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TAX RATE: 0.089240

(No New Revenue Rate)

7/24/2025

1:36 PM

**NUECES COUNTY HOSPITAL DISTRICT
BUDGET - GENERAL FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2026**

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2026 Budget		Fiscal 2025 Budget		Budget 2026 vs. 2025	Fiscal 2025 Est. Actual		Est. Act vs F2026 Bud
Explanation								
REVENUES								
Property Taxes:								
1 Current	38,767,444	28.49%	39,196,133	23.89%	(428,690)	40,413,862	22.12%	(1,646,418)
2 Delinquent	412,420	0.30%	421,464	0.26%	(9,044)	425,787	0.23%	(13,367)
3 Penalties & Interest	387,674	0.28%	391,961	0.24%	(4,287)	375,815	0.21%	11,859
4 Total Property Tax Revenue	39,567,538	29.07%	40,009,558	24.39%	(442,021)	41,215,464	22.56%	(1,647,926)
5 Spohn Corporate Membership Revenue	95,200,000	69.95%	122,980,000	74.97%	(27,780,000)	137,564,578	75.28%	(42,364,578)
6 Investment Income	1,177,971	0.87%	904,124	0.55%	273,847	3,763,020	2.06%	(2,585,049)
7 Other Income	150,000	0.11%	150,000	0.09%	0	184,753	0.10%	(34,753)
8 Total Other Revenues	96,527,971	70.93%	124,034,124	75.61%	(27,506,153)	141,512,351	77.44%	(44,984,380)
9 TOTAL REVENUES	136,095,509	100%	164,043,683	100%	(27,948,174)	182,727,815	100%	(46,632,306)
OPERATING EXPENSES								
10 Intergovernment Transfers	135,159,558	86.07%	153,092,697	87.45%	(17,933,139)	166,477,596	89.10%	(31,318,038)
11 Emergency Residency Program Support	3,198,125	2.04%	1,763,750	1.01%	1,434,375	1,763,751	0.94%	1,434,374
12 County Healthcare Services	12,090,283	7.70%	12,114,275	6.92%	(23,992)	12,966,602	6.94%	(876,319)
13 Salaries	2,204,464	1.40%	2,183,502	1.25%	20,962	1,895,959	1.01%	308,505
14 Benefits	1,113,576	0.71%	1,055,671	0.60%	57,905	914,627	0.49%	198,949
15 Legal & Professional Fees	926,500	0.59%	1,817,000	1.04%	(890,500)	931,308	0.50%	(4,808)
16 Purchased Services	711,850	0.45%	711,850	0.41%	0	561,776	0.30%	150,074
17 Tax Assessor / Appraisal Collection Fees	830,000	0.53%	815,000	0.47%	15,000	796,285	0.43%	33,715
18 Supplies & Materials	25,500	0.02%	24,000	0.01%	1,500	21,387	0.01%	4,113
19 Rent & Leases	159,000	0.10%	157,000	0.09%	2,000	137,733	0.07%	21,267
20 Repairs & Maintenance	12,000	0.01%	12,000	0.01%	0	5,103	0.00%	6,897
21 Telephone & Utilities	102,400	0.07%	59,500	0.03%	42,900	50,314	0.03%	52,086
22 Insurance	48,000	0.03%	48,000	0.03%	0	37,018	0.02%	10,982
23 Administrative & General	225,500	0.14%	975,000	0.56%	(749,500)	179,573	0.10%	45,927
24 Capital Outlay	229,000	0.15%	229,000	0.13%	0	104,526	0.06%	124,474
25 Extraordinary	5,000	0.00%	5,000	0.00%	0	536	0.00%	4,464
26 TOTAL EXPENDITURES	157,040,756	100%	175,063,245	100%	(18,022,489)	186,844,094	100%	(29,803,338)
27 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES	(20,945,247)		(11,019,562)		(9,925,685)	(4,116,279)		(16,828,968)
NON-OPERATING SOURCES (USES)								
28 Operating Transfer In (Tobacco Fund)	700,000		650,000		50,000	856,000		(156,000)
29 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
30 TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,245,247)		(10,369,562)		(9,875,685)	(3,260,279)		(16,984,968)
31 FUND BALANCE, BEGINNING OF PERIOD	78,585,773		57,334,764			81,846,052		
32 FUND BALANCE, END OF PERIOD	58,340,526		46,965,202			78,585,773		
33 FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)	45,933,530		28,514,599			44,032,519		

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NUECES COUNTY HOSPITAL DISTRICT
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2026

Tax Rate: 0.089240 (No-New-Revenue Rate)

	Explanation	General Fund	Tobacco Settlement Fund	Opioid Settlement Fund	Indigent Care Fund	Total
	REVENUES					
1	Property Taxes	39,567,538	0	0	0	39,567,538
2	Spohn Corporate Membership Revenue	95,200,000	0	0	0	95,200,000
3	Investment Income	1,177,971	0	34,388	904,010	2,116,369
4	Other Income	150,000	0	0	0	150,000
5	Tobacco Settlement Proceeds	0	700,000	0	0	700,000
6	Opioid Settlement Proceeds	0	0	0	0	0
7	TOTAL REVENUES	136,095,509	700,000	34,388	904,010	137,733,907
	OPERATING EXPENSES					
8	Intergovernmental Transfers	135,159,558	0	0	0	135,159,558
9	Emergency Residency Program Support	3,198,125	0	0	0	3,198,125
10	County Healthcare Services	12,090,283	0	0	0	12,090,283
11	Salaries	2,204,464	0	0	0	2,204,464
12	Benefits	1,113,576	0	0	0	1,113,576
13	Legal & Professional Fees	926,500	0	0	36,000	962,500
14	Purchased Services	711,850	0	1,200,000	0	1,911,850
15	Tax Assessor / Appraisal Collection Fees	830,000	0	0	0	830,000
16	Supplies & Materials	25,500	0	0	0	25,500
17	Rent & Leases	159,000	0	0	0	159,000
18	Repairs & Maintenance	12,000	0	0	0	12,000
19	Telephone & Utilities	102,400	0	0	0	102,400
20	Insurance	48,000	0	0	0	48,000
21	Administrative & General	225,500	0	0	0	225,500
22	Capital Outlay	229,000	0	0	0	229,000
23	Extraordinary/Tax Refund	5,000	0	0	0	5,000
24	Debt Service	0	0	0	0	0
25	TOTAL EXPENDITURES	157,040,756	0	1,200,000	36,000	158,276,756
26	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES	(20,945,247)	700,000	(1,165,612)	868,010	(20,542,849)
	NON-OPERATING SOURCES (USES)					
27	Operating Transfers In	700,000	0	0	0	700,000
28	Operating Transfers Out	0	(700,000)	0	0	(700,000)
29	TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,245,247)	0	(1,165,612)	868,010	(20,542,849)
30	FUND BALANCE, BEGINING OF PERIOD	78,585,773	0	2,925,321	59,216,907	140,728,001
31	FUND BALANCE, END OF PERIOD	58,340,526	0	1,759,709	60,084,917	120,185,152
32	FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)	45,933,530	0	1,759,709	60,084,917	107,778,156

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**Nueces County Hospital District
County Healthcare Department Expenditures
Fiscal Year 2026**

	<u>Program</u>	<u>Budget 2026</u>	<u>%</u>	<u>Budget 2025</u>	<u>Difference</u>
	<u>Mental Healthcare Services</u>				
1	a MHID (State Match Program)	969,129	8.0%	969,129	0
	b MHID - Jail Programs	1,500,000	12.4%	2,550,000	(1,050,000)
	Subtotal Mental Healthcare Services	2,469,129	20.4%	3,519,129	(1,050,000)
2	<u>Health Department (Operating Expenditures)</u>				
	Health Department	1,941,826	16.1%	1,765,296	176,530
	Robstown Public Health Salaries & Benefits	0	0.0%	38,000	(38,000)
	Mobile Clinic	60,000	0.5%	60,000	0
		2,001,826	16.6%	1,863,296	138,530
3	<u>Emergency Medical Services</u>	650,000		650,000	
	City of Robstown				
	Emergency Services District #1 (Annaville)				
	Emergency Services District #2 (Flour Bluff)				
	Emergency Services District #4 (Bluntzer)				
	Emergency Services District #6 (Bishop)				
		650,000	5.4%	650,000	0
4	<u>Juvenile Detention Center-Health Services</u>	474,000	3.9%	474,000	0
	Various Health-related Services				
5	<u>County Jail Healthcare Services</u>	6,080,328	50.3%	5,202,850	877,478
	Armor/Wexford Correctional Healthcare Services				
6a	Cenikor	60,000	0.5%	60,000	0
6b	Council on Alcohol & Drug Abuse	50,000	0.4%	50,000	0
7	County Diabetes Awareness Program	60,000	0.5%	50,000	10,000
8	HALO-Flight Funding	15,000	0.1%	15,000	0
9	<u>Public Health Grants</u>				
	Coastal Bend Wellness Foundation	85,000	0.7%	85,000	0
	Amistad Community Health Center	85,000	0.7%	85,000	0
	Area Health Education Center (AHEC)	60,000	0.5%	60,000	0
		230,000	1.9%	230,000	0
	TOTALS	12,090,283	100.0%	12,114,275	(23,992)

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EXHIBIT F

NUECES COUNTY HOSPITAL DISTRICT
Medicaid IGT Needs by Provider
FYE 9/30/26

Provider	UC	CHIRP	NAIP	HARP	Retro DSH	GME	ATLIS	IGT Amount	Expected Payments
Spohn - Corpus Christi	23,007,721	16,427,996	7,733,128	2,508,663	1,000,000	625,554	158,915	51,461,977	120,529,807
Spohn - Alice	2,606,727	1,231,391		18,145			160,435	4,016,698	9,678,562
Spohn - Beeville	2,016,579	713,296		7,389			160,435	2,897,699	7,033,467
Spohn - Kleberg	2,417,326	704,716		14,374			160,435	3,296,851	8,020,090
Spohn SubTotal	30,048,354	19,077,399	7,733,128	2,548,571	1,000,000	625,554	640,220	61,673,226	145,261,925
Corpus Christi Med. Ctr.*								-	
Driscoll Children's Hosp.*	2,040,397	31,844,079		22,018,892		1,639,785	15,943,179	73,486,332	172,155,839
Other Payor								-	
All Others SubTotal	2,040,397	31,844,079	-	22,018,892	-	1,639,785	15,943,179	73,486,332	172,155,839
Spohn & All Others SubTotal	32,088,751	50,921,478	7,733,128	24,567,463	1,000,000	2,265,339	16,583,399	135,159,558	317,417,764

Notes:

"UC" - Uncompensated care (Hospitals only)

"NAIP" - Network Access Improvement Program

"HARP" - Hospital Augmented Reimbursement Program

"GME" - Graduate Medical Education

"ATLIS" - Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program

* - IGT's for CCMC, DCH are project to be funded by the LPPF.



December 14, 2023

Dominic Dominguez
CEO
CHRISTUS Spohn Health System Corporation
613 Elizabeth St., Suite 300
Corpus Christi, Texas 78404

Re: Emergency Medicine Support Letter Agreement

Mr. Dominguez,

This Letter Agreement ("Letter Agreement"), effective December __, 2023 (the "Effective Date"), is entered into by and between CHRISTUS Spohn Health System Corporation ("Spohn") and Nueces County Hospital District ("NCHD") (hereinafter each referred to as a "Party" and collectively as the "Parties") to set forth the terms and conditions upon which NCHD shall provide Support (as defined below) for Spohn's Emergency Medicine Residency Program ("EM Program") subject to the terms and conditions set forth herein.

As you know, the NCHD Board of Managers (the "Board") determined that, among other things, (i) the provision of Support to Spohn's EM Program is in furtherance of NCHD's constitutional and statutory mission and purpose to provide or arrange for indigent care to the community; (ii) the public is receiving adequate consideration from the Support; and (iii) there are adequate controls in place to ensure that the Support is, in fact, used in furtherance of the NCHD's constitutional and statutory mission and purpose.

Now, therefore, in consideration of the premises, the mutual benefits to be derived from this Letter Agreement, and other good and valuable consideration, including the convenience of the Parties, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that this Letter Agreement shall be performed and executed by the Parties as follows:

During the Term (as defined below) of this Letter Agreement, Spohn shall (i) maintain its EM Program; (ii) seek in good faith to match a minimum of twelve (12) EM Program residents ("EM Residents") for the 2024 – 2025 through the 2029 – 2030 Academic Years,¹ subject to the

¹ The term "Academic Year" means July 1st through June 30th of each year during the Term.

maintenance of historical qualification and credential standards;² (iii) maintain an academic university-affiliated teaching affiliation for EM Program faculty; (iv) provide the level of academic faculty administrative support needed to maintain Accreditation Council for Graduate Medical Education ("ACGME") accreditation; and (v) provide market-competitive compensation subject to "fair market value" and other requirements of applicable exception under the Physician Self-Referral Law at 42 U.S.C. §§ 1395nn and implementing regulations for EM Program faculty and EM Residents (collectively, the "EM Program Commitment").

In consideration of and subject to Spohn's performance EM Program Commitment, NCHD agrees to provide the following support payments to Spohn each of the following Academic Years (collectively "Support"):

- **2024 – 2025 Academic Year** – The lesser of (i) \$1,402,500 or (ii) Spohn's Actual Costs
- **2025 – 2026 Academic Year** – The lesser of (i) \$2,847,500 or (ii) Spohn's Actual Costs
- **2026 – 2027 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn's Actual Costs
- **2027 – 2028 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn's Actual Costs
- **2028 – 2029 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn's Actual Costs
- **2029 – 2030 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn's Actual Costs

Spohn's "Actual Costs" shall mean Spohn's direct expenses, overhead allocations using generally accepted Medicare reimbursement principles, and indirect medical education ("IME") expenses determined as fifty percent (50%) of Spohn's IME reimbursement.

At the end of each Academic Year Quarter,³ NCHD will pay Spohn one-fourth (1/4) of the Support for the applicable Academic Year. Within five (5) months after the conclusion of Spohn's Medicare cost reporting year ("Cost Reporting Year"), Spohn shall provide NCHD with a report reflecting its Actual Costs for the preceding Cost Reporting Year. In the event Spohn's Actual Costs for such Cost Reporting Year are less than the estimated Support paid by NCHD for such Cost Reporting Year, then Spohn shall refund such surplus within thirty (30) days of its provision of the report to NCHD.

The term of this Letter Agreement will be six (6) years commencing with the 2024 – 2025 Academic Year (i.e., July 1, 2024) and ending following the 2029 – 2030 Academic Year (i.e., June 30, 2030) (the "Term"). However, this Letter Agreement will automatically terminate in the event (i) Spohn does not match a single Resident to the EM Program for the 2024 – 2025 Academic Year, or (ii) the EM Program loses its accreditation as a graduate medical education ("GME") program at any time during the Term. In the event this Letter Agreement is terminated, Spohn's

² In the event Spohn is unable to match 12 EM Residents, the Support shall be proportionately reduced as outlined below.

³ "Academic Year Quarter" means the three-month periods during each Academic Year ending on September 30th, December 31st, March 31st, and June 30th.

obligation to comply with the EM Program Commitment and NCHD's obligation to provide Support shall cease.

In the event (i) Spohn decides it wants to discontinue the EM Program during the Term and NCHD does not oppose such decision, (ii) Spohn decides not to continue the EM Program for the 2030 – 2031 Academic Year, or (iii) Spohn is unable to meet ACGME sponsoring institution requirements during the Term, NCHD may identify an alternate sponsoring institution within Nueces County ("Sponsoring Institution") to accept transfer of the EM Program. If NCHD identifies an alternate Sponsoring Institution willing to accept transfer of the EM Program, Spohn will timely transfer sponsorship of the EM Program to such alternate Sponsoring Institution in accordance with published ACGME sponsorship guidelines. Neither Party shall have any obligation to fund the EM Program if Spohn transfers the EM Program to another Sponsoring Institution as provided herein. Notwithstanding the foregoing, if NCHD is unable to identify an alternate Sponsoring Institution, Spohn shall have no obligation to transfer the sponsorship of the EM Program.

In the event Spohn is unable to match twelve (12) EM Residents annually that meet the EM Program Commitment during the Term, Spohn will meet with NCHD in good faith and apply a proportionate reduction to the Support to ensure NCHD receives a benefit from program cost savings, and Spohn will not be considered in breach of this Letter Agreement. By way of illustration, in the event Spohn matches six (6) EM Residents for the 2024 – 2025 Academic Year instead of twelve (12) EM Residents, NCHD's Support to Spohn shall be proportionately reduced to the lesser of \$701,250 or Spohn's Actual Costs (i.e., 50% of the amount of Support set forth above for the 2024 – 2025 Academic Year).

In the event Spohn obtains incremental funding from a third-party with respect to any Academic Year during the Term in excess of the funding it is receiving as of the Effective Date of the Letter Agreement in support of the EM Program, the Parties will reduce NCHD's Support by an amount equivalent to such incremental third-party funding. The Parties acknowledge that Texas Medicaid has proposed and plans to implement a Medicaid GME reimbursement program. In calculating a reduction to NCHD Support attributable to Medicaid GME, (i) only Medicaid GME amounts attributable to periods on or after the 2024 – 2025 Academic Year will apply to the reduction; and (ii) the reduction will be limited to the federal share of any Medicaid GME payments Spohn receives, multiplied by the number of EM Residents divided by total residents.

The Parties agree to conduct a medical needs assessment for the Nueces County community ("Community Needs Assessment") within one (1) year of the Effective Date of this Letter Agreement. The Parties agree to meet in good faith within six (6) months of the completion of the Community Needs Assessment to (i) discuss how best to address the medical needs identified by the Community Needs Assessment and (ii) identify resources to address such medical needs.

Neither Party has any obligation to fund any needs identified through the Community Needs Assessment.

The Parties agree that this Letter Agreement is a standalone agreement and separate and apart from the Parties' other agreements.

Sincerely,



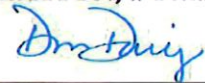
Jonny Hipp, Administrator, CEO

IN WITNESS WHEREOF, the Parties hereto by their duly authorized representatives have executed this Letter Agreement on the 14th day of December, 2023.

NUECES COUNTY HOSPITAL DISTRICT,
a political subdivision of the State of Texas

By: 
Jonny F. Hipp, Administrator, CEO

**CHRISTUS SPOHN HEALTH SYSTEM
CORPORATION,** a Texas non-profit corporation

By: 
Dominic Dominguez, CEO