



June 9, 2025

Attn: Jonny Hipp, Administrator/CEO
Nueces County Hospital District
555 N Carancahua St # 950
Corpus Christi, Texas 78401

Dear Mr. Hipp:

The undersigned, representing Driscoll Children's Hospital, a hospital serving Texas's Medicaid managed care beneficiaries in Nueces County, write to express our support for the continued use of the Nueces County Local Provider Participation Fund (LPPF) and to affirm our commitment to adhere to obligations to make payments to the LPPF. This fund allows Nueces County providers to meet the ever-increasing need for healthcare without imposing new costs on individual taxpayers and without utilizing \$1 of state general revenue.

Under the LPPF model, private hospitals in Nueces County pay funds into the LPPF through mandatory payment assessments established by the county. The assessment is not passed along to patients of the hospitals. The funds collected from the hospitals are transferred to the state and support the state's share of Medicaid funding. The state's share is matched with federal dollars.

Because the revenue generated through the LPPF funds the non-federal share results in a supplemental increase in Medicaid managed care reimbursement, the LPPF allows eligible local hospitals access to vital Medicaid funding without burdening local or state taxpayers. The increase in reimbursement, implemented through a hospital directed payment program, provides Texas's eligible hospitals with supplemental funding they desperately need as they serve the most vulnerable Texans. Most Texas hospitals are reimbursed only a fraction of the costs they incur in caring for Medicaid patients. The LPPF model unlocks vital supplemental payments that otherwise may be unavailable to these hospitals.

We strongly support the LPPF. We also support revising the FY 25 assessment basis to utilize the 2023 Net Patient Revenue as reported in the AHA Survey, which is the most recent data available.

Please do not hesitate to contact us to discuss the LPPF. We are committed and in full support of the LPPF program. By signing this letter, we confirm our continued support and commit to timely paying the mandatory payment levied to support intergovernmental transfers and indigent care programs.

We appreciate your support of healthcare providers in the county.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve King", is written over a horizontal line.

Steve King, CFO
Driscoll Children's Hospital