



September 10, 2025

Sheriff Elmer Tanner
Navarro County Sheriff's Office
312 West Second Avenue
Corsicana, TX 75110

Re: Health Services Agreement

Dear Sheriff Tanner:

I hope this letter finds you well and pleased with SHP's program of services at the Jail.

I am writing to acknowledge annual pricing for continuation of the current contract for the 2025-2026 period. We place strong value in working with the Sheriff's Office, and as always, encourage you to reach out with questions or to discuss any aspects of the services we provide.

As previously relayed, SHP will need a significant adjustment of 15% on the base fee and per diem rate beginning in October. Our contract is currently structured like our older contracts were priced with multiple service items covered by the base fees. In lieu of transitioning the contract to be restructured along the same lines as how our newer contracts are priced, considering now-current industry standard to have certain service items billed-back to the County rather than under the base fees, SHP will need a higher than normal annual increase to help us with these costs, which have increased substantially over time.

We also continue to see unprecedented wage inflation and competition for skilled nursing staff. We commonly contend with local hospitals, facilities and agencies offering wage rates far in excess of our site budgets and need to make sure we can account for now-current costs of providing competitive salaries/benefit packages to retain the best staff and maintain contract staffing levels. With correctional staffing being a unique and ongoing challenge, we continue to work vigorously, investing in innovative workforce strategies, to attract, hire and retain staff in order to assure a stable program delivering consistent, quality care.

Labor costs are one very critical area of our operating budget, among many other ever-increasing costs of doing business in the healthcare field. Employee benefits and professional liability insurance are other examples of must-have large cost items with premium rates continuing to increase dramatically industry-wide, outside the control of SHP. Be assured we also take into consideration site-specific circumstances in review of each customer contract individually before formulating renewal pricing. Despite being faced with rising costs, we do absorb as much as we reasonably can in an effort to keep annual adjustments for customers as minimal as possible.

This adjustment will help us ensure our commitment to providing an exceptional program of care, continuing to meet the wide-ranging needs of the incarcerated population and achieving positive outcomes for our patients. A summary based on the 15% pricing is provided below.

Contract Period: October 1, 2025, through September 30, 2026	
Base annualized fee:	\$485,716.44 (\$40,476.37 per month)
Per diem rate greater than 225 inmates:	\$1.98

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Again, please feel free to call or email me should you have questions about any of the terms of our renewal or contract services. I'll be happy to help. My email is carmen.hamilton@southernhealthpartners.com, and my direct line in the NC/SC Regional Office is 803-802-1492.

This letter will be yours to keep on file with your contract, and I will ask you to kindly return a signed copy to me for SHP's historical record at your earliest convenience. A scan to email will be fine. 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.

Thank you for your continued trust and partnership. We look forward to another successful year together.

Sincerely,

C. Hamilton

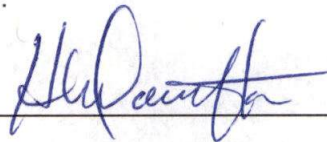
Carmen Hamilton
Contracts Manager

/cph

cc: Capt. Charlie York

NAVARRO COUNTY, TX

BY:



NAVARRO County Judge