

**MEMORANDUM OF UNDERSTANDING BETWEEN
WILLIAMSON COUNTY, TEXAS AND
SCOTT & WHITE HOSPITAL—TAYLOR**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this _____ day of _____, 2014 (“Effective Date”) by and between the undersigned representatives of WILLIAMSON County, Texas a local governmental entity, located at _____, Texas 78____ (“Williamson County”), and Scott & White Hospital—Taylor (“SWHT”), a non-profit corporation organized and existing under the laws of the State of Texas, being located at 305 Mallard Lane, Taylor, TX 76574.

RECITALS:

WHEREAS, SWHT is a non-profit corporation organized and existing under the laws of the State of Texas, which operates a hospital which is licensed by the State of Texas and which provides a disproportionate share of healthcare services to the low income population of Williamson County, surrounding counties, and the State of Texas in addition to supporting many programs that benefit the indigent, uninsured or underinsured population in Williamson County, and the State of Texas;

WHEREAS, SWHT desires that its hospital participate in the drug discount program established under Section 340B of the Public Health Services Act (set forth at 42 U.S.C.256b) (the “340B Program”);

WHEREAS, in order to participate in the 340B Program, SWHT must enter into an agreement with a State or local government pursuant to which SWHT commits to provide health care services to low income individuals who are not entitled to benefits under title XVIII of the Social Security Act (Medicare) or eligible for assistance under the state plan under title XIX of the Social Security Act (Medicaid);

WHEREAS, SWHT desires to enter into this MOU to make such a commitment to Williamson County; and

WHEREAS, Williamson County desires to enter into this MOU and accept such commitments on behalf of the citizens of Williamson County, and the State of Texas.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted by and between the parties to this MOU, as follows:

1. Commitment of SWHT to Provide Care to Low Income Individuals In Consideration of Entering into this MOU.

During the Term of this MOU, SWHT agrees to provide health care services to low income individuals who are not entitled to benefits under Title XVIII of the Social Security Act (Medicare) or eligible for assistance under the State plan under Title XIX of the Social Security Act (Medicaid) at no reimbursement or considerably less than full reimbursement from these individuals.

SWHT verifies that it satisfies the criteria set forth at 340B(a)(4)(L) of the Public Health Service Act [42 U.S.C.256b(a)(4)(L)]. SWHT agrees that it will continue to satisfy those criteria for the duration of this MOU.

2. Further Representations of SWHT.

SWHT represents that as of the date hereof:

- (a) SWHT is a non-profit corporation duly organized and validly existing in good standing under the laws of the State of Texas with the corporate power and authority to enter into and perform its obligations under this MOU; and
- (b) SWHT is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code of the United States, as amended, and under applicable laws of the State of Texas.

3. Evidence of Compliance.

During the Term of this MOU, SWHT shall keep records, for each of its fiscal years, of the dollar amount of the unreimbursed costs of inpatient and outpatient charity care provided by SWHT to low income individuals who are not entitled to benefits under Title XVIII of the Social Security Act (Medicare) or eligible for assistance under the State plan under Title XIX of the Social Security Act (Medicaid). Upon request, SWHT shall provide Williamson County with such information by April 30th of each year for the previous fiscal year ending June 30.

4. Acceptance and Acknowledgements of Williamson County.

In consideration of the commitment of SWHT set forth above, Williamson County enters into this MOU and acknowledges that the services SWHT will be providing in accordance with this MOU will benefit the citizens of Williamson County, and the State of Texas and serve a public purpose.

5. Term and Termination.

The Term of this MOU shall commence on the Effective Date above and shall continue until terminated as provided below:

- (a) This MOU shall automatically renew each year for a Term of one (1) year unless either party provides the other party with prior written notice of non-renewal at least thirty (30) days prior to the renewal date; or
- (b) Either party may terminate this MOU at any time, with or without cause, by giving the other party thirty (30) days prior written notice; or
- (c) This MOU may be terminated by Williamson County upon thirty (30) days notice to SWHT in the event SWHT fails to provide evidence of compliance in accordance with Section 3 above. In the event SWHT provides such evidence within the thirty (30) day notice period, then the notice of termination shall be of no further effect.

6. Notice.

All notices required or permitted to be given under this MOU shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

IF TO WILLIAMSON COUNTY:

Office of Williamson County Judge
710 Main Street, Suite 100
Georgetown, Texas 78626

With a copy to:

General Counsel
Office of Williamson County Judge
710 Main Street, Suite 100
Georgetown, Texas 78626

IF TO SWHT:

Scott & White Hospital—Taylor
305 Mallard Lane
Taylor, TX 76574
Attn: Chief Operating Officer

With a copy to:

Office of General Counsel
Scott & White Healthcare
MS-20-D-642
2401 S. 31st Street

Temple, TX 76508
Ph. 254-724-3001
FAX: 254-724-5729

7. Venue and Governing Law.

This MOU shall be governed by and construed in accordance with federal law and the laws of the State of Texas (excepting any conflict of laws provisions which would serve to defeat application of Texas substantive law). Each party to this Agreement hereby agrees and acknowledges that venue and jurisdiction of any suit, right, or cause of action arising out of or in connection with this Agreement shall lie exclusively in either Williamson County, Texas or in the Austin Division of the Western Federal District of Texas, and the parties hereto expressly consent and submit to such jurisdiction.

8. Sovereign Immunity; No Third Party Beneficiary.

This MOU is expressly made subject to Williamson County's Sovereign Immunity, Title 5 of the Texas Civil Practices and Remedies Code, and all applicable federal and State law. The parties expressly agree that no provision of this MOU is in any way intended to constitute a waiver of any immunities from suit or from liability that the parties have by operation of law. Nothing in this MOU is intended to benefit any third party.

9. Relationship of the Parties.

Each party to this Agreement, in the performance of this Agreement, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever.

10. Assignment.

No party to this Agreement may assign or transfer its interest in or obligations under this Agreement without the prior written consent of all parties to this Agreement.

11. Compliance With Laws.

Each party to this Agreement shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, salary and wage statutes and regulations, licensing laws and regulations. In the event of a suspected breach of law, SWHT shall provide written assurance of compliance within thirty (30) days of a written request from the County.

12. Entire Agreement.

This Agreement represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either oral or written. This Agreement may be amended only by written instrument signed by each party to this Agreement. NO OFFICIAL, EMPLOYEE, AGENT, OR REPRESENTATIVE OF THE COUNTY HAS ANY AUTHORITY, EITHER EXPRESS OR IMPLIED, TO AMEND THIS AGREEMENT, EXCEPT PURSUANT TO SUCH EXPRESS AUTHORITY AS MAY BE GRANTED BY THE WILLIAMSON COUNTY COMMISSIONERS COURT.

IN WITNESS WHEREOF, Scott & White Hospital—Taylor and Williamson County have executed this MOU, as of the Effective Date, by their duly authorized representatives.

SCOTT & WHITE HOSPITAL—TAYLOR



Ernie Bovio
President, Scott & White Hospital—Taylor Board of Directors

2/13/14
Date

WILLIAMSON COUNTY, TEXAS

Dan A. Gattis
Williamson County Judge

Date