

AGREEMENT FOR INMATE HEALTH CARE SERVICES
AT JACKSON COUNTY, MISSOURI
Effective February 1, 2013 through January 31, 2016

This Agreement for Inmate Health Care Services (hereinafter, the "AGREEMENT") entered into by and between the County of Jackson, a political subdivision in the State of Missouri, (hereinafter, the "COUNTY") acting by and through its COUNTY Director, (hereinafter, the "DIRECTOR") and Correctional Healthcare Companies, Inc., (hereinafter, "CHC") a Delaware corporation.

RECITALS

WHEREAS, the COUNTY is charged by law with the responsibility for administering, managing, and supervising the health care delivery system of the Jackson County Detention Center and Regional Correctional Center (hereinafter, the "RCC") located at 1300 Cherry Street, Kansas City, Missouri (hereinafter, collectively the "CENTER"); and

WHEREAS, the COUNTY issued a Request for Proposal No. 77-12 for Comprehensive Medical, Dental and Pharmaceutical Services dated October 1, 2012, and Addendums No. 1, No. 2, No. 3, No.4, and No. 5, all of which collectively are attached hereto as "Exhibit A" and hereby incorporated into this AGREEMENT by reference; and

WHEREAS, CHC submitted its proposal dated November 6, 2012, in response to the COUNTY'S Request for Proposal No. 77-12. The Scope of Services portion of CHC's proposal is attached here to as "Exhibit B" and hereby incorporated into this AGREEMENT by reference; and

WHEREAS, the objective of the COUNTY is to provide for the delivery of quality health care to the INMATES and DETAINEES of the CENTER (hereinafter, "CENTER POPULATION"), in accordance with applicable law; and

WHEREAS, CHC is in the business of administering correctional health care services and desires to administer such services on behalf of the COUNTY to the CENTER POPULATION under the terms and conditions hereof.

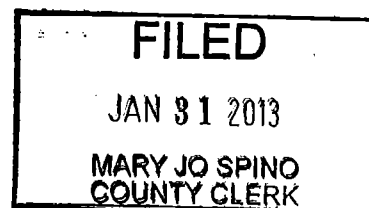
NOW THEREFORE, in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows:

DEFINITIONS

CONTRACT YEAR – The initial, and any successive, twelve (12) month period beginning with the effective date of the AGREEMENT.

COUNTY INMATES/DETAINEES – An INMATE/DETAINEE held under the jurisdiction of the COUNTY or DIRECTOR. COUNTY INMATES/DETAINEES may be housed in the CENTER or in another jurisdiction's correctional facility. However, COUNTY INMATES/DETAINEES housed in another jurisdiction are not covered by the provisions of this AGREEMENT unless CHC administers health care services at the other jurisdiction's facility and is specifically set forth below.

COVERED PERSONS – An INMATE/DETAINEE of the CENTER who is: (1) part of the CENTER's MADP; and (2) FIT FOR CONFINEMENT; and (3)(a) incarcerated in the CENTER; or (b) on work release status and is indigent.



DETAINEE – An adult or juvenile individual whose sentence has not yet been adjudicated and is held as a pre-trial detainee or other individual held in lawful custody.

FIT FOR CONFINEMENT – A determination made by a CHC authorized physician and/or health-trained CENTER staff that an INMATE/DETAINEE is medically stable and has been medically cleared for acceptance into the CENTER. Such determination shall only be made after resolution of any injury or illness requiring immediate transportation and treatment at a hospital or similar facility.

HEALTH CARE STAFF – Medical, mental health and support staff provided or administered by CHC.

CHC CHIEF MEDICAL OFFICER – CHC's Chief physician who is vested with certain decision making duties under this AGREEMENT.

INMATE – An adult or juvenile individual who is being incarcerated for the term of their adjudicated sentence.

MONTHLY AVERAGE DAILY POPULATION (MADP) – The average number of INMATES/DETAINEES housed in the CENTER on a daily basis for the period of one month. The MADP shall include, but separately list, other county or agency inmates and detainees. The MADP shall be figured by summing the daily population for the CENTER (as determined by a count performed at the same time each day) for each day of the month and dividing this sum by the total number of days in the month. CENTER records shall be made available to CHC upon request to verify the MADP. Persons on work release and not indigent, home confinement, housed outside of the CENTER, and parolees and escapees shall not be considered part of the CENTER's MADP.

NCCHC – The National Commission on Correctional Health Care.

PHYSICIAN EXTENDER – An advanced level healthcare professional such as a Nurse Practitioner, Physician Assistant, or Clinical Nurse Specialist.

SPECIALTY SERVICES – Medical services that require physicians to be licensed in a specialty such as obstetrics, gynecology, or dermatology or other specialized field of medicine, but excluding services that are otherwise provided for in this AGREEMENT.

ARTICLE I HEALTH CARE SERVICES

- .1.0 **SCOPE OF SERVICES.** CHC shall administer health care services and related administrative services at the CENTER according to the terms and provisions of this AGREEMENT. The costs of the various health care services shall be borne by CHC or the COUNTY as set forth in this Article.
- .1.1 **GENERAL HEALTH CARE SERVICES.** CHC will arrange and bear the cost of the following health care services:
 - 1.1.1 **RECEIVING SCREENING.** A receiving screening, for any INMATE/DETAINEE flagged after the initial inmate appraisal shall be performed as soon as possible after the INMATE/DETAINEE's booking into the

CENTER. Should CHC HEALTH CARE STAFF perform a receiving screening on INMATE/DETAINEE's who are not counted in the MADP, the COUNTY shall pay CHC \$15.00 per receiving screening performed. Costs incurred by CHC for said receiving screenings will be periodically reconciled with the COUNTY pursuant to Paragraph 8.1.2.

- 1.1.2 HEALTH ASSESSMENT. A health assessment of an adult COVERED PERSON shall be performed as soon as possible, but no later than fourteen (14) calendar days after the INMATE/DETAINEE's arrival at the CENTER. The health assessment shall follow current NCCHC standards.
- 1.1.3 SCHEDULED SICK CALL. A qualified healthcare professional shall conduct sick calls for COVERED PERSONS on a timely basis and in a clinical setting.
- 1.2 AMBULANCE SERVICE – NOT COVERED. CHC shall not be responsible for the provision or cost of any ambulance services. In the event that ambulance service is required for any reason, the COUNTY shall bear the cost.
- 1.3 BODY CAVITY SEARCHES/COLLECTION OF PHYSICAL EVIDENCE. CHC HEALTH CARE STAFF will not perform body cavity searches, nor collect physical evidence (blood, hair, semen, saliva, etc.).
- 1.4 DENTAL. CHC shall arrange and bear the cost of on-site dental services. If the dental services cannot be rendered on-site, CHC shall arrange but not bear the cost of off-site dental services.
- 1.5 ELECTIVE MEDICAL CARE - NOT COVERED. CHC shall not be responsible for the provision or cost of any elective care. Elective medical care shall be defined as care which, if not provided, would not, in the sole opinion of CHC's CHIEF MEDICAL OFFICER or designee, cause the INMATE/DETAINEE'S health to deteriorate or cause harm to the INMATE/DETAINEE'S well being. Decisions concerning elective medical care shall be consistent with the applicable American Medical Association (AMA) Standards.
- 1.6 HOSPITALIZATION – NOT COVERED. CHC shall not be responsible for the provision or cost of any hospitalization services. In the event that hospitalization is medically necessary for a member of the CENTER POPULATION, the COUNTY shall bear the cost.
- 1.7 LONG TERM CARE – NOT COVERED. CHC shall not be responsible for the provision or cost of any long term care facility services. In the event that a member of the CENTER POPULATION requires skilled care, custodial care or other services of a long term care facility, the COUNTY shall bear the cost.
- 1.8 MEDICAL EQUIPMENT OVER \$100. In the event that the Parties mutually agree that medical equipment in excess of \$100 per unit cost is required to assist in providing health care services to COVERED PERSONS under this AGREEMENT, the COUNTY shall bear the cost of the medical equipment.

- 1.9 **MEDICAL SUPPLIES/EQUIPMENT OF \$100 OR LESS.** CHC shall provide and bear the cost of medical supplies (i.e. alcohol prep pads, syringes, etc.) and equipment (i.e. thermometers, scales, etc.) required to administer the terms of the AGREEMENT, which have a unit cost of \$100 or less.
- 1.10 **MEDICAL WASTE.** CHC shall arrange and bear the cost of removing and properly disposing of medical waste material generated while fulfilling its duties under this AGREEMENT in accordance with all applicable state laws and OSHA-regulated standards.
-
- 1.11 **MENTAL HEALTH – NOT COVERED.** CHC shall not be responsible for the provision or cost of any mental health services. The COUNTY shall be responsible for the provision or cost of mental health services for the CENTER POPULATION.
- 1.12 **OFFICE EQUIPMENT.** The COUNTY shall be responsible for providing office equipment, such as copier, fax and phone service required for the administrative operation of the medical unit. CHC shall only be responsible for the provision or cost of additional office equipment such as fax machines, computers or printers which do not utilize the COUNTY's network systems.
- 1.13 **OFFICE SUPPLIES.** CHC shall be responsible for providing office supplies, including books, medical record folders, copier paper, and forms as required for the administrative operations of the medical unit.
- 1.14 **PATHOLOGY/RADIOLOGY SERVICES.** CHC shall arrange and bear the cost of all pathology and radiology services (also referred to as laboratory and x-ray services) ordered by a CHC physician for COVERED PERSONS. CHC shall arrange on-site pathology and radiology services to the extent reasonably possible. To the extent pathology and radiology services are required and cannot be rendered on-site, CHC shall make appropriate arrangements for rendering offsite pathology and radiology care and COUNTY shall be responsible for the cost. CHC will arrange and coordinate with the DIRECTOR's office for the transportation for pathology and radiology off-site services. Costs for all pathology and radiology services shall be included in the CAP AMOUNT listed in Section 1.20.
- 1.15 **DIALYSIS SERVICES.** CHC shall arrange and bear the cost of dialysis services ordered by a CHC physician for COVERED PERSONS. Costs for dialysis services shall be included in the CAP AMOUNT listed in Section 1.20.
- 1.16 **PHARMACY SERVICES.** CHC shall provide monitoring of pharmacy usage as well as a Preferred Medication List. Except as provided below, CHC shall bear the cost of all prescription and non-prescription over-the-counter medications prescribed by a duly licensed CHC physician for a COVERED PERSON. Costs for all prescription and non-prescription over-the-counter medications for a COVERED PERSON located at the RCC shall be included in the CAP AMOUNT listed in Section 1.20.
- 1.16.1 **GENERAL.** Prescribing, dispensing, and administering of medication shall comply with all State and Federal laws and regulations and all medications shall be dispensed under the supervision of a duly authorized, appropriately licensed or certified health care provider.

- 1.16.2 AIDS, HIV, AND HEP C. CHC shall bear the cost of prescription medication related to the treatment of INMATES/DETAINEES with Acquired Immune Deficiency Syndrome ("AIDS"), Human Immuno-deficiency Virus ("HIV"), Hepatitis C, organ transplants, cancer, neuromuscular disease and Multiple Sclerosis. Medications related to the treatment of INMATES/DETAINEES with AIDS, HIV, Hepatitis C, organ transplants, cancer, neuromuscular disease and Multiple Sclerosis shall be defined in accordance with the Physician's Desk Reference. Costs for such medications shall be included in the CAP AMOUNT listed in Section 1.20.
- 1.16.3 PSYCHOTROPIC MEDICATIONS. CHC shall arrange and bear the cost of psychotropic and court-ordered medications and testing for COVERED PERSONS. Costs for psychotropic and court-ordered medications and testing for a COVERED PERSON located at the RCC shall be included in the CAP AMOUNT listed in Section 1.20.
- 1.17 PREGNANT COVERED PERSONS. CHC shall arrange and bear the cost of on-site health care services for any pregnant COVERED PERSON in accordance with NCCCHC standards and this AGREEMENT, but CHC shall not arrange or bear the cost of any health care services for infants. To the extent off-site health care services are required for any pregnant COVERED PERSON, CHC shall make appropriate arrangements for rendering off-site care, but shall not be responsible for the cost of such off-site services.
- 1.18 SPECIALTY SERVICES – NOT COVERED. CHC shall not be responsible for the provision or cost of any SPECIALTY SERVICES. In the event that SPECIALTY SERVICES are medically necessary for the CENTER POPULATION, the COUNTY shall bear the cost.
- 1.19 VISION CARE – NOT COVERED. CHC shall not be responsible for the provision of eyeglasses or any other vision services other than care for eye injuries or diseases. In the event that any COVERED PERSON requires vision services, including an ophthalmologist's services, the COUNTY shall bear the cost of vision or eye care services.
- 1.20 FINANCIAL LIMITATIONS. CHC's maximum liability for costs associated with the provision of off-site medical or other healthcare services which include, but are not limited to, the services in Paragraphs 1.14, 1.15, 1.16, 1.16.2 and 1.16.3 shall be One Hundred Thousand Dollars (\$100,000.00) in the aggregate per CONTRACT YEAR, to be pro-rated for any partial contract years (the "CAP AMOUNT"). Costs for any medical or other health services, as set forth above, which are provided to INMATES/DETAINEES during the CONTRACT YEAR which are in excess of the CAP AMOUNT shall be the responsibility of the COUNTY. When the CAP AMOUNT for the CONTRACT YEAR is reached, CHC will continue to provide utilization management, extend all provider discounts to the COUNTY and pay these expenses on behalf of the COUNTY, as long as the COUNTY remains current with payments due under this AGREEMENT. Amounts paid by CHC which are over the CAP AMOUNT will be periodically reconciled with the COUNTY pursuant to Paragraph 8.1.4.
- 1.20.1 COUNTY REBATE. Should the costs associated with the provision of healthcare services listed above not exceed the CAP AMOUNT for the CONTRACT YEAR, CHC shall reimburse the COUNTY at a rate of One

Hundred Percent (100%) of the difference between the actual cost to CHC for these services and the CAP AMOUNT. The rebate shall be net of any other reconciliation amounts due to CHC under this AGREEMENT. The rebate will be calculated three months after the end of the CONTRACT YEAR to allow for processing of claims incurred during the CONTRACT YEAR. Any claims from the prior CONTRACT YEAR services received and paid after this three month period will be calculated in the subsequent CONTRACT YEAR CAP AMOUNT.

ARTICLE II
HEALTH CARE STAFF

- 2.0 STAFFING HOURS. CHC shall provide or arrange for the provision of HEALTH CARE STAFF necessary to render the health care services contemplated in Article I as set forth in the staffing plan set forth in Exhibit C, attached hereto and made a part hereof. CHC reserves the right to assign the staff in Exhibit C to shift coverage as necessary based on operational needs to provide the health care services under this AGREEMENT.
- 2.0.1 Additional hours may be provided if mutually agreed upon by both parties in writing, with at least 24 hours advanced notice.
- 2.0.2 CHC shall provide or arrange for the provision of an on-call Physician and/or Health Services Administrator and/or Dentist available by telephone or pager, 24 hours per day and 7 days per week.
- 2.0.3 CHC shall make reasonable efforts to supply the staffing levels contained in this section, however, failure to continuously supply all of the required staffing due to labor market demands or other factors outside the control of CHC, after such reasonable efforts have been made, shall not constitute a breach of this AGREEMENT.
- 2.1 STAFFING LEVELS WAIVER. Based on actual staffing needs as affected by medical emergencies, riots, increased or decreased INMATE/DETAINEE population, and other unforeseen circumstances, certain increases or decreases in staffing requirements may be waived as agreed to by the DIRECTOR and CHC.
- 2.2 STAFF SCREENING. The COUNTY and DIRECTOR shall screen CHC's proposed HEALTH CARE STAFF, employees, agents and/or subcontractors providing services at the CENTER to ensure they do not constitute a security risk. The DIRECTOR shall have final approval, which shall not be unreasonably withheld, of CHC's HEALTH CARE STAFF, employees, agents and/or subcontractors, related to security/background clearance.
- 2.3 SATISFACTION WITH HEALTH CARE STAFF. In recognition of the sensitive nature of correctional facility operations, if the DIRECTOR becomes dissatisfied with any member of the HEALTH CARE STAFF, the DIRECTOR shall provide CHC written notice of such dissatisfaction and the reasons therefore. Following receipt of such notice, CHC shall use commercially reasonable efforts to resolve the dissatisfaction. If the problem is not resolved to the satisfaction of the DIRECTOR within ten (10) business days following CHC's receipt of the notice, CHC shall remove the individual from

providing services at the CENTER within a reasonable time frame considering the effects of such removal on CHC's ability to deliver health care services and recruitment/hiring of an acceptable replacement. The DIRECTOR reserves the right to revoke the security clearance of any HEALTH CARE STAFF at any time.

ARTICLE III
ADMINISTRATIVE SERVICES

- 3.0 **UTILIZATION MANAGEMENT.** CHC shall provide utilization management services and administer medical claims processing for the offsite medical services/pharmacy services administered by CHC, as set forth in Article I, on behalf of the COUNTY. CHC will follow applicable state laws and make reasonable efforts to obtain provider discounts and will keep the COUNTY and/or DIRECTOR apprised of its utilization management practices.
- 3.1 **HEALTH AND MENTAL HEALTH EDUCATION AND TRAINING.** CHC shall conduct an ongoing health and mental health education and training program for the COUNTY CENTER staff in accordance with the needs mutually established by the COUNTY and CHC. Training shall be provided by methods and intervals determined by CHC.
- 3.2 **QUARTERLY REPORTS.** As requested by the DIRECTOR, CHC shall submit quarterly health care reports concerning the overall operation of the health care services program rendered pursuant to this AGREEMENT and the general health of the CENTER POPULATION.
- 3.3 **QUARTERLY MEETINGS.** As requested by the DIRECTOR, CHC shall meet quarterly, or as soon thereafter as possible, with the DIRECTOR, or designee, concerning health care services within the CENTER and any proposed changes in health-related procedures or other matters, which both parties deem necessary.
- 3.4 **MEDICAL RECORDS MANAGEMENT.** CHC shall provide the following medical records management services:
- 3.4.1 **MEDICAL RECORDS.** CHC HEALTH CARE STAFF shall maintain, cause or require the maintenance of complete and accurate medical records for COVERED PERSONS who have received health care services. Medical records shall be kept separate from COVERED PERSON'S confinement records. A complete copy of the individual medical record shall be available to accompany each COVERED PERSON who is transferred from the CENTER to another location for off-site services or transferred to another institution. CHC will keep medical records confidential and shall not release any information contained in any medical record except as required by published CENTER policies, by a court order or by applicable law. Upon termination of this AGREEMENT, all medical records shall be delivered to and remain with the DIRECTOR, as property of the DIRECTOR's office.

- 3.4.2 **COMPLIANCE WITH LAWS.** Each medical record shall be maintained in accordance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and any other applicable state or federal privacy statute or regulation.
- 3.4.3 **RECORDS AVAILABILITY.** As needed to administer the terms of this AGREEMENT, CHC shall make available to the DIRECTOR or COUNTY, unless otherwise specifically prohibited, at the DIRECTOR's or COUNTY's request, all records, documents and other papers relating to the direct delivery of health care services to the CENTER POPULATION hereunder.

ARTICLE IV
PERSONS COVERED UNDER THIS AGREEMENT

- 4.0 **GENERAL.** Except as otherwise provided in this AGREEMENT, CHC shall only be required to arrange for health care services under this AGREEMENT to be provided to COVERED PERSONS.
- 4.1 **TESTING AND INOCULATIONS FOR CENTER EMPLOYEES.** CHC shall arrange, bear the cost and administer annual Tuberculosis skin testing and Hepatitis (B) Inoculations to new CENTER employees.
- 4.2 **EMERGENCY MEDICAL CARE FOR CENTER EMPLOYEES AND VISITORS.** CHC shall arrange for on-site first response emergency medical care as required for CENTER employees, contractors and visitors to the CENTER. The medical treatment shall be limited to the extent reasonably necessary to stabilize and facilitate the individual's referral to a medical facility or personal physician.
- 4.3 **RELEASE FROM CUSTODY.** The COUNTY acknowledges and agrees that CHC is responsible for the payment of costs associated with services rendered to COVERED PERSONS as set forth in this AGREEMENT only when such persons remain in the custody of, or under the jurisdiction of, the CENTER. In no event shall CHC be responsible for payment of any costs associated with any services rendered to any individual when said individual is released from the custody of, or no longer under the jurisdiction of, the CENTER including, but not limited to, releasees, parolees and escapees. Furthermore, in no event shall CHC be responsible for payment of costs associated with any medical services rendered to a COVERED PERSON when said COVERED PERSON is injured outside the CENTER facility during transport to or from the CENTER.

ARTICLE V
PERSONS NOT COVERED OR PARTIALLY COVERED UNDER THIS AGREEMENT

- 5.1 **COUNTY INMATES/DETAINEES HOUSED IN OTHER JURISDICTIONS OR OUTSIDE THE CENTER.** CHC shall not be responsible for arranging the medical care or treatment for COUNTY INMATES/DETAINEES housed in other counties or jurisdictions. The COUNTY or DIRECTOR or other agency with legal responsibility for the medical care of such persons shall be responsible for all medical expenses associated with the care and treatment of COUNTY INMATES/DETAINEES removed from the

CENTER, including, but not limited to the services listed in Article I of this AGREEMENT and any other health care related expenses associated with said INMATES/DETAINÉES, unless the INMATE/DETAINÉE is housed in a facility where CHC provides INMATE/DETAINÉE health care services. CHC shall not be responsible for arranging the medical care or treatment for COUNTY INMATES/DETAINÉES housed outside the CENTER (i.e. non-indigent work release INMATES/DETAINÉES or INMATES/DETAINÉES on home confinement).

- 5.2 INJURIES PRIOR TO INCARCERATION, FIT FOR CONFINEMENT AND ESCAPED INMATES/DETAINÉES. CHC shall not be responsible for the cost of providing off-site medical care for injuries incurred by an arrested person prior to incarceration at the CENTER or during an escape or escape attempt, including, but not limited to, medical services provided to any arrested person prior to the person's booking and confinement in the CENTER. In addition, CHC shall not be responsible for the cost of any medical treatment or health care services necessary to medically stabilize any arrested person presented at intake by an arresting agency with a life threatening injury or illness or in immediate need of emergency medical care. CHC shall provide such care as is medically necessary until the arrested person can be transported to a medical care facility by the arresting agency or its designee. The arresting authority shall bear the cost of, and be responsible for, all reasonable and necessary medical services or health care services of the individual until such time as the arresting authority can present a medically stable individual that is FIT FOR CONFINEMENT. To the extent CHC is billed for medical services provided to an individual who is not FIT FOR CONFINEMENT, CHC shall decline any such costs. CHC shall not charge an additional fee simply to examine an individual to determine if he is suitably FIT FOR CONFINEMENT.

ARTICLE VI

COST OF SERVICES NOT COVERED UNDER THIS AGREEMENT

- 6.0 SERVICES NOT LISTED. Both parties understand and agree that there will be costs incurred for health care related services as outlined in Articles I, II and III above. CHC shall not be responsible for any expenses not specifically covered under Articles I, II and III of this AGREEMENT. In the event that any of the health care services not covered by CHC under Articles I, II and III, or any services that are not listed within this AGREEMENT, are required for a member of the CENTER POPULATION as a result of the medical judgment of a physician or CHC authorized personnel, CHC shall not be responsible for arranging such services and the cost of such services shall be billed directly to the COUNTY.
- 6.1 SERVICES BEYOND THE SCOPE OF THIS AGREEMENT. Both parties understand and agree that there are certain occurrences, both beyond the control and within the control of the parties, that may result in health care expenses which are outside the scope of the normal operation of a correctional facility and, therefore, outside the contemplated scope of services under this AGREEMENT. While both parties will act in good faith and endeavor to reduce the possibility of such occurrences, in the unlikely event of an occurrence such as an Act of God, riot, explosion, fire, food poisoning, epidemic illness outbreak or any other catastrophic event, or an event caused by the action or inaction of the COUNTY or DIRECTOR or their employees, agents or contractors, which results in medical care for the CENTER POPULATION, CENTER staff, visitors, or contractors,

CHC shall not be responsible for costs attributable to such catastrophic event and all such costs shall be borne by the COUNTY. Notwithstanding the above, CHC shall be responsible for medical costs under this AGREEMENT associated with such an event only if such an event was caused solely by CHC.

ARTICLE VII
COUNTY'S DUTIES AND OBLIGATIONS

- 7.0 COMPLIANCE WITH HIPAA/STATE HEALTH INFORMATION PRIVACY LAWS. The COUNTY, CENTER, and DIRECTOR and their employees, agents and subcontractors shall comply with the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA") and any State health information privacy laws, to the extent they are applicable. The COUNTY and the DIRECTOR shall implement policies and/or procedures in compliance with such laws.
- 7.1 COMPREHENSIVE MEDICAL/MENTAL HEALTH CARE. CHC shall identify to the DIRECTOR those members of the CENTER POPULATION with medical or mental health conditions which may be worsened as a result of being incarcerated at the CENTER or which may require extensive care while incarcerated. After review of the circumstances, and when security risks permit, the DIRECTOR shall make every effort to have such an INMATE/DETAINEE released, transferred or otherwise removed from the correctional setting.
- 7.2 RECORD ACCESS. During the term of this AGREEMENT, and for a reasonable time following the termination of this AGREEMENT, the DIRECTOR shall provide CHC, at CHC's request, the COUNTY, CENTER and/or DIRECTOR'S records (including medical records) relating to the provision of health care services to the CENTER POPULATION, including records maintained by hospitals, and other outside health care providers involved in the care or treatment of the CENTER POPULATION (to the extent the COUNTY, CENTER or DIRECTOR has control of, or access to, such records). CHC may request such records in connection with the investigation of, or defense of, any claim by a third party related to CHC's conduct or to prosecute a claim against a third party. Any such information provided by the DIRECTOR to CHC that the DIRECTOR considers confidential shall be kept confidential by CHC and shall not, except as may be required by law, be distributed to any third party without prior written approval by the DIRECTOR.
- 7.3 USE OF INMATES/DETAINEEES IN THE PROVISION OF HEALTH CARE SERVICES. INMATES/DETAINEEES of the CENTER shall not be employed or otherwise engaged or utilized by either CHC or the DIRECTOR in rendering any health care services to the CENTER POPULATION, provided however, that INMATES/DETAINEEES may be used in positions not involving the rendering of health care services directly to the CENTER POPULATION and not involving access to CENTER POPULATION records in accordance with NCCHC standards.
- 7.4 SECURITY OF THE CENTER AND CHC. CHC and the COUNTY understand that adequate security services are necessary for the safety of the agents, employees, and subcontractors of CHC, as well as for the security of the CENTER POPULATION and DIRECTOR'S staff, consistent with a correctional setting. The DIRECTOR shall provide security sufficient to enable CHC, its HEALTH CARE STAFF, employees,

agents and/or subcontractors to safely provide the health care services described in this AGREEMENT. CHC, its HEALTH CARE STAFF, employees, agents and/or subcontractors shall follow all security procedures of the DIRECTOR while at the CENTER or other premises under the DIRECTOR's direction or control. However, any CHC HEALTH CARE STAFF, employee, agent and/or subcontractor may, at any time, refuse to provide any service required under this AGREEMENT if such person reasonably feels that the current safety services are insufficient. Such refusal must be documented in writing via departmental report by the CHC employee. CHC shall not be liable for any loss or damages resulting from CHC's HEALTH CARE STAFF, employees, agents and/or subcontractors failure to provide medical services due to insufficient security services.

- 7.5 DIRECTOR'S POLICIES AND PROCEDURES. CHC, its HEALTH CARE STAFF, employees, agents and/or subcontractors shall operate within the requirements of the COUNTY'S and/or DIRECTOR'S posted security Policies and Procedures, which impact the provision of medical services.
- 7.5.1 A complete set of said Policies and Procedures shall be maintained by the COUNTY and made available for inspection by CHC at the CENTER, and CHC may make a reasonable number of copies of any specific section(s) it wishes using the DIRECTOR'S photocopy equipment and paper.
- 7.5.2 Any Policy or Procedure that may impact the provision of health care services to the CENTER POPULATION which has not been made available to CHC shall not be enforceable against CHC unless otherwise agreed upon by both parties.
- 7.5.3 Any modification of the posted Policies and Procedures shall be timely provided to CHC. CHC, its HEALTH CARE STAFF, employees, agents and/or subcontractors shall operate within the requirement of a modified Policy or Procedure after such modification has been made available to CHC.
- 7.5.4 If any of the COUNTY and/or DIRECTOR's Policies and Procedures specifically relate to the delivery of medical services, the COUNTY and/or DIRECTOR's representative and CHC shall review the COUNTY and/or DIRECTOR's Policies and Procedures and modify or remove those provisions that conflict with CHC's CENTER Health Care Policies and Procedures.
- 7.6 SECURE TRANSPORTATION. The DIRECTOR shall provide security as necessary and appropriate in connection with the transportation of a member of the CENTER POPULATION to and from off-site services including, but not limited to, SPECIALTY SERVICES, hospitalization, pathology and radiology services as requested by CHC. CHC shall coordinate with the DIRECTOR's office for transportation to and from the off-site services provider or hospital.
- 7.7 OFFICE EQUIPMENT AND SUPPLIES. The DIRECTOR shall provide use of COUNTY-owned office equipment and all necessary utilities (including telephone and fax line service) in place at the CENTER health care facilities except as otherwise set forth in Paragraphs 1.12 and 1.13. CHC is responsible for providing its own office supplies, including copier paper. At the termination of this AGREEMENT, CHC shall return to the COUNTY possession and control of all COUNTY-owned medical and

office equipment. At such time, the office equipment shall be in good working order, reasonable wear and tear excepted.

- 7.8 NON-MEDICAL CARE OF CENTER POPULATION. It is understood that the DIRECTOR shall provide for all the non-medical personal needs and services of the CENTER POPULATION as required by law. CHC shall not be responsible for providing, or liable for failing to provide, non-medical services to the CENTER POPULATION including, but not limited to, daily housekeeping services, dietary services, building maintenance services, personal hygiene supplies and services and linen supplies.
- 7.9 CENTER POPULATION INFORMATION. In order to assist CHC in providing the best possible health care services to COVERED PERSONS, the DIRECTOR shall provide, as needed, information pertaining to the COVERED PERSON that CHC and the DIRECTOR mutually identify as reasonable and necessary for CHC to adequately perform its obligations under this AGREEMENT.

ARTICLE VIII COMPENSATION/ADJUSTMENTS

- 8.0 ANNUAL AMOUNT/MONTHLY PAYMENTS. The base annual amount to be paid by the COUNTY to CHC under this AGREEMENT is Two Million One Hundred Seventy-Nine Thousand Eight Hundred Ninety-Six Dollars and no cents (\$2,179,896.00) for a period of twelve (12) months. Each monthly payment shall be at One Hundred Eighty-One Thousand Six Hundred Fifty-Eight Dollars and no cents (\$181,658.00), pro-rated for any partial months and subject to any reconciliations as set forth below. The first monthly amount is to be paid to CHC on the 1st day of February, 2013 for services administered in the month of February, 2013. Each monthly payment thereafter is to be paid by the COUNTY to CHC before or on the 1st day of the month of the month of service.
- 8.0.1 Year 2. February, 2014 the base annual amount to be paid by the COUNTY to CHC in Year 2 shall be the annual amount of Year 1, plus an increase of 0%.
- 8.0.2 Year 3. Effective February, 2015 the base annual amount to be paid by the COUNTY to CHC in Year 3 shall be the annual amount of Year 2, plus an increase of 0%.
- 8.1 QUARTERLY RECONCILIATION PROCESS. CHC will provide a quarterly reconciliation with the COUNTY for any amounts owed by either party pursuant to the terms of this AGREEMENT, including, but not limited to:
- 8.1.1 ADJUSTMENT FOR MADP. For each month reconciled, if the CENTER's MADP is greater than Eight Hundred Eighty (880) INMATES/ DETAINEES, the compensation payable to CHC by the COUNTY shall be increased by the number of INMATES/DETAINEES over Eight Hundred Eighty (880) at the per diem rate of Fifty-Two cents (\$0.52). If the CENTER's MADP is less than Seven Hundred Twenty (720) INMATES/DETAINEES, then CHC will issue a credit to the COUNTY for the number of INMATES/DETAINEES under Seven Hundred Twenty (720) at the per diem rate of Fifty-Two cents (\$0.52).

8.1.2 **ADJUSTMENT FOR RECEIVING SCREENINGS.** The quarterly reconciliation shall include any amounts incurred by CHC for receiving screenings performed by CHC's HEALTH CARE STAFF as listed in Paragraph 1.1.1.

8.1.2.1 **RECEIVING SCREENING.** The compensation payable to CHC by the COUNTY for performing a receiving screening, as outlined in Section 1.1.1, shall be in the amount of Fifteen Dollars (\$15.00) per receiving screening.

8.1.3 **ADJUSTMENT FOR COSTS IN EXCESS OF CAP AMOUNTS.** The quarterly reconciliation shall include any amounts paid by CHC in excess of the financial limits listed in this AGREEMENT. The compensation payable to CHC by the COUNTY shall be increased by any costs paid by CHC in excess of the financial limits listed in 1.20.

ARTICLE IX **TERM AND TERMINATION**

9.0 **TERM.** The term of this AGREEMENT shall be Three (3) years from February 1, 2013 at 12:01 a.m. through January 31, 2016 at 11:59 p.m. This AGREEMENT shall automatically renew for two additional one year periods on February 1st of each subsequent year with mutually agreed upon increases, unless this AGREEMENT is terminated or notice of termination is given, as set forth in this Article.

9.0.1 **RENEWAL.** Upon each subsequent renewal of this AGREEMENT pursuant to paragraph 9.0, the parties have agreed to an increase of CPI but not to exceed 5.0% of the annual amount as defined in paragraph 9.0.1.1.

9.0.1.1 **CPI INCREASES.** A CPI increase shall be calculated by multiplying the annual amount of the previous year by a fraction, the numerator of which is the Price Index (as defined below) for the month which is two months immediately preceding the AGREEMENT renewal date, and the denominator of which is the Price Index for the same month for the year immediately preceding the AGREEMENT renewal date. However, the annual amount due for any year will not be less than the annual amount for the prior year. The "Price Index" is defined as the Consumer Price Index - All Urban Consumers, U.S. City Average, Medical Care Services (1982-84=100), published by the Bureau of Labor Statistics of the U.S. Department of Labor.

9.1 **TERMINATION FOR LACK OF APPROPRIATIONS.** It is understood and agreed that this AGREEMENT shall be subject to annual appropriations by the DIRECTOR of the COUNTY.

9.1.1 Recognizing that termination for lack of appropriations may entail substantial costs for CHC, the COUNTY and the DIRECTOR shall act in good faith and make every effort to give CHC reasonable advance notice of any potential problem with funding or appropriations.

- 9.1.2 If future funds are not appropriated for this AGREEMENT, and upon exhaustion of existing funding, the COUNTY and DIRECTOR may terminate this AGREEMENT without penalty or liability, by providing a minimum of thirty (30) days advance written notice to CHC.
- 9.2 **TERMINATION DUE TO CHC'S OPERATIONS.** The COUNTY reserves the right to terminate this AGREEMENT immediately upon written notification to CHC in the event that CHC discontinues or abandons operations, is adjudged bankrupt or is reorganized under any bankruptcy law, or fails to keep in force any required insurance policies. Both parties agree that termination under this provision will be considered without cause.
- 9.3 **TERMINATION FOR CAUSE.** The AGREEMENT may be terminated for cause under the following provisions:
- 9.3.1 **TERMINATION BY CHC.** Failure of the COUNTY and/or DIRECTOR to comply with any provision of this AGREEMENT shall be considered grounds for termination of this AGREEMENT by CHC upon sixty (60) days advance written notice to the COUNTY specifying the termination effective date and identifying the "basis for termination." The COUNTY shall pay for services rendered up to the date of termination of the AGREEMENT. Upon receipt of the written notice, the COUNTY shall have ten (10) days to provide a written response to CHC. If the COUNTY provides a written response to CHC which provides an adequate explanation for the "basis for termination" and the COUNTY cures the "basis for termination" to the satisfaction of the CHC, the sixty (60) day notice shall become null and void and this AGREEMENT will remain in full force and effect. Termination under this provision shall be without penalty to CHC.
- 9.3.2 **TERMINATION BY COUNTY.** Failure of CHC to comply with any provision of this AGREEMENT shall be considered grounds for termination of this AGREEMENT by the DIRECTOR or the COUNTY who shall provide sixty (60) days advanced written notice specifying the termination effective date and identifying the "basis for termination." The COUNTY shall pay for services rendered up to the date of termination of the AGREEMENT. Upon receipt of the written notice CHC shall have ten (10) days to provide a written response to the COUNTY. If CHC provides a written response to the COUNTY which provides an adequate explanation for the "basis of termination," or cures the "basis for termination" to the satisfaction of the DIRECTOR, the sixty (60) day notice shall become null and void and this contract will remain in full force and effect. Termination under this provision shall be without penalty to the DIRECTOR or the COUNTY.
- 9.4 **TERMINATION WITHOUT CAUSE.** Notwithstanding anything to the contrary contained in this AGREEMENT, the DIRECTOR, the COUNTY or CHC may, without prejudice to any other rights it may have, terminate this AGREEMENT for their convenience and without cause by giving ninety (90) days advance written notice to the other party.

- 9.5 **COMPENSATION UPON TERMINATION.** If any of the above termination clauses are exercised by any of the parties to this AGREEMENT, the COUNTY shall pay CHC for all services rendered by CHC up to the date of termination of the AGREEMENT regardless of the COUNTY'S failure to appropriate funds.
- 9.6 **PAYMENT OF CAPPED EXPENSES UPON TERMINATION OR EXPIRATION OF AGREEMENT.** Upon the termination or expiration of this AGREEMENT, the administration of expenses listed in Paragraph 1.20 ("CAPPED EXPENSES") shall be handled as follows:
- 9.6.1 Upon termination or expiration of this AGREEMENT, CHC shall not be responsible for administration or payment of CAPPED EXPENSES and all invoices received by CHC for CAPPED EXPENSES shall be forwarded to the COUNTY for payment, regardless of whether the CAP AMOUNT for the CONTRACT YEAR has been reached. CHC shall forward to the COUNTY any rebate due pursuant to the terms of Paragraph 1.20.1.
- 9.7 **PROPERTY DISPOSITION UPON TERMINATION.** Upon termination of this AGREEMENT, CHC shall be allowed to remove from the CENTER any stock medications or supplies purchased by CHC that have not been used at the time of termination. CHC shall also be allowed to remove its property from the CENTER including its proprietary Policies and Procedures, Manuals, Training Material, and Forms and COUNTY agrees to maintain as confidential all CHC materials, documents or reports marked as confidential or proprietary.

ARTICLE X
LIABILITY AND RISK MANAGEMENT

- 10.0 **INSURANCE COVERAGE.** CHC shall, at its sole cost and expense, procure and maintain during the term of this AGREEMENT, the following coverage and limits of insurance:
- 10.0.1 **MEDICAL MALPRACTICE/PROFESSIONAL LIABILITY.** Medical Malpractice/ Professional Liability insurance in an amount not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate.
- 10.0.2 **COMPREHENSIVE GENERAL LIABILITY.** Comprehensive General Liability insurance in an amount not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate.
- 10.0.3 **WORKER'S COMPENSATION.** Worker's Compensation coverage as required by applicable state law.
- 10.1 **ENDORSEMENTS.** The Comprehensive General Liability policy shall contain additional endorsements naming the CENTER as an additional insured with respect to liabilities arising out of the performance of services under this AGREEMENT.
- 10.2 **PROOF OF INSURANCE.** CHC shall provide the COUNTY proof of professional liability or medical malpractice coverage for CHC's HEALTH CARE STAFF, employees, agents and subcontractors, for the term services are provided under this

AGREEMENT. CHC shall promptly notify the DIRECTOR, in writing, of each change in coverage, reduction in policy amounts or cancellation of insurance coverage. If CHC fails to provide proof of adequate insurance within a reasonable time under the circumstances, then the COUNTY shall be entitled to terminate this AGREEMENT without penalty to the COUNTY or the DIRECTOR pursuant to the terms of Article IX.

- 10.3 INDEMNIFICATION. CHC agrees to indemnify and hold harmless the COUNTY, its officials, agents, and employees from and against any and all claims, actions, lawsuits, damages, judgments or liabilities of any kind whatsoever caused by, based upon or arising out of any act, conduct, misconduct or omission of CHC, its agents, employees, or independent contractors in connection with the performance or non-performance of its duties under this AGREEMENT.. CHC, its agents, employees or independent contractors, shall not in any event be required to indemnify, defend, or hold harmless, the COUNTY with respect to any claims, actions, lawsuits, damages, judgments or liabilities of any kind whatsoever caused by, based upon or arising out of any act, conduct, misconduct or omission of the COUNTY, its officials, agents and employees. The COUNTY and DIRECTOR agree to promptly notify CHC in writing of any incident, claim or lawsuit of which they become aware and shall fully cooperate in the defense of such claim. The COUNTY and DIRECTOR agree that CHC's indemnification and defense obligations do not apply for any costs or expenses, including attorney's fees or settlements, incurred or effected prior to written notice to CHC as set forth above. Upon written notice of claim, CHC shall take all steps necessary to promptly defend and protect the COUNTY and DIRECTOR from an indemnified claim, including retention of defense counsel, and CHC shall retain sole control of the defense while the action is pending, to the extent allowed by law.
- 10.4 HIPAA. CHC, the COUNTY, CENTER, and DIRECTOR and their employees, agents and subcontractors shall fully comply with, and shall implement all necessary policies and/or procedures in order to comply with, the requirements of HIPAA as it applies to the services provided under this AGREEMENT. The COUNTY, CENTER and DIRECTOR and their employees and agents shall hold harmless CHC against any loss or damage, including reasonable attorney's fees and other costs of litigation caused or necessitated by the sole negligence of any kind made as a result of alleged or actual violations of HIPAA by the COUNTY, the DIRECTOR and their employees, agents and vendors, unless such claims are proven to be caused by the sole negligence or willful misconduct of CHC.

ARTICLE XI MISCELLANEOUS

- 11.0 INDEPENDENT CONTRACTOR STATUS. It is mutually understood and agreed, and it is the intent of the parties hereto that an independent contractor relationship be and is hereby established under the terms and conditions of this AGREEMENT. Nothing in this AGREEMENT shall be construed to create an agency relationship, an employer/employee relationship, a joint venture relationship, or any other relationship allowing the COUNTY or DIRECTOR to exercise control or direction over the manner or methods by which CHC, its employees, agents or subcontractors perform hereunder, or CHC to exercise control or direction over the manner or methods by which the COUNTY or the DIRECTOR, and their employees, agents or subcontractors perform hereunder, other than as provided in this AGREEMENT.

- 11.1 **SUBCONTRACTING.** In performing its obligations under the AGREEMENT, it is understood that CHC is not licensed or otherwise authorized to engage in any activity that may be construed or deemed to constitute the practice of medicine, dentistry, optometry, or other professional healthcare service requiring licensure or other authorization under state law. To comply with these requirements CHC may engage physicians or other clinicians as independent contractors ("Contract Professionals"), rather than employees, in order to supply the clinical services required under this AGREEMENT. CHC shall engage Contract Professionals that meet the applicable professional licensing requirements and CHC shall exercise administrative supervision over such Contract Professionals as necessary to insure the fulfillment of the obligations contained in this AGREEMENT. Contract Professionals shall provide clinical services under this AGREEMENT in a manner reasonably consistent with the independent clinical judgment that the Contract Professional is required to exercise. It is further understood that CHC may subcontract for specialized services such as pharmacy, medical waste, medical supplies and other services or supplies which it is required to provide under this AGREEMENT.
- 11.2 **AGENCY.** For purposes of asserting any statutory rights afforded to the COUNTY or the CENTER to pay providers for medical services at certain reduced rates, COUNTY and/or DIRECTOR designate CHC as their agent to assert such rights and privileges.
- 11.3 **EQUAL EMPLOYMENT OPPORTUNITY.** CHC will not discriminate against any employee or applicant for employment because of race, color, religion, sex, ancestry, national origin, place of birth, marital status, sexual orientation, age or handicap unrelated to a bona fide occupational qualification of the position or because of status as a disabled veteran or Vietnam-Era veteran. CHC will distribute copies of its commitment not to discriminate to all persons who participate in recruitment, screening, referral and selection of job applicants, and to prospective job applicants.
- 11.4 **WAIVER OF BREACH.** The waiver of 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.
- 11.5 **OTHER CONTRACTS AND THIRD-PARTY BENEFICIARIES.** The parties acknowledge that CHC is neither bound by or aware of any other existing contracts to which either the DIRECTOR or the COUNTY are a party and which relate to the providing of health care to INMATES/DETAINEES at the CENTER. 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 this AGREEMENT is for their respective benefits only and not for the benefits of others who might otherwise be deemed to constitute third-party beneficiaries thereof.
- 11.6 **FORCE MAJEURE.** In case performance of any terms or provisions hereof shall be delayed or prevented because of compliance with any law, decree or order of any governmental agency or authority of local, State or Federal governments or because of riots, war, terrorism, explosions, acts of civil or military authority, acts of public enemy, public disturbances, lack of adequate security escorts, strikes, lockouts, differences with workers, earthquakes, fires, floods, Acts of God or any other reason whatsoever which is not reasonably within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence, said party is unable to prevent; the party

so suffering may, at its option, suspend, without liability, the performance of its obligations hereunder during the period such cause continues.

- 11.7 **ASSIGNMENT.** Except as otherwise provided herein, no party to this AGREEMENT may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other parties; provided however, that CHC may assign its rights or delegate its duties to an affiliate of CHC, or in connection with the sale of all or substantially all of the stock, assets or business of CHC, without the prior written consent of the other parties. Any unauthorized attempted assignment shall be null and void and of no force or effect.
- 11.8 **NOTICES.** Any notice of termination, requests, demands or other communications under this AGREEMENT shall be in writing and shall be deemed delivered: (a) when delivered in person to a representative the parties listed below; (b) upon receipt when mailed by overnight courier service, mailed by first-class certified or registered mail, return receipt requested, addressed to the party at the address below; or (c) upon confirmation of receipt if sent by facsimile to the fax number of the party listed below:

If for CHC: Correctional Healthcare Companies, Inc. General Counsel 6200 South Syracuse Way, Suite 440 Greenwood Village, CO 80111	If for COUNTY: Jackson County Director of Corrections 1300 Cherry Street Kansas City, MO 64106
---	---

If for CHC: (720) 458-3478	If for COUNTY: (816) 881-3398
--------------------------------------	---

Such address or facsimile number may be changed from time to time by either party by providing written notice as provided above.

- 11.9 **GOVERNING LAW.** This AGREEMENT shall be governed by and construed in accordance with the laws of the State of Missouri without regard to the conflicts of laws or rules of any jurisdiction.
- 11.10 **EXECUTION AUTHORITY.** By their signature below, each signatory individual certifies that they are the properly authorized agent or officer of the applicable party hereto and have the requisite authority necessary to execute this Agreement on behalf of such party, and each party hereby certifies to the other that any resolutions necessary to create such authority have been duly passed and are now in full force and effect.
- 11.11 **SURVIVAL.** The following provisions will survive any termination or expiration of the AGREEMENT: 1.20, Article VIII, Article IX and Article X.
- 11.12 **COUNTERPARTS.** This AGREEMENT may be executed in several counterparts, each of which shall be considered an original and all of which shall constitute but one and the same instrument.
- 11.13 **TITLES OF PARAGRAPHS.** Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

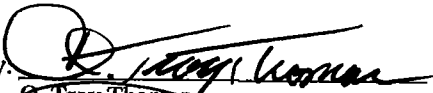
- 11.14 SEVERABILITY. In the event that any one or more provisions of this AGREEMENT shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this AGREEMENT and this AGREEMENT shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.
- 11.15 ENTIRE AGREEMENT. This AGREEMENT 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. This AGREEMENT may be amended at any time, but only with the written consent of all parties.
- 11.16 ORDER OF PRECEDENCE. In the event of any conflict among the documents referenced in this AGREEMENT, the order of precedence shall be as follows: 1) this AGREEMENT; 2) Exhibit B; and 3) Exhibit A.

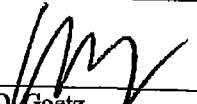
IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed as their official act by their respective representative, each of whom is duly authorized to execute the same.

AGREED TO AND ACCEPTED AS STATED ABOVE:

County of Jackson, Missouri


Correctional Healthcare Companies, Inc.

By: 
 T. Troy Thomas
 Title: Director of Finance and Purchasing
 Date: January 30, 2013

By: 
 Douglas D. Goetz
 Title: Chief Executive Officer
 Date: 1/29/13

APPROVED AS TO FORM

ATTEST:



 W. Stephen Nixon
 County Counselor


 Mary Jo Spino
 Clerk of the Legislature

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$2,202,891.00 which is hereby authorized.

January 30, 2013
Date


Director of Finance and Purchasing
Account No. 002-2701-56790
27012013002

**BUSINESS ASSOCIATE AGREEMENT BETWEEN
CORRECTIONAL HEALTHCARE COMPANIES, INC.,
AND JACKSON COUNTY, MISSOURI**

PURSUANT TO THE Health Insurance Portability and Accountability Act ("HIPAA") of 1996, P.L. 104-191, and its implementing regulations, the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Parts 160 and 164 (hereinafter the "HIPAA Privacy Rule"), as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH") of 2009, P.L. 111-5, (cumulatively the "Health Privacy Laws"), Correctional Healthcare Companies, Inc., (hereinafter "Covered Entity") and Jackson County, Missouri (hereinafter, "Business Associate"), (jointly "the Parties") wish to enter into an Agreement that addresses the requirements of the HIPAA Privacy Rule with respect to "Business Associates," as that term is defined in the HIPAA Privacy Rule.

I. BACKGROUND AND PURPOSE

The Parties have entered into one or more contracts for the Covered Entity to administer inmate health care services for the Business Associate (the "Underlying Contract(s)") which require Covered Entity to create, have access to, and maintain Protected Health Information (hereinafter "PHI") that is subject to the Health Privacy Laws. This Agreement shall supplement each of the Underlying Contract(s) only with respect to Business Associate's receipt and use of PHI under the Underlying Contract(s) to allow Covered Entity to comply with the Health Privacy Laws.

The Parties acknowledge and agree that in connection with the Underlying Contract(s), the Parties may create, receive use or disclose PHI as set forth in the HIPAA Privacy Rule.

PHI does not include health information that has been de-identified in accordance with the standards for de-identification provided for in the HIPAA Privacy Rule.

Therefore the Parties agree as follows:

II. DEFINITIONS

1. All capitalized terms of this Agreement shall have the meanings as set forth in the HIPAA Privacy Rule, unless otherwise defined herein.

III. GENERAL TERMS

1. In the event of inconsistency between the provisions of this Agreement and the mandatory terms of the HIPAA Privacy Rule, as may be expressly amended from time to time by the Department of Health And Human Services (HHS) or as a result of interpretations of HHS, court or regulatory agencies, such mandatory terms of the HIPAA Privacy Rule shall prevail. In the event of a conflict among the interpretation of these entities, the conflict shall be resolved in accordance with rules of precedence.
2. Where provisions of this Agreement are different from those mandated by HIPAA Privacy Rule, but are nonetheless permitted by the Rule, the provisions of the Agreement shall control.
3. Except as expressly provided in the HIPAA Privacy Rule or this Agreement, this Agreement does not create any rights in third parties.

IV. SPECIFIC REQUIREMENTS

1. To the extent applicable to this Agreement, Business Associate agrees to comply with the Health Privacy Laws, the Administrative Simplification provisions of the HIPAA, and any current and future regulations promulgated under either HITECH or HIPAA, including without limitation the Federal Privacy Regulations, and the Federal Electronic Transactions Regulations, all as may be amended from time to time.

2. Business Associate shall not disclose PHI to any member of its workforce, unless Business Associate has advised such a person of Business Associate's obligation under this section and of the consequences of such action and for Business Associate of violating them. Business Associate shall take appropriate disciplinary action against any member of the workforce who uses or discloses PHI in violation of the Agreement.
3. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate and Business Associate may disclose PHI provided that disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as allowed by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
4. Business Associate agrees to enter into any further agreements as reasonably necessary to facilitate compliance with the Health Privacy Laws.
5. Business Associate agrees to establish appropriate administrative, technical, and physical safeguards to prevent the use or disclosure and to protect the confidentiality of PHI it receives from Covered Entity, and to prevent individuals not involved in the proper management and administration of the Business Associate from using or accessing the PHI. Business Associate shall provide Covered Entity such information concerning these safeguards as Covered Entity may from time to time request, and shall upon reasonable request give Covered Entity access, for information and copying, to Business Associate's facilities used for the maintenance and processing of PHI. This includes, but is not limited to, PHI for the purpose of determining Business Associate's compliance with this Agreement.
6. Business Associate agrees that it will immediately report to Covered Entity any use or disclosure of PHI received from Covered Entity that is not authorized by or otherwise constitutes a violation of this Agreement of which Business Associate becomes aware.
7. Business Associate agrees that if Covered Entity determines or has a reasonable belief that Business Associate may have used, made a decision or permitted access to PHI in a way that is not authorized by this Agreement, then Covered Entity may in its sole discretion require Business Associate to: (a) promptly investigate and provide a written report to Covered Entity of the Business Associate's determination regarding any alleged or actual unauthorized disclosure access, or use; (b) cease such practices immediately; (c) return to Covered Entity, or destroy, all PHI; and (d) take any other action Covered Entity deems appropriate. Notwithstanding the above, Business Associate shall mitigate, to the extent feasible, any harmful effect that is known to the Business Associate.
8. Business Associate understands that Covered Entity is subject to State and Federal laws governing the confidentiality of PHI. Business Associate agrees to abide by all such laws, whether or not fully articulated herein, and to keep the PHI in the same manner and subject to the same standards as is required of Covered Entity.
9. Business Associate may use and/or disclose PHI that is De-Identified, as that term is defined in the current version of the Privacy Regulations, or as changed from time to time through written amendment, which includes the removal of all the identifiers listed in the Privacy Regulations so that Covered Entity could not have actual knowledge that the information could be used, alone or in combination with other data, to identify an individual.
10. Business Associate shall maintain a record of all authorizations and disclosures of PHI not otherwise provided for in this Agreement or the Underlying Contract(s), including the date of the disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure. Business Associate shall make such record available to Covered Entity on request.

11. Business Associate shall report to Covered Entity any unauthorized use or disclosure of PHI by Business Associate or its workforce or Business Associates, and the remedial action taken or proposed to be taken with respect to such use or disclosure.
12. Business Associate agrees that within thirty (30) days of receiving a written request from Covered Entity it will provide PHI necessary for Covered Entity to respond to an individual's request for access to PHI about the individual.
13. Business Associate agrees that, within fifteen (15) days of a request being made, it will provide Covered Entity with any PHI requested by Covered Entity.
14. Business Associate agrees to make available the information required to provide an accounting of disclosure in accordance with applicable law within sixty (60) days of a written request by Covered Entity.
15. Business Associate agrees that it will use all reasonable efforts to limit its request for PHI to the minimum amount of PHI necessary to achieve the purpose of which the request is made.

V. TERM AND TERMINATION

1. Term. The Term of this Agreement shall be effective February 1, 2013, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
2. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within such reasonable period of time as shall be specified by Covered Entity; or
 - b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - c) If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.
3. Effect of Termination.
 - a) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 - b) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

VI. MISCELLANEOUS

1. Regulatory References. A reference in this Agreement to a section in the Health Privacy Laws means the section as in effect or as amended.
2. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Health Privacy Laws or any applicable court decision.
3. Survival. The respective rights and obligations of Business Associate under Section V(3) of this Agreement shall survive the termination of this Agreement.
4. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Health Privacy Laws.
5. Indemnification. Business Associate will hold Covered Entity (including Covered Entity's Board of Directors, individually and collectively, and its officers, employers, agents, and other representatives, individually and collectively) harmless from and against any loss or damage, including reasonable attorneys' fees and other costs of litigation, cause or necessitated by the sole negligence of the Covered Entity as a result of any violation of this Business Associate Agreement.
6. Assignment. No assignment of this Agreement of the rights and obligations hereunder shall be valid without the specific written consent of both Parties, provided, however, that this Agreement may be assigned by Covered Entity to any successor entity operating Covered Entity, and such assignment shall forever release Covered Entity hereunder.
7. Waiver. 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.
8. Severability. In the event any provision of the Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names or their official acts by their respective representatives, each of who is duly authorized to execute the same.

Covered Entity
Correctional Healthcare Companies, Inc.

By: [Signature]
Douglas D. Goetz
Title: Chief Executive Officer

Date: 1/29/13

Business Associate
County of Jackson, Missouri

By: [Signature]
Q. Troy Thomas
Title: Director of Finance and Purchasing

Date: January 30, 2013

APPROVED AS TO FORM


[Signature]
W. Stephen Nixon
County Counselor

EXHIBIT C

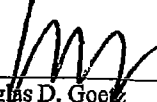
**MINIMUM STAFFING PATTERN FOR
THE JACKSON COUNTY DETENTION CENTER
AND REGIONAL CORRECTIONAL CENTER, MISSOURI
(Effective February 1, 2013)**

Position	Hours / Week	Total FTE's
Medical Director/ Physician	24.0	0.60
Healthcare Services Administrator	40.0	1.0
Physician Extender	16.0	0.40
Dentist	8.0	0.20
Dental Assistant	10.0	0.25
Registered Nurse (RN)	168.0	4.20
Registered Nurse (RN)- Intake	168.0	4.20
Licensed Practical Nurse (LPN)	252.0	6.30
Licensed Practical Nurse (LPN)- Intake	168.0	4.20
Medical Records Clerk	40.0	1.0
Clerk	40.0	1.0

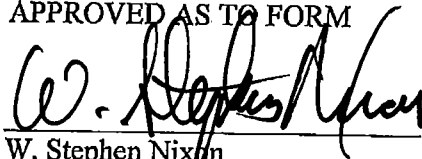
County of Jackson, Missouri

By: 
 Q. Troy Thomas
 Title: Director of Finance and Purchasing
 Date: January 30, 2013

Correctional Healthcare Companies, Inc.

By: 
 Douglas D. Goetz
 Title: Chief Executive Officer
 Date: 1/29/13

APPROVED AS TO FORM


 W. Stephen Nixon
 County Counselor