

**AMENDMENT TO
MEMORANDUM OF AGREEMENT
BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE
AND
THE UNIVERSITY OF SOUTH ALABAMA
FOR THE DISTRIBUTION AND ADMINISTRATION OF
CORONAVIRUS STATE FISCAL RECOVERY FUNDS**

Whereas, on February 29, 2024, the State of Alabama Department of Finance (“DOF”) and the University of South Alabama (“USA”) entered into a Memorandum of Agreement (“Agreement”) for the distribution and administration of Coronavirus State Fiscal Recovery Funds (“FRF”) to support a rural telehealth program for Southwest Alabama;

Therefore, DOF and USA agree to amend the Agreement as follows:

- I. The obligation dates in the Agreement “Parties’ Responsibility” section, paragraph 5 and the Financial Arrangements section, shall be changed from June 1, 2024 to July 31, 2024 for the obligation of funds and June 30, 2024 to August 31, 2024 for the return to DOF of unobligated funds.
- II. In addition to any Obligation previously incurred by USA with respect to the FRF funds, and in accordance with the Obligation Interim Final Rule, published in the November 30, 2023, Federal Register, at 88 Fed. Reg. 4338, and the accompanying guidance issued by the United States Treasury (including, but not limited to, the State and Local Fiscal Recovery Funds: Obligation IFR Quick Reference Guide, the Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions, and the Title 2 Code of Federal Regulations Uniform Guidance), the Agreement constitutes an Obligation. Appendix A hereto sets forth the specific requirements, such as a scope of work and project deliverables, that USA shall achieve with the FRF funding.
- III. In accordance with the Obligation Interim Final Rule and the accompanying guidance issued by the United States Treasury (to include, but not limited to the references above), USA is hereby authorized to, after the December 31, 2024, obligation deadline has passed, to:
 - a. Enter into change orders on existing contracts, including cost adjustments;
 - b. Amend existing contracts, so long as the amended contract is substantially the same scope and substantially the same purpose as the original contract; and/or
 - c. Replace an existing contract if: the existing contract is terminated due to default, closure or inability to perform; there is a mutual agreement to terminate or; there is a termination for convenience for a contract that was



Revised Rural Telehealth Program for Southwest Alabama

May 24, 2024

Introduction

During the height of the COVID-19 pandemic, urban hospitals faced a crisis as the influx of COVID-19 patients led to unprecedented strain and burnout throughout the industry. While hospitals continue to recover from the pandemic amid persistent nursing and workforce shortages, the staggering number of diversion hours in the Mobile County area, totaling 3,558 TSO hours exclusively at University Hospital, demonstrates that this challenge is far from short-lived. A significant contributor to the elevated diversion rates and strain is the notable number of patients from rural counties seeking care in Mobile County emergency departments, even when it is reasonable to receive care at a hospital closer to home.

USA Health recognizes that bolstering rural healthcare can be part of the solution to alleviating strain within Mobile County health systems. USA Health aims to build an infrastructure that effectively directs patients to their local hospital when it is the appropriate level and setting of care. As an academic tertiary system, we seek to serve the most high-acuity and critically ill patients. Whenever feasible, our goal is to ensure that patients receive the right care in the right setting at the right time. In many cases, they can get the appropriate care at a hospital closer to where they live.

Background and Proposed Care Model

USA Health has recently engaged several southwest Alabama rural hospital leaders in discussions about the sustainability of rural healthcare at their facilities. Most of these hospitals have rural health or primary care clinics, providing essential preventative services to keep their communities healthy. We propose leveraging a new delivery model with virtual care and outreach vehicles to assist local hospital systems in growing primary care clinic volumes, expanding their patient panels, and offering access to USA Health specialists. Given that primary care networks often form the foundation for downstream services, the aim is to increase not only the primary care clinic revenue but also patient volumes for other services, such as imaging and laboratory services, in rural systems. Telehealth would also allow for primary care providers to connect to specialists at USA Health.

The target market for virtual care vehicles will be the communities served by each of our partner hospitals, including industrial facilities, schools, community centers, churches, and community events. USA Health recognizes the challenges facing rural health systems, so we will leverage the expertise of USA Health to assist in developing the collaborative relationships needed.

Proposed Care Model

Under the proposed care model, mobile virtual care stations/outreach vehicles will be designed to meet the needs of rural communities. Each virtual care outreach vehicle will feature audio and visual equipment, providing a direct connection to the provider at the rural primary care clinic who is prepared for the virtual visit. Ideally, the vehicle will be integrated with diagnostic equipment, including but not limited to a blood pressure monitor, scale, otoscope, and pulse oximeter. Integration with smart technology will enable the delivery of nearly the same standard of care that is offered in face-to-face

visits. Implementing these virtual care/outreach vehicles will allow rural health systems to broaden their reach to the community they serve, increase patient volume in their clinics, increase access to specialty services that are not currently available in their area, increase “downstream” revenue, and be a visible reminder of the healthcare services available in their communities.

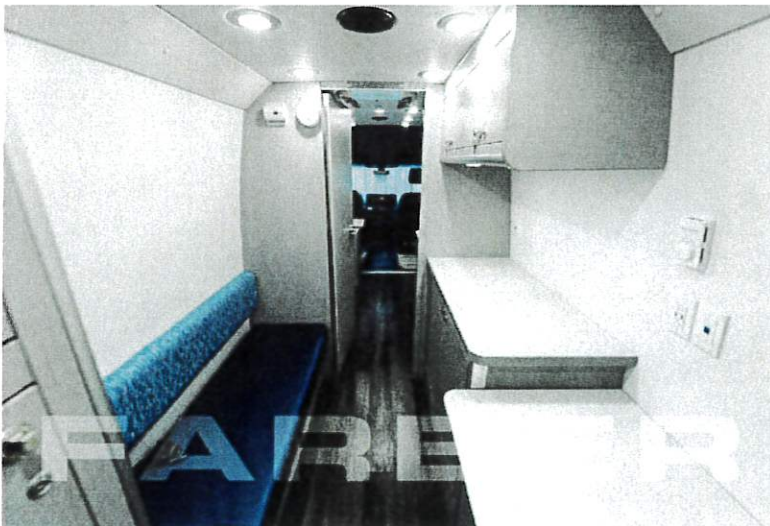
Once operational, the virtual care vehicles will ensure the infrastructure and technology are available when it is determined by the provider that a patient needs the care of a specialist. At that point, they can connect with the specialists at USA Health or other institutions to determine care plans and the appropriate setting of care. These connections with local providers and specialists will further acquaint patients with healthcare services closer to home, facilitate easier access to preventative and emergency care, and increase revenue for local hospitals. These vehicles can be used by providers for both in-person and virtual care, depending on the need of the event or location.

Associated Costs (estimates subject to change with final contracts and procurement)

Technical Costs	Max. \$\$	Description
Telehealth and Outreach Vans	\$788,037	The cost of 3 upfitted Sprinter vans converted to medical outreach vehicles.
TV Pro 300	\$19,950	telehealth camera units (3)
Software Subscription and Implementation	\$219,852	Telehealth software platform and implementation
Compensation for Rural Hospital On-Site Maintenance, Business Development and Marketing	\$400,000 (\$25,000 per hospital)	The first tier of IT support will be provided by the hospitals due to the closer proximity. Utilized to establish the partnerships between the rural hospital systems and the industrial companies. Promotion of the telehealth opportunity.
Van Maintenance	\$6,000	van maintenance contracts (3)
Van Insurance	\$9,000	insurance on vans (3)
Total Direct Costs	\$1,442,839	
Modified total direct costs	\$219,852	
Indirect Costs	\$57,161	
Total Cost	\$1,500,000	*This budget is subject to change based on final contracts.

Example Technologies

The image depicted showcases a sample of existing virtual care and medical outreach vehicles. Through discussions with rural health providers, it was determined that clinic vans equipped with telehealth capabilities would be the optimal allocation of funds, given their versatility.



**MEMORANDUM OF AGREEMENT BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE AND
THE UNIVERSITY OF SOUTH ALABAMA
TO SUPPORT
A RURAL TELEHEALTH PROGRAM FOR SOUTHWEST ALABAMA
FOR THE DISTRIBUTION OF
CORONAVIRUS STATE FISCAL RECOVERY FUNDS**

This Memorandum of Agreement (the "Agreement") is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130 (hereinafter referred to as "DOF"), and the University of South Alabama, at 307 University Blvd. N., AD 200, Mobile, AL 36688 (hereinafter referred to as "USA"). DOF and USA may be referred to herein individually as a "party" and collectively as the "parties." This Agreement becomes effective on the approval of the parties and the Governor of the State of Alabama.

PURPOSE

The federal American Rescue Plan Act of 2021, Public Law No. 117-2, 135 Stat. 4. ("ARPA") was signed into law on March 11, 2021. ARPA amended the federal Social Security Act to add Section 602 to the Social Security Act, and by doing so, created the Coronavirus State Fiscal Recovery Fund (hereinafter referred to as "the State Recovery Fund" or "FRF"). ARPA appropriated funds from the State Recovery Fund to the State of Alabama and other states to support their response to the impact of COVID-19 on their communities, residents, and businesses; and to aid in efforts to contain COVID-19. Under Section 602 of the Social Security Act, the State Recovery Fund funds may be used to cover costs obligated on or before December 31, 2024 and incurred by the State on or before December 31, 2026, for four broad purposes:

- A. To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits; or for aid to impacted industries;
- B. To respond to workers performing essential work during the COVID-19 public health emergency, by providing premium pay to eligible workers who are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- C. For the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.

The Secretary of the Treasury promulgated regulations for the purposes of implementing the FRF. On April 1, 2022, the Final Rule, published in the January 27, 2022, Federal Register, at 87 Fed. Reg. 4338 (the "Final Rule"), took effect. The Final Rule was later supplemented by the Interim Final Rule, published in the September 30, 2023, Federal Register, at 88 Fed. Reg. 64986, and the Obligation Interim Final Rule, published in the November 20, 2023, Federal

Register, at 88 Fed. Reg. 80584. (Final Rule, Interim Final Rule, and Obligation Interim Final Rule, as supplemented by later Treasury Final or Interim Final Rules, collectively referred to as "Final Rules").

The State of Alabama was allocated \$2,120,279,417 from the federal State Recovery Fund. Alabama Act No. 2023-1 (the "Act"), Section 1(a)(6) appropriates up to \$9,000,000 of such funds to DOF to be used to support the delivery of health care and related services to citizens of Alabama related to the coronavirus pandemic, including to facilitate the expansion and use of telemedicine, including the facilitation and expansion of healthcare specializations in rural and community hospitals through telemedicine affiliations with hospitals or health systems in rural and educational settings (hereinafter referred to as the "Funds").

The DOF desires to utilize \$1,500,000 of the Funds to support the programs of USA in support of the expansion and use of telemedicine in accordance with Appendix A (hereinafter referred to as the "Project"), attached hereto and incorporated herein by reference.

Notwithstanding any other provision of this Agreement, the Parties acknowledge and agree that USA is a "Subrecipient" as that term is defined in Code of Federal Regulations, Title 2, §200.1. As such, USA is responsible for complying with all federal requirements for Recipients, including the Single Audit Act and the provisions of Code of Federal Regulations, Title 2, Part 200, subpart F regarding audit and procurement requirements. As used in this Agreement, "obligate" or "obligated" shall have the meaning prescribed in the Final Rules, specifically, "An order placed for property and services and entering into contracts, subawards, and similar transactions that require payment." See 31 CFR 35.3.

The proposed utilization of the Funds has been presented to DOF by USA, and DOF has concluded that the proposed utilization of the Funds is necessary to ensure an adequate response to and mitigation of the COVID-19 pandemic and public health emergency in Alabama and the economic impacts thereof. Further, DOF concludes that funding this project using the Funds is an appropriate use thereof under both federal and state law. DOF fully supports USA in its effort to support the citizens of Alabama.

PARTIES' RESPONSIBILITY

USA agrees to the following:

1. To use the Funds to carry out the objectives of the Project as set forth in this Agreement and in Appendix A and for no other purpose;
2. To comply with all federal requirements applicable to Recipients, including the Single Audit Act and Code of Federal Regulations, Title 2, Part 200, subpart F regarding audit requirements;
3. To provide to the State Finance Director's Office by March 10, 2024, and monthly thereafter on the 10th of every month, a report detailing how the Funds are being utilized and details of expenditures made since the preceding report, and further

provide quarterly reports beginning on April 10, 2024 (and quarterly thereafter) interim reports as the State Finance Director's Office may determine necessary;

4. To use the Funds provided by DOF under this Agreement in accordance with Section 602 of the Social Security Act, the Final Rules and other federal and state law, and for the purposes set forth in this Agreement, and for no other purpose;
5. To return any Funds provided by DOF under this Agreement that remain unobligated on June 1, 2024 by June 30, 2024;
6. To provide to the State Finance Director's Office on June 1, 2025 and June 1, 2026, reports setting forth the expenditure status of all obligated Funds, to include the anticipated status of funds between the date of the report and the final return date set forth below; and
7. To return any Funds provided by DOF under this Agreement that remain unspent on June 1, 2026 by December 1, 2026.

DOF agrees to the following:

1. To provide, within fourteen (14) days of the effective date of this Agreement, \$1,500,000 to USA from the State's Funds appropriated pursuant to Alabama Act 2023-1 for the purposes described in this Agreement and for no other purpose; and
2. To make all reports to the federal government required by ARPA.

FINANCIAL ARRANGEMENTS

The parties agree that within fourteen (14) days of the effective date of this Agreement, DOF will provide and advance \$1,500,000 to USA under this Agreement towards the Project. USA acknowledges that all Funds provided under this Agreement must be obligated by June 1, 2024 or returned to DOF by June 30, 2024 and spent by June 1, 2026 or returned to DOF by December 1, 2026. Reimbursements or invoice payments may not occur after that date.

OUTSIDE CONSULTANTS

USA may employ outside professional consultants to assist with executing the project; however, the consultants must be reasonable in amount and comply with audit requirements for use of the Funds under the Act.

TERMINATION OF AGREEMENT

Except as set forth in this section, this Agreement may be terminated only in a writing signed by each party or representative of each party. If DOF concludes, after a reasonable investigation and in its sole discretion as administrator of the Funds, that the Funds provided

hereunder have been used in a manner inconsistent with federal or state law, DOF may terminate this Agreement immediately upon written notice to USA.

MISCELLANEOUS PROVISIONS

- A. The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by the Constitution of Alabama, 2022, Art. XI, Sec. 213.
- B. By signing this Agreement, the parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. A contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom. As required by Section 31-13-9, verification of enrollment in the E-Verify program will be required prior to any grant to a subrecipient who employs one or more employees within the State of Alabama. To enroll in the E-Verify program visit <https://www.e-verify.gov/>
- C. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, the sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing, where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.
- D. In order to comply with federal notice requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to USA: this award is provided to USA through a grant to the State of Alabama in the amount of \$2,120,279,417 from the United States Treasury via Section 602 of the Social Security Act, as added by Public Law No. 117-2, known as the American Rescue Plan Act of 2021 ("ARPA"), which established the Coronavirus State Fiscal Recovery Fund. This award is provided in accordance with the requirements set forth in ARPA and other applicable federal and state law and policy, and USA affirms that all information it has provided to DOF relating to this award is true and accurate. This award does not include research and development. The parties acknowledge and understand that each recipient of the Funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331(b) for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award. Further, each recipient's activities will be monitored as necessary to ensure that the award is used for authorized purposes, in compliance with law, and that award performance goals are achieved. Other monitoring tools may be implemented on the level of risk imposed by the recipient.
- E. Code of Federal Regulations, Title 2, § 200.331(f) requires DOF to verify that each recipient that is expected to expend \$750,000 or more in Federal awards during a fiscal year have a single or program-specific audit conducted for that year in accordance with

the provisions of Code of Federal Regulations, Title 2, § 200.501. The parties acknowledge that DOF has provided notice to USA of the audit requirements applicable to the award made by this Agreement and USA agrees to comply therewith.

- F. The recipient, grantee, contractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.
- G. Notwithstanding any other provision of this Agreement, the Parties acknowledge and agree that USA is a "Subrecipient" as that term is defined in the Code of Federal Regulations, Title 2, §200.1. As such, USA is responsible for complying with all federal requirements for Subrecipients, including all applicable procurement and competitive bidding requirements, the Single Audit Act, and the provisions of Code of Federal Regulations, Title 2, Part 200, subpart F regarding audit requirements. As used in this Agreement, "obligate" or "obligated" shall have the meaning prescribed in the Final Rules, specifically, "An order placed for property and services and entering into contracts, subawards, and similar transactions that require payment." See 31 CFR 35.3. The parties acknowledge and agree that this subaward is a "grant" as defined in the state's procurement code at Ala. Code § 41-4-114. Pursuant to Ala. Code § 41-4-112(3), the State's procurement code does not apply to grants. Therefore, the state's procurement code (Code of Alabama 1975, Title 41, Article 5) is inapplicable to this subaward. However, federal procurement requirements apply to purchases made with this subaward. USA, as a subrecipient of the State and as a non-federal entity, must follow the procurement standards enumerated in 2 CFR 200.318 through 200.327.

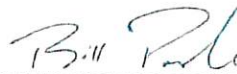
AMENDMENT OF AGREEMENT

This Agreement may only be amended by a writing signed by each party of representatives of each party.

[SIGNATURES ON FOLLOWING PAGE]

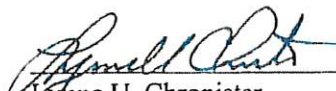
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by those officers, officials duly authorized to execute such agreements.

State of Alabama
Department of Finance

 2/29/2024

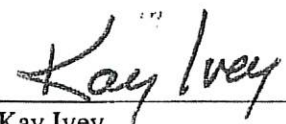
Bill Poole Date
Director of Finance

University of South Alabama

 02/28/24

Lynne U. Chronister Date
V.P., Research and Economic Development

APPROVED:

 2/29/2024

Kay Ivey Date
Governor of Alabama



Proposed Rural Telehealth Program for Southwest Alabama

November 15, 2023

Introduction

During the height of the COVID-19 pandemic, urban hospitals faced a crisis as the influx of COVID-19 patients led to unprecedented strain and burnout throughout the industry. While hospitals continue to recover from the pandemic amid persistent nursing and workforce shortages, the staggering number of diversion hours in the Mobile County area, totaling 3,558 TSO hours exclusively at University Hospital, demonstrates that this challenge is far from short-lived. A significant contributor to the elevated diversion rates and strain is the notable number of patients from rural counties seeking care in Mobile County emergency departments, even when it is reasonable to receive care at a hospital closer to home.

USA Health recognizes that bolstering rural healthcare can be part of the solution to alleviating strain within Mobile County health systems. USA Health aims to build an infrastructure that effectively directs patients to their local hospital when it is the appropriate level and setting of care. As an academic tertiary system, we seek to serve the most high-acuity and critically ill patients. Whenever feasible, our goal is to ensure that patients receive the right care in the right setting at the right time. In many cases, they can get the appropriate care at a hospital closer to where they live.

Background

USA Health has recently engaged several southwest Alabama rural hospital leaders in discussions about the sustainability of rural healthcare at their facilities. Most of these hospitals have rural health or primary care clinics, providing essential preventative services to keep their communities healthy. We propose leveraging a new delivery model with virtual care stations to assist local hospital systems in growing primary care clinic volumes and expanding their patient panels. Given that primary care networks often form the foundation for downstream services, the aim is to increase not only the primary care clinic revenue but also patient volumes for other services, such as imaging and laboratory services, in rural systems. This plan would offer the opportunity to set up virtual care stations in partnership with local employers, recognizing that some companies will not have the capacity or desire to participate.

The target market for the virtual care stations will be substantial industrial facilities that exist within many rural communities. USA Health recognizes the challenges in forming these types of partnerships, so we will leverage the expertise of USA Health Industrial Medicine and system leaders to assist in developing the collaborative relationships needed. However, each partnership will represent an exclusive relationship between the rural hospital and the industrial organization, with USA Health's sole role focused on facilitating and powering the virtual care station. A significant portion of the funding will enable hospital leaders to form relationships with the industrial partners and develop the infrastructure needed to sustain the program for the long term.

Proposed Care Model

Under the care model, employees can receive preventative care, non-acute urgent care, and assessment of work-related injuries without having to travel off-site. Instead of having the stress of leaving their

work environment or needing to take paid time off, employees can conveniently schedule appointments at their facility's virtual care station.

Additional benefits of using the virtual care stations include supporting occupational health monitoring to manage work-related health issues and providing a platform for health education and wellness programs, as well as offering preventative care resources.

The virtual care stations will be designed to ensure they are scalable to meet the growing needs of the industrial facility and its workforce. Each virtual care station will feature audio and visual equipment, providing a direct connection to the physician at the rural primary care clinic who is prepared for the virtual visit. Ideally, the virtual care station will be integrated with diagnostic equipment, including but not limited to a blood pressure monitor, scale, otoscope, and pulse oximeter. Integration with smart technology will enable the delivery of nearly the same standard of care that is offered in face-to-face visits. Implementing these virtual care stations will include training for leadership and staff within each facility, which will inherently promote health literacy among employees and empower them to engage in their health management.

Once operational, the virtual care stations will ensure the infrastructure and technology are available when it is determined by the provider that an employee needs the care of a specialist. At that point, they can connect with the specialists at USA Health or other institutions to determine care plans and the appropriate setting of care. These connections with local providers and specialists will further acquaint patients with healthcare services closer to home, facilitate easier access to preventative and emergency care, and increase revenue for local hospitals.

Associated Costs (estimates subject to additional scoping and procurement)

Technical Costs	Max. \$\$	Description
Virtual Care Stations at Industrial Site	\$675,000	The cost of the virtual care station and any connectible devices. We are hopeful that this will support the implementation of 8 virtual devices but have not received final pricing estimates.
Technology at the Primary Care / Rural Health Clinics	\$200,000	The cost of any technological upgrades needed within the clinics to enable the new care delivery model.
IT Set-Up and Implementation	\$50,000	The cost of the initial set-up of the systems at each industrial organization and within the clinic space.
Data Integration between Care Station and EHR systems	\$189,762	Support for the collaboration with Evident and Cerner to establish integration between the care station's readings and the EHRs.
Compensation for Rural Hospital On-Site Maintenance	\$160,000 (\$20,000 per hospital)	While USA will be responsible for the maintenance and powering of the virtual care station, the first tier of IT support will be provided by the hospitals due to the closer proximity.
Business Development	\$50,000	Utilized to establish the partnerships between the rural hospital systems and the industrial companies.
Marketing	\$5,000	Promotion of the telehealth opportunity.
Total Direct Cost	\$1,329,762	
Modified Total Direct Costs	\$654,762	
Indirect Costs	\$170,238	
TOTAL COSTS	\$1,500,000	

Example Technologies

The following image illustrates one example of an existing telehealth virtual care station. While this solution might not be practical for installation at some facilities due to space or cost considerations,

there are a variety of deployment models available with the same underlying care model. Specific solutions to be deployed at rural providers and employers or other community locations will be dependent on overall funding, site-specific requirements, and level of interest in participating in the program.

