



BOARD OF MANAGERS RESOLUTION
AUGUST 22, 2023

**A RESOLUTION RELATING TO
REVENUE ALLOCATION PERCENTAGE
FISCAL YEAR 2024**

WHEREAS, the Nueces County Hospital District (“Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (“Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

WHEREAS, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (“Board”) has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

WHEREAS, on November 18, 2015, CHRISTUS Spohn Health System Corporation (“CHRISTUS Spohn”), CHRISTUS Health (“CHRISTUS Health”), and the Hospital District (collectively, the “Parties”) entered into an agreement titled “CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement” (“Amended and Restated Membership Agreement”) and Article V thereof relates to member distributions of net patient revenue;

WHEREAS, Amended and Restated Membership Agreement, Section 5.03 (a) established a procedure for the Parties to confer and agree on the percentage of net patient revenue that will be made available during each ensuing year to CHRISTUS Health (the “Specified Annual Percentage”) in exchange for its contributions to support CHRISTUS Spohn, and the remaining percentage of the net patient revenue that will be made available to the Hospital District in exchange for its continued support for the operations of CHRISTUS Spohn as a public, safety-net hospital in Nueces County, Texas; and

WHEREAS, the Parties have conferred and reached agreement on a Specified Annual Percentage for the ensuing year October 1, 2023 – September 30, 2024, subject to approval by the Board, as memorialized in that certain letter from CHRISTUS Spohn Health System to the District dated August 1, 2023 a copy thereof attached hereto as Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board acknowledges that the Parties have conferred and reached agreement on a Specified Annual Percentage for the ensuing year October 1, 2023 – September 30, 2024, subject to approval by the Board.

2. The Board hereby approves the agreed upon Specified Annual Percentage for the ensuing year October 1, 2023 – September 30, 2024 as memorialized in that certain letter from CHRISTUS Spohn Health System Corporation to the District dated August 1, 2023 a copy thereof attached hereto as Exhibit “A”.
3. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.
4. This Resolution shall take effect and be in full force and effect upon and after its passage.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

John E. Valls
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Belinda Flores, R.N.
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Arthur Granado
Member

EXHIBIT "A"

[Attach August 1, 2023 letter from CHRISTUS Spohn Health System to the District after this page]



August 1, 2023

Jonny Hipp
Administrator and Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua St, Suite 950
Corpus Christi, TX 78401-0835

Re: 2024 Specified Annual Percentage

Dear Jonny:

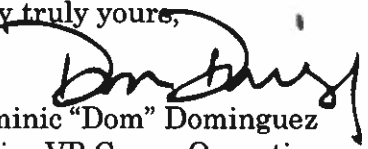
Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the "Membership Agreement"). The collaboration between CHRISTUS Spohn Health System Corporation ("Spohn"), CHRISTUS Health ("CHRISTUS"), and the Nueces County Hospital District ("District") over the past few weeks served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2023 – September 30, 2024). While Section 5.03 of the Membership Agreement requires that the parties agree to the Specified Annual Percentage by July 1, the parties mutually agreed to extend this deadline.

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, Spohn prepared a hospital budget and projected Spohn's Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn in projecting Spohn's operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On July 31, Spohn and the District met to discuss Spohn's proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn's role in operating programs in the community and the District's role as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties' respective operations in the Ensuing Year, including (but not limited to) the District's efforts to maintain its tax collections, renewal of the Texas 1115 Demonstration Waiver and directed payment programs, and the Memorial demolition.

Jonny Hipp
August 1, 2023
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Based on these discussions, the parties agreed, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be seventy-three percent (73%), and the remaining twenty-seven percent (27%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,


Dominic "Dom" Dominguez
Senior VP Group Operations
CHRISTUS Spohn Health System Corporation

#211191

**CERTIFICATE FOR RESOLUTION
A RESOLUTION RELATING TO
REVENUE ALLOCATION PERCENTAGE
FISCAL YEAR 2024**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22nd day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

John E. Valls, MBA, Chairman
Vishnu V. Reddy, M.D., Vice Chairman
Sylvia Tryon Oliver
Belinda Flores, R.N.
Mariana Garza, J.D.
Efrain Guerrero, Jr.
Arthur Granado

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

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FISCAL YEAR 2024**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____
NAYS: _____
PRESENT NOT VOTING: _____
ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22nd day of August, 2023.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}