

MEMORANDUM OF UNDERSTANDING

This Agreement dated September 8, 2008 (the "Effective Date") is by and between Williamson County (the "County"), Bluebonnet Trails Community Mental Health and Mental Retardation Center ("Bluebonnet"), St. David's Round Rock Hospital, St. David's Georgetown Hospital, Scott & White Hospital at University Medical Campus, Seton Medical Center Williamson and Cedar Park Regional Medical Center (collectively, the "Participating Hospitals").

RECITALS

WHEREAS, the State of Texas has awarded a grant (the "State Grant") to Bluebonnet, working in conjunction with the County and the Participating Hospitals, for a Crisis Respite Program (the "Program") to be located in Williamson County, and

WHEREAS, the State grant of \$26,827 for FY 2008 and \$574,447 for FY 2009 will support a ten bed program from July 1, 2008 to August 31, 2009, and

WHEREAS, the Program is proposed to be a 24-hour, community-based facility available to Williamson County residents experiencing severe mental crisis, but are not at risk to harm themselves or others, and

WHEREAS, Bluebonnet, through an RFP process, is currently seeking a provider partner to best fulfill the requirements of the Department of State Health Services ("DSHS") Standards of Care for the provision of a Crisis Respite Program in Williamson County, and

WHEREAS, the County and Bluebonnet have asked the Participating Hospitals to commit funds to help meet the local match (the "Local Match") requirement of the State Grant and the Participating Hospitals have agreed through a letter of intent to fund \$137,500 of the Local Match,

NOW THEREFORE, based on the following terms and conditions, the County, Bluebonnet and the Participating Hospitals agree as follows;

ARTICLE I.

GENERAL PROVISIONS

A. General Purpose

The purpose of this Memorandum of Understanding is to outline the responsibilities and obligations of the County, Bluebonnet and the Participating Hospitals in the operation and funding of a Crisis Respite Program in Williamson County.

B. Goal of Crisis Respite Program

Bluebonnet, as the County's Local Mental Health Authority, desires to contract with an outside agency to establish, maintain and operate a Crisis Respite Program in Williamson County. Crisis Respite Programs provide short-term, 24-hour care in a residential setting for persons who are at low risk of harming themselves or others. The goal of the Program is to provide a safe alternative to placing mental health consumers in hospital emergency room facilities.

ARTICLE II.

PARTY PARTICIPATION

A. County/Bluebonnet Project Goals

1. Bluebonnet has issued a Request for Proposal (RFP) to seek proposals from providers able to establish staff and operate a Crisis Respite Unit in Williamson County, adhering to the DSHS standards of care for persons diagnosed with a behavioral health disorder meeting admissions criteria for the Program. After a review of all RFP's, the County and Bluebonnet will select a provider and Bluebonnet will enter into a contract with said provider to staff and operate the Program.
2. The project goals for the Program are to: (1) provide immediate stabilization and resolution of crisis situation at the most appropriate, least restrictive level of care; (2) provide an effective alternative to hospital emergency room care to reduce visitations and/or the amount of time a client spends in an emergency room; (3) reduce unnecessary incarcerations and inpatient psychiatric interventions; and (4) relieve client, family members and law enforcement from unnecessary time and costs of transporting clients to other facilities.
3. Bluebonnet shall be the sole entity responsible for determining whether or not a client is admitted into the Program. All Parties specifically agree and acknowledge that the admissions criteria for the Program shall state that Bluebonnet will prioritize assignment of the 10 beds for Williamson County or referrals from the Participating Hospitals.

B. Project Funding

1. The estimated annual cost to operate the Program is \$650,000. This amount includes the acquisition and/or leasing costs of the facility, operations costs, personnel costs, qualified mental health professional, registered nurse, physician, administrative overhead, and related expenses.

2. The Local Match amount of \$137,500 is needed to augment the State Grant. Any Program costs over and above the \$137,500 Local Match by the Participating Hospitals will be the responsibility of Bluebonnet.

C. Hospital Participation

1. The Participating Hospitals, in recognition of the achievement of the goals listed in A.2. above, agree to participate equally in the funding of the \$137,500 Local Match (1/5, or \$27,500 each), as their share of the payments for FY 2008 and FY 2009.
2. The County and Bluebonnet agree that the sole responsibility and obligation of the Participating Hospitals is to provide the Local Match up to and no more than \$27,500 per Participating Hospital. The Participating Hospitals will not, in any event, be required to pay any more sums than those sums listed herein.
3. Each Participating Hospital will be responsible for a single, lump sum payment of \$27,500 to Bluebonnet by May 31, 2009.

ARTICLE III.

PARTICIPATING HOSPITALS INDEMNIFICATION

The Participating Hospitals shall be indemnified and held harmless from and against all losses, costs, damages, expenses and liabilities (herein collectively referred to as "Program Losses") of whatsoever nature, including, but not limited to, attorneys' fees, costs of litigation, court costs, amounts paid in settlement and amounts paid to discharge judgments relating to any claim, lawsuit, cause of action or other legal action or proceeding brought against the Program or against any Participating Hospital, if such claim, lawsuit, cause of action or other legal action or proceeding relates to any Program actions or activities, save and except for the Participating Hospitals' or any of its agent's, servant's or employee's own conduct, which proximately causes any such Program Losses. In the event of any actions brought against the Participating Hospitals in which indemnification is applicable, the Participating Hospitals shall promptly give written notice to Bluebonnet, and Bluebonnet shall assume the investigation and defense of such action, including the employment of counsel and the payment of all expenses. The Participating Hospitals shall have the right, at its expense, to employ separate counsel and to participate in the investigation and defense of any such action.

ARTICLE IV

TERM AND TERMINATION

The term of this Memorandum of Understanding will commence on the Effective Date and continue through August 31, 2009, unless terminated on an earlier date by

mutual written agreement of the Parties. The Parties agree to re-convene prior to the termination of this Agreement to re-evaluate the program. If the evaluation of the program indicates the Program to be a successful venture, the Parties will consider a plan for continued operations beyond August 31, 2009 and the financial obligations associated with continuing the Program. A plan to determine the future of the Program will be developed by the Parties by May 31, 2009.

ARTICLE V

COOPERATION

The Parties each agree to cooperate with each other as may be reasonably necessary to carry out the intent of this Memorandum of Understanding, including but not limited to the execution of such further documents as may be reasonably necessary.

ARTICLE VI

SEVERABILITY AND WAIVER

- 5.1 If any provision of this Memorandum of Understanding is illegal, invalid, or unenforceable, under present or future laws, it is the intent of the Parties that the remainder of this Memorandum of Understanding not be affected, and, in lieu of each illegal, invalid, or unenforceable provision, that a provision be added to this Memorandum of Understanding which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid or unenforceable provision as is possible.
- 5.2 Any failure by a party to insist upon performance by the other party of any material provision of this Memorandum of Understanding will not be deemed a waiver of any other provision, and such party may at any time thereafter insist upon performance of any and all of the provisions of this Memorandum of Understanding.

ARTICLE VII

APPLICABLE LAW AND VENUE

The interpretation, performance, enforcement and validity of this Memorandum of Understanding are governed by the laws of the State of Texas. Venue will be in a court of appropriate jurisdiction in Williamson County, Texas.

ARTICLE VIII

ENTIRE UNDERSTANDING

This Memorandum of Understanding contains the entire understanding of the Bluebonnet and the County. There are no other agreements or understandings or promises, oral or written, between the Parties regarding the subject matter of this Memorandum of Understanding. This Memorandum of Understanding can be amended only by written agreement signed by the Parties. This Memorandum of Understanding supercedes all other understandings between the Parties concerning the subject matter of this Memorandum of Understanding.

WILLIAMSON COUNTY

By: 

Printed Name: _____

Title: _____

Date: _____

BLUEBONNET TRAILS COMMUNITY MENTAL HEALTH AND MENTAL RETARDATION CENTER

By: 

Printed Name: ANDREA RICHARDSON

Title: EXECUTIVE DIRECTOR

Date: 1/21/09

ST. DAVID'S ROUND ROCK HOSPITAL

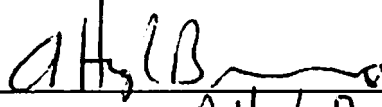
By: 

Printed Name: Deborah Ryle

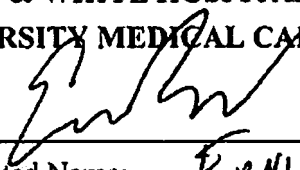
Title: CEO

Date: 12/19/08

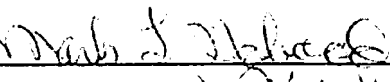
**ST. DAVID'S GEORGETOWN
HOSPITAL**

By: 
Printed Name: A Hyatt Brown Jr
Title: CEO
Date: 12/12/08

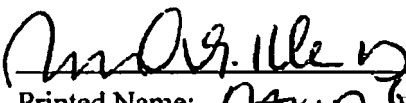
**SCOTT & WHITE HOSPITAL AT
UNIVERSITY MEDICAL CAMPUS**

By: 
Printed Name: Ernie Borio
Title: CEO
Date: 1/26/09

**SETON MEDICAL CENTER
WILLIAMSON**

By: 
Printed Name: Mark L. Hazen
Title: Vice President of CEO
Date: 1/16/09

**CEDAR PARK REGIONAL MEDICAL
CENTER**

By: 
Printed Name: David B. Klein, MD
Title: CEO
Date: 1/6/09