CONTRACT AMENDMENT BETWEEN
THE DEPARTMENT OF CORRECTIONS
AND
KENDALL HEALTHCARE GROUP, LTD. d/b/a KENDALL REGIONAL MEDICAL CENTER

This is an Amendment to the Contract between the Florida Department of Corrections (“Department”) and Kendall Healthcare Group, Ltd. d/b/a Kendall Regional Medical Center (“Contractor”) to provide services to the Department’s inmates in accordance with licensure granted the Contractor by the Agency for Healthcare Administration (AHCA).

This Amendment:

• replaces Attachment #1 Revision #1 with Attachment #1 Revision #2, dated October 1, 2009; and
• replaces all references to Attachment #1 Revision #1, throughout the Contract, with Attachment #1 Revision #2.

Original contract period: May 21, 2008 through May 20, 2013
Amendment #1: March 30, 2009 through May 20, 2013

In accordance with Section V., Contract Modifications; the following changes are hereby made:

1. Attachment #1 Revision #1 is hereby replaced with Attachment #1 Revision #2. All references to Attachment #1 Revision #1, throughout the Contract, are hereby replaced with Attachment #1 Revision #2.
All other terms and conditions of the original Contract and any previous amendments remain in full force and effect.

This Amendment shall begin on the date on which it is signed by both parties.

IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their undersigned officials as duly authorized.

CONTRACTOR:
KENDALL HEALTHCARE GROUP, LTD. d/b/a KENDALL REGIONAL MEDICAL CENTER

SIGNED BY:  
NAME: MAURICIO SIRVENT  
TITLE: CEO  
DATE: 11/24/09  
FEID #: 65-0260078

DEPARTMENT OF CORRECTIONS

SIGNED BY:  
NAME: Richard D. Davison  
TITLE: Deputy Secretary  
DATE: 12/04/09

Approved as to form and legality, subject to execution.

SIGNED BY:  
NAME: Kathleen Von Hoene  
TITLE: General Counsel  
DATE: 11/18/09

Department of Corrections
Kendall Regional Medical Center

Florida Department of Corrections - 8% CDM ADJ

Hospital shall be paid the contract rates set forth in this Attachment. All Physician Services are EXCLUDED from the below rate structures.

<table>
<thead>
<tr>
<th>Department of Corrections - Inmates</th>
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<tbody>
<tr>
<td>Criteria</td>
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<tr>
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<tr>
<td>Line</td>
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<td>18</td>
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<tr>
<td>19</td>
</tr>
</tbody>
</table>

BC = Billed Charges
BC/CAP = Billed Charges to a Cap
FF = Fixed Fee
PD = Per Diem

SEE ATTACHED FOOTNOTES
### ATTACHMENT A FOOTNOTES

**Department of Corrections - FINAL Footnotes effective 10/1/09**

These footnotes are an integral part of the rate sheets

Kendall Regional Medical Center

<table>
<thead>
<tr>
<th>Line</th>
<th>Service</th>
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<th>DRG(s)</th>
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<th>ICD-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Implants/Medical Devices</td>
<td>Hospital will be paid for covered implants, medical devices, prosthetics, pacemakers, seed implants and stent(s), as an add-on for ALL services herein when billed with revenue codes 274,275,276,278 and 279 identified on submitted UB-04 forms at the specified BC percentage. NO INVOICE IS REQUIRED.</td>
<td>274,275,276,278 and 279</td>
<td></td>
<td></td>
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<tbody>
<tr>
<td>3</td>
<td>Pharmaceutical Drugs</td>
<td>Hospital will be paid for covered Pharmaceutical Drugs, as an add-on when billed with revenue code 636 identified on submitted UB-04 forms at the specified BC percentage. NO INVOICE IS REQUIRED.</td>
<td></td>
<td></td>
<td>636</td>
</tr>
<tr>
<td>4</td>
<td>Catastrophic:</td>
<td>For Any case except where total hospital charges are greater than the rate sheet threshold, reimbursement will be at the rate sheet specified percentage of BC effective from the first billed dollar for the entire case. Gross charges associated with Revenue codes 274, 275, 276, 278 and 279 as defined in the Implant/Medical Devices reimbursement section AND Revenue code 636 as defined in the Pharmaceutical Drugs section are INCLUDED in the Catastrophic Threshold calculation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Threshold</td>
<td>The minimum amount of gross billed charges that qualifies a case for payment under the catastrophic clause.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Payment Basis</td>
<td>The percent of reimbursement applied to the total billed charges qualified by the threshold.</td>
<td></td>
<td></td>
<td></td>
</tr>
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<tbody>
<tr>
<td>7</td>
<td>Outpatient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>All Other Outpatient</td>
<td>Any Outpatient service not specifically defined herein will be reimbursed at this rate.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Emergency Room</td>
<td>Rates do not apply to observation services that are reimbursed as defined under the observation section. If Emergency services occur in conjunction with an outpatient PTCA, Cardiac Cath or Lithotripsy then the emergency terms will not apply.</td>
<td></td>
<td></td>
<td>450-459</td>
</tr>
<tr>
<td>10</td>
<td>Observation</td>
<td>All services performed during the stay including but not limited to, MRI, CT and ER fees will be reimbursed at this rate. When observations are billed in conjunction with ER, only observation terms will apply. If observation services occur in conjunction with an outpatient General Surgery, High Cost Surgery, PTCA, Cardiac Cath or Lithotripsy then the observation terms will not apply. Excludes Pharmaceutical Drugs, Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the terms of the specific category. An observation case that is subsequently admitted will be reimbursed as if it were an admission, from the day of patient presentation in observation.</td>
<td></td>
<td></td>
<td>760,761,762,769</td>
</tr>
</tbody>
</table>
### Kendall Regional Medical Center

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<tr>
<td><strong>11</strong></td>
<td>Outpatient Diagnostic CT Scan (Per Procedure)</td>
<td>This rate will be paid per procedure for the defined CPT codes billed on an individual UB-04. All other charges on the UB-04 will be paid at the all other outpatient payment percentage. Emergency and observation services are excluded.</td>
<td></td>
<td>350, 351, 352, 359</td>
<td>70450-70470, 70480-70498, 71250-71275, 72125-72133, 72191-72194, 73200-73206, 73700-73706, 74150, 74160, 74170, 74175, 75635 and 76070.</td>
</tr>
<tr>
<td><strong>12</strong></td>
<td>Outpatient Diagnostic MRI (Per Procedure)</td>
<td>This rate will be paid per procedure for the defined CPT codes billed on an individual UB-04. All other charges on the UB-04 will be paid at the all other outpatient payment percentage. Emergency and observation services are excluded.</td>
<td></td>
<td></td>
<td>70336, 70540-70549, 70551-70553, 71550-71552, 71555, 72141-72159, 72195-72198, 72725, 73218-73223, 73225, 73718-73723, 74181-74183, 74185, 76093-76094 and 76400.</td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>General Surgery</td>
<td>All other surgical procedures not defined in the High Cost Surgery category will be paid at this rate. No additional reimbursement for multiple procedures. Excludes Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the Implant/Medical Devices category.</td>
<td></td>
<td></td>
<td>360, 361, 750 and 490</td>
</tr>
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# ATTACHMENT A FOOTNOTES

## Department of Corrections - FINAL Footnotes effective 10/1/09

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</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>PTCA/EP Studies/Angioplasty</td>
<td>All Cardiac Fixed Fees (FF) Exclude Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the Implant/Medical Devices category. If a PTCA is performed in conjunction with a General Surgery or High Cost Surgery then the PTCA rate will prevail.</td>
<td></td>
<td></td>
<td>35450-35476, 37205, 92980-92997, 93600-93662, G0290-G0291</td>
</tr>
<tr>
<td>17</td>
<td>Implants/Medical Devices</td>
<td>Hospital will be paid for covered implants, medical devices, prosthetics, pacemakers, seed implants and stent(s), as an add-on when billed with revenue codes 274,275,276,278 and 279 identified on submitted UB-04 forms at the specified BC percentage.</td>
<td></td>
<td></td>
<td>274,275,276,278 and 279</td>
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<tr>
<td>18</td>
<td>Pharmaceutical Drugs</td>
<td>Hospital will be paid for covered Pharmaceutical Drugs, as an add-on when billed with revenue code 636 identified on submitted UB-04 forms at the specified BC percentage. NO INVOICE IS REQUIRED.</td>
<td></td>
<td></td>
<td>636</td>
</tr>
<tr>
<td>19</td>
<td>Lithotripsy</td>
<td>Lithotripsy, extracorporeal shock wave.</td>
<td></td>
<td></td>
<td>790</td>
</tr>
</tbody>
</table>

Services can be defined by any of the three categories below.
Rate Protection Language:

Hospital will notify Plan of all modifications (i.e. aggregate increases and decreases) to its chargemaster at least thirty (30) days before the effective date of such modification. After this notification, both Plan and Hospital will jointly amend both the inpatient catastrophic threshold(s) and payment percentages, the outpatient all other payment percentages and the outpatient observation payment percentage of charge reimbursement rates in the Rate Sheet Structures. The Hospital amendment will be completed within thirty (30) days of the notice.

Both parties agree to amend the Rate Sheet Structures as follows: (a) the current effective relevant percentage rate of charge reimbursement in the Rate Sheet Structure for Hospital divided by (b) the overall aggregate percentage increase in excess of eight (8%) percent added to 100% (for charge master increases) or the overall aggregate percentage decrease subtracted from 100% (for charge master decreases), results in (c) the amended percentage of charge reimbursement in the Rate Sheet Structure for Hospital.

Current effective relevant percentage of charge reimbursement = 50% in the Rate Sheet Structure

Overall aggregate percentage increase in excess of (8%) to the individual hospital chargemaster = +4%

\[
\frac{(a)}{(b)} = \frac{50\%}{(100\% + 4\%)} = 48\%
\]

Current effective relevant percentage of charge reimbursement = 50% in the Rate Sheet Structure

Overall aggregate percentage decrease to the individual hospital chargemaster = -4%

\[
\frac{(a)}{(b)} = \frac{50\%}{(100\% - 4\%)} = 52\%
\]
CONTRACT AMENDMENT BETWEEN

THE DEPARTMENT OF CORRECTIONS

AND

KENDALL HEALTHCARE GROUP LTD., d/b/a KENDALL REGIONAL MEDICAL CENTER

This is an Amendment to the Contract between the Florida Department of Corrections (“Department”) and Kendall Healthcare Group LTD., d/b/a Kendall Regional Medical Center (“Contractor”) to provide services to the Department’s inmates in accordance with licensure granted the Contractor by the Agency for Healthcare Administration (AHCA).

This Amendment:

- replaces Attachment #1 with Attachment #1 Revision #1, dated January 6, 2009;
- replaces all references to Attachment #1, throughout the Contract, with Attachment #1 Revision #1.

Original contract period: May 21, 2008 through May 20, 2013

In accordance with Section V., Contract Modifications; the following changes are hereby made:

1. Attachment #1 is hereby replaced with Attachment #1 Revision #1. All references to Attachment #1, throughout the Contract, are hereby replaced with Attachment #1 Revision #1.
All other terms and conditions of the original Contract remain in full force and effect.

This Amendment shall begin on the date on which it is signed by both parties.

IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their undersigned officials as duly authorized.

**CONTRACTOR:**
KENDALL HEALTHCARE GROUP LTD., d/b/a
KENDALL REGIONAL MEDICAL CENTER

**SIGNED BY:**

**NAME:** MAURICIO SIRVENT

**TITLE:** CEO

**DATE:** 3/12/09

**FEID #:** 65-0260078

**DEPARTMENT OF CORRECTIONS**

**SIGNED BY:**

**NAME:** Richard D. Davison

**TITLE:** Deputy Secretary
Department of Corrections

**DATE:** 3/30/09

Approved as to form and legality, subject to execution.

**SIGNED BY:**

**NAME:** Kathleen Von Hoene

**TITLE:** General Counsel
Department of Corrections

**DATE:** 2/2/09
Hospital shall be paid the contract rates set forth in this attachment.

**Final Rates for 5/21/08**

**Kendall Regional Medical Center**

Hospital shall be paid the contract rates set forth in this Attachment. All Physician Services are EXCLUDED from the below rate structures.

<table>
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<table>
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<tr>
<th>Criteria</th>
<th>Rate</th>
<th>Legend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INPATIENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line</td>
<td></td>
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<tr>
<td>1 All Inpatient Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Pharmaceutical Drugs</td>
<td>25%</td>
<td>BC</td>
</tr>
<tr>
<td>3 Implants/Medical Devices</td>
<td>50%</td>
<td>BC</td>
</tr>
<tr>
<td>4 CATASTROPHIC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Threshold</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>6 Payment Basis</td>
<td>49%</td>
<td>BC</td>
</tr>
</tbody>
</table>

| **OUTPATIENT** | | |
| Line | | |
| 7 All Other Outpatient | | |
| 8 | 50% of Charges to a Cap of $4500 | BC/CAP |
| 9 Emergency Room | $850 | FF |
| 10 Observation | 50% | BC |
| 11 General Surgery | $2,950 | FF |
| 12 High Cost Surgery | $4,600 | FF |
| 13 Cardiac Cath | $3,600 | FF |
| 14 PTCA/Angioplasty/EP Studies | $7,950 | FF |
| 15 Pharmaceutical Drugs | 25% | BC |
| 16 Implants/Medical Devices | 50% | BC |
| 17 Lithotripsy | $5,150 | FF |

BC = Billed Charges  
BC/CAP = Billed Charges to a Cap  
FF = Fixed Fee  
PD = Per Diem

SEE ATTACHED FOOTNOTES
CONTRACT BETWEEN
THE DEPARTMENT OF CORRECTIONS
AND
KENDALL HEALTHCARE GROUP LTD., d/b/a KENDALL REGIONAL MEDICAL CENTER

This Contract is between the Florida Department of Corrections ("Department") and Kendall Healthcare Group LTD., d/b/a Kendall Regional Medical Center ("Contractor") which are the parties hereto.

WITNESSETH

Whereas, the Department is responsible for the inmates and for the operation of, and supervisory and protective care, custody and control of, all buildings, grounds, property and matters connected with the correctional system in accordance with Section 945.04, Florida Statutes;

Whereas, it is necessary that budget resources be allocated effectively;

Whereas, this Contract is entered into pursuant to Section 287.057(5)(f)6., Florida Statutes, which authorizes health services involving examination, diagnosis, treatment, prevention, medical consultation, or administration to be procured without receipt of sealed competitive bids or competitive sealed proposals; and

Whereas, the Contractor is a qualified and willing participant with the Department to provide services to the Department’s inmates in accordance with licensure granted the Contractor by the Agency for Healthcare Administration (AHCA).

Therefore, in consideration of the mutual benefits to be derived hereby, the Department and the Contractor do hereby agree as follows:

I. CONTRACT TERM AND RENEWAL

A. Contract Term

This Contract shall begin on May 21, 2008, or the date on which it is signed by both parties, whichever is later, and shall end at midnight on May 20, 2013. In the event this Contract is signed by the parties on different dates, the latter date shall control.

B. Contract Renewal

The Department has the option to renew this Contract for one (1) additional five (5) year period(s) after the initial Contract period upon the same terms and conditions contained herein and at the renewal prices indicated in Section III, Compensation. Exercise of the renewal option is at the Department’s sole discretion and shall be conditioned, at a minimum, on the Contractor’s performance of this Contract and subject to the availability of funds. The Department, if it desires to exercise its renewal option, will provide written notice to the Contractor no later than thirty (30) days prior to the Contract expiration date. The renewal term shall be considered separate and shall require exercise of the renewal option should the Department choose to renew this Contract.
II. SCOPE OF SERVICE

A. Contractor’s Responsibilities

1. The Contractor shall provide services for those referred to the Contractor by the Utilization Management Department (UMD) Regional Medical Executive Director or by the Institutional Chief Health Officer in accordance with licensure granted the Contractor by the Agency for Healthcare Administration (AHCA). The Contractor shall make a diligent effort to ensure that all services are reasonable and necessary based upon the care and the referral presented.

The referral shall indicate whether the referral is for specific therapeutic services or a diagnostic work up. In the case of a referral for a specific therapeutic service, except in emergency situations, the Contractor shall contact the Utilization Management Department if the Contractor believes that the clinical problem is something other than what the referral orders indicates. Failure to receive written prior approval and authorization from the Utilization Management Department for any therapeutic services or diagnostic workup performed will result in non-payment by the Department. The Contractor will be responsible for any and all charges associated with non-approved specific therapeutic services or diagnostic work ups. In an emergency situation, services provided should continue to be reasonable and necessary based upon the care needed and the referral presented.

The Contractor shall provide a state-of-the art secure ward specifically designed for inpatient/outpatient services. Emergency care, however, will not be rendered in a specially designated area, but will be provided in the Contractor’s emergency Department.

If requested by the Assistant Secretary of Health Services, inpatient care shall be provided by the Contractor in a unit designated for the treatment of the Department’s inmates. Emergency care, however, will not be rendered in a specially designated area, but will be provided in the Contractor’s emergency department.

2. Any surgical or ancillary procedures that are deemed necessary during the course of hospitalization of an inmate that are not a part of the original care plan will require pre-certification from the Utilization Management Department (UMD), referring institutional Chief Health Officer, or the Regional Medical Executive Director. In cases of emergency treatment, the UMD is to be notified as soon as possible after the provision of services.

3. Nothing in this Contract shall be construed as limiting access for an inmate patient to any service provided by the hospital that is medically necessary and approved by the Department.

4. The Contractor will use best efforts to grant, in accordance with hospital by-laws, the Department’s referring physicians courtesy staff privileges at the Contractor’s hospital.

5. The Contractor shall have in place at the time of Contract execution, and shall maintain during the term of the Contract, a utilization review system applicable to its patients. The Contractor agrees that it shall provide the same quality utilization review for inmate patients who are the subject of this Contract as it does for all other patients and shall
cooperate with the Department to assure the medical appropriateness of all services rendered hereunder.

6. The Contractor shall, upon request, make available to the Department, the utilization review worksheets and related data used in reviewing treatment rendered to inmate patients. The Department may retrospectively deny payment for services deemed inappropriate under its own utilization review program. The Contractor may appeal retroactive denials through the Deputy Assistant Secretary of Health Services-Clinical. The Deputy Assistant Secretary of Health Services-Clinical will forward the appeal to the Assistant Secretary of Health Services for review and final decision. The decision of the Assistant Secretary of Health Services shall be final and binding on both parties. The Contractor shall notify the Department if it becomes aware of any unexpected patient events that are required to be reported pursuant to the rules and/or regulations of the Agency for Health Care Administration.

7. The Contractor shall designate one individual in the nursing department on each shift as a point of contact for the Department. This individual may be used to contact attending physicians, retrieve information from the inmate’s medical record, answer questions concerning the inmate’s condition, progress, medication or treatment, or to provide other such information as is appropriate. The Regional Medical Executive Director shall provide to the Contractor a list of Department employees authorized to contact the Contractor’s nurse designees.

8. At the discretion of the Contractor’s attending physician, the Contractor shall accept the Department’s pre-operative work-ups, to include the results of chest x-rays, EKG’s and pre-op laboratory reports, except for pre-operative testing on high risk surgery patients.

9. The Contractor shall provide the Department a list, by specialty, of physicians on staff and consulting physicians. This list shall be updated periodically as changes occur.

10. Emergency services to be provided include:

   a. Emergency room services to inmates, twenty-four (24) hours a day, seven (7) days a week.
   b. If admission into the hospital is needed for an inmate, the UMD shall be notified prior to admission regarding the need, diagnosis, and expected length of stay. The Institutional Chief Health Officer shall be advised of the determination made regarding the admission of the inmate within twenty four (24) hours or on the next State of Florida workday following a weekend or holiday.
   c. If an inmate needs to be referred to another hospital for specialized hospitalization, such referral shall be coordinated with the Institutional Chief Health Officer and UMD.
   d. Upon completion of emergency room services, a written copy of the services provided, including any recommendations for continuity of care, will be sent to the referring Institutional Chief Health Officer at the time the inmate returns to the institution.

11. The Contractor shall cause a copy of each patient’s discharge summary, a detailed invoice, and the Uniform Billing Form 92 (UB92) to be delivered to the Health Services Administrator at the referring institution within thirty (30) days of the patient’s discharge.
The Contractor shall provide a discharge plan upon discharge, to include at a minimum:

a. diagnosis at time of discharge;
b. procedures/surgery performed during hospitalization;
c. diet;
d. medications taken at time of discharge, and prescriptions for medication at the institution;
e. follow-up appointments;
f. follow-up treatments;
g. activities; and
h. any other instructions deemed appropriate.

12. The Contractor shall provide to the Deputy Assistant Secretary of Health Services-Clinical, a quarterly statistical summary of inpatient and outpatient hospital services which shall include, at a minimum, the following:

a. patient control number corresponding to UB92;
b. admission and discharge dates;
c. length of stay;
d. Diagnosis Related Group number, or principle procedure;
e. name of attending physician;
f. total hospital charges; and
g. amounts due under the terms of the Contract.

13. The Contractor shall comply with the Department’s pre-authorization and pre-certification procedures for services. The Department will not deny claims’ payment based solely on administrative errors and/or omissions related to pre-authorization and pre-certification requirements. However, this provision shall not require the Department to pay for services which are not Covered Services under this contract. If the Contractor fails to obtain pre-certification or authorization, and if upon medical or administrative review of a claim, the Department determines that the services that were provided would have been determined medically necessary, the Department will compensate the Contractor for such services.

B. Communications

Contract communications will be in three (3) forms: routine, informal, and formal. For the purposes of this Contract, the following definitions shall apply:

Routine: All normal written communications generated by either party relating to service delivery. Routine communications must be acknowledged or answered within thirty (30) calendar days of receipt.

Informal: Special written communications deemed necessary based upon either contract compliance or quality of service issues. Must be acknowledged or responded to within fifteen (15) calendar days of receipt.

Formal: Same as informal but more limited in nature and usually reserved for significant issues such as Breach of Contract, failure to provide satisfactory performance, or contract termination. Formal communications shall also include requests for changes in the scope of the Contract and billing adjustments. Must be acknowledged upon receipt and responded to within seven (7) days of receipt.
The Contractor shall respond to informal and formal communications in writing, transmitted by facsimile and/or email, with follow-up by hard copy mail.

A date/numbering system shall be utilized for tracking of formal and informal communications.

The only personnel authorized to use formal Contract communications are the Department’s Deputy Assistant Secretary of Health Services-Administration, Contract Manager, Contract Administrator, and the Contractor’s CEO or Contractor’s Representative. Designees or other persons authorized to utilize formal Contract communications must be agreed upon by both parties and identified in writing within ten (10) days of execution of the Contract. Notification of any subsequent changes must be provided in writing prior to issuance of any formal communication from the changed designee or authorized representative.

In addition to the personnel named under formal Contract communications, personnel authorized to use informal Contract communications include any other persons so designated in writing by the parties.

In addition to the Contract communications noted in Section II., B., in this Contract, if there is an urgent administrative problem or urgent clinical issue the Department shall make contact with the Contractor and the Contractor shall orally respond to the Contract Manager within two (2) hours. If a non-urgent administrative problem occurs, the Department will make contact with the Contractor and the Contractor shall orally respond to the Contract Manager within forty eight (48) hours. The Contractor or Contractor’s designee at each institution shall respond to inquiries from the Department by providing all information or records that the Department deems necessary to respond to inquiries, complaints, or grievances from or about inmates within three (3) working days of receipt of the request unless the request requires immediate response due to a medical emergency. The Healthcare Contract Monitor shall be copied on all such correspondence.

C. Department’s Responsibilities

1. The Department will provide, at its expense and judgment, a sufficient number of Correctional Officers to supervise those inmates receiving services from the Contractor.

2. The Department shall ensure that any inmate receiving treatment pursuant to this Contract is appropriately restrained, in accordance with the Department’s procedures, at the time treatment is rendered and that such restraints shall not be removed during treatment unless the inmate’s health or safety is immediately threatened or removal or repositioning of the restraints is needed to insure provision of clinically indicated treatment or diagnostic evaluation. Metallic restraints will be utilized unless the treatment or procedure dictates the use of non-metallic restraints. Correctional staff shall have sole discretion to determine whether restraints are to be removed or repositioned.

3. A UMD contact nurse shall be on call twenty four (24) hours a day, seven (7) days a week.
D. Contractor’s Requirements

1. Conduct and Safety Requirements

By execution of this Contract, the Contractor acknowledges and accepts, for itself and any of its agents, that all or some of the services to be provided under this Contract shall be provided with direct and/or indirect contact with the inmate population and that there are inherent risks associated therewith.

In addition, the Contractor shall ensure that all staff adhere to the following requirements:

a. The Contractor’s staff shall not display favoritism to, or preferential treatment of, one inmate or group of inmates over another.

b. The Contractor’s staff shall not deal with any inmate except in a relationship that supports services under this Contract. Specifically, staff members must never accept for themselves or any member of their family, any personal (tangible or intangible) gift, favor, or service from an inmate or an inmate’s family or close associate, no matter how trivial the gift or service may seem. The Contractor shall report to the Contract Manager any violations or attempted violation of these restrictions. In addition, no staff member shall give any gifts, favors or services to inmates, their family or close associates.

c. The Contractor’s staff shall not enter into any business relationship with inmates or their families (example – selling, buying or trading personal property), or personally employ them in any capacity.

d. The Contractor’s staff shall not have outside contact (other than incidental contact) with an inmate being served or their family or close associates, except for those activities that are to be rendered under the Contract.

e. The Contractor’s staff shall not engage in any conduct which is criminal in nature or which would bring discredit upon the Contractor or the State. In providing services pursuant to this Contract, the Contractor shall ensure that its employees avoid both misconduct and the appearance of misconduct.

f. Any violation or attempted violation of the restrictions referred to in this section regarding employee conduct shall be reported by phone and in writing to the Contract Manager or their designee, including proposed action to be taken by the Contractor. Any failure to report a violation or take appropriate disciplinary action against the offending party or parties shall subject the Contractor to appropriate action, up to and including termination of this Contract.

g. The Contractor shall report any incident described above, or requiring investigation by the Contractor, in writing, to the Contract Manager or their designee within twenty four (24) hours, of the Contractor’s knowledge of the incident.
E. Monitoring and Evaluation Methodology

The Department’s Contract Manager or designated Department’s staff, will perform monitoring during the term of the Contract, but not less than once a year to ensure Contract compliance. Monitoring shall include periodic review of compliance with contract service delivery and review of contract requirements. The Department reserves the right for any Department staff to make scheduled or unscheduled, announced or unannounced monitoring visits at any site where services are delivered pursuant to this Contract.

To further assist in the contract monitoring process, the Department has established a Contractor’s Self-Certification of Compliance checklist, which will be incorporated as an attachment to the Contract Monitoring tool to be developed. The Self-Certification of Compliance will be retained in the Contract Manager’s file and the official Contract file. The Contractor shall complete the Self-Certification of Compliance checklist within thirty (30) days of execution of this Contract and forward the original to the Contract Manager. All documents referenced in the Self-Certification of Compliance checklist shall be maintained by the Contractor and copies shall be provided to the Department upon request, within three (3) business days.

The Contract Manager will provide a written monitoring report to the Contractor within three (3) weeks of the monitoring visit.

When issues of non-compliance are identified in the monitoring report, a written Corrective Action Plan (CAP) will be required of the Contractor. The CAP is to be submitted to the Contract Manager within ten (10) days of receipt of the monitoring report. If necessary, a follow-up monitoring visit will be scheduled by the Contract Manager, and will occur within thirty (30) days of receipt of the monitoring report, at which time full compliance must be met. Failure to correct deficiencies after thirty (30) days from the date-of-receipt of a written monitoring report noting the deficiencies may result in determination of breach of Contract and termination of services.

F. Deliverables

Deliverables for the purposes of this Contract are identified in Section II., A., Contractor’s Responsibilities.

III. COMPENSATION

A. Payment

The Department will compensate the Contractor for services as specified in Section II, Scope of Service, at the rates indicated on the fee schedule attached hereto as Attachment #1 and Attachment #2.
B. MyFloridaMarketPlace Transaction Fee Exemption

The State of Florida has instituted MyFloridaMarketPlace, a statewide eProcurement System ("System"). Pursuant to section 287.057(23), Florida Statutes, all payments shall be assessed a Transaction Fee of one percent (1.0%), which the Contractor shall pay to the State, unless otherwise exempt pursuant to Rule 60A-1.032, F.A.C.

The Department has determined that payments to be made under this Contract are not subject to the MyFloridaMarketPlace Transaction Fee pursuant to Rule 60A-1.032, (1), (i), Florida Administrative Code (F.A.C). A form PUR 3777, Notice of Transaction Fee Exemption, has been filed by the Department.

C. Submission of Invoice(s)

The Contractor agrees to submit invoices for compensation for services in detail sufficient for a proper pre-audit and post-audit thereof. The Contractor shall submit invoices pertaining to this Contract to the Institutional Health Services Administrator at the institution from which the inmate patient was referred. The Contract Manager shall provide the Contractor with a list of the names and addresses of the Institutional Health Services Administrators by institution. Invoices will be reviewed and approved by the Institutional Health Services Administrator and then forwarded to the appropriate Regional Financial Services’ Office.

D. Official Payee

The name and address of the official payee to whom payment shall be made is as follows:

Kendal Healthcare Group, Ltd.
d/b/a Kendall Regional Medical Center
11750 Bird Road
Miami Dade, Florida 33175

E. Travel Expenses

The Department shall not be responsible for the payment of any travel expense for the Contractor that occurs as a result of this Contract.

F. Contractor’s Expenses

The Contractor shall pay for all licenses, permits, and inspection fees or similar charges required for this Contract, and shall comply with all laws, ordinances, regulations, and any other requirements applicable to the work to be performed under this Contract.

G. Annual Appropriation

The State of Florida’s and the Department’s performances and obligations to pay for services under this Contract are contingent upon an annual appropriation by the Legislature. The costs of services paid under any other Contract or from any other source are not eligible for reimbursement under this Contract.
H. **Tax Exemption**

The Department agrees to pay for contracted services according to the conditions of this Contract. The State of Florida does not pay federal excise taxes and sales tax on direct purchases of services.

I. **Timeframes for Payment and Interest Penalties**

Contractors providing goods and services to the Department should be aware of the following time frames:

1. Upon receipt, the Department has five (5) working days to inspect and approve the goods and services and associated invoice, unless the ITB or RFP specifications, or this Contract specifies otherwise. The Department has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.

2. If a payment is not available within forty (40) days, a separate interest penalty, as specified in Section 215.422, Florida Statutes, will be due and payable, in addition to the invoice amount, to the Contractor. The interest penalty provision applies after a thirty-five (35) day time period to health care contractors, as defined by rule. Interest penalties of less than one (1) dollar will not be enforced unless the Contractor requests payment. Invoices, which have to be returned to a Contractor because of Contractor preparation errors, may cause a delay of the payment. The invoice payment requirements do not start until the Department receives a properly completed invoice.

J. **Final Invoice**

The Contractor shall submit the final invoice for payment to the Department no more than forty-five (45) days after acceptance of the final deliverable by the Department or the end date of this Contract, whichever occurs last. If the Contractor fails to do so, all right to payment is forfeited, and the Department will not honor any request submitted after aforesaid time period. Any payment due under the terms of the Contract may be withheld until all applicable deliverables and invoices have been accepted and approved by the Department.

K. **Vendor Ombudsman**

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted by calling the Department of Financial Services’ Toll Free Hotline.
IV. CONTRACT MANAGEMENT

A. Department’s Contract Manager

The Contract Manager for this Contract will be:

Thomas Reimers, Program Administrator
Office of Health Services-Administration
Florida Department of Corrections
2601 Blair Stone Road
Tallahassee, Florida 32399-2500
Telephone: (850) 487-8443
Fax: (850) 922-6015
Email: reimers.thomas@mail.dc.state.fl.us

The Contract Manager will perform the following functions:

1. maintain a contract management file;
2. serve as the liaison between the Department and the Contractor;
3. evaluate the Contractor’s performance;
4. direct the Contract Administrator to process all amendments, renewals, and termination of this Contract; and
5. evaluate Contractor performance upon completion of the overall Contract; this evaluation will be placed on file and will be considered if the Contract is subsequently used as a reference in future procurements.

The Contract Manager may delegate the following functions to Local Contract Coordinators:

1. verify receipt of deliverables from the Contractor;
2. monitor the Contractor’s performance; and
3. review, verify, and approve invoices from the Contractor.

B. Department’s Contract Administrator

The Contract Administrator for this Contract will be:

Robert E. Staney, Chief
Bureau of Procurement & Supply
Department of Corrections
2601 Blair Stone Road
Tallahassee, Florida 32399-2500
Telephone: (850) 488-6671
Fax: (850) 922-5330
Email: staney.bob@mail.dc.state.fl.us
The Contract Administrator will perform the following functions:

1. maintain the Contract administration file;

2. process all Contract amendments, renewals, and termination of the Contract; and

3. maintain official records of formal correspondence between the Department and the Contractor.

C. Contractor’s Representative

The name, title, address, and telephone number of the Contractor’s representative responsible for administration and performance under this Contract is:

Mauricio Sirvent, CFO
Kendall Healthcare Group, LTD.,
d/b/a Kendall Regional Medical Center
11750 Bird Road
Miami, Florida 33175
Telephone: (305) 227-5500
Email: Mauricio.sirvent@hcahealthcare.com

D. Contract Management Changes

After execution of this Contract, any changes in the information contained in Section IV., Contract Management, will be provided to the other party in writing and a copy of the written notification shall be maintained in the official Contract record.

V. CONTRACT MODIFICATION

Unless otherwise stated herein, modifications to the provisions of this Contract, with the exception of Section III., C., Submission of Invoice(s) and Section IV., Contract Management, shall be valid only through execution of a formal Contract amendment.

VI. TERMINATION

A. Termination at Will

This Contract may be terminated by the Contractor upon no less than sixty (60) calendar days’ notice and upon no less than thirty (30) calendar days by the Department, without cause, unless a lesser time is mutually agreed upon by both parties. Notice shall be delivered by certified mail (return receipt requested), by other method of delivery whereby an original signature is obtained, or in-person with proof of delivery.

B. Termination Because of Lack of Funds

In the event funds to finance this Contract become unavailable, the Department may terminate the Contract upon no less than twenty-four (24) hours’ notice in writing to the Contractor. Notice shall be delivered by certified mail (return receipt requested), in-person
with proof of delivery, or by another method of delivery whereby an original signature is obtained. The Department shall be the final authority as to the availability of funds.

C. Termination for Cause

If a breach of this Contract occurs by the Contractor, the Department may, by written notice to the Contractor, terminate this Contract upon twenty-four (24) hours’ notice. Notice shall be delivered by certified mail (return receipt requested), in-person with proof of delivery, or by another method of delivery whereby an original signature is obtained. If applicable, the Department may employ the default provisions in Chapter 60A-1, Florida Administrative Code. The provisions herein do not limit the Department’s right to remedies at law or to damages.

D. Termination for Unauthorized Employment

Violation of the provisions of Section 274A of the Immigration and Nationality Act shall be grounds for unilateral cancellation of this Contract.

VII. CONDITIONS

A. Records

1. Public Records Law

The Contractor agrees to allow the Department and the public access to any documents, papers, letters, or other materials subject to the provisions of Chapters 119 and 945.10, Florida Statutes, made or received by the Contractor in conjunction with this Contract. The Contractor’s refusal to comply with this provision shall constitute sufficient cause for termination of this Contract.

2. Audit Records

a. The Contractor agrees to maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the Department under this Contract, and agrees to provide a financial and compliance audit to the Department or to the Office of the Auditor General and to ensure that all related party transactions are disclosed to the auditor.

b. The Contractor agrees to include all record-keeping requirements in all subcontracts and assignments related to this Contract.

c. The Contractor shall ensure that a financial and compliance audit is conducted in accordance with the applicable financial and compliance audit requirements as specified in this Contract and Attachment #3, which is incorporated herein as if fully stated.
3. Retention of Records

The Contractor agrees to retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertaining to this Contract for a period of seven (7) years. The Contractor shall maintain complete and accurate record-keeping and documentation as required by the Department and the terms of this Contract. Copies of all records and documents shall be made available for the Department upon request. All invoices and documentation must be clear and legible for audit purposes. All documents must be retained by the Contractor at the address listed in Section IV., C., Contractor’s Representative or the address listed in Section III., D., Official Payee, for the duration of this Contract. Any records not available at the time of an audit will be deemed unavailable for audit purposes. Violations will be noted and forwarded to the Department’s Inspector General for review. All documents must be retained by the Contractor at the Contractor’s primary place of business for a period of seven (7) years following termination of the Contract, or, if an audit has been initiated and audit findings have not been resolved at the end of seven (7) years, the records shall be retained until resolution of the audit findings. The Contractor shall cooperate with the Department to facilitate the duplication and transfer of any said records or documents during the required retention period. The Contractor shall advise the Department of the location of all records pertaining to this Contract and shall notify the Department by certified mail within ten (10) days if/when the records are moved to a new location.

B. Prison Rehabilitative Industries and Diversified Enterprises, Inc. ("PRIDE")

The Contractor agrees that any articles, which are the subject of or are required to carry out this Contract, shall be purchased from PRIDE, identified under Chapter 946, Florida Statutes, in the same manner and under the procedures set forth in Sections 946.515(2) and (4), Florida Statutes. The Contractor shall be deemed to be substituted for the Department in dealing with PRIDE, for the purposes of this Contract. This clause is not applicable to subcontractors, unless otherwise required by law. Available products, pricing, and delivery schedules may be obtained by contacting PRIDE.

C. Products Available from the Blind or Other Handicapped (RESPECT)

The State/Department supports and encourages the gainful employment of citizens with disabilities. It is expressly understood and agreed that any articles, that are the subject of or required to carry out this contract, shall be purchased from a nonprofit agency for the blind or for the severely handicapped that is qualified pursuant to Chapter 413, Florida Statutes, in the same manner and under the same procedures set forth in Section 413.036(1) and (2), Florida Statutes; and for purposes of this contract the person, firm, or other business entity carrying out the provisions of this contract shall be deemed to be substituted for this agency insofar as dealings with such qualified nonprofit agency are concerned. Additional information about the designated nonprofit agency and the products it offers is available at http://www.respectofflorida.org.

If applicable, the Contractor shall submit a plan describing how it will address the use of RESPECT in offering the items bid.
D. **Procurement of Materials with Recycled Content**

It is expressly understood and agreed that any products or materials, which are the subject of or are required to carry out this Contract, shall be procured in accordance with the provisions of Sections 403.7065 and 287.045, Florida Statutes.

E. **Sponsorship**

If the Contractor is a nongovernmental organization which sponsors a program financed partially by State funds, including any funds obtained through this Contract, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: “Sponsored by Kendall Healthcare Group LTD., d/b/a Kendall Regional Medical Center and the State of Florida, Department of Corrections.” If the sponsorship reference is in written material, the words “State of Florida, Department of Corrections” shall appear in the same size letters or type as the name of the organization.

F. **Employment of Department Personnel**

The Contractor shall not knowingly engage in this project, on a full-time, part-time, or other basis during the period of this Contract, any current or former employee of the Department where such employment conflicts with Section 112.3185, Florida Statutes.

G. **Non-Discrimination**

No person, on the grounds of race, creed, color, national origin, age, gender, marital status, or disability, shall be excluded from participation in, be denied the proceeds or benefits of, or be otherwise subjected to discrimination in the performance of this Contract.

H. **Americans with Disabilities Act**

The Contractor shall comply with the Americans with Disabilities Act. In the event of the Contractor’s noncompliance with the nondiscrimination clauses, the Americans with Disabilities Act, or with any other such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Contracts.

I. **Indemnification for Contractors Acting as an Agent of the State**

The Contractor shall be liable, and agrees to be liable for, and shall indemnify, defend, and hold the Department, its employees, agents, officers, heirs, and assignees harmless from any and all claims, suits, judgments, or damages including court costs and attorney’s fees arising out of intentional acts, negligence, or omissions by the Contractor, or its employees or agents, in the course of the operations of this Contract, including any claims or actions brought under Title 42 USC §1983, the Civil Rights Act, up to the limits of liability set forth in Section 768.28, Florida Statutes.

J. **Contractor’s Insurance for Contractors Acting as an Agent of the State**

The Contractor warrants that it is and shall remain for the term of this Contract, in compliance with the financial responsibility requirements of Section 458.320, Florida Statutes, and is not entitled to, and shall not claim, any exemption from such requirements.
The Contractor also warrants that funds held under Section 458.320, Florida Statutes, are available to pay claims against the State in accordance with Section VII., H., Indemnification for Contractors Acting as an Agent of the State.

The Contractor agrees to provide adequate liability insurance coverage to the extent of liability under Section 768.28, Florida Statutes, on a comprehensive basis and to hold such liability insurance at all times during the existence of this Contract. Upon the execution of this Contract, the Contractor shall furnish the Contract Manager written verification supporting such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The Department reserves the right to require additional insurance where appropriate.

If the Contractor is a state agency or subdivision as defined in Section 768.28, Florida Statutes, the Contractor shall furnish the Department, upon request, written verification of liability protection in accordance with Section 768.28, Florida Statutes. Nothing herein shall be construed to extend any party’s liability beyond that provided in Section 768.28, Florida Statutes.

K. Contractors Acting as an Agent of the State

In the Contractor’s performance of its duties and responsibilities under this Contract, the Contractor shall, at all times, act and perform as an agent of the Department, but not as an employee of the Department. The Department shall neither have nor exercise any control or direction over the methods by which the Contractor shall perform its work and functions other than as provided herein. Nothing in this Contract is intended to, nor shall be deemed to constitute, a partnership or joint venture between the parties.

L. Disputes

Any dispute concerning performance of this Contract shall be resolved informally by the Contract Manager. Any clinical dispute that can not be resolved informally shall be reduced to writing and delivered to the Department’s Deputy Assistant Secretary of Health Services-Clinical. The Deputy Assistant Secretary of Health Services-Clinical shall decide the dispute, reduce the decision to writing, and deliver a copy to the Contractor, the Contract Manager, and the Contract Administrator. Any administrative dispute that can not be resolved informally shall be reduced to writing and delivered to the Department’s Deputy Assistant Secretary of Health Services-Administration. The Deputy Assistant Secretary of Health Services-Administration shall decide the dispute, reduce the decision to writing, and deliver a copy to the Contractor, the Contract Manager, and the Contract Administrator.

M. Copyrights, Right to Data, Patents and Royalties

Where activities supported by this Contract produce original writing, sound recordings, pictorial reproductions, drawings or other graphic representation and works of any similar nature, the Department has the right to use, duplicate and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to have others acting on behalf of the Department to do so. If the materials so developed are subject to copyright, trademark, or patent, legal title and every right, interest, claim or demand of any kind in and to any patent, trademark or copyright, or application for the same, will vest in the State of Florida, Department of State for the exclusive use and benefit of the State. Pursuant to Section 286.021, Florida Statutes, no person, firm or corporation, including parties to this Contract,
shall be entitled to use the copyright, patent, or trademark without the prior written consent of the Department of State.

The Department shall have unlimited rights to use, disclose or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, or furnished by the Contractor under this Contract. All computer programs and other documentation produced as part of the Contract shall become the exclusive property of the State of Florida, Department of State, and may not be copied or removed by any employee of the Contractor without express written permission of the Department.

The Contractor, without exception, shall indemnify and save harmless the Department and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or supplied by the Contractor. The Contractor has no liability when such claim is solely and exclusively due to the combination, operation, or use of any article supplied hereunder with equipment or data not supplied by the Contractor or is based solely and exclusively upon the Department's alteration of the article. The Department will provide prompt written notification of a claim of copyright or patent infringement and will afford the Contractor full opportunity to defend the action and control the defense of such claim.

Further, if such a claim is made or is pending, the Contractor may, at its option and expense, procure for the Department the right to continue use of, replace, or modify the article to render it noninfringing. (If none of the alternatives are reasonably available, the Department agrees to return the article to the Contractor upon its request and receive reimbursement, fees and costs, if any, as may be determined by a court of competent jurisdiction.) If the Contractor uses any design, device, or materials covered by letter, patent or copyright, it is mutually agreed and understood without exception that the Contract prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work to be performed hereunder.

N. Subcontracts

The Contractor is fully responsible for all work performed under this Contract. The Contractor may, upon receiving written consent from the Department’s Contract Manager, enter into written subcontract(s) for performance of certain of its functions under this Contract. No subcontract, which the Contractor enters into with respect to performance of any of its functions under this Contract, shall in any way relieve the Contractor of any responsibility for the performance of its duties. All payments to subcontractors shall be made by the Contractor.

If a subcontractor is utilized by the Contractor, the Contractor shall pay the subcontractor within seven (7) working days after receipt of full or partial payments from the Department, in accordance with Section 287.0585, Florida Statutes. It is understood and agreed that the Department shall not be liable to any subcontractor for any expenses or liabilities incurred under the subcontract and that the Contractor shall be solely liable to the subcontractor for all expenses and liabilities under this Contract. Failure by the Contractor to pay the subcontractor within seven (7) working days will result in a penalty to be paid by the Contractor to the subcontractor in the amount of one-half (½) of one percent (1%) of the amount due per day from the expiration of the period allowed herein for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen percent (15%) of the outstanding balance due.
O. Assignment

The Contractor shall not assign its responsibilities or interests under this Contract to another party without prior written approval of the Department’s Contract Manager. The Department shall, at all times, be entitled to assign or transfer its rights, duties and obligations under this Contract to another governmental agency of the State of Florida upon giving written notice to the Contractor.

P. Force Majeure

Neither party shall be liable for loss or damage suffered as a result of any delay or failure in performance under this Contract or interruption of performance resulting directly or indirectly from acts of God, accidents, fire, explosions, earthquakes, floods, water, wind, lightning, civil or military authority, acts of public enemy, war, riots, civil disturbances, insurrections, strikes, or labor disputes.

Q. Severability

The invalidity or unenforceability of any particular provision of this Contract shall not affect the other provisions hereof and this Contract shall be construed in all respects as if such invalid or unenforceable provision was omitted, so long as the material purposes of this Contract can still be determined and effectuated.

R. Use of Funds for Lobbying Prohibited

The Contractor agrees to comply with the provisions of Section 216.347, Florida Statutes, which prohibits the expenditure of State funds for the purposes of lobbying the Legislature, the Judicial branch, or a State agency.

S. Verbal Instructions

No negotiations, decisions, or actions shall be initiated or executed by the Contractor as a result of any discussions with any Department employee. Only those communications that are in writing from the Department’s staff identified in Section IV., Contract Management of this Contract shall be considered a duly authorized expression on behalf of the Department. Only communications from the Contractor’s representative identified in Section IV., C., Contractor’s Representative, which are in writing and signed, will be recognized by the Department as duly authorized expressions on behalf of the Contractor.

T. Conflict of Interest

The Contractor shall not compensate in any manner, directly or indirectly, any officer, agent, or employee of the Department for any act or service that he/she may do, or perform for, or on behalf of, any officer, agent, or employee of the Contractor. No officer, agent, or employee of the Department shall have any interest, directly or indirectly, in any contract or purchase made, or authorized to be made, by anyone for, or on behalf of, the Department.

The Contractor shall have no interest and shall not acquire any interest that shall conflict in any manner or degree with the performance of the services required under this Contract.
U. Department of State Licensing Requirements

All entities defined under Chapters 607, 617, or 620, Florida Statutes, seeking to do business with the Department, shall be on file and in good standing with the State of Florida’s Department of State.

V. MyFloridaMarketPlace Vendor Registration

All vendors that have not re-registered with the State of Florida since March 31, 2003 shall go to http://vendor.myfloridamarketplace.com/ to complete on-line registration, or call 1-866-352-3776 for assisted registration.

W. Public Entity Crimes Information Statement

A person or affiliate who has been placed on the Convicted Vendor List following a conviction for a public entity crime may not submit a bid or proposal to provide any goods or services to a public entity, may not submit a bid or proposal to a public entity for the construction or repair of a public building or public work, may not submit bids or proposals for leases of real property to a public entity, may not be awarded or perform work as a Contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

X. Discriminatory Vendors List

An entity or affiliate who has been placed on the Discriminatory Vendor List may not submit a bid or proposal to provide goods or services to a public entity, may not submit a bid or proposal with a public entity for the construction or repair of a public building or public work, may not submit bids or proposals on leases of real property to a public entity, may not perform work as a Contractor, supplier, subcontractor or consultant under a Contract with any public entity, and may not transact business with any public entity.

Y. Governing Law and Venue

This Contract is executed and entered into in the State of Florida and shall be construed, performed, and enforced in all respects in accordance with the laws, rules, and regulations of the State of Florida. Any action hereon or in connection herewith shall be brought in Leon County, Florida.

Z. No Third Party Beneficiaries

Except as otherwise expressly provided herein, neither this Contract, nor any amendment, addendum or exhibit attached hereto, nor term, provision or clause contained therein, shall be construed as being for the benefit of, or providing a benefit to, any party not a signatory hereto.

AA. Health Insurance Portability and Accountability Act

The Contractor shall comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U. S. C. 1320d-8) and all applicable regulations promulgated thereunder.
Agreement to comply with HIPAA is evidenced by the Contractor’s execution of this Contract, which includes and incorporates Attachment #4, Business Associate Agreement, as part of this Contract.

In addition to complying with HIPAA requirements, the Contractor shall not disclose any information concerning inmates, specifically concerning inmate transfers/referrals, to parties outside the Department.

BB. Reservation of Rights

The Department reserves the exclusive right to make certain determinations regarding the service requirements outlined in this Contract. The absence of the Department setting forth a specific reservation of rights does not mean that any provision regarding the services to be performed under this Contract are subject to mutual agreement. The Department reserves the right to make any and all determinations exclusively which it deems are necessary to protect the best interests of the State of Florida and the health, safety, and welfare of the Department’s inmates and of the general public which is serviced by the Department, either directly or indirectly, through these services.

CC. Cooperative Purchasing

As provided in Section 287.042(16)(a), Florida Statutes, other State agencies may purchase from this Contract, provided that the Department of Management Services has determined that the Contract’s use is cost effective and in the best interest of the State. Upon such approval, the Contractor may, at its discretion, sell these commodities or services to additional agencies, upon the terms and conditions contained herein. In addition, other political subdivisions may also purchase from this Contract at the discretion of the Contractor. Entities purchasing from this Contract assume and bear complete responsibility with regard to performance of any contractual obligation or term.

DD. Scope Changes After Contract Execution

During the term of the Contract, the Department may unilaterally require, by written order, changes altering, adding to, or deducting from the Contract specifications, provided that such changes are within the general scope of the Contract.

The Department may make an equitable adjustment in the Contract prices or delivery date if the change affects the cost or time of performance. Such equitable adjustments require the written consent of the Contractor, which shall not be unreasonably withheld.

The Department shall provide written notice to the Contractor thirty (30) days in advance of any Department required changes to the technical specifications and/or scope of service that affect the Contractor’s ability to provide the service as specified herein. Any changes that are other than purely administrative changes will require a formal Contract Amendment.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract.

This Contract contains all the terms and conditions agreed upon by the parties.

IN WITNESS THEREOF, the parties hereto have caused this Contract to be executed by their undersigned officials as duly authorized.

CONTRACTOR:
KENDALL HEALTHCARE GROUP LTD., d/b/a
KENDALL REGIONAL MEDICAL CENTER

SIGNED BY: [signature]
NAME: Mauricio Sirvent
TITLE: CEO

DATE: 5/12/08
FEID #: 05-0260078

DEPARTMENT OF CORRECTIONS

SIGNED BY: [signature]
NAME: Richard D. Davison
TITLE: Deputy Secretary
Department of Corrections
DATE: 5/23/08

SIGNED BY: [signature]
NAME: Kathleen Von Hoene
TITLE: General Counsel
Department of Corrections
DATE: 5/6/08

Approved as to form and legality, subject to execution.
Kendall Regional Medical Center

Hospital shall be paid the contract rates set forth in this Attachment. All Physician Services are EXCLUDED from the below rate structures.

<table>
<thead>
<tr>
<th>Line</th>
<th>INPATIENT</th>
<th>Criteria</th>
<th>Rate</th>
<th>Legend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>All Inpatient Services</td>
<td>Reimbursement for all Inpatient services shall be one hundred and two (102) percent (%) of the then-current hospital-specific Medicare rates.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pharmaceutical Drugs</td>
<td></td>
<td>25%</td>
<td>BC</td>
</tr>
<tr>
<td>3</td>
<td>Implants/Medical Devices</td>
<td></td>
<td>50%</td>
<td>BC</td>
</tr>
<tr>
<td>4</td>
<td>CATASTROPHIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Threshold</td>
<td></td>
<td>$100,000</td>
<td>BC</td>
</tr>
<tr>
<td>6</td>
<td>Payment Basis</td>
<td></td>
<td>50%</td>
<td>BC</td>
</tr>
<tr>
<td>7</td>
<td>OUTPATIENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>All Other Outpatient</td>
<td>50% of Charges to a Cap of $4500</td>
<td>BC/CAP</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Emergency Room</td>
<td></td>
<td>$850</td>
<td>FF</td>
</tr>
<tr>
<td>10</td>
<td>Observation</td>
<td></td>
<td>50%</td>
<td>BC</td>
</tr>
<tr>
<td>11</td>
<td>General Surgery</td>
<td></td>
<td>$2,950</td>
<td>FF</td>
</tr>
<tr>
<td>12</td>
<td>High Cost Surgery</td>
<td></td>
<td>$4,600</td>
<td>FF</td>
</tr>
<tr>
<td>13</td>
<td>Cardiac Cath</td>
<td></td>
<td>$3,600</td>
<td>FF</td>
</tr>
<tr>
<td>14</td>
<td>PTCA/Angioplasty/EP Studies</td>
<td></td>
<td>$7,950</td>
<td>FF</td>
</tr>
<tr>
<td>15</td>
<td>Pharmaceutical Drugs</td>
<td></td>
<td>25%</td>
<td>BC</td>
</tr>
<tr>
<td>16</td>
<td>Implants/Medical Devices</td>
<td></td>
<td>50%</td>
<td>BC</td>
</tr>
<tr>
<td>17</td>
<td>Lithotripsy</td>
<td></td>
<td>$5,150</td>
<td>FF</td>
</tr>
</tbody>
</table>

BC = Billed Charges
BC/CAP = Billed Charges to a Cap
FF = Fixed Fee
PD = Per Diem

SEE ATTACHED FOOTNOTES
FOOTNOTES

FINAL RATES for 5/21/08

These footnotes are an integral part of the rate sheets

Kendall Regional Medical Center

<table>
<thead>
<tr>
<th>Line</th>
<th>Service</th>
<th>Department of Corrections - Inmates</th>
<th>DRG(s)</th>
<th>Rev Code(s)</th>
<th>ICD-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Pharmaceutical Drugs</td>
<td>Hospital will be paid for covered Pharmaceutical Drugs, as an add-on when billed with revenue code 636 identified on submitted UB-04 forms at the specified BC percentage. NO INVOICE IS REQUIRED.</td>
<td></td>
<td>636</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Implants/Medical Devices</td>
<td>Hospital will be paid for covered implants, medical devices, prosthetics, pacemakers, seed implants and stent(s), as an add-on for ALL services herein when billed with revenue codes 274,275,276,278 and 279 identified on submitted UB-04 forms at the specified BC percentage. NO INVOICE IS REQUIRED.</td>
<td></td>
<td>274,275,276,278 and 279</td>
<td></td>
</tr>
</tbody>
</table>
FOOTNOTES

FINAL RATES for 5/21/08

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Kendall Regional Medical Center

Services can be defined by any of the three categories below

<table>
<thead>
<tr>
<th>Line</th>
<th>Service</th>
<th>Department of Corrections - Inmates</th>
<th>DRG(s)</th>
<th>Rev Code(s)</th>
<th>ICD-9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inpatient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Catastrophic:</td>
<td>For Any case except where total hospital charges are greater than the rate sheet threshold, reimbursement will be at the rate sheet specified percentage of BC effective from the first billed dollar for the entire case. Gross charges associated with Revenue codes 274, 275,276, 278 and 279 as defined in the Implant/Medical Devices reimbursement section AND Revenue code 636 as defined in the Pharmaceutical Drugs section are INCLUDED in the Catastrophic Threshold calculation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Threshold</td>
<td>The minimum amount of gross billed charges that qualifies a case for payment under the catastrophic clause.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Payment Basis</td>
<td>The percent of reimbursement applied to the total billed charges qualified by the threshold.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>All Other Outpatient</td>
<td>Any Outpatient service not specifically defined herein will be reimbursed at this rate.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**FOOTNOTES**

**FINAL RATES for 5/21/08**

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Kendall Regional Medical Center

<table>
<thead>
<tr>
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<th>Service</th>
<th>Department of Corrections - Inmates</th>
<th>DRG(s)</th>
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<th>ICD-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Emergency Room</td>
<td>Rates do not apply to observation services that are reimbursed as defined under the observation section. If Emergency services occur in conjunction with an outpatient PTCA, Cardiac Cath or Lithotripsy then the emergency terms will not apply.</td>
<td></td>
<td>450-459</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Observation</td>
<td>All services performed during the stay including but not limited to, MRI, CT and ER fees will be reimbursed at this rate. When observations are billed in conjunction with ER, only observation terms will apply. If observation services occur in conjunction with an outpatient General Surgery, High Cost Surgery, PTCA, Cardiac Cath or Lithotripsy then the observation terms will not apply. Excludes Pharmaceutical Drugs, Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the terms of the specific category. An observation case that is subsequently admitted will be reimbursed as if it were an admission, from the day of patient presentation in observation.</td>
<td></td>
<td>760,761,762,769</td>
<td></td>
</tr>
</tbody>
</table>


**FOOTNOTES**

**FINAL RATES for 5/21/08**

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Kendall Regional Medical Center

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<th>ICD-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>General Surgery</td>
<td>All other surgical procedures not defined in the High Cost Surgery category will be paid at this rate. No additional reimbursement for multiple procedures. Excludes Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the Implant/Medical Devices category.</td>
<td>360, 361, 750 and 490</td>
<td></td>
<td>360, 361-69999</td>
</tr>
<tr>
<td>12</td>
<td>High Cost Surgery</td>
<td>High Cost Surgery will be paid at this rate. No additional reimbursement for multiple procedures. Excludes Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the Implant/Medical Devices category. If a High Cost Surgery is performed in conjunction with a General Surgery then the High Cost surgery will prevail as the primary payment and no additional payment will be due for the General Surgery.</td>
<td>360, 361, 750 and 490</td>
<td></td>
<td>19120-67830</td>
</tr>
</tbody>
</table>
# FOOTNOTES

**FINAL RATES for 5/21/08**

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</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Cardiac Cath</td>
<td>All Cardiac Fixed Fees (FF) Exclude Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the Implant/Medical Devices category. If a Diagnostic Cath is performed with a General Surgery or High Cost Surgery then the Cardiac Cath rate will be paid in addition to those rates.</td>
<td></td>
<td></td>
<td>ICD9 codes (37.21-37.23) or CPT codes (93501-93533)</td>
</tr>
<tr>
<td>14</td>
<td>PTCA/EP Studies/Angioplasty</td>
<td>All Cardiac Fixed Fees (FF) Exclude Implants, Medical Devices, Pacemakers, Seed Implants and Stents which are reimbursed according to the Implant/Medical Devices category. If a PTCA is performed in conjunction with a General Surgery or High Cost Surgery then the PTCA rate will prevail.</td>
<td></td>
<td></td>
<td>35450-35476, 37205,92980-92997, 93600-93662, G0290-G0291</td>
</tr>
<tr>
<td>15</td>
<td>Pharmaceutical Drugs</td>
<td>Hospital will be paid for covered Pharmaceutical Drugs, as an add-on when billed with revenue code 636 identified on submitted UB-04 forms at the specified BC percentage. NO INVOICE IS REQUIRED.</td>
<td></td>
<td></td>
<td>636</td>
</tr>
</tbody>
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**FINAL RATES for 5/21/08**

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Kendall Regional Medical Center

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</thead>
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<tr>
<td>Inpatient</td>
<td>Implants/Medical Devices</td>
<td>Hospital will be paid for covered implants, medical devices, prosthetics, pacemakers, seed implants and stent(s), as an add-on when billed with revenue codes 274, 275, 276, 278 and 279 identified on submitted UB-04 forms at the specified BC percentage.</td>
<td></td>
<td>274, 275, 276, 278 and 279</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Lithotripsy</td>
<td>Lithotripsy, extracorporeal shock wave.</td>
<td></td>
<td>790</td>
<td>ICD9 codes (98.51, 98.52, 98.59) or CPT codes (50590)</td>
</tr>
</tbody>
</table>
Rate Protection Language:

Hospital will notify the Department of all modifications (i.e. aggregate increases and decreases) to its chargemaster at least thirty (30) days before the effective date of such modification. After this notification, both the Department and Hospital will jointly amend both the inpatient catastrophic threshold(s) and payment percentages, the outpatient all other payment percentages and the outpatient observation payment percentage of charge reimbursement rates in the Rate Sheet Structures. The Hospital amendment will be completed within thirty (30) days of the notice.

Both parties agree to amend the Rate Sheet Structures as follows: (a) the current effective relevant percentage rate of charge reimbursement in the Rate Sheet Structure for Hospital divided by (b) the overall aggregate percentage increase in excess of eight (8%) percent added to 100% (for charge master increases) or the overall aggregate percentage decrease subtracted from 100% (for charge master decreases), results in (c) the amended percentage of charge reimbursement in the Rate Sheet Structure for Hospital.

Current effective relevant percentage of charge reimbursement = 50% in the Rate Sheet Structure
Overall aggregate percentage increase in excess of (8%) to the individual hospital chargemaster = +4%

(a)   (b)   (c)
50% / (100% + 4%) = 48%

Current effective relevant percentage of charge reimbursement = 50% in the Rate Sheet Structure
Overall aggregate percentage decrease to the individual hospital chargemaster = -4%

(a)   (b)   (c)
50% / (100% - 4%) = 52%
FINANCIAL AND COMPLIANCE AUDITS
Special Audit Requirements

The administration of resources awarded by the Department of Corrections to the Contractor may be subject to audits and/or monitoring by the Department of Corrections, as described in this attachment.

MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Contract, the Contractor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of Corrections. In the event the Department of Corrections determines that a limited scope audit of the Contractor is appropriate, the Contractor agrees to comply with any additional instructions provided by the Department to the Contractor regarding such audit. The Contractor further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Office (CFO) or Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the Contractor is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised.

1. In the event that the Contractor expends $500,000 or more in Federal awards in its fiscal year, the Contractor must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this Contract indicates Federal resources awarded through the Department of Corrections by this Contract. In determining the Federal awards expended in its fiscal year, the Contractor shall consider all sources of Federal awards, including Federal resources received from the Department of Corrections. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Contractor conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

2. In connection with the audit requirements addressed in Part I, paragraph 1., the Contractor shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

3. If the Contractor expends less than $500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the Contractor expends less than $500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Contractor resources obtained from other than Federal entities).

4. The Contractor may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at [http://12.46.245.173/cfda/cfda.html](http://12.46.245.173/cfda/cfda.html).

PART II: STATE FUNDED

This part is applicable if the Contractor is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

1. In the event that the Contractor expends a total amount of State financial assistance equal to or in excess of $500,000 in any fiscal year of such Contractor, the Contractor must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this Contract indicates State financial assistance awarded through the Department of Corrections by this Contract. In determining the State financial assistance expended in its fiscal year, the Contractor shall consider all sources of State financial assistance, including State financial assistance received from the Department of Corrections, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
2. In connection with the audit requirements addressed in Part II, paragraph 1, the Contractor shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

3. If the Contractor expends less than $500,000 in State financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the Contractor expends less than $500,000 in State financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-State entity’s resources (i.e., the cost of such an audit must be paid from the Contractor’s resources obtained from other than State entities).

4. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a Contractor should access the Florida Single Audit Act website located at https://apps.fldfs.com/fsaa/ for assistance. In addition the Auditor General’s Website can be accessed for information at http://www.state.fl.us/audgen.

REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by PART I of this Contract shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Contractor directly to each of the following:

   A. The Department of Corrections at the following addresses:

<table>
<thead>
<tr>
<th>Internal Audit</th>
<th>Contract Manager</th>
<th>Contract Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Inspector General</td>
<td>Reimers Thomas, Program Administrator</td>
<td>Bureau of Procurement &amp; Supply</td>
</tr>
<tr>
<td>Florida Dept. of Corrections</td>
<td>Florida Dept. of Corrections</td>
<td>Florida Dept. of Corrections</td>
</tr>
<tr>
<td>2601 Blair Stone Road</td>
<td>2601 Blair Stone Road</td>
<td>2601 Blair Stone Road</td>
</tr>
<tr>
<td>Tallahassee, FL 32399-2500</td>
<td>Tallahassee, FL 32399-2500</td>
<td>Tallahassee, FL 32399-2500</td>
</tr>
</tbody>
</table>

   B. The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

   | Federal Audit Clearinghouse |
   | Bureau of the Census         |
   | 1201 East 10th Street        |
   | Jeffersonville, IN 47132    |

   C. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

2. Pursuant to Section .320(f), OMB Circular A-133, as revised, the Contractor shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department of Corrections at each of the following addresses:

<table>
<thead>
<tr>
<th>Internal Audit</th>
<th>Contract Manager</th>
<th>Contract Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Inspector General</td>
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<td>Bureau of Procurement &amp; Supply</td>
</tr>
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<td>Tallahassee, FL 32399-2500</td>
</tr>
</tbody>
</table>

3. Copies of financial reporting packages required by PART II of this Contract shall be submitted by or on behalf of the Contractor directly to each of the following:
4. The Department of Corrections at the following addresses:

<table>
<thead>
<tr>
<th>Internal Audit</th>
<th>Contract Manager</th>
<th>Contract Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Inspector General</td>
<td>Reimers Thomas, Program Administrator Office of Health Services</td>
<td>Bureau of Procurement &amp; Supply</td>
</tr>
<tr>
<td>Florida Dept. of Corrections</td>
<td>Florida Dept. of Corrections</td>
<td>Florida Dept. of Corrections</td>
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<td>Tallahassee, FL 32399-2500</td>
<td>Tallahassee, FL 32399-2500</td>
</tr>
</tbody>
</table>

B. The Auditor General’s Office at the following address:

State of Florida Auditor General
Room 401, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

4. Any reports, management letters, or other information required to be submitted to the Department of Corrections pursuant to this Contract shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

5. Contractors, when submitting financial reporting packages to the Department of Corrections for audits done in accordance with OMB Circular A-133, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Contractor in correspondence accompanying the reporting package.

RECORD RETENTION

The Contractor shall retain sufficient records demonstrating its compliance with the terms of this Contract for a period of 7 years from the date the audit report is issued, and shall allow the Department of Corrections, or its designee, CFO, or Auditor General access to such records upon request. The Contractor shall ensure that audit working papers are made available to the Department of Corrections, or its designee, CFO, or Auditor General upon request for a period of 7 years from the date the audit report is issued, unless extended in writing by the Department of Corrections.
State Resources Awarded to the Contractor Pursuant to this Contract Consist of the Following Resources Subject to Section 215.97 F.S.:

<table>
<thead>
<tr>
<th>State Category</th>
<th>State Appropriation</th>
<th>Funding Amount</th>
<th>Funding Source Description of CSA Title</th>
<th>Number</th>
<th>Fiscal Year</th>
<th>State Federal Assistance Catalog of Title</th>
<th>Funding Source</th>
<th>Number</th>
<th>Program Federal Programs</th>
</tr>
</thead>
</table>

Federal Resources Awarded to the Contractor Pursuant to this Contract Consist of the Following:

<table>
<thead>
<tr>
<th>Federal Category</th>
<th>Federal Appropriation</th>
<th>Funding Amount</th>
<th>FDFA Title</th>
<th>Number</th>
<th>Program Federal Programs</th>
</tr>
</thead>
</table>

*This amount is an estimate of the funding amount and subject to change. Reference Section III, Compensation of this Contract.*
BUSINESS ASSOCIATE AGREEMENT

This Agreement supplements and is made a part of the contract between the Florida Department of Corrections ("Department") and Kendall Healthcare Group LTD., d/b/a Kendall Regional Medical Center ("Contractor"), (individually, a "Party" and collectively referred to as "Parties").

Whereas, the Department creates or maintains, or has authorized the Contractor to receive, create, or maintain certain Protected Health Information ("PHI") as that term is defined in 45 C.F.R. §164.501 and that is subject to protection under the Health Insurance Portability and Accountability Act of 1996, as amended. ("HIPAA");

Whereas, the Department is a “Covered Entity” as that term is defined in the HIPAA implementing regulations, 45 C.F.R. Part 160 and Part 164, Subparts A, C, and E, the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule") and the Security Standards for the Protection of Electronic Protected Health Information ("Security Rule");

Whereas, the Contractor may have access to Protected Health Information in fulfilling its responsibilities under its contract with the Department;

Whereas, the Contractor is considered to be a “Business Associate” of Covered Entity as defined in the Privacy Rule;

Whereas, pursuant to the Privacy Rule, all Business Associates of Covered Entities must agree in writing to certain mandatory provisions regarding the use and disclosure of PHI; and

Whereas, the purpose of this Agreement is to comply with the requirements of the Privacy Rule, including, but not limited to, the Business Associate contract requirements of 45 C.F.R. §164.504(e).

Now, therefore, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Definitions

   Unless otherwise provided in this Agreement, any and all capitalized terms have the same meanings as set forth in the HIPAA Privacy Rule. Contractor acknowledges and agrees that all Protected Health Information that is created or received by the Department and disclosed or made available in any form, including paper record, oral communication, audio recording, and electronic display by the Department or its operating units to Contractor or is created or received by Contractor on the Department’s behalf shall be subject to this Agreement.

2. Confidentiality Requirements

   A. Contractor agrees to use and disclose Protected Health Information that is disclosed to it by the Department solely for meeting its obligations under its agreements with the Department, in accordance with the terms of this agreement, the Department's established policies rules, procedures and requirements, or as required by law, rule or regulation.

   B. In addition to any other uses and/or disclosures permitted or authorized by this Agreement or required by law, Contractor may use and disclose Protected Health Information as follows:

      (1) if necessary for the proper management and administration of the Contractor and to carry out the legal responsibilities of the Contractor, provided that any such disclosure is required by law or that Contractor obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further

disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been breached;

(2) for data aggregation services, only if to be provided by Contractor for the health care operations of the Department pursuant to any and all agreements between the Parties. For purposes of this Agreement, data aggregation services means the combining of protected health information by Contractor with the protected health information received by Contractor in its capacity as a Contractor of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

C. Contractor will implement appropriate safeguards to prevent use or disclosure of Protected Health Information other than as permitted in this Agreement. Further, Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Department. The Secretary of Health and Human Services and the Department shall have the right to audit Contractor’s records and practices related to use and disclosure of Protected Health Information to ensure the Department's compliance with the terms of the HIPAA Privacy Rule. Contractor shall report to Department any use or disclosure of Protected Health Information, which is not in compliance with the terms of this Agreement as well as any Security incident of which it becomes aware. Contractor agrees to notify the Department, and include a copy of any complaint related to use, disclosure, or requests of Protected Health Information that the Contractor receives directly and use best efforts to assist the Department in investigating and resolving such complaints. In addition, Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.

D. Contractor will ensure that its agents, including a subcontractor, to whom it provides Protected Health Information received from, or created by Contractor on behalf of the Department, agree to the same restrictions and conditions that apply to Contractor, and apply reasonable and appropriate safeguards to protect such information. Contractor agrees to designate an appropriate individual (by title or name) to ensure the obligations of this agreement are met and to respond to issues and requests related to Protected Health Information. In addition, Contractor agrees to take other reasonable steps to ensure that its employees’ actions or omissions do not cause Contractor to breach the terms of this Agreement.

E. Contractor agrees to make available Protected Health Information so that the Department may comply with individual rights to access in accordance with Section 164.524 of the HIPAA Privacy Rule. Contractor agrees to make Protected Health Information available for amendment and incorporate any amendments to Protected Health Information in accordance with the requirements of Section 164.526 of the HIPAA Privacy Rule. In addition, Contractor agrees to record disclosures and such other information necessary, and make such information available, for purposes of the Department providing an accounting of disclosures, as required by Section 164.528 of the HIPAA Privacy Rule.

F. The Contractor agrees, when requesting Protected Health Information to fulfill its contractual obligations or on the Department’s behalf, and when using and disclosing Protected Health Information as permitted in this contract, that the Contractor will request, use, or disclose only the minimum necessary in order to accomplish the intended purpose.
G. The Contractor agrees to defend and hold harmless the Department against any action or liability or damages arising out of or related to the Contractor’s breach of its obligations under this agreement.

3. **Obligations of Department**

   A. The Department will make available to the Business Associate the notice of privacy practices (applicable to offenders under supervision, not to inmates) that the Department produces in accordance with 45 CFR 164.520, as well as any material changes to such notice.

   B. The Department shall provide Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, if such changes affect Business Associate’s permitted or required uses and disclosures.

   C. The Department shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that impacts the business associate’s use or disclosure and that the Department has agreed to in accordance with 45 CFR 164.522.

4. **Termination**

   A. **Termination for Breach** - The Department may terminate this Agreement if the Department determines that Contractor has breached a material term of this Agreement. Alternatively, the Department may choose to provide Contractor with notice of the existence of an alleged material breach and afford Contractor an opportunity to cure the alleged material breach. In the event Contractor fails to cure the breach to the satisfaction of the Department, the Department may immediately thereafter terminate this Agreement.

   B. **Automatic Termination** - This Agreement will automatically terminate upon the termination or expiration of the original contract between the Department and the Contractor.

   C. **Effect of Termination**

      (1) Termination of this agreement will result in termination of the associated contract between the Department and the Contractor.

      (2) Upon termination of this Agreement or the contract, Contractor will return or destroy all PHI received from the Department or created or received by Contractor on behalf of the Department that Contractor still maintains and retain no copies of such PHI; provided that if such return or destruction is not feasible, Contractor will extend the protections of this Agreement to the PHI and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.

4. **Amendment** - Both parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary to comply with the requirements of the Privacy Rule.

5. **Miscellaneous** - Parties to this Agreement do not intend to create any rights in any third parties. The obligations of Contractor under this Section shall survive the expiration, termination, or cancellation of this Agreement, or any and all other contracts between the parties, and shall continue to bind Contractor, its agents, employees, contractors, successors, and assigns as set forth herein if PHI is not returned or destroyed.