



October 13, 2022

David Anderson, County Judge
Panola County Commissioners' Court
110 South Sycamore, Room 216-A
Carthage, TX 75633

Re: Health Services Agreement

Dear Judge Anderson:

SHP has been a proud partner with Panola County since 2014. With our rollover anniversary approaching, I want to welcome you, as always, to reach out with any questions or needs. I would be happy to speak with you if there are any areas of the contract you would like to discuss.

After careful review, we have determined a 3% annual adjustment on the base fee and per diem rate will be needed for the 2023 period, to account for higher operating expenses that continue to increase significantly from year to year, far-outpacing the minimal annual increases we've received historically (ex: supplies, core business insurance-not just employee health insurance, but also the professional liability, general liability, etc.—some lines by as much as 50%) and for staffing, to help us maintain high-quality nursing staff. Unfortunately, we continue to face considerable challenges in the area of staffing, even more so since the pandemic. There are many contributing factors, to name only a few, the need for more competitive pay/compensation package in a competitive market, site location, increased patient acuity leading to additional workload, increased costs of keeping the harder to staff night and weekend shifts filled, availability of attractive home-work options for nurses, current climate in the health care field and national nursing shortage.

We must be prepared for the much higher costs associated with operations and keeping the facility well-staffed. I have outlined the new fee description for you below to keep on file. The difference on the base rate is \$334.11 more per month.

Contract Period: January 1, 2023, through December 31, 2023	
Base annualized fee:	\$137,652.72 (\$11,471.06 per month)
Per diem greater than 60 inmates:	\$1.58
Annual outside cost pool limit:	\$20,000.00

Please look for the monthly billings to reflect the rate change starting with the January service fee invoice.

Again, if there is anything you would like to discuss, don't hesitate to call or email me. I can be reached directly in the office at 803-802-1492. I will ask you to please return a signed copy of this letter to me at your earliest convenience, or by November 15, 2022. A scan to email will be fine (email carmen.hamilton@southernhealthpartners.com). Except as stated herein, or as may be amended or modified in writing by mutual agreement of the parties, all provisions of the contract will remain in full force and effect.

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We appreciate the County's support and look forward to continuing a long-standing successful relationship in the year ahead.

Sincerely,

C. Hamilton

Carmen Hamilton
Contracts Manager

/cph

cc: Sheriff Sarah Fields
Ms. Jennifer Stacy

PANOLA COUNTY, TX

BY:

A handwritten signature in blue ink, appearing to read "David H. Anderson", is written over a horizontal line.