AAMC UNIFORM CLINICAL TRAINING AFFILIATION AGREEMENT IMPLEMENTATION LETTER

The purpose of this Implementation Letter ("Letter") is to provide a record of and further interpret the clinical training affiliation agreement between the Texas A&M University Health Science Center ("TAMHSC"), a health-related institution under the administration of Texas A&M University ("TAMU"), a member of The Texas A&M University System ("A&M System") and an agency of the state of Texas, on behalf of the College of Medicine ("SCHOOL") and Baylor Scott & White Health ("HOST AGENCY"), a Texas not-for-profit corporation, with respect to clinical education experience for SCHOOL’s students (each a “Student” and together the “Students”), and the agreement of TAMHSC and HOST AGENCY to abide by all terms and conditions of the AAMC Uniform Clinical Training Affiliation Agreement, dated June 4, 2015 (the “AAMC Agreement” and together with this Letter, the “Agreement”), which is hereby incorporated by reference, without modification or exception except as specified below. TAMHSC and HOST AGENCY are sometimes referred to herein individually as “Party” and collectively as “Parties.”

WHEREAS, TAMHSC and HOST AGENCY originally entered into the AAMC Uniform Clinical Training Affiliation Agreement and Implementation Letter effective on September 1, 2014, as amended (collectively, the “Original Agreements”); and

WHEREAS, TAMHSC and HOST AGENCY desire to amend and restate the Original Agreements in their entirety with this Agreement as of the execution hereof.

NOW THEREFORE, in consideration of the foregoing and the agreements and provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

The following terms shall be in addition to those contained in the AAMC Agreement. To the extent of any conflict between the terms of the AAMC Agreement and the terms of this Letter, this Letter shall control.

1. **Clinical Education Program.** HOST AGENCY shall perform the activities set forth in Exhibit A attached hereto or as otherwise specified in the Agreement (the “Program”) at the HOST AGENCY facilities listed in Exhibit B attached hereto (each a “Facility” and together the “Facilities”). SCHOOL shall have the authority and be responsible for the selection, assignment, coordination and evaluation of the educational learning experiences of the Students placed at the Facilities and shall provide HOST AGENCY with written notice of any failure by HOST AGENCY or its physicians and administrative staff to perform the Program requirements in material compliance with this Agreement. HOST AGENCY and SCHOOL shall work together and comply with all Program requirements and documentation required for accreditation or regulatory reasons to effectuate the Program.

2. **Third Party Institutions and Organizations.** The Parties acknowledge and agree that HOST AGENCY from time-to-time will need to contract with other third party institutions and organizations to provide certain clinical rotations to meet the Program requirements. The Parties agree to work in good faith to enter into such clinical affiliation arrangements with these third parties to be formalized in a three party agreement between SCHOOL, HOST AGENCY and the third party entity. HOST AGENCY will not enter into such third party arrangements without obtaining prior written approval of SCHOOL.

3. **Faculty/Instructor Requirements.**
a) SCHOOL and HOST AGENCY shall regularly communicate in writing regarding the names of the HOST AGENCY physicians proposed to teach the Students such that SCHOOL is able to properly appoint to the SCHOOL faculty, if necessary, prior to such physicians performing any teaching or preceptor services to ensure SCHOOL’s medical education program requirements are met. Physicians who wish to teach Students must be approved by SCHOOL and appointed to the faculty of SCHOOL prior to performing any teaching or preceptor services. Such faculty appointments will be in accordance with the rules, regulations, policies and procedures of the SCHOOL and/or TAMU and SCHOOL shall retain the right to remove any such faculty appointments at its sole discretion.

b) All physicians and other instructors from the HOST AGENCY that have teaching responsibilities for the Students, including but not limited to residents, fellows and other healthcare professionals (“BSW Instructors”), will comply with all applicable academic related rules, regulations, policies and procedures of the SCHOOL and/or TAMU in connection with the Program, including but not limited to, the SCHOOL’s Guidelines for Adjunct Faculty Appointments available at https://medicine.tamhsc.edu/faculty-affairs/faculty-app.html.

c) All Instructors will comply with the SCHOOL’s Faculty Development Policy and the Preparation of Resident and Non-Faculty Instructors Policy attached hereto and incorporated herein as Exhibit D.

4. Clinical Rotations Scheduling and Learning Objectives. SCHOOL shall provide to HOST AGENCY in writing on an annual basis (a) the clinical rotations that are necessary to meet the requirements of the SCHOOL’s second, third and fourth year medical curriculum, (b) the learning objectives for each rotation outlining the concepts and skills that the Students are expected to learn during such the rotations, and (c) the responsibilities of the HOST AGENCY physicians that will have teaching responsibilities for the Students.

5. Program Letter Addendum. For each academic year, the Parties will enter into a Program Letter Addendum (“PLA”) that specifies for each Facility (a) the number of Students (listed by class) that will participate in the Program, (b) the amount SCHOOL will pay HOST AGENCY for the Program, and (c) any other terms and conditions that apply.

6. Program Payment. Notwithstanding Paragraph L of the AAMC Agreement, SCHOOL shall pay HOST AGENCY, for the costs incurred by HOST AGENCY for support of the Program in all Facilities listed on Exhibit B, the amount set forth in Exhibit C (the “Program Payment Amount”). The Parties acknowledge that the Program Payment Amount is to compensate HOST AGENCY for the salaries, benefits and expenses of its physicians to support the Program, including, but not limited to, stipends for clerkship directors, clerkship coordinators and course directors. Given this, HOST AGENCY shall report to SCHOOL, on a periodic basis as reasonably requested by SCHOOL, how the Program Payment Amount are being transmitted to Host Agency physicians in support of their teaching and academic services in connection with the Program.

7. Graduate Medical Education. It is recognized that SCHOOL may receive state appropriated funds for graduate medical education (“GME State Funds”) to be used for the purpose of increasing the number of resident slots in the state of Texas as well as supporting faculty costs relating to graduate medical education (“GME”). A portion of these GME State Funds are received as a result of the GME residents, sponsored by HOST AGENCY in affiliation with SCHOOL, that are reported by SCHOOL to the state of Texas. In support of the above stated purpose, SCHOOL shall transfer to HOST AGENCY, for the 2018-2019 academic year, from such GME State Funds: (a) at least $1,700,000 in support of HOST AGENCY’s faculty costs relating to its GME program; and (b) at
least $1,000,000 in support of expanded GME programs and residencies sponsored by HOST AGENCY. These amounts shall be paid for the 2018-2019 academic year even if this Letter or the Agreement is terminated during such academic year.

8. **Insurance**

   a) HOST AGENCY acknowledges that, because TAMU is an agency of the state of Texas, liability for the tortious conduct of employees of SCHOOL or for injuries caused by conditions or use of tangible state property is provided solely by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code), Chapters 101 and 104; and that Workers’ Compensation Insurance coverage for employees of SCHOOL is provided by SCHOOL as mandated by the provisions of Chapter 502, Texas Labor Code. SCHOOL shall have the right, at its option, to (a) obtain liability insurance protecting SCHOOL and its employees and property insurance protecting SCHOOL's buildings and contents, to the extent authorized by Section 51.966, Texas Education Code, or other law, or (b) self-insure against any risk that may be incurred by SCHOOL as a result of its operations under the Agreement.

   b) HOST AGENCY recognizes that the Students, upon payment of a pre-set fee at time of enrollment, are provided an occurrence-based medical liability coverage. Such policy shall provide for coverage during such times as the Students are on the premises of HOST AGENCY.

   c) At no time shall the Students be considered legal representatives, employees or agents of SCHOOL or HOST AGENCY. The Students are not entitled to receive payment for services rendered, replace or substitute for a SCHOOL or HOST AGENCY health care provider, or possess authority to enter into any form of agreement on behalf of SCHOOL or HOST AGENCY.

9. **No Referral Obligation**

   The Parties acknowledge and agree that this Agreement does not require, and shall not be construed to require (directly or indirectly, explicitly or implicitly), any Party to use the Facilities, or the admission or referral of any patients to HOST AGENCY or any other facility or service related to HOST AGENCY.

10. **Term**

   a) This Letter and the Agreement shall be effective on the date stated herein for an aggregate period of one (1) year (the “Term”) provided either party may terminate this Letter and the Agreement without cause by giving ninety (90) days written notice to the other. Notwithstanding any of the foregoing, in the event of termination, all Students accepted or enrolled in SCHOOL at the time notice of termination is given shall be able to complete their degrees and receive clinical training at the Facilities, provided that the compensation set forth in Exhibit C continues to be timely paid to HOST AGENCY. HOST AGENCY may immediately terminate this Agreement without further duty or obligation hereunder in the event SCHOOL fails to timely pay HOST AGENCY in accordance with the compensation set forth in Exhibit C of this Agreement.

   b) During the Term, the Parties shall negotiate in good faith efforts to enter into a five (5) year term agreement. Representatives of the Parties shall first meet and confer within thirty (30) days from the effective date of this Agreement to start these negotiations. In the event the
Parties are not able to reach agreement and upon termination of this Agreement, the Parties will cooperate in good faith on an amicable wind down in a manner that does not jeopardize the SCHOOL’s accreditation.

11. Use of Name
Each Party agrees not to use the name, service mark or logo of the other Party without the other Party’s prior written consent. The Parties will mutually agree in advance upon any public announcements, or communications to the media regarding this Agreement or the relationship created by (or the services to be provided pursuant to) this Agreement.

12. Notice
Any notice required or permitted under this Agreement must be in writing, and shall be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address set out below. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, email (to the extent a facsimile number or email address is set forth below) or other commercially reasonably means and will be effective when actually received. Each Party can change their respective notice address by sending to the other Party a notice of the new address. Notices should be addressed as follows:

For SCHOOL:
Texas A&M College of Medicine
Attn: Associate Dean for Finance & Administration
8441 Riverside Parkway, Suite 3100
Bryan TX, 77807
Phone: (979) 436-0208
Fax: 
Email: COM-Contracts@tamhsc.edu

With a copy to TAMHSC:
Texas A&M University Health Science Center
Associate Vice President & Chief Financial Officer
8441 Riverside Parkway, Suite 3100
Bryan, TX 77807

For HOST AGENCY:
Baylor Scott & White Health
Attn: CEO
4005 Crutcher Street
Dallas, TX 75246

With a copy to:
Baylor Scott & White Health
Attn: Chief Legal Officer
4005 Crutcher Street
Dallas, TX 75246


a) The Parties acknowledge that this Agreement is subject to, and the Parties agree to comply with all applicable local, state and federal laws, rules, and regulations in the performance of this Agreement.

b) The Parties agree to comply with the requirements of the Health Insurance Portability & Accountability Act of 1996 ("HIPAA"). In the event that the Students are determined to be part of HOST AGENCY’s workforce (as referenced in Section F of the AAMC Agreement),
the Students shall be required to fully comply with all HOST AGENCY requirements of its workforce. Such activities include, but are not limited to: 1) compliance with and participation in any required HOST AGENCY training regarding patient privacy and security; 2) compliance with HOST AGENCY patient information access safeguard procedures; 3) use or disclose of protected health information only as required to (i) complete the educational purposes of this Agreement or (ii) for a Student or faculty’s necessary services under this Agreement.

c) HOST AGENCY is and will continue to be fully accredited by The Joint Commission or other applicable accreditation agencies. SCHOOL is and will continue to be fully accredited as a medical school. HOST AGENCY shall, on reasonable advance notice require, permit representatives of SCHOOL and academic accreditation agencies to inspect its facilities, the services made available for the placement of the Students, the Student records, or other information in connection with the Program for the sole purpose of accreditation or the accreditation process.

d) The SCHOOL and the HOST AGENCY will not discriminate, sexually harass, or retaliate against any employee, applicant or Student enrolled in their respective programs because of race, color, sex, religion, national origin, age, disability, genetic information, veteran status, sexual orientation, gender identity, or any other basis protected by law. Should either the SCHOOL or the HOST AGENCY be given actual or constructive notice of discrimination, harassment, or retaliation on the basis of any of these protected classes, the SCHOOL and the HOST AGENCY will cooperate in an investigation to ascertain the facts; stop the discriminatory, harassing, or retaliatory conduct; remedy the effects of such conduct; and prevent the recurrence of such conduct. The SCHOOL takes responsibility for training its Students on its nondiscrimination policies and grievance procedures, and the HOST AGENCY takes responsibility for training its employees on its nondiscrimination policies and grievance procedures. Failure to meet the terms of this section may result in the SCHOOL or the HOST AGENCY terminating this agreement immediately, notwithstanding the provisions of Section 10 of this Agreement.


a) SCHOOL. To the extent permitted by the laws and Constitution of the State of Texas, TAMHSC agrees to indemnify and hold harmless HOST AGENCY, their trustees, officers, employees and agents from and against any and all claims, costs, actions, causes or action, losses or expenses resulting from or caused by the actions of TAMHSC, the SCHOOL or its employees (including Students and faculty members) pertaining to the activities and obligations under this Agreement.

b) HOST AGENCY. HOST AGENCY agrees to indemnify and hold harmless the SCHOOL, its trustees, regents, officers, employees and agents from and against any and all third party claims, costs, actions, causes of action, losses or expenses to the extent resulting from or caused by the negligent or otherwise wrongful actions of HOST AGENCY, its agents or employees pertaining to the activities and obligations under this Agreement.

c) If both SCHOOL and HOST AGENCY are negligent or otherwise at fault or strictly liable without fault, the obligations of indemnification shall continue, but each Party shall indemnify the other only to the extent of the damages and injuries attributable to such indemnifying party.
15. Miscellaneous.

a) Non-Waiver: HOST AGENCY expressly acknowledges that TAMHSC is an institution of TAMU, which is an agency of the State of Texas, and nothing in this Agreement will be construed as a waiver or relinquishment by TAMHSC and or TAMU of its right to claim such exemptions, privileges, and immunities as may be provided by law.

b) Audits: HOST AGENCY understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the state of Texas Auditor’s Office, or any successor agency (“Auditor”), to conduct an audit or investigation in connection with those funds. HOST AGENCY agrees to cooperate with Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested.

c) Public Information Act: HOST AGENCY acknowledges that TAMHSC and SCHOOL are obligated to strictly comply with the Texas Public Information Act, Chapter 552, Texas Government Code, in responding to any request for public information pertaining to this Agreement as well as any other disclosure of information required by applicable Texas law or order of a court having competent jurisdiction.

d) Governing Law: The validity of this Agreement and all matters pertaining thereto, including but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the Constitution and the laws of the State of Texas.

e) Venue: Pursuant to Section 85.18, Texas Education Code, venue for any suit filed against TAMHSC shall be in the County in which the primary office of the chief executive officer of TAMHSC is located. At the execution of this Agreement such county is Brazos County, Texas.

f) Force Majeure: Neither Party is required to perform any term, condition, or covenant of this Agreement, if performance is prevented or delayed by a natural occurrence, a fire, an act of God, an act of terrorism, or other similar occurrence, the cause of which is not reasonably with the control of such Party and which by due diligence it is unable to prevent or overcome.

g) Execution and Modification: This Agreement is binding only when signed by both Parties. Any modifications or amendments must be in writing and signed by both Parties.

h) Severability: If any of the provisions of this Agreement in the application thereof to any person or circumstance is rendered or declared illegal for any reason, or shall be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but shall be enforced to the greatest extent permitted by applicable law.

i) Assignment: This Agreement, with the rights and privileges it creates, is assignable only with the written consent of both Parties.

j) Entire Agreement: This Agreement constitutes the entire Agreement between the Parties and supersedes any prior agreement or understanding, written or oral, between the Parties with regard to the subject matter covered by this Agreement.
This Letter and the AAMC Agreement are effective on September 1, 2018, regardless of the date when signed by all parties. The individuals executing this Letter are authorized to sign on behalf of their institutions and certify that their institutions have accepted the terms of the Letter and the AAMC Agreement and further agree to comply with its terms except as noted above.

TEXAS A&M UNIVERSITY

By: Michael K Young
Title: President
Signature: [redacted]
Date: [redacted]

TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER ON BEHALF OF THE COLLEGE OF MEDICINE

By: Carrie L. Byington, MD
Title: The Jean and Thomas McMullin Professor and Dean of Medicine
Senior Vice President, Health Science Center
Vice Chancellor for Health Services
Signature: [redacted]
Date: [redacted]

BAYLOR SCOTT & WHITE HEALTH

By: James H. Hinton
Title: CEO
Signature: [redacted]
Date: [redacted]
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TEXAS A&M UNIVERSITY

By: Michael K Young
Title: President

Signature: __________________________
Date: __________________________

TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER ON BEHALF OF THE COLLEGE OF MEDICINE

By: Carrie L. Byington, MD
Title: The Jean and Thomas McMullin Professor and Dean of Medicine
       Senior Vice President, Health Science Center
       Vice Chancellor for Health Services

Signature: __________________________
Date: __________________________

BAYLOR SCOTT & WHITE HEALTH

By: James H. Hinton
Title: CEO

Signature: __________________________
Date: __________________________