

HEALTH SERVICES AGREEMENT
between
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

and
CORIZON, LLC

THIS AGREEMENT, by and between the Lexington-Fayette Urban County Government, Division of Community Corrections ("LFUCG") and Corizon, LLC ("Corizon") (hereinafter collectively referred to as the "parties"), is executed as of the _____ day of July 1, 2019 (the "Effective Date").

WITNESSETH:

WHEREAS, LFUCG is charged by law with the responsibility for administering, managing and supervising the health care delivery system at the Adult Detention Center located at 600 Old Frankfort Circle, in Lexington, Kentucky (the "Facility"); and

WHEREAS, the objective of LFUCG is to provide for the delivery of quality health care to inmates in accordance with applicable law; and

WHEREAS, LFUCG desires to enter into a health care services agreement with Corizon to promote this objective; and

WHEREAS, Corizon provides correctional health care staffing and services and desires to provide such staffing and services for LFUCG under the terms and conditions of this Health Services Agreement (the "Agreement").

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.

1.1 General Engagement. LFUCG hereby engages Corizon to provide and to arrange to provide for the delivery of reasonable and necessary medical and dental care to individuals under the custody and control of t LFUCG and sentenced to and incarcerated at the Facility ("Inmates"), and Corizon hereby accepts such engagement according to the terms and provisions hereof. Corizon understands and agrees that it will only be financially responsible for the on-site,

off-site and emergency care that Corizon and its providers have ordered and coordinated.

1.2 Scope of Services. Corizon will provide on a regular basis professional medical, nursing, dental and related health care and administrative services for the Inmates, including a program for a thorough and complete health care screening at intake of Inmates upon arrival at the Facility, regularly scheduled sick call, nursing coverage, regular physician visits on site, infirmary care, hospitalization, medical specialty services, including chronic care and infection control, emergency medical care, telehealth services, medical records management, pharmacy services, health education and training services, a quality assurance program, administrative support services, and other services, all as more specifically described hereinafter and as defined in LFUCG's RFP #2-2019 Offender Health Care Services for Community Corrections (Exhibit A), Certificates of Insurance (Exhibit B), Letter dated April 11, 2019 – Offender Health Services Contract Negotiations (Exhibit C), Corizon's Proposal dated February 14, 2019 (Exhibit D), and Corizon's Final Cost Table (Exhibit E).

The terms, conditions and obligations of the RFP issued by LFUCG and Corizon's Proposal to LFUCG are hereby incorporated by reference and made a part of this Agreement as if fully set out herein.

However, the parties acknowledge and agree that the following statements from the RFP #2-2019 are deleted in their entirety from the contract and shall have no force and effort:

- Part D - Scope of Services, Section 2.b: Note: *iii, iv, vi will require paybacks for untimeliness @ \$200.00 per late event
- Part D - Scope of Services, Section 3.h: In the event the Medical Director and/or Health Services Administrator position is vacated for over 40 hours, (five business days), and not filled by a qualified provider, the Contractor will reimburse LFUCG twice the actual cost (salary and fringe) for unfilled hours.

1.3 Specialty Services. Corizon will provide for specialty services (e.g. radiology services, laboratory services, etc.) on site to the extent reasonably possible. To the extent specialty care is required and cannot be rendered on site, Corizon will make appropriate off-site arrangements for the rendering of such care. Corizon shall be financially responsible for such care provided on site or off-site subject to the provisions of the Aggregate Cap as outlined in Section 1.15 and Article IX.

1.4 Emergency Services. Corizon will be responsible to provide off-site emergency medical care to Inmates, to the extent required, through arrangements to be determined with local hospitals. Corizon will provide and be financially responsible subject to the provisions of the Aggregate Cap for ambulance services for emergency circumstances involving Inmates. Routine transfers will be the financial responsibility of LFUCG in regards to off-site non-emergency medical treatment. Corizon will provide emergency medical response to Inmates, visitors and Facility staff as necessary and appropriate on site.

1.5 Hospitalization Services. Corizon will arrange for the admission of any Inmate, who in the opinion of the treating physician requires hospitalization and Corizon will bear the costs thereof, subject to the provisions of the Aggregate Cap.

1.6 Telehealth Services. Corizon agrees to provide one mobile telehealth unit as outlined in Exhibit D at no additional expense to LFUCG. Corizon shall develop and implement all available opportunities for onsite clinical tele health initiatives, where clinical need is evident, as measured by the number of inmates identified to benefit from such service.

1.7 Infant Care. Corizon will provide health services to any pregnant Inmate, subject to the provisions of the Aggregate Cap. However, any health care services provided to an infant following birth will be the responsibility of LFUCG.

1.8 Blood Draw Services. Corizon will perform on-site blood drawing services on individuals who have been presented to Corizon at the Facility as arrested for driving under the influence (DUI). Consistent with NCCHC standards, Corizon staff will perform such blood draws only with the individual's written consent.

1.9 Pharmaceutical Services. Medications prescribed for any inmate that are currently maintained on-site in stock medication form will be made available within eight (8) hours of the order being written. Non-formulary and patient specific prescriptions will be made available to the inmate on the next business day, Monday through Friday. Corizon will utilize the community back up pharmacy on weekends, after normal business hours, and holidays, to ensure timely procurement and delivery of medication. Corizon will be responsible for the cost of all medications, with the exception of HCV medications, psychotropic medications and Factors VIII and IX for the treatment of blood disorders, including the associated charges to package and deliver medication to the Facility. Corizon will bill LFUCG with its actual acquisition cost for all HCV medications and Factors VIII and IX provided at the facility. Corizon will bill LFUCG for all psychotropic

medications prescribed. Corizon will continue to be responsible for receipt, inventory, distribution, and administration of psychotropic medications for the mental health provider.

Corizon will take returns for all pharmaceuticals from LFUCG based upon Federal, State, and Local laws and regulations. Credit for returned medications will be given to LFUCG on HCV medications and factor products in accordance with these guidelines, as well as Corizon's standards for return and reuse of medications. Corizon will issue credit for the quantities returned for HCV medication and Factor products at the base price originally charged to LFUCG.

Other than HCV medications and factor products, inasmuch as Corizon bears the risk associated with providing medications and pharmaceutical services for the inmate population all discounts and rebates negotiated and received by Corizon or its pharmacy vendor will remain the property of Corizon and/or its pharmacy vendor. Discounts and rebates on HCV medications and factor products will be passed along to LFUCG based upon LFUCG's net utilization as a percentage of total utilization generating the discount or rebate.

Corizon will work with its pharmacy subcontractor to investigate whether they can obtain 340B pricing for specific categories of pharmaceuticals provided to LFUCG's inmates. If Corizon and/or its pharmacy vendor obtains 340B pricing which results in an overall reduction in program costs from the current medical contract price, Corizon agrees that the savings resulting from 340B pricing will be for the benefit of LFUCG and the parties will agree on a mutually acceptable process and/or amendment to provide those savings to LFUCG.

1.10 Elective Medical Care. Corizon 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 Corizon's Medical Director cause the Inmate's health to deteriorate or cause definite harm to the Inmate's well-being.

1.11 Health Care Services to Visitors and Staff. Corizon shall provide emergency medical treatment to visitors or Facility staff as necessary and appropriate on-site.

1.12 Transportation Services. To the extent any Inmate, visitor, or Facility staff requires off-site health care treatment (e.g. emergency care, hospitalization, specialty services, etc.), LFUCG will provide appropriate transportation services as requested by Corizon.

1.13 Electronic Health Record Upgrade. Corizon agrees to work with LFUCG to assist in the evaluation of electronic medical record vendors in order to upgrade the current system. A solution must be mutually agreed upon by both Corizon and LFUCG within ninety (90) days from the Effective date of the agreement barring any situation that it outside of Corizon's control. Any upgrades to the current system will be the financial responsibility of Corizon. Once the upgrade is complete, Corizon agrees to provide support as outlined in Exhibit F.

1.14 Electronic Health Record Backup. Within 45 days of the EHR decision being made barring any situation that it outside the control of Corizon, Corizon will work with LFUCG to implement a new backup solution for the EHR at no additional cost to LFUCG. LFUCG will work in good faith with Corizon and will not unreasonably withhold approval for new solutions, pending their security review.

1.15 Unauthorized Absence and Pre-Booking Injuries. To the extent possible and medically appropriate, Corizon agrees to render on-site medical services to Inmates for injuries incurred prior to incarceration. In no event, however, shall Corizon be liable for or responsible for the payment of:

- (a) any claim, liability, cost or expense for off-site hospitalization or specialty services arising or incurred at any time in connection with treatment of any Inmate's injury if such injury occurred (i) during any period prior to the Inmate's incarceration or (ii) while the Inmate was away from the Facility during an unauthorized absence such as an escape status, exceptions would be in the case of school or work release, community service, or judicial pass, for reasons other than health care prescribed by Corizon employees or contractors; or
- (b) any claim, liability or cost for off-site hospitalization or specialty services arising out of LFUCG's, or any of their respective employees, officers, agents or subcontractors (i) preventing any Inmate from receiving medical care ordered by Corizon employees or contractors, (ii) failure to exercise ordinary care for a corrections officer in promptly presenting any ill or injured Inmate for treatment by Corizon employees or contractors, or (iii) own acts or omissions, including acts of negligence or willful misconduct.

Corizon understands and agrees that once an inmate has been accepted and has been booked into the jail, Corizon accepts responsibility for the provision of health care services, subject to the provisions of the Aggregate Cap.

1.16 Aggregate Cap for Off- Site & Contracted Services. Corizon will be responsible for payment of all contracted services up to an annual aggregate total of \$250,000. Should the amount incurred be less than \$250,000, Corizon will refund LFUCG an amount equal to \$250,000 less the cost of contracted services. Should the amount incurred be in excess of \$250,000, up to \$300,000 LFUCG and Corizon will split the costs on a 50/50 basis. Over \$300,000 LFUCG will be responsible for all costs.

The following costs are considered contracted medical costs and will be included in the annual aggregate cap calculations:

- Emergency room visits
- Ambulance services, including air ambulance
- Off-site physician fees, including those provided by telemedicine
- Off-site dental fees
- Diagnostic services (onsite and off-site) including laboratory, radiology, and dialysis services (including required medications)
- Physical and occupational therapy for both on and off-site services
- Optometry and audiology services
- Outpatient procedures and surgeries
- Inpatient hospitalization (medical, surgical, dental, and mental health)
- Ancillary hospital services
- Hospice and long term care / skilled nursing care facilities
- On-site specialist fees (positions not identified in the staffing plan)
- Network premiums, administrative fees, third party scrubbing and repricing fees
- Non-emergency transportation
- Prosthetics, orthotics and other patient specific durable medical equipment

Corizon will supply a comprehensive accounting of all contracted medical services to LFUCG on a monthly basis. Corizon will invoice LFUCG on a monthly basis for the balance of total claims paid above the annual threshold, less previous amounts billed to LFUCG. Corizon understands that all offsite services provided under this agreement will be reimbursed at amounts that do not exceed rates offered under Kentucky Medical Assistance Program (KMAP). Corizon will provide LFUCG with documentation on a monthly basis that supports the

payments made to offsite providers. Corizon will apply its 365 day timely filing policy to claims submitted relating to LFUCG's inmates.

At the end of each contract period, Corizon will notify off-site providers of the requirement to submit claims for reimbursement within 90 days after the end of the contract period. Corizon will then have another 90 days to adjudicate and pay all outstanding claims, with a final billing/credit being issued to LFUCG 210 days after the end of the contract period. In the event Corizon receives a request for claims reimbursement after the final billing/credit for an expired contract period, such claim will be charged to the next contract period provided the request for claims reimbursement complies with Corizon's 365 day timely filing policy or is documented as in the appeals process. Upon the final expiration, or early termination of the Agreement, any claims identified after the final reconciliation will be returned to the off-site provider unpaid.

ARTICLE II: PERSONNEL.

2.1 Staffing. Corizon will provide the administrative, medical, nursing and support personnel for the rendering of health care services based upon the following ADP levels:

- (a) Up to 1,550 offenders

Position	Hours per Week	FTE
Day Shift		
Administrator	40	1.00
Director of Nursing	40	1.00
Medical Director	40	1.00
Midlevel Practitioner	40	1.00
RN	192	4.80
LPN	264	6.60
Nursing Assistant	40	1.00
Administrative Assistant	40	1.00
ACA Coordinator	40	1.00
Medical Records Clerk	40	1.00
Dentist	20	0.50
Dental Assistant	20	0.50
Evening Shift		
RN	112	2.80

LPN	224	5.60
Night Shift		
RN	112	2.80
LPN	224	5.60
Total Staffing	1,488	37.20

Full Time Equivalent (FTE) is defined as 2,080 hours annually inclusive of training, orientation and paid leave (sick, vacation, holiday, personal and other paid time).

(b) The staffing levels can be increased based upon patient acuity as well as population levels, only by mutual agreement of the Parties.

(c) Corizon shall provide adequate health care personnel to perform those services listed in this Agreement.

1. Minimum on-site coverage must include:

- a. Twenty-four (24) hours, seven days per week qualified medical coverage in the Facility Infirmary and the Facility Intake Area;
- b. Twenty-four (24) hours, seven days per week qualified medical coverage in the Facility medical and detoxification housing unit;
- c. Licensed medical services (physician) to support the above coverage.

(d) Corizon will provide the name, date of birth, local address, previous employment, social security number and copy of driver's license for all employment applicants. Prior to approval for employment, an applicant screening will be conducted, coordinated with LFUCG, to include fingerprints and background check.

- i. Applicable licenses and/or certificates for all professional staff must be on file with Corizon and available to LFUCG prior to employment.

- ii. Malpractice insurance must be on file for all Physicians and Nurse Practitioners, and other professional or paraprofessional employees, if applicable.
- (e) All employees of Corizon with inmate contact will adhere to:
 - i. The dress and appearance regulations of LFUCG, as they apply to employees wearing civilian clothing
 - ii. The security regulations of LFUCG, as they relate to care, custody and control of the inmate population.
- (f) Copies of staffing schedules encompassing all health care staff are to be posted in designated areas and submitted to LFUCG's Administrative Officer, Senior on a weekly basis, with updates regarding changes. Corizon will be required to demonstrate staffing by **post** using a duty roster by facility, each shift and signed by appointed supervisor to be submitted to LFUCG's Administrative Officer, Senior daily.
- (g) For each position included in the staffing plan, a payback will be required by LFUCG for any unfilled hours. For each unfilled hour of such staff time, Corizon will provide a credit at the average hourly salary rate plus benefits for each of the positions (i.e. Medical Director, RN, LPN, etc.) as included in Exhibit F. In all cases, employees not currently working required position hours may be used for such similar position.
- (h) In the case where an LPN covers RN hours, only the difference of the payback rate will be applied for credit, this can only be initiated with prior approval from Lexington's Jail Director or designee.

Unfilled hours include those hours which are not filled due to voluntary or involuntary termination or any other reason or incident resulting in the position being unfilled. Corizon will calculate, reconcile, and report any unfilled hours by position for each month, providing the report to LFUCG. However, unfilled hours will not include those hours not filled due to Corizon Paid Time Off (Hereinafter "PTO"), for items such as illness, annual, or personal leave.

In the event of staff shortages, the use of "agency" or "pool" nurses shall not exceed 15% of the total staffing compliment for any monthly period. Pool nurses does not include "per diem" staff hired directly by Corizon to work on an as needed basis. In the event Corizon exceeds this limit, a charge back equal to one hundred percent (100%) of the average hourly salary rate for each of the

positions shall be assess for each hour Corizon exceeds the fifteen percent (15%) cap.

- (i) LFUCG reserves the right to search any person, property or article entering its facility.

2.2 Licensure, Certification and Registration of Personnel. All personnel provided or made available by Corizon to render services hereunder will be licensed, certified or registered, as appropriate, in their respective areas of expertise pursuant to applicable Kentucky law.

2.3 LFUCG Satisfaction with Health Care Personnel. If the LFUCG should become dissatisfied with any health care personnel provided by Corizon hereunder, Corizon, in recognition of the sensitive nature of correctional services, will, following receipt of written notice from LFUCG of its dissatisfaction and the reasons thereof, exercise its best efforts to resolve the problem and, if the problem is not resolved, remove the individual about whom LFUCG has expressed its dissatisfaction. Corizon will be allowed a reasonable time prior to removal to find an acceptable replacement.

2.4 Use of Inmates in the Provision of Health Care Services. Inmates will not be employed or otherwise engaged by either Corizon or LFUCG in the direct rendering of any health care services. Inmates may be used in certain janitorial positions not involving the rendering of health care services directly to Inmates as the Parties may mutually agree. At no time may an inmate be engaged in a position that would provide him or her access to medical records.

2.5 Discrimination. Corizon 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, Corizon 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.

ARTICLE III: ACCREDITATION.

3.1 Accreditation. Corizon acknowledges that LFUCG does not have, nor is it currently seeking, American Correctional Association ("ACA") or National

Commission on Correctional Health Care for Jails (“NCCHC”) accreditation but desires to be consistent with these standards. Corizon understands that LFUCG intends to seek NCCHC accreditation during the term of this contract. Therefore, Corizon’s services hereunder will be designed to meet the standards developed by ACA and NCCHC, and Corizon will cooperate fully with LFUCG in any efforts to obtain formal accreditation of the Facility’s health care program, but will not bear any financial responsibility for any accreditation fees.

ARTICLE IV: EDUCATION AND TRAINING.

4.1 Inmate and Staff Health Education. Corizon will conduct health education program for Inmates and correctional officers at the Facility toward the objective of raising the level of Inmate health and health care, as requested.

ARTICLE V: REPORTS AND RECORDS.

5.1 Medical Records. Corizon will cause to be maintained an electronic medical record for each Inmate who receives health care services. This medical record will be maintained pursuant to applicable law and will be kept separate from the Inmate’s confinement record. A complete copy of the applicable medical record will be available to accompany any Inmate who is transferred from the Facility to another location for off-site services. Medical records will be kept confidential. No information contained in the electronic medical records will be released by Corizon except as provided by LFUCG’s policy, by a court order, or otherwise in accordance with applicable law.

5.2 Inmate Health Insurance and Third Party Reimbursement. Corizon will ascertain information regarding insurance status at first medical encounter with the inmate. Should an offender be covered by third party insurer, public or private, a note will be made to that effect on the chart. Should an offender need off-site care, those insured by a third party will have the name and policy number of the coverage identified on the off-site transfer papers. Included with each set of transfer papers will be a note to the provider requiring billing be forwarded to the third party provider, not to LFUCG or Corizon.

5.3 Inmate Information. In order to assist Corizon in providing the best possible health care services to Inmates, LFUCG will provide Corizon with information pertaining to Inmates that Corizon identifies as reasonable and necessary for Corizon adequately to perform its obligations hereunder.

5.4 Corizon Records Available to LFUCG with Limitations on Disclosure. Corizon will make available to LFUCG, at LFUCG’s request, all records, documents and other papers relating to the direct delivery of health care services

to Inmates hereunder; provided, however, that LFUCG understands that the systems, methods, procedures, written materials and other controls employed by Corizon in the performance of its obligations hereunder are proprietary in nature and will remain the property of Corizon and may not, at any time, be used, distributed, copied or otherwise utilized by LFUCG, except in connection with the delivery of health care services hereunder, unless such disclosure is approved in advance in writing by Corizon, or such disclosure is required by law.

5.5 LFUCG Records Available to Corizon with Limitations on Disclosure. During the term of this Agreement and for a reasonable time thereafter, LFUCG will provide Corizon, at Corizon' request, LFUCG's records relating to the provision of health care services to Inmates as may be requested by Corizon or as are pertinent to the investigation or defense of any claim related to Corizon' conduct. LFUCG will make available to Corizon such records as are maintained by LFUCG, hospitals, and other outside health care providers involved in the care or treatment of Inmates (to the extent LFUCG has any claim to those records) as Corizon may reasonably request consistent with applicable law; provided, however, that any such information released by LFUCG to Corizon that LFUCG considers confidential will be kept confidential by Corizon and will not, except as may be required by law, be distributed to any third party without prior written approval by LFUCG.

5.6 Administrative Reports. Corizon will provide to LFUCG annual, monthly and daily statistical reports as requested by LFUCG in the RFP in a form and format mutually agreed upon by the parties.

ARTICLE VI: SECURITY.

6.1 General. Corizon and LFUCG understand that adequate security services are necessary for the safety of the agents, employees and subcontractors of Corizon, as well as for the security of Inmates and Facility staff. LFUCG will provide sufficient security services to enable Corizon and its personnel safely to provide the health care services called for hereunder.

6.2 Transportation Off-Site. LFUCG will provide security as necessary and appropriate in connection with the transportation of any Inmate between the Facility and any other location for off-site services as contemplated herein.

ARTICLE VII: OFFICE SPACE AND EQUIPMENT

7.1 Office Space and Support. LFUCG agrees to provide Corizon with the existing office space, facilities, office furniture, utilities (including local telephone service), to enable Corizon to perform its obligations hereunder. Corizon will

reimburse LFUCG for all long distance telephone charges incurred. Should Corizon require additional office furniture, Corizon will be solely responsible for the cost of such furniture.

7.2 IT Equipment. LFUCG and Corizon will share equally in the purchase all computer equipment and peripherals that the parties have mutually agreed to purchase. LFUCG will replace any computer equipment and peripherals during the term of the contract as needed and maintain ownership of equipment at contract termination.

7.3 Medical Equipment. LFUCG and Corizon will share the costs equally in the purchase of medical equipment the parties have mutually agreed to purchase. LFUCG will maintain ownership of equipment at contract termination. Corizon is solely responsible for the repair and maintenance of the medical equipment.

7.4 Delivery of Possession. LFUCG will deliver to Corizon on the date of commencement of this Agreement possession and control of all office equipment and supplies then in place at the Facility's health care unit that is LFUCG's property.

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

7.6 General Services. LFUCG will provide for each Inmate receiving health care services no less than the full range of services and facilities provided by LFUCG for other Inmates at the Facility including, but not limited to, daily housekeeping services, dietary services, building maintenance services, personal hygiene supplies and services, and linen supplies.

ARTICLE VIII: TERM AND TERMINATION OF AGREEMENT.

8.1 Agreement Term. This Agreement will be effective as of 12:01 A.M. on July 1, 2019 for an initial term of three (3) years. This Agreement may be renewed for two (2) additional one-year extensions, unless either party delivers written notice of non-renewal to the other party at least 90 days prior to the expiration of the then-existing term, in which event this Agreement will terminate upon the expiration of the then-existing term.

8.2 Termination. This Agreement may be sooner terminated on the first to occur of the following:

- (a) Termination by Agreement. In the event LFUCG and Corizon mutually agree in writing, this Agreement may be terminated on terms and date stipulated therein.
- (b) 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 (30) thirty days following the giving of such notice in writing, the party giving notice shall have the right immediately to terminate this Agreement; provided, however, that the cure period shall be limited to (10) ten days if the default is failure by LFUCG to timely make any payments due Corizon hereunder.
- (c) Termination by Either Party. Either party may terminate this Agreement without cause by giving the other party at least ninety (90) days prior notice.
- (d) Non-Appropriation Clause. Corizon acknowledges that LFUCG is a governmental entity, and the Agreement validity is based upon the availability of public funding under the authority of its statutory mandate.

In the event that public funds are unavailable and not appropriated for the performance of LFUCG's obligations under this Agreement, then this Agreement shall automatically expire without penalty to LFUCG thirty (30) days after written notice to Corizon of the unavailability and non-appropriation of public funds. It is expressly agreed that LFUCG shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this Agreement, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations.

In the event of a change in LFUCG's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects LFUCG's authority to continue its obligations under this Agreement, then this Agreement shall automatically terminate without penalty to LFUCG upon

written notice to Corizon of such limitation or change in LFUCGs' legal authority.

8.3 Responsibility for Inmate Health Care. Upon termination of this Agreement, total responsibility for providing health care services to all Inmates, including Inmates receiving health care services at facilities off-site, will be transferred from Corizon to LFUCG.

ARTICLE IX: COMPENSATION.

9.1 Base Compensation. LFUCG will pay Corizon the sum of \$5,330,742 for the first year of this Agreement for a daily average base inmate population between 1,450 and 1,550 inmates, payable in equal monthly installments of \$444,228.50 per month. Compensation for the second year of this Agreement will be \$5,485,328, payable in equal monthly installments of \$457,110.67. Compensation for the third year of this Agreement will be \$5,645,703, payable in equal monthly installments of \$470,475.25.

Corizon will bill LFUCG on or before the first day of the month for which services will be rendered, and LFUCG agrees to pay Corizon on or before the last day of the month for which services will be rendered. In the event this Agreement should terminate on a date other than the end of a calendar month, compensation to Corizon will be pro-rated accordingly for the shortened month.

9.2 Renewal Terms. Annual price adjustments to the base compensation after the initial contract term (years 1 through 3) will be made using the medical care component of the CPI table (South region – quoted for March each year) as published by the Bureau of Labor Statistics. The percentage increase will be applied to the base compensation applicable for the preceding year.

9.3 Changes in Inmate Population. When the population exceeds 1,550, a per diem rate of \$1.50 will be applied to the monthly base compensation for each inmate in excess of the daily base population of 1,550. A separate invoice for the per diem rate for population above 1,550 will be submitted to LFUCG within fifteen days of receipt of the base population from LFUCG. Payment will be made by LFUCG within thirty days of receipt of the invoice. When the population is below 1,450, a per diem rate of \$1.50 will be credited to the monthly base compensation for each inmate below the daily base population of 1,450. A separate credit memo for the per diem credit will be submitted to LFUCG within fifteen days of receipt of the base population from LFUCG. The credit can be applied to the next scheduled payment to Corizon.

The per diem rates for contract year two will be \$1.57 and contract year three will be \$1.64. These rates will be applied when the population exceeds 1,550 or falls below \$1,450.

9.4 Per diem adjustments for Inmate Population for Renewal Terms. Annual price adjustments to the variable per diem after the initial contract term (years 1 through 3) will be made using the medical care component of the CPI table (South region – quoted for March each year) as published by the Bureau of Labor Statistics. The percentage increase will be applied to the per diem applicable for the preceding year.

ARTICLE X: LIABILITY AND RISK MANAGEMENT.

10.1 Insurance. Corizon shall not commence any work in connection with this Agreement until all the following types of insurance and such insurance have been obtained and approved by LFUCG, nor shall Corizon allow any subcontractor to commence work until all similar insurance required of the subcontractor has been so obtained and approved. All insurance policies shall be with insurers qualified and doing business in the Commonwealth of Kentucky.

(a) Worker's Compensation Insurance

- i. Corizon shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all employees connected with the work of this project and, in case any work is sublet, Corizon shall require the subcontractor similarly to provide Worker's Compensation Insurance for all the subcontractor's employees unless such employees are covered by the protection afforded by Corizon.
- ii. Such insurance shall comply fully with the Kentucky Worker's Compensation Law.
 1. In case any hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation statute, Corizon shall provide, and cause each subcontractor to provide adequate insurance, satisfactory to LFUCG, for the protection of employees not otherwise protected.
- iii. Worker's Compensation shall be provided as required by the Kentucky Revised Statutes, and Employer's Liability in the amount of \$300,000.

1. Corizon shall waive all rights of subrogation against LFUCG for losses arising from work performed by Corizon for LFUCG.
2. Coverage shall not be suspended or reduced in limits during the Agreement period.

(b) Corizon's Public Liability and Property Damage Insurance

- i. Corizon shall take out and maintain during the life of this Agreement, Comprehensive General Liability Insurance and Comprehensive Automobile Liability Insurance and shall protect from claims for damage for personal injury, including accidental death, as well as claims for property damage which may arise from operations under this Agreement whether such operations be by Corizon or by anyone directly or indirectly employed by Corizon.
- ii. The amounts of such insurance shall be the minimum limits as follows:
 1. Comprehensive General – \$300,000 bodily injury and property Liability damage combined single limit.
 2. Automobile – \$300,000 bodily injury and property damage combined single limit.

(c) Other Insurance

- i. Professional Liability – covering medical incidents during the Agreement period and providing the following coverage and endorsement:
 1. Not less than \$1,000,000 per occurrence, \$3,000,000 aggregate for independent contractor physicians contracted by Corizon.
 2. Limits of not less than \$1,000,000 per occurrence, 3,000,000 aggregate for Corizon's employees including nurses, medical technicians, other medical or professional staff and employees acting under the control or supervision of Corizon for any act or omission in the furnishing of medical services.

10.2 Indemnity and Hold Harmless Provision. LFUCG agrees to notify Corizon's Legal Department in writing within thirty (30) days after LFUCG has received written notice of a claim. Corizon's indemnification and defense obligations hereunder will not apply for expenses incurred or settlements offered

or effected, prior to notice to Corizon. Corizon shall have the right to control the defense and/or settlement of the claim.

- (a) It is understood and agreed by the parties that Corizon hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Corizon or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier under or in connection with this Agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (b) Corizon shall indemnify, save, hold harmless and defend the LFUCG and its appointed officials, employees, agents, volunteers, and successors in interest, but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Corizon's performance or breach of the Agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the Corizon; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (c) Notwithstanding, the foregoing, with respect to any professional services performed by Corizon hereunder (and to the fullest extent permitted by law), Corizon shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of Corizon in the performance of this agreement.

- (d) In the event LFUCG is alleged to be liable based upon the above, Corizon shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.
- (e) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.
- (f) LFUCG is a political subdivision of the Commonwealth of Kentucky. Corizon acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the Corizon in any manner.

10.3 Limitation of Liability. The parties to this Agreement both acknowledge that Corizon is providing the services contemplated hereunder as a corporation primarily acting as an instrumentality of LFUCG; consequently, any and all statutory, common law or legislative limitations on the liability of instrumentality's of LFUCG are applicable to Corizon.

ARTICLE XI: MISCELLANEOUS.

11.1 Independent Contractor Status. LFUCG expressly acknowledges that, other than set forth in Section 10.3, Corizon is an "independent contractor," and 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 LFUCG to exercise control or direction over the manner or method by which Corizon or its subcontractors perform hereunder.

11.2 Assignment. Corizon shall not assign or subcontract any portion of the Agreement without the express written consent of Division. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.

11.3 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 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:

(a) **LFUCG:**

Lexington-Fayette Urban County Government
Division of Community Corrections
600 Old Frankfort Pike
Lexington, KY 40510

Attention: Director

(b) **Corizon:**

Corizon, LLC
103 Powell Court
Brentwood, TN 37027

Attention:
Senior Vice President – Community Corrections
Cc to:
Chief Legal Officer

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Agreement, the parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. The parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Agreement or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.

11.5 Entire Agreement. This Agreement, along LFUCG's RFP #2-2019 Offender Health Care Services for Community Corrections (Exhibit A), Certificates of Insurance (Exhibit B), Letter dated April 11, 2019 – Offender Health Services Contract Negotiations (Exhibit C), Corizon's Proposal dated February 14, 2019 (Exhibit D), Corizon's Final Cost Table (Exhibit E), and (Exhibit F) Staffing Plan with Rates 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.

11.6 Order of Precedence. If there is any conflict between this Agreement and the Exhibits, the terms of the Agreement shall govern. If there is any conflict among the Exhibits, the following shall determine order of precedence among the Exhibits, with the first listed exhibit prevailing:

Exhibit A: LFUCG's RFP #2-2019 Offender Health Care Services for Community Corrections

Exhibit B: Certificates of Insurance

Exhibit C: Letter dated April 11, 2019 – Offender Health Services Contract Negotiations

Exhibit D: Corizon's Proposal dated February 14, 2019

Exhibit E: Final Corizon Cost Table

Exhibit F: Staffing Plan with Rates

Exhibit G: Service Level Agreements

11.7 Modification. 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.

11.8 No Waiver. . No failure or delay by either party in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by either party in exercising any right, remedy, power or privilege under or in respect of this Agreement shall affect the rights, remedies, powers or privileges of either party hereunder or shall operate as a waiver thereof.

11.9 Force Majeure. The parties shall not be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder for any reason beyond its control, including, without limitation, strikes or labor disputes, labor shortages, inmate disturbances, acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, or any similar cause beyond the reasonable control of one or both of the parties.

11.10 Changes in Scope. Should any of the following occur

- a) 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 LFUCG or its respective officers or agents) be adopted, implemented, amended, or changed; or if

- b) any mandated community or contemporary standard of care or treatment protocol changes or evolves in any material respect, or if any mandated medication or therapy is introduced to treat any illness, disease or condition, which may result in a more expensive treatment; or if
- c) any of the cost or historical information upon which Corizon Health based its Proposal proves to be inaccurate or incomplete, including any facility additions or closures;

and if any such change as described in sub-section (a), (b), or (c) materially affects the cost to Corizon Health of providing healthcare services or impacts the scope of services or staffing hereunder, Corizon Health and LFUCG agree to meet to negotiate compensation or service requirement changes, only in the case where the above change results in a 2% of total contract cost increase to Corizon. 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 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 either LFUCG or Corizon Health may terminate this Agreement with sixty (60) days' notice.

11.11 Intellectual Property. Corizon anticipates that it will use its existing proprietary intellectual property, including but not limited to, systems and processes, policies and procedures, pathways, protocols, manuals, computer software, etc. (collectively the "Background IP"), as well as third-party software, to assist in performing the services required under this Contract.

Corizon's Background IP was developed over time and not solely for LFUCG or this project. Corizon is willing to share its Background IP for purposes of its performance of this Contract and to that extent, Corizon will provide LFUCG with a license to use these products and services, subject to certain terms and conditions. However, because the Background IP involves prior ownership by Corizon and in some cases, its suppliers, Corizon is unable to transfer all right, title and interest in its intellectual property to LFUCG.

Any improvements or changes that Corizon makes to its Background IP during the performance of this Contract are not deliverables under this Contract, will not be deemed to be created for this project, and will not be deemed "works for hire",

but rather such improvements and changes will become part of Corizon's Background IP. Corizon will not be deemed to have granted LFUCG any right, title or interest in or to any of Corizon's Background IP unless expressly agreed to otherwise between LFUCG and Corizon.

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

11.13 Authority to do Business. Corizon affirmatively states it is a duly organized and authorized to do business under the laws of Kentucky and is in good standing and has full legal capacity to provide the services specified under this Agreement. Corizon further states, it has all necessary right and lawful authority to enter into this Agreement for the full term hereof and that proper corporate or other action has been duly taken authorizing Corizon to enter into this Agreement.

11.14 Ability to Meet Obligations. Corizon affirmatively states that there are no actions, suits or proceedings of any kind pending against Corizon or, to the knowledge of Corizon, threatened against Corizon before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Corizon to perform its obligations under this Agreement, or which question the legality, validity or enforceability hereof or thereof.

11.14 Trade or Service Marks. Corizon will not appropriate or make use of the Lexington-Fayette Urban County Government name or any of its trade or service marks or property (including but not limited to any logo or seal), in any promotion, endorsement, advertisement, testimonial or similar use without the prior written consent of LFUCG. If such consent is granted LFUCG reserves the unilateral right, in its sole discretion, to immediately terminate and revoke such use for any reason whatsoever. Corizon agrees that it shall cease and desist from any unauthorized use immediately upon being notified by LFUCG.

[Remainder of Page Left Blank Intentionally]

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

**Lexington-Fayette Urban County of
Community Corrections**

Attest: _____

By: _____

Title: _____

Corizon, LLC

Attest: N. Hillard

By: [Signature]
Title: CEO

J.P.
[Signature]

**EXHIBIT F
STAFFING PLAN WITH HOURLY SALARY RATES
& VACANCY BENEFIT PERCENTAGE**

Position	FTE	Hourly Rate	Vacancy Benefit %
Administrator	1.00	42.80	15%
Administrative Assistant	1.00	14.40	25%
Medical Records Clerk	1.00	14.20	25%
Medical Director**	1.00	156.00	10%
Midlevel NP/PA**	1.00	53.50	15%
Dentist**	0.50	73.00	10%
Director of Nursing	1.00	40.80	15%
RN	10.40	35.10	18%
LPN	17.80	23.90	22%
Nursing Assistant	1.00	15.40	25%
ACA Coordinator	1.00	14.00	25%
Dental Assistant	0.50	16.30	10%
Total	37.20		

Exhibit G

Corizon SLA for Lexington

✓ **Corizon Support:** 24 / 7 Toll Free – 1-855-267-4848

Method to initiate service is to call the Corizon Services Desk. Customer and site users will have access to Corizon’s technical support personnel twenty-four (24) hours a day, seven (7) days a week. Communications with Technical Support will take place through the phone. The following chart depicts Severity Levels for problem reporting and response plan requirement for ensuring timely restoration. Users will report software and system related problems to the technical support personnel. The user can designate which level of Severity applies based upon the below chart.

Severity	Description	Resource Acknowledgement	Target Resolution *	Update Interval	Calendar
1	Major System Failure: Application is unavailable for use by all users critical to business operations / unable to provide patient care. Problems are acknowledged and appropriate personnel are assigned to and engaged to develop a resolution with workaround or long term fix.	2 hours	8 hours	2hr	24x7
2	Significant system impairment: Loss of critical operational component, but operations are able to continue.	4 hours	16 hours	4hr	24x7
3	Technical questions, intermittent problems – Problems affecting a single user, a non-critical function, or a problem where there is a reasonable workaround.	24 hours	4 Days	1 Day	Weekdays, Holidays Excluded
4	Scheduled maintenance and scheduled upgrades. As scheduled.	3 Days	Upcoming Release	Monthly	Weekdays, Holidays Excluded
5	Enhancement Consideration. Work will be scheduled as approved, timeline will be determined based on SOW defined.	5 Days	Enhancement Consideration	Monthly	Weekdays, Holidays Excluded

**Target Resolution has multiple dependencies. Corizon will work with the various vendors and agencies to identify and add additional SLAs over time.*