such disclosure is permitted by this Agreement. To the extent applicable, County understands and agrees that it may, at its own cost, raise any objections with the Texas Attorney General to disclosures pursuant the Texas Public Information Act.

11. All notices relating to this Agreement (not including payment of invoices) shall be deemed given when mailed, by certified or registered mail, postage prepaid, return receipt requested, or overnight courier, to the other Party at the address(es) set forth below or such other address(es) as may be given in writing from time to time.
12. By entering into this Agreement, the Parties specifically intend to comply with all applicable laws, rules and regulations as they may be amended from time to time, including (i) the federal anti-kickback statute (42 U.S.C. 1320a-7(b)) and the related safe harbor regulations; (ii) the limitations on certain physician referrals, also referred to as the "Stark Law" (42 U.S.C. 1395nn); (iii) the Emergency Medical Treatment and Labor Act ("EMTALA") and (iv) federal and state privacy laws. Accordingly, no part of any consideration paid hereunder is a prohibited payment for the recommending or arranging for the referral of business or the ordering of items or services; nor are the payments intended to induce illegal referrals of business. Furthermore, each Party, to the extent required by state and federal law, agrees to protect and maintain the confidentiality and confidential status of their records, and shall comply with all applicable regulations, rules or orders of the United States (to include regulations promulgated under Title II, Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104 191 "HIPAA"), and as amended by the Health Information Technology for Economics and Clinical Health Act ("HITECH")) with respect to patient privacy, security and electronic transactions, and protected healthcare information with respect to the UTMB Services provided hereunder. In the event any Party to this Agreement, in consultation with counsel, develops a good faith concern that any provision of the Agreement or any activity of the other Party to this Agreement is in violation of any applicable federal, state or local laws or any regulation, order or policy issued under any such laws, such Party shall immediately notify the other Party, in writing, of such concern and the specific activities giving rise to such concern and the reasons therefor. If an agreement on a method for resolving such concern is not reached within ten (10) days of such written notice, the activities described in the notice will cease or be appropriately altered to resolve the concern.
13. All notices relating to this Agreement (not including payment of invoices) shall be deemed given when mailed, by certified or registered mail, postage prepaid, return receipt requested, or overnight courier, to the other Party at the address(es) set forth below or such other address(es) as may be given in writing from time to time.

If to UTMB:

The University of Texas Medical Branch at Galveston d/b/a UTMB Health
Attn: Executive Vice President, Chief Business & Finance Officer, Office of the President
301 University Blvd., Route 0128
Galveston, TX, 77555-0128
Facsimile: 409-266-2005

The University of Texas Medical Branch at Galveston d/b/a UTMB Health
Attn: Senior Vice President & Chief Legal Officer
301 University Blvd., Route 0124
Galveston, TX, 77555-0124

Facsimile: 409-772-5064

If to County:

Company Name: **Mark Henry**

Attn:

Address: **722 Moody, 2nd Floor**

City, State, Zip: **Galveston, Texas 77550**

Telephone: 409-766-2268

Facsimile: 409-765-2915

By signing below, the representatives affirm that they are authorized to bind their respective entities and enter into this Agreement.

THE UNIVERSITY OF TEXAS

County of Galveston

MEDICAL BRANCH AT GALVESTON

By: *Jamie D. Bailey*

Jamie D. Bailey, MBA, CPA, CFE
Executive Vice President
Chief Business & Finance Officer

Date: 7/9/2025

By: *Mark Henry*

Name: **Mark Henry**
Title: **County Judge Henry**

Date: July 11, 2025

Content Review: RH

EXHIBIT ONE

UTMB Services & Compensation Schedule

Inpatient Services:	County agrees to pay for authorized Inpatient Services in accordance with Texas Medicaid allowable In-Patient TEFRA rate calculated from UTMB's most recent cost report. Payments for services rendered will be in accordance with UTMB's facility specific TEFRA In-Patient Percentage.
Outpatient Services:	County agrees to pay for authorized Outpatient Services in accordance with Texas Medicaid allowable Out-Patient TEFRA rate calculated from UTMB's most recent cost report. Payments for services rendered will be in accordance with UTMB's facility specific TEFRA Out-Patient Percentage.
Outpatient Surgery:	County agrees to pay authorized Outpatient Surgeries in accordance with UTMB's facility specific TEFRA Out-Patient Percentage.
Implants:	County agrees to pay for authorized implants at 33% of eligible billed charges.
Outpatient Laboratory Services:	County agrees to pay authorized Outpatient Laboratory Services in accordance with UTMB's facility specific TEFRA Out-Patient Percentage.
Professional Services:	County agrees to pay all authorized physician services, except Anesthesia services reimbursed per ASA unit, at 120% of the current Texas Medicaid Reimbursement Methodology. If the Center for Medicare and Medicaid, the state of Texas or any other governmental agency with governing authority reduces the Texas Medicaid Reimbursement Methodology during the term of this agreement, the parties hereto will increase the physician payment rates in equal proportion to offset the reduction.
Mid-Level Providers:	County agrees to pay all covered mid-level provider services at 95% of the physician payment rates listed above under Professional Services.
Anesthesia:	County agrees to pay \$65 per ASA unit, based on current ASA units and 15-minute time units.
Any outpatient fees not otherwise defined or with a Texas Medicaid Allowable:	County agrees to pay 33% of billed charges