

**THE CO-APPLICANT AND SHARED SERVICES AGREEMENT BETWEEN THE
COASTAL HEALTH & WELLNESS GOVERNING BOARD AND
THE GALVESTON COUNTY HEALTH DISTRICT'S UNITED BOARD OF HEALTH**

This Co-Applicant Agreement (“Agreement”) is entered into effective March 29, 2017 by and between the Coastal Health & Wellness Governing Board (“CHWGB”), and the Galveston County United Board of Health (“UBOH”) (hereinafter collectively referred to as “the Parties”). This first amendment to the Agreement, intended to reflect structural changes undergone by the organization since the Agreement’s inception, is effective March 26, 2020.

WHEREAS, the Coastal Health & Wellness Governing Board, through the Galveston County Health District (“District”) has applied for and received a grant from the United States Department of Health and Human Services Health Resources and Services Administration (“HRSA”), pursuant to Section 330 of the Public Health Services Act to support the planning and delivery of services to medically underserved populations;

WHEREAS, these grant funds are earmarked and used exclusively to support the operations and services of the Coastal Health & Wellness clinic (“Clinic”);

WHEREAS, as a condition of the receipt of the Section 330 grant funds, the Clinic must have a governance structure that complies with HRSA requirements, including establishment of a governing board with sole oversight powers relating to the Clinic;

WHEREAS, the UBOH established the CHWGB to serve as this governing board over the Clinic, and the Parties have agreed that the CHWGB will serve as the Section 330 public entity grantee and in doing so will operate as the “Co-applicant” governing board consistent with the requirements of Section 330, the law’s implementing regulations and the policies of HRSA;

WHEREAS, in order to accomplish their joint interests, the UBOH and the CHWGB through this Co-Applicant Agreement wish to clearly define their responsibilities with respect to the governance and operation of the Clinic consistent with Section 330 rules and regulations, as well as the terms and conditions set forth in HRSA policies regarding co-applicants;

WHEREAS, the CHWGB establishes policies and procedures designed to ensure the Clinic’s provision of preventive, primary and supplemental health care services (including health education and enabling services) to the residents of Galveston County and surrounding counties, regardless of an individual’s or family’s ability to pay;

NOW THEREFORE, in consideration of the promises and the mutual covenants set forth in this Agreement, the receipt and adequacy of which are acknowledged by the Parties to this Agreement, the UBOH and the CHWGB hereby agree as follows:

Section 1. Establishment of Co-Applicant Board:

Section 12 of the United Board of Health Bylaws establishes the authority and rightful autonomy of the Coastal Health and Wellness Governing Board. In accordance with this provision, “A separate Board, referred to as the Coastal Health & Wellness Governing Board, shall have complete authority of oversight and policy-making for Coastal Health & Wellness, a clinic operated by the Galveston County Health District but independent of the United Board of Health. The United

Board of Health herein grants exclusive authority to the Governing Board to set policies for and operate Coastal Health & Wellness in accordance with the Governing Board's Bylaws.”

Section 2. Purpose:

The CHWGB shall oversee the implementation of the Section 330 grant and operation of the Clinic in accordance with the terms of this Agreement and the Bylaws as adopted by the CHWGB. The CHWGB shall set priorities and goals for the Clinic, monitor, provide input and feedback to the District's administrators regarding the Clinic's operations, and evaluate the Clinic, and act as the governing board of the Clinic in a manner consistent with Section 330 rules and regulations as set forth by HRSA.

Section 3. Membership and Appointment:

A. Membership

As set forth in the CHWGB Bylaws, membership in the CHWGB will comply with Section 330 requirements. The CHWGB shall consist of no less than nine (9) and no more than fifteen (15) persons collectively representing the community at large and accurately reflecting the ethnic and socioeconomic distribution of the region's population. A majority of the Governing Board's membership (at least 51%) will be comprised of persons served by Coastal Health & Wellness, as delineated within the CHWGB Bylaws. The remaining Governing Board members will be representatives of the community served by Coastal Health & Wellness, and shall be selected for their expertise in health care delivery, community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community (“non-consumer representatives”). No voting member of the CHWGB shall be an employee of Coastal Health & Wellness, the Galveston County Health District, the United Board of Health, or a spouse, child, parent, brother, or sister, by blood, marriage or adoption, of a member within the aforementioned groups. Furthermore, no more than two of the non-consumer representatives may receive more than ten percent (10%) of their income from the healthcare industry as required by HRSA.

B. Appointment

All voting members of the CHWGB are elected by a majority of the seated Governing Board members, upon consideration of a slate of recommended nominees presented to the CHWGB. Either the CHWGB or the UBOH may recommend one or more qualified nominees for each vacancy to be included on the slate of recommended nominees presented to the Governing Board.

Section 4. Meetings:

A. Regular Meetings

The CHWGB shall hold regular meetings typically on the final Thursday of every month at 12:00 p.m. CST in the Galveston County Health District Boardroom, located at 9850-A Emmett F. Lowry Expressway, Texas City, TX 77591.

B. Quorum

A quorum is necessary to conduct business and make recommendations. A quorum shall be constituted by the presence of a majority of the voting membership. A majority vote of a quorum is required to take any action.

Section 5. Roles and Responsibilities of the CHWGB:

The CHWGB shall have the following authority as required by HRSA and consistent with state and local law:

- A. To hold monthly meetings and maintain records/minutes that verify and document the CHWGB's functioning.
- B. To periodically review, recommend and approve expenditures pertaining to the Clinic's annual budget.
- C. To review and approve the annual audit of the Clinic.
- D. To approve applications and renewals related to the Health Center Program Statute: *Section 330 of the Public Health Service Act (42 U.S.C. §254b)*. The annual budget and application will be approved by the CHWGB for each fiscal period.
- E. To participate in the selection, evaluation, and dismissal of the Clinic's Executive Director, who also serves as the Chief Executive Officer for the Galveston County Health District.
- F. To establish general policies necessary and proper for the efficient and effective operation of the Clinic, and to review and approve the scope and availability of services, location and hours of services offered by the Clinic.
- G. To provide periodic evaluation of the effectiveness of the Clinic in making services accessible to community residents through a review of its long-term strategic planning goals, which are specifically set forth within the Clinic's five-year strategic health plan.
- H. To develop and implement a procedure for hearing and resolving patient grievances regarding the Clinic.
- I. To evaluate the Clinic's activities, including client satisfaction and achievement of quality improvement measures, and achievement of project objectives.
- J. To review and evaluate compliance with the quality assurance programs.
- K. To maintain compliance with applicable federal, state and local laws, rules and regulations.
- L. In conjunction with staff, develop and approve policies for billing and collections activities, including policies regarding determinations of eligibility for services, charge structure, and criteria for sliding fee discount schedules

Section 6. Shared Responsibilities:

The UBOH shall retain authority to establish any fiscal and personnel policies for both the Galveston County Health District and Coastal Health & Wellness. “Shared Services Personnel” is considered any staff member whose professional scope of duty requires that they perform work for both GCHD and CHW; specifically in accounting and financial reporting; purchasing and inventory services; emergency preparedness; fleet and facility management; human resources; information technology; communications; and compliance, risk and safety. Compensation for Shared Services Personnel shall be split amongst the Parties and justly budgeted for in accordance with the amount of time individuals categorized as Shared Services Personnel respectively allot to tasks chiefly undertaken for the ultimate advancement of directives ordered by the CHWGB and/or the UBOH. The process by which this compensatory apportionment shall be regulated is delineated in *Section 8. Cost Allocation for Shared Services*, of this Agreement.

The CHWGB possesses the sole authority to appoint, terminate, and ascribe professional duties to the CHW Executive Director, and to approve, modify or abolish any policy exclusive to Clinic operations.

The Parties shall coordinate efforts to meet their respective obligations under this Agreement and shall cooperate to communicate and resolve any issues between the Parties. Should a conflict amongst the Parties arise which cannot be amicably settled, the Parties shall abide by the stipulations set forth under *Section 11. Dispute and Conflict Resolution*, of this Agreement.

Section 7. District Support of CHWGB:

In addition to providing the location for regularly scheduled meetings of the CHWGB, the District shall provide support for the Clinic, such as equipment for taking minutes of meetings, providing notice of meetings of the CHWGB, and maintaining archives of CHWGB documents as required by law.

Section 8. Cost Allocation for Shared Services:

Shared personnel and administrative services offer a way to organize administrative functions and optimize the delivery of cost-effective, flexible and reliable healthcare services to all “customers.” The United States Department of Health and Human Services published the following vision statement in 2017 regarding the benefits derived from the implementation of shared services business models as a means to mitigate the challenges faced by federal agencies of meeting growing mission necessities while dealing with declining resources.

“Maximize the Economic, Architectural, and Operational Value of HHS’s Shared Services in Support of Promoting the Advancement of the Health, Safety, and Well-Being of the American People.”

The CHWGB and UBOH recognize the need to reasonably and fairly allocate the costs associated with these shared services between the Clinic and other divisions operated by the District in a manner that complies with local governmental rules, as well as federal regulations applicable to HRSA and Section 330 mandates. Accordingly, the CHWGB and UBOH have developed a cost allocation plan attached hereto as *Exhibit A*, which identifies the costs of shared resources which are to be allocated among the Clinic and other District operations. Thus, the

District agrees every six (6) months to review the cost allocation plan in comparison to the actual expenditure of time by Shared Services Personnel in order to assess the general accuracy of the cost allocation plan and present said findings to the CHWGB and the UBOH during a respective meeting of each board. Furthermore, District executives agree to meet and confer annually prior to the submission of the Clinic's annual budget to HRSA to determine whether any modifications to the cost allocation plan are warranted based on experience or to otherwise ensure compliance with applicable law, including that set forth in 45 C.F.R. Part 75.

Section 9. Term:

This Agreement shall begin on March 29, 2017 and shall remain in effect during the project period of any and all Section 330 grant awards the Galveston County Health District receives with the CHWGB as its co-applicant, unless terminated at an earlier date. Subject to any federal and/or state regulatory approval which might be required to terminate the operation of the Clinic, this Agreement is intended to require that the Clinic remain in operation, and that the District through the continuous and implied consent of the UBOH apply for any required grant funding, including continued Section 330 funding, for the Clinic.

Section 10. Modification of the Co-Applicant Agreement:

Notwithstanding any other provision in this Agreement to the contrary, if the Clinic no longer receives funding under Section 330 of the Public Health Services Act or any successor to or substitute Act(s), this Agreement shall terminate.

Modifications, amendments or waivers of any provision of this Agreement may be made only by written mutual consent of the Parties, signed by their duly authorized representatives.

Section 11. Dispute and Conflict Resolution:

The Parties will use their best efforts to carry out the terms of this Agreement in the spirit of ensuring the provision of access to high-quality primary care to members of the community, and will resolve through a mutually agreed upon mediator in Galveston County any disputes or conflicts occurring hereunder.

-----DOCUMENT TO BE EXECUTED ON THE FOLLOWING PAGE-----

