



Administrative Offices

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BOARD OF MANAGERS RESOLUTION

AUGUST 26, 2025

A RESOLUTION APPROVING THE FISCAL YEAR 2026 REVENUE ALLOCATION PERCENTAGE

WHEREAS, the Nueces County Hospital District (the "District") is a political subdivision of the State of Texas, established pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code ("Health Code");

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the "Board") has full power and authority to manage, control, administer, and adopt rules governing the operation of the District;

WHEREAS, on November 18, 2015, CHRISTUS Spohn Health System Corporation ("CHRISTUS Spohn"), CHRISTUS Health, and the District (collectively, the "Parties") entered into the *CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement* ("Membership Agreement"), Article V of which governs member distributions of net patient revenue;

WHEREAS, Section 5.03(a) of the Membership Agreement requires the Parties to confer and agree each year on the percentage of net patient revenue to be allocated to CHRISTUS Health (the "Specified Annual Percentage") in consideration of its contributions to support CHRISTUS Spohn, and the percentage to be allocated to the District in recognition of its ongoing support for CHRISTUS Spohn's operations as a public, safety-net hospital in Nueces County, Texas; and

WHEREAS, the Parties have conferred and reached agreement on the Specified Annual Percentage for the period October 1, 2025 through September 30, 2026, subject to approval by the Board, as set forth in correspondence from CHRISTUS Spohn Health System to the District dated August 8, 2025, 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 agreed on the Specified Annual Percentage for Fiscal Year 2026, covering the period October 1, 2025 – September 30, 2026.
2. The Board hereby approves the agreed Specified Annual Percentage as memorialized in the letter from CHRISTUS Spohn Health System to the District dated August 8, 2025, attached hereto as Exhibit "A."

3. The Administrator, in his capacity as Secretary of the Board, is authorized and directed to perform all necessary acts, execute all related documents, and certify that this Resolution is in conformance with the laws of the State of Texas and the District's Bylaws.
4. This Resolution shall take effect immediately upon passage.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

EXHIBIT “A”

[Attach August 8, 2025 letter from CHRISTUS Spohn Health System to the District after this page]



August 8, 2025

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

Re: 2026 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, 2025 – September 30, 2026). 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 24, 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) continuation of the Texas 1115 Demonstration Waiver and directed payment programs, uses of the clinic sites and other properties, and physician residency programs.

Jonny Hipp
August 8, 2025
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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 eighty-three percent (83%), and the remaining seventeen percent (17%) 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
Chief Executive Officer
CHRISTUS Spohn Health System Corporation

#255504

CERTIFICATE FOR RESOLUTION

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 26th day of August 2025, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Belinda Flores, R.N., MBA, Chairman
Vishnu V. Reddy, M.D., Vice Chairman
Sylvia Tryon Oliver
Mariana Garza, J.D.
Efrain Guerrero, Jr.
Georgia Neblett
Karen O'Connor Urban

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

A RESOLUTION APPROVING THE FISCAL YEAR 2026 REVENUE ALLOCATION PERCENTAGE

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 26th day of August, 2025.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}