

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
Board of Managers - Regular Meeting  
Tuesday, June 28, 2022 at 10:00 AM**

**AGENDA**

**1. WELCOME**

**2. ROLL CALL OF BOARD OF MANAGERS**

- \_\_\_ Daniel W. Dain, Chairman
- \_\_\_ Sylvia Tryon Oliver, Vice-Chairman
- \_\_\_ Belinda Flores, R.N.
- \_\_\_ Vishnu V. Reddy, M.D.
- \_\_\_ John E. Valls, M.B.A.
- \_\_\_ Mariana Garza, J.D.
- \_\_\_ Efrain Guerrero, Jr.

**3. CALL TO ORDER, ESTABLISHMENT OF QUORUM, MEETING POSTING CONFIRMATION, AND CLOSED MEETING NOTICE**

A. Call to order.

B. Establish quorum.

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Public notice is hereby given that the Board of Managers may elect to go into Closed Meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551.

**4. PUBLIC COMMENT** - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must verbally notify the presiding officer of their desire to comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Board through a translator shall limit their comments to six (6) minutes.

5. **CONSENT AGENDA** - The Consent Agenda consists of those agenda items which are routine, administrative in nature, not in need of separate attention, and which a member of the Board has not requested be discussed separately. If requested to be discussed separately, that agenda item will be removed from the Consent Agenda by the presiding officer to the Regular Agenda and discussed as a part of the Regular Agenda at the appropriate time. All remaining items listed under the Consent Agenda will be voted upon in a single vote:

- A. Approve May 23, 2022 minutes of:
  - 1. Board of Managers Regular Meeting; and 7
  - 2. Public Hearing relating to mandatory Health Care Provider Participation Program payments. 17
  
- B. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2022 year-to-date: 20
  - 1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
  - 2. Emergency medical services provided in unincorporated areas of Nueces County;
  - 3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
  - 4. Medical services provided at County correctional facilities:
    - a. Nueces County Jail; and
    - b. Nueces County Juvenile Detention Center;
  - 5. Funding for alcohol and drug abuse treatment programs:
    - a. Cenikor (Charlie's Place);
    - b. Council on Alcohol and Drug Abuse; and
    - c. Palmer Drug Abuse Program;
  - 6. Funding for diabetes prevention and supporting programs;
  - 7. Public health grants; and
  - 8. Legal and professional fees. (*Finance Committee*)
  
- C. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended May 31, 2022. (*Finance Committee*) 21
  
- D. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System 22

Corporation Amended and Restated Membership Agreement, Section 5.03.  
(*Finance Committee*)

E. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statement for month-ended May 31, 2022. (*Finance Committee*) 23

F. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. (*Finance Committee*) 27

G. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC): 28

1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

- a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
- b. Network Access Improvement Program (NAIP);
- c. Texas Incentives for Physicians and Professional Services (TIPPS);
- d. Uniform Hospital Rate Increase Program (UHRIP); and

2. Supplemental Payment Programs - HHSC-directed payments made to hospitals for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

- a. Disproportionate Share Hospitals (DSH) program;
- b. Graduate Medical Education (GME);
- c. Hospital Uncompensated Care (UC) pool; and

3. Phase-Out Programs:

- a. Delivery System Reform Incentive Payment (DSRIP) pool. (*Finance Committee*)

6. **REGULAR AGENDA** - The Regular Agenda consists of those agenda items which are non-routine, not administrative in nature, or are otherwise in need of separate attention. Each Regular Agenda item will be voted upon separately if action is required:

A. **Finance Committee**:

- |  |    |
|--|----|
| 1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended May 31, 2022. <b>(ACTION)</b> | 29 |
| 2. Receive reports relating to Nueces Aid Program enrollment for the month-ended May 31, 2022:   |    |
| a. Total Persons and Households Enrolled;  | 36 |
| b. Enrollment Summary;   | 37 |
| c. Denials;  | 41 |
| d. Application Processing Summary; and   | 42 |
| e. Enrollment by Zip Code. <b>(INFORMATION)</b>  | 44 |

**B. Memorial Medical Center:**

- |  |    |
|--|----|
| 1. Receive April 22, 2022 notice from CHRISTUS Spohn Health System Corporation relating to removal of Hospital District-owned equipment located at Memorial Medical Center, 2606 Hospital Boulevard, Corpus Christi, Texas; equipment removal to precede remediation and demolition of the Memorial Medical Center facility pursuant to the CHRISTUS Spohn Health System Corporation Membership Agreement between CHRISTUS Spohn Health System Corporation, CHRISTUS Health, and Hospital District. <b>(INFORMATION)</b> | 47 |
| 2. Receive May 20, 2022 notice from Hospital District to CHRISTUS Spohn Health System Corporation relating to requirements associated with CHRISTUS Spohn's demolition of the Memorial Medical Center Buildings and Infrastructure; requirements pursuant to Schedule 1, Section 3.5.4 of the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement between CHRISTUS Spohn Health System Corporation, CHRISTUS Health, and Hospital District. <b>(INFORMATION)</b>                          | 49 |

**C. Nueces County:**

1. Discuss and consider action relating to Nueces County's request for reimbursement from the Hospital District for the County's payment of sick leave and vacation hours for County employees who worked at the Public Health District who were hired by the City of Corpus Christi after the Effective Date (March 1, 2022) of the Amended Cooperative Agreement for City-Operated Corpus Christi-Nueces County Public Health District. **(ACTION)**
  
2. Discuss proposed Interlocal Cooperation Agreement between Nueces County and Nueces County Hospital District relating to Hospital District's reimbursement of County's Public Health District expenses during Fiscal Year 2023. **(INFORMATION)**

**D. Community Mental Health Initiatives:**

1. Receive and discuss information presented by Nueces County's Director of Mental Health Programs on Hospital District-funded and other mental health programs. (*INFORMATION*)
2. Receive information regarding the development of a comprehensive collaborative behavioral mental health restoration program. (*INFORMATION*)

**7. Administrator's Actions:**

A. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):

1. Extension of process for determining the Specified Annual Percentage (net patient revenue share) for the period October 1, 2022 - September 30, 2023; process pursuant to Section 5.03 of the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement between CHRISTUS Spohn Health System Corporation, CHRISTUS Health, and Hospital District. (*ACTION*)

**8. ADMINISTRATOR'S BRIEFING:**

A. Next Board of Managers and Board Committee regular meetings (all meetings' dates, times, and locations are subject to change):

1. Finance Committee: July 26, 2022, 9:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and
2. Board of Managers: July 26, 2022, 10:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. Meeting will include Board Workshop on Hospital District's Fiscal Year 2023 Budget. (*INFORMATION*)

**9. CLOSED MEETING** - Public notice is hereby given that the Board of Managers may elect to go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551 and the Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act, §551.071 and §551.074. In the event the Board elects to go into closed session(s) regarding an agenda item(s), the section(s) of the Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed session(s), then the final action, final decision, or final vote shall be either: (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or (b) at a

subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws:

A. Consult with attorneys on and/or deliberate evaluation of the Administrator.

10. **OPEN MEETING** - Following the Closed Meeting, the Board of Managers will reconvene the Open Meeting prior to taking any action(s) on matters considered in the Closed Meeting or adjourning the meeting.

11. Consider final action, decision, or vote on matters considered in the Closed Meeting.  
***(ACTION AS NEEDED)***

12. **ADJOURN**

**DRAFT**

**MINUTES  
BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
REGULAR MEETING  
MAY 23, 2022**

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The Nueces County Hospital District Board of Managers met at 10:30 a.m., Monday, May 23, 2022 in the NCHD Board Room, at 555 N. Carancahua, Suite 950 – A, Corpus Christi, Texas.

**HOSPITAL DISTRICT REPRESENTATIVES:**

Jonny F. Hipp	Administrator/CEO
Belinda E. Chism	Assistant Administrator, Administrative Services
Donna Littlefield	Director, Accounting & Finance
Wm Dewitt Alsup	Attorney, Alsup Law Firm
Mary Esther Guerra	Assistant County Attorney
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

**OTHERS PRESENT:**

Chris Nicosia	Corpus Christi Med. Ctr.
Javier Huerta	CIK
Jerry Kramer	CIK
Dr. Xavier Gonzales	Director of Mental Health
Andrea Kovarik	MHID
Mark Hendrix	MHID
Mike Davis	MHID
Comm JAG	Nueces County
Juan Pimentel	Nueces County Engineer
Adam Robison	Attorney – via Zoom
Comm Hernandez	Nueces County – via Zoom
Aaron V. Diaz	Deputy Director of MHP – via Zoom
Rebecca Rios	Christus Spohn Hospital – via Zoom
Robin Daniel	Adelanto Healthcare - via Zoom
Cleo Lawrence	Adelanto Healthcare - via Zoom
151256585	- via Zoom
DCH7795	- via Zoom

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**MINUTES  
BOARD OF MANAGERS  
REGULAR MEETING  
MAY 23, 2022**

**1. WELCOME**

**2. ROLL CALL OF BOARD OF MANAGERS**

- Daniel W. Dain, Chairman
- Sylvia Tryon Oliver, Vice-Chairman
- Belinda Flores, R.N.
- Vishnu V. Reddy, M.D.
- John E. Valls, M.B.A.
- Mariana Garza, J.D.
- Efrain Guerrero, Jr.

**3. CALL TO ORDER, ESTABLISHMENT OF QUORUM, MEETING POSTING CONFIRMATION, AND CLOSED MEETING NOTICE**

- A. Call to order – Mr. Daniel W. Dain, Chairman.  
The meeting was called to order by Mr. Dain at 10:32 a.m.
- B. Establish quorum – Mr. Dain.  
A quorum was present with six members in attendance.
- C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.
- D. Public notice is hereby given that the Board of Managers may elect to go into Closed Meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551.

**4. REGULAR SESSION** - Following the Workshop Session, the Board of Managers will move into the Regular Session prior to taking any action(s) on items listed on the Regular Agenda.

**5. PUBLIC COMMENT** - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must verbally notify the presiding officer of their desire to comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Board through a translator shall limit their comments to six

**MINUTES  
BOARD OF MANAGERS  
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(6) minutes.

**No one to speak for public comment.**

**6. CONSENT AGENDA** - The Consent Agenda consists of those agenda items which are routine, administrative in nature, not in need of separate attention, and which a member of the Board has not requested be discussed separately. If requested to be discussed separately, that agenda item will be removed from the Consent Agenda by the presiding officer to the Regular Agenda and discussed as a part of the Regular Agenda at the appropriate time. All remaining items listed under the Consent Agenda will be voted upon in a single vote:

- A. Approve Board of Managers Regular Meeting minutes of March 22, 2022.
- B. Receive listing of new vendors as of May 19, 2022; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.
- C. Receive hospital providers' quarterly reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver for calendar quarter-ended March 31, 2022:
  - 1. CHRISTUS Spohn Health System Corporation Hospitals: Alice, Beeville, and Kleberg (Consolidated Report);
  - 2. Corpus Christi Medical Center; and
  - 3. Driscoll Children's Hospital.
- D. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2022 year-to-date:
  - 1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
  - 2. Emergency medical services provided in unincorporated areas of Nueces County;
  - 3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
  - 4. Medical services provided at County correctional facilities:
    - a. Nueces County Jail; and
    - b. Nueces County Juvenile Detention Center;

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5. Funding for alcohol and drug abuse treatment programs:

- a. Cenikor (Charlie's Place);
- b. Council on Alcohol and Drug Abuse; and
- c. Palmer Drug Abuse Program;

6. Funding for diabetes prevention and supporting programs;

7. Public health grants; and

8. Legal and professional fees. (*Finance Committee*)

E. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended April 30, 2022. (*Finance Committee*)

F. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. (*Finance Committee*)

G. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statements for months-ended March 31, 2022 and April 30, 2022. (*Finance Committee*)

H. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. (*Finance Committee*)

I. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC):

1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

- a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
- b. Network Access Improvement Program (NAIP);
- c. Texas Incentives for Physicians and Professional Services (TIPPS);

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REGULAR MEETING  
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d. Uniform Hospital Rate Increase Program (UHRIP); and

2. Supplemental Payment Programs - HHSC-directed payments made to hospitals for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

- a. Disproportionate Share Hospitals (DSH) program;
- b. Graduate Medical Education (GME);
- c. Hospital Uncompensated Care (UC) pool; and

3. Phase-Out Programs:

- a. Delivery System Reform Incentive Payment (DSRIP) pool. (*Finance Committee*)

**Consent Agenda Approved. Motion by Mr. Valls  
and seconded by Dr. Reddy. MOTION CARRIED.**

7. **REGULAR AGENDA** - The Regular Agenda consists of those agenda items which are non-routine, not administrative in nature, or are otherwise in need of separate attention. Each Regular Agenda item will be voted upon separately if action is required:

**A. Finance Committee:**

1. Receive and approve unaudited financial statements for the months and fiscal year-to-date periods ended March 31, 2022 and April 30, 2022. (***ACTION***)

**Motion by Mr. Valls and seconded by Mr. Guerrero.  
MOTION CARRIED.**

2. Receive Quarterly Investment Report for fiscal quarter-ended March 31, 2022. (***INFORMATION***)

3. Receive reports relating to Nueces Aid Program enrollment for the months-ended March 31, 2022 and April 30, 2022:

- a. Total Persons and Households Enrolled;
- b. Enrollment Summary;
- c. Denials;
- d. Application Processing Summary; and
- e. Enrollment by Zip Code. (***INFORMATION***)

4. Receive information relating to the State Comptroller of Public Accounts' 2022 local and statewide pro rata distribution of investment proceeds from the Tobacco

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REGULAR MEETING  
MAY 23, 2022**

Permanent Settlement Trust Account; distributions pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.2. **(INFORMATION)**

**B. Memorial Medical Center:**

1. Receive notice from CHRISTUS Spohn Health System Corporation relating to removal of Hospital District-owned equipment located at Memorial Medical Center, 2606 Hospital Boulevard, Corpus Christi, Texas; equipment removal to precede remediation and demolition of the Memorial Medical Center facility pursuant to the CHRISTUS Spohn Health System Corporation Membership Agreement between the parties. **(INFORMATION)**

**C. Health Care Provider Participation Program:**

1. Consider actions necessary for the Board of Managers to activate, implement, and operate a health care provider participation program for Fiscal Year 2022 (October 1, 2021 - September 30, 2022) (“Fiscal Year 2022”); program and actions pursuant to Texas Health and Safety Code, Chapter 298C, as amended:

a. Confirm posting of public notice of public hearing on the amounts of mandatory health care provider participation program payments that the Board of Managers intends to require of each institutional health care provider located in the Hospital District's boundaries under the program during Fiscal Year 2022 and how the revenue derived from the payments will be spent;

b. Confirm provision to each institutional health care provider of the public notice of public hearing on the amounts of mandatory health care provider participation program payments that the Board of Managers intends to require of each institutional health care provider located in the Hospital District's boundaries under the program during Fiscal Year 2022 and how the revenue derived from the payments will be spent; and

c. Adopt Board of Managers Order setting the mandatory payment rate for Fiscal Year 2022 at six percent (6%) of the net patient revenue of each institutional health care provider located in the boundaries of NCHD. **(ACTION)**

**Motion to approve Dr. Reddy and seconded by  
Mr. Guerrero. MOTION CARRIED.**

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BOARD OF MANAGERS  
REGULAR MEETING  
MAY 23, 2022

**D. Community Mental Health Initiatives:**

1. Receive and discuss information presented by Nueces County's Director of Mental Health Programs on Hospital District-funded and other mental health programs. *(INFORMATION)*

**Dr. Gonzales presented a brief update.**

2. Receive and discuss information and reports from the Nueces Center for Mental Health and Intellectual Disabilities ("NCMHID") relating to work performed under mental health agreements between Nueces County, NCMHID, and Nueces County Hospital District. *(INFORMATION)*

**NCMHID presented an update.**

**E. Nueces County:**

1. Discuss and consider action relating to Nueces County's request for reimbursement of the County's payment of vacation and sick leave benefits for County employees previously employed at the Public Health District prior to the current reformation agreement between the City and the County, effective March 1, 2022. *(ACTION)*

**Motion to table item E. 1. by Mr. Dain  
Motion by Dr. Reddy and seconded by  
Ms. Garza. MOTION CARRIED.**

2. Receive information from Commissioner Joe A. Gonzalez relating to future expansion needs of the medical examiner's facility located on Hospital District-owned property located at 2606 Hospital Boulevard, Corpus Christi, Texas. *(INFORMATION)*

**8. Other Business:**

A. Adopt Board of Managers Order authorizing the sale of surplus or salvage property originating from Memorial Medical Center and other sources by online auction as determined by the Administrator; sale pursuant to Texas Health and Safety Code, §285.901. *(ACTION)*

**Motion by Dr. Reddy and seconded by Ms. Garza.  
MOTION CARRIED.**

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B. Receive supporting documentation relating to Administrator's achievement of Employment Agreement-related performance goals during the fiscal year ended September 30, 2021 and approve related payment. *(INFORMATION & ACTION)*

**Motion by Dr. Reddy and seconded by Ms. Garza.  
MOTION CARRIED.**

**9. ADMINISTRATOR'S BRIEFING:**

A. Next Board of Managers and Board Committee regular meetings (all meetings' dates, times, and locations are subject to change):

1. Finance Committee: June 28, 2022, 9:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and

2. Board of Managers: June 28, 2022, 10:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. *(INFORMATION)*

10. **CLOSED MEETING** - Public notice is hereby given that the Board of Managers may elect to go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551 and the Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act, §551.071 and §551.074. In the event the Board elects to go into closed session(s) regarding an agenda item(s), the section(s) of the Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed session(s), then the final action, final decision, or final vote shall be either: (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or (b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws:

A. Consult with attorneys on matters relating to Hospital District-owned real property.

B. Consult with attorneys on legal matters relating to the Hospital District's response to Nueces County's request for reimbursement of the County's payment of vacation and sick leave benefits for County employees previously employed at the Public Health

**MINUTES  
BOARD OF MANAGERS  
REGULAR MEETING  
MAY 23, 2022**

District prior to the current reformation agreement between the City and the County, effective March 1, 2022.

C. Consult with attorneys and/or deliberate matters relating to evaluation of the Administrator.

11. **OPEN MEETING** - Following the Closed Meeting, the Board of Managers will reconvene the Open Meeting prior to taking any action(s) on matters considered in the Closed Meeting or adjourning the meeting.

**Mr. Valls left meeting at 12:39 p.m.**

**Ms. Garza left meeting at 12:45 p.m.**

12. Consider final action, decision, or vote on matters considered in the Closed Meeting. **(ACTION AS NEEDED)**

**No action taken.**

13. **ADJOURN**

**Motion to adjourn by Mr. Dain. Motion by Mr. Guerrero and seconded by Ms. Oliver. Meeting adjourned at 1:03 p.m.**

**MINUTES  
BOARD OF MANAGERS  
REGULAR MEETING  
MAY 23, 2022**

**PRESIDING OFFICER**

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Daniel W. Dain, Chairman

**ATTEST:**

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Jonny F. Hipp, Secretary  
Board of Managers  
Nueces County Hospital District

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Wm Dewitt Alsup, General Counsel  
Nueces County Hospital District

**DRAFT**

**MINUTES  
BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
PUBLIC HEARING MEETING  
MAY 23, 2022**

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The Nueces County Hospital District Board of Managers met at 10:00 a.m., Monday, May 23, 2022 in the NCHD Board Room, at 555 N. Carancahua, Suite 950 – A, Corpus Christi, Texas.

**HOSPITAL DISTRICT REPRESENTATIVES:**

Jonny F. Hipp	Administrator/CEO
Belinda E. Chism	Assistant Administrator, Administrative Services
Donna Littlefield	Director, Accounting & Finance
Wm Dewitt Alsup	Attorney, Alsup Law Firm
Mary Esther Guerra	Assistant County Attorney
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

**OTHERS PRESENT:**

Chris Nicosia	Corpus Christi, Med. Ctr.
Andrea Kovarik	MHID
Mark Hendrix	MHID
Mike Davis	MHID
Javier Huerta	CIK
Jerry Kramer	CIK
Adam Robison	Attorney – via Zoom
Cleo Lawrence	Adelanto Healthcare- via Zoom
Luba Kubinski	- via Zoom
Joel Virgil	System Director, Christus Spohn – via Zoom
Colt Sullivan	Vice President, Adelanto Healthcare – via Zoom
Aaron V. Diaz	Deputy Director of MHP – via Zoom
Robin Daniel	Adelanto Healthcare - via Zoom
Rebecca Rios	Christus Spohn
Mike Pierce	CC Rehabilitation Hospital - via Zoom
1512565852	- via Zoom
DCH7795	- via Zoom

**MINUTES  
BOARD OF MANAGERS  
PUBLIC HEARING MEETING  
MAY 23, 2022**

**1. WELCOME**

**2. ROLL CALL OF BOARD OF MANAGERS**

- Daniel W. Dain, Chairman
- Sylvia Tryon Oliver, Vice-Chairman
- Belinda Flores, RN
- Vishnu V. Reddy, M.D.
- John E. Valls, M.B.A.
- Mariana Garza, J.D.
- Efrain Guerrero, Jr.

**3. CALL TO ORDER, ESTABLISHMENT OF QUORUM, AND PUBLIC HEARING POSTING CONFIRMATION**

- A. Call to order – Mr. Daniel W. Dain, Chairman  
The meeting was called to order by Mr. Dain at 10:04 a.m.
- B. Establish quorum – Mr. Dain  
A quorum was present with five members in attendance.

**Daniel W. Dain, Chairman – PRESENT**  
**Sylvia Tryon Oliver, Vice-Chairman – PRESENT**  
**John E. Valls, M.B.A., Member – PRESENT**  
**Marian Garza, J.D., Member – PRESENT @ 10:15 a.m.**  
**Efrain Guerrero, Jr., Member – PRESENT**  
**Belinda Flores, RN. Member – ABSENT**  
**Vishnu V. Reddy, M.D., Member – ABSENT**

- C. Confirm posting of public hearing notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

**4. OPEN PUBLIC HEARING**

**No one to speak for public comment.**

**MINUTES  
BOARD OF MANAGERS  
PUBLIC HEARING MEETING  
MAY 23, 2022**

**5. Health Care Provider Participation Program:**

A. The Nueces County Hospital District ("District") Board of Managers ("Board") will conduct a public hearing to receive public comments regarding the mandatory Health Care Provider Participation Program ("Program") payment of six percent (6%) of net patient revenue that the Board intends to require of each institutional health care provider located within the District's boundaries under the Program for District Fiscal Year 2022 (October 1, 2021 - September 30, 2022) and comments regarding the use of revenue derived from the payments; Program authorized by Texas Health & Safety Code ("Health Code"), Chapter 298C, as amended; and public hearing conducted pursuant to Health Code, §298C.101.

**6. CLOSE PUBLIC HEARING**

**7. ADJOURN**

**Motion to adjourn by Mr. Dain. Motion by Mr. Valls and seconded by Mr. Guerrero. Meeting adjourned at 10:20 a.m.**

Nueces County Hospital District  
 County Health Care Department Expenditures  
 Cash Disbursements Relating to  
 Fiscal Year 2022

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal 2022 YTD	Budget 2022	Balance
<u>Intergovernmental Transfers</u>															
Health Dept - County - IGT	0.00	0.00	0.00	76,662.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,662.54	887,000.00	\$10,337.66
<u>County Healthcare Services</u>															
Health Dept - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	942,300.00	942,300.00
Emergency Medical Services	0.00	0.00	0.00	127,200.00	0.00	0.00	120,300.00	0.00	0.00	0.00	0.00	0.00	247,500.00	550,000.00	302,500.00
NC MHID - Fund Matching	0.00	0.00	242,283.00	0.00	0.00	242,283.00	0.00	0.00	0.00	0.00	0.00	0.00	484,566.00	969,129.00	484,563.00
NC MHID - Jail Programs	0.00	0.00	174,265.51	120,600.82	151,341.38	252,575.50	257,018.81	0.00	0.00	0.00	0.00	0.00	953,800.02	3,510,801.00	2,555,000.98
Mental Healthcare Services	134.48	214.02	0.00	0.00	71,439.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71,787.75	570,000.00	498,212.27
Juvenile Center - Lab	1,474.67	1,651.74	1,514.95	1,134.27	1,758.93	1,897.55	1,936.09	1,632.38	0.00	0.00	0.00	0.00	13,000.58	407,000.00	
Juvenile Center - Doctors	13,334.40	23,070.35	17,982.20	17,141.35	20,756.24	29,758.95	23,298.36	53,889.33	4,497.66	0.00	0.00	0.00	203,728.84		
Juvenile Center - Pharmacy	583.97	1,256.12	689.67	587.05	66.33	2,223.01	31.92	40.65	0.00	0.00	0.00	0.00	5,458.72		
Juvenile Center - Other	453.80	1,970.46	124.48	289.48	912.60	561.82	1,228.96	2,242.26	0.00	0.00	0.00	0.00	7,765.86		
Subtotal	15,828.84	27,948.67	20,291.30	19,132.15	23,494.10	34,441.33	26,495.33	57,804.62	4,497.66	0.00	0.00	0.00	229,954.00	407,000.00	177,046.00
Nueces County Jail Services	353,224.55	353,224.55	370,829.92	357,129.95	353,224.55	353,224.55	353,224.55	353,224.55	553,224.55	0.00	0.00	0.00	3,204,437.12	4,408,695.00	1,204,257.88
Centikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	60,000.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
Diabetes Program - County	0.00	0.00	0.00	88.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.64	50,000.00	49,911.36
County Public Health Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170,000.00	170,000.00
<u>Professional Fees</u>															
Legal/Consulting/Engineering	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Totals</b>	<b>369,187.87</b>	<b>381,387.24</b>	<b>807,669.73</b>	<b>700,833.90</b>	<b>599,499.26</b>	<b>886,427.78</b>	<b>757,038.69</b>	<b>411,029.17</b>	<b>357,722.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,270,795.85</b>	<b>12,574,925.00</b>	<b>7,304,129.15</b>

**Nueces County Hospital District  
Imputed Claims Experience for Calendar Year 2022  
As if Adjudicated January 1, 2022 through May 31, 2022**

<b>Service</b>	<b>Claims</b>	<b>Billed</b>	<b>Contract Amt.</b>	<b>Co Insurance</b>	<b>Net</b>
ER	1,570	9,476,739	1,116,241	51,978	1,064,263
ASU	363	6,179,013	520,231	23,667	496,564
Clinic	6,572	4,856,155	1,329,352	54,985	1,274,367
Obs	81	2,739,422	584,087	22,248	561,839
OP	4,453	18,277,425	4,398,571	173,883	4,224,688
Subtotal	13,039	41,528,754	7,948,482	326,761	7,621,721
IP	293	19,335,921	2,984,763	69,757	2,915,006
SNF	-				-
RX	47,676	18,412,343	7,012,640	194,318	6,818,322
Physician	5,257	3,062,926	926,987	26,817	900,170
Total	66,265	82,339,944	18,872,872	617,653	18,255,219

**NOTE:**

The Revised and Restated Indigent Care Agreement was terminated effective September 30, 2012. After that date, the District no longer makes payment to CHRISTUS Spohn for providing health care services to the Nueces Aid Indigent population. Under the terms of the Membership Agreement amended and restated effective November 18, 2015, CHRISTUS Spohn has committed to continue to provide health care services to the Nueces Aid Indigent population and, and at the request of the District, continues to submit informational claims to the District to permit the District to monitor the volume of health care services furnished to the Nueces Aid Indigent population.

Nueces County Hospital District  
 Spohn Corporate Member Revenue Analysis  
 Fiscal Year 2022

Member Revenue % 3.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
<u>Membership Revenue Deposits</u>													
Week 1	165,178.26	183,713.87	243,955.67	254,373.65	203,576.75	230,983.47	232,339.33	206,540.51	223,259.27				1,943,920.78
Week 2	269,943.70	144,144.12	293,334.36	261,243.73	242,771.93	247,322.51	207,626.47	216,345.83	226,428.79				2,109,161.44
Week 3	189,474.15	254,845.66	254,569.32	202,153.37	204,783.71	227,240.44	158,636.07	232,094.98	386,278.02				2,110,075.72
Week 4	251,640.56	204,063.64	282,539.21	178,046.34	186,845.25	235,735.15	290,899.77	249,808.76					1,879,578.68
Week 5	249,925.11			222,033.60			218,396.71						690,355.42
Subtotal	1,126,161.78	786,767.29	1,074,398.36	1,117,850.69	837,977.64	941,281.57	1,107,898.35	904,790.08	835,966.08	0.00	0.00	0.00	8,733,092.04



Bank of America, N.A.  
135 S. LaSalle Street, Suite 1840 Chicago, IL 60603

TEMP-RETURN SERVICE REQUESTED

MB 01 001300 59780 H 5 A  
NUECES COUNTY HOSPITAL DISTRICT  
ATTN: JONNY HIPPI  
555 NORTH CARANCAHUA ST. SUITE 950  
CORPUS CHRISTI TX 78401-0835

Account Number [REDACTED]  
Statement Period 05/01/2022 through 05/31/2022  
Account Title CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT  
CHRISTUS SPOHN / NUECES CNTY ESCROW

ADMINISTRATIVE OFFICER GCAS CLIENT SERVICE.  
13129923272 GCAS\_AMRS\_ESCROW\_CLIENT\_SERVIC  
E@BOFA.COM

ALTERNATE CONTACT CLIENT SERVICE.  
13129923272 GCAS\_AMRS\_ESCROW\_CLIENT\_SERVIC  
E@BOFA.COM

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PARTICIPATING PORTFOLIOS

PORTFOLIO NUMBER [REDACTED] PORTFOLIO NAME CHRISTUS SPOHN / NUECES CNTY ESCROW

PARTICIPATING PORTFOLIOS

PORTFOLIO NUMBER [REDACTED] PORTFOLIO NAME [REDACTED]

received  
06/10/22





**CASH AND EQUIVALENTS**

8,607,153.47	BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012	8,607,153.47		7,414.20
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<b>TOTAL CASH AND EQUIVALENTS</b>		<b>8,607,153.47</b>		<b>7,414.20</b>
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**TRANSACTION SUMMARY**

DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
<b>BEGINNING BALANCE</b>	0.00	0.00	8,607,018.59
DIVIDENDS	0.00	0.00	0.00
INTEREST	0.00	134.88	0.00
OTHER INCOME	0.00	0.00	0.00
RECEIPTS & DEPOSITS	0.00	0.00	0.00
SALES & DISPOSITIONS	0.00	0.00	0.00
INTRA ACCOUNT TRANSFERS	0.00	0.00	0.00
DISTRIBUTIONS & WITHDRAWALS	0.00	0.00	0.00
PURCHASES & ACQUISITIONS	0.00	-134.88	134.88
FEES & EXPENSES	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00
<b>ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>8,607,153.47</b>

**TRANSACTION DETAIL**

DATE	DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
	<b>BEGINNING BALANCE</b>	0.00	0.00	8,607,018.59
05/02/22	INTEREST PAYMENT PAYABLE 05/01/22	0.00	134.88	
	BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012			

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TRANSACTION DETAIL (continued)

DATE	DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
05/03/22	SWEEP PURCHASE 134.88 SHARES		-134.88	134.88
	TRADE 05/03/22 BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012			
	<b>ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>8,607,153.47</b>

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01/JUN/2022 CA NUECES COUNTY HOSPITAL DISTRICT 05/01/2022 thru 05/31/2022

01

REG 04/2022



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01/JUN/2022

CA

NUECES COUNTY HOSPITAL DISTRICT

05/01/2022 thru 05/31/2022



Nueces County Hospital District  
 Nueces LPPF Activity  
 Fiscal Year 2022

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balan	17,763,074.64	25,618,451.58	32,852,981.60	51,846,575.63	50,419,827.17	44,619,075.29	44,619,537.57	44,620,197.49	28,813,418.17	5,578,208.24	5,578,208.24	5,578,208.24	17,763,074.64
<b>Deposits</b>													
Christus Spohn		7,234,287.00	7,234,287.00		7,234,287.00			7,234,287.00	17,186,006.50				46,123,154.50
CCMC	5,650,342.75		5,650,342.75		5,650,342.75			5,650,342.75					22,601,371.00
CC Rehab	244,647.50		244,647.50		244,647.50			244,647.50					978,590.00
Driscoll	4,669,067.75		4,669,067.75		4,669,067.75			4,669,067.75					18,676,271.00
PAM Specialty	299,980.75		299,980.75		299,980.75			299,980.75					1,199,923.00
PAM Rehab	268,249.75		268,249.75		268,249.75			268,249.75					1,072,999.00
S. TX Surgical	626,744.50		626,744.50		626,744.50			626,744.50					2,506,978.00
Subtotal	11,759,033.00	7,234,287.00	18,993,320.00	0.00	18,993,320.00	0.00	0.00	18,993,320.00	17,186,006.50	0.00	0.00	0.00	93,159,286.50
Interest	119.10	243.02	272.03	386.81	251.59	462.08	660.12	306.19					2,700.74
<b>Transfers In</b>													0.00
Total Deposits	11,759,152.10	7,234,530.02	18,993,592.03	386.81	18,993,571.59	462.08	660.12	18,993,626.19	17,186,006.50	0.00	0.00	0.00	93,161,987.24
<b>Inter-Governmental Transfers</b>													
UC	(3,903,775.16)			(1,427,133.27)	(24,794,323.27)								(28,698,098.43)
DSRIP													(1,427,133.27)
CHIRP								(34,294,607.97)	(39,827,951.42)				(74,122,539.39)
TIPPS								(355,797.54)	(593,285.01)				(949,082.55)
DSH													0.00
UHRIP													0.00
Total IGT's	(3,903,775.16)	0.00	0.00	(1,427,133.27)	(24,794,323.27)	0.00	0.00	(34,650,405.51)	(40,421,216.43)	0.00	0.00	0.00	(105,196,853.64)
<b>Transfers Out</b>								(150,000.00)					(150,000.00)
Bank Fees													0.00
Ending Balance	25,618,451.58	32,852,981.60	51,846,575.63	50,419,827.17	44,619,075.29	44,619,537.37	44,620,197.49	28,813,418.17	5,578,208.24	5,578,208.24	5,578,208.24	5,578,208.24	5,578,208.24

Nueces County Hospital District  
 Medicaid Payment Programs/Directed Payment Programs  
 Estimated Provider Payments & IGT History  
 FY2012 to Present

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS	
Christus Spohn - Corpus Christi	363,413,690	469,883,767	201,937,439	55,698,685	111,048,651	40,570,941	2,610,423	1,245,163,594	51%
Christus Spohn Rural (Alice/Beeville/Kleberg)	45,886,713	171,637,909	0	15,020,682	0	9,821,198	0	242,366,503	10%
Corpus Christi Medical Center	113,388,330	139,171,092	0	48,200,011	0	59,307,523	0	360,066,956	15%
Driscoll Childrens Hospital	293,025,634	19,578,099	0	0	0	187,868,754	479,717	500,952,204	20%
Detar Hospital	24,949,804	47,723,156	0	15,382,457	0	0	0	88,055,417	4%
North Bay General Hospital	0	0	0	504,542	0	0	0	504,542	0%
South Texas Surgical Hospital	0	0	0	904,786	0	0	0	904,786	0%
Corpus Christi Rehab Hospital	0	0	0	296,670	0	0	0	296,670	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	1,330	0%
PAM Rehab Hospital	0	0	0	147,501	0	0	0	147,501	0%
Nueces County Health Dept	20,067,084	0	0	0	0	0	0	20,067,084	1%
<b>TOTALS</b>	<b>860,731,256</b>	<b>847,994,023</b>	<b>201,937,439</b>	<b>136,156,663</b>	<b>111,048,651</b>	<b>297,568,416</b>	<b>3,090,140</b>	<b>2,458,526,586</b>	<b>100%</b>

\* Estimated Receipts for Entities (IGT + FMAP), Subject to HHSC Review and Administrative Fees

IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS
Nueces County Hospital District	326,881,505	303,167,058	79,808,524	59,437,427	43,550,064	0	0	812,844,578
Nueces LPPF	17,912,831	31,858,523	0	0	0	109,104,874	1,304,880	160,181,108
<b>TOTALS</b>	<b>344,794,336</b>	<b>335,025,581</b>	<b>79,808,524</b>	<b>59,437,427</b>	<b>43,550,064</b>	<b>109,104,874</b>	<b>1,304,880</b>	<b>973,025,685</b>

Nueces County Hospital District  
 Combined Balance Sheet - All Fund Types & Account Groups  
 As of 5/31/2022  
 (In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
<b>Assets</b>						
Cash & Cash Equivalents	57,113,107 *	20,167,169	94,733	0	0	77,375,010
Investments	0	37,033,041	0	0	0	37,033,041
Accrued Interest	0	68,653	40	0	0	68,693
Taxes Receivable, Net of Allowance	4,220,478	0	0	0	0	4,220,478
Other Receivables	0	0	0	0	0	0
Due from Other Funds	21,109	0	0	0	0	21,109
Prepaid Expenditures	53,947	0	0	0	0	53,947
Restricted Cash & Cash Equivalents - LPPF	28,813,418	0	0	0	0	28,813,418
Fixed Assets	0	0	0	32,158,070	0	32,158,070
Amt to be Provided for Retirement of LT Debt	0	0	0	0	53,485	53,485
<b>Total Assets</b>	<u>90,222,059</u>	<u>57,268,864</u>	<u>94,773</u>	<u>32,158,070</u>	<u>53,485</u>	<u>179,797,251</u>
<b>Liabilities</b>						
Accounts Payable	2,326,701	0	0	0	0	2,326,701
Accrued Payroll & Related Liabilities	334,547	0	0	0	0	334,547
Intergovernmental Transfer Obligations	28,813,418	0	0	0	0	28,813,418
Due to Other Funds	0	0	21,109	0	0	21,109
Deferred Revenue	4,220,478	0	0	0	0	4,220,478
Long Term Paid Time Off	0	0	0	0	53,485	53,485
<b>Total Liabilities</b>	<u>35,695,144</u>	<u>0</u>	<u>21,109</u>	<u>0</u>	<u>53,485</u>	<u>35,769,738</u>
<b>Fund Equity</b>						
Fund Balance	37,016,159	0	73,664	32,158,070	0	69,247,893
Committed to:						
Intergovernmental Transfers	17,510,756	0	0	0	0	17,510,756
Indigent Care	0	56,601,188	0	0	0	56,601,188
Assigned to County Health Care	0	667,676	0	0	0	667,676
<b>Total Fund Equity</b>	<u>54,526,915</u>	<u>57,268,864</u>	<u>73,664</u>	<u>32,158,070</u>	<u>0</u>	<u>144,027,513</u>
<b>Total Liabilities &amp; Fund Equity</b>	<u>90,222,059</u>	<u>57,268,864</u>	<u>94,773</u>	<u>32,158,070</u>	<u>53,485</u>	<u>179,797,251</u>

\* General Fund Cash & Equivalents balance includes \$17,510,756 in committed funds.

Nueces County Hospital District  
 Statement of Revenues and Expenditures - All Governmental and Trust Funds  
 General Fund  
 From 5/1/2022 Through 5/31/2022  
 (In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Taxes	285,872	36,998,076
Penalties & Interest - Taxes	46,858	235,975
Spohn Corporate Member Revenue	904,790	7,897,126
Investment Income	29,743	59,512
Other Income	150,839	286,877
Total Revenues	1,418,101	45,477,565
Current Expenditures		
Intergovernmental Transfers	594,375	26,880,810
County Healthcare Funding	956,501	6,139,393
Salaries	161,189	824,420
Benefits	53,044	433,235
Legal & Professional Fees	33,837	230,686
Purchased Services	78,434	891,303
Supplies & Materials	1,927	10,561
Rent & Leases	12,444	96,483
Repairs & Maintenance	1,273	2,135
Utilities	3,025	25,124
Insurance	2,110	15,239
Administrative & General	7,446	34,960
Capital Outlay	0	2,501
Total Current Expenditures	1,905,605	35,586,848
Excess of Revenues Over Expenditures Before Sources/Uses	(487,505)	9,890,717
Excess of Revenues Over Expenditures After Sources & Uses	(487,505)	9,890,717
Fund Balance, Beginning of Year		44,636,198
FUND BALANCE, END OF YEAR		54,526,915

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
Special Revenue Fund  
From 5/1/2022 Through 5/31/2022  
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	31,140	139,742
Tobacco Settlement Proceeds	<u>0</u>	<u>666,491</u>
Total Revenues	<u>31,140</u>	<u>806,234</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>31,140</u>	<u>806,234</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>31,140</u>	<u>806,234</u>
Fund Balance, Beginning of Year		56,462,630
FUND BALANCE, END OF YEAR		<u><u>57,268,864</u></u>

Nueces County Hospital District  
 Statement of Revenues and Expenditures - All Governmental and Trust Funds  
 Trust Fund  
 From 5/1/2022 Through 5/31/2022  
 (In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	40	67
Total Revenues	40	67
Current Expenditures		
Benefits	534	12,375
Administrative & General	39	1,297
Total Current Expenditures	574	13,672
Excess of Revenues Over Expenditures Before Sources/Uses	(534)	(13,605)
Excess of Revenues Over Expenditures After Sources & Uses	(534)	(13,605)
Fund Balance, Beginning of Year		87,269
FUND BALANCE, END OF YEAR		73,664

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
General Fund  
From 5/1/2022 Through 5/31/2022  
(In Whole Numbers)

**UNAUDITED**

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
<b>Revenues</b>						
Taxes	285,872	241,252	44,620	36,998,076	36,554,586	443,490
Penalties & Interest - Taxes	46,858	16,862	29,996	235,975	218,943	17,032
Spohn Corporate Member Revenue	904,790	823,661	81,129	7,897,126	6,589,288	1,307,838
Investment Income	29,743	398	29,345	59,512	2,711	56,801
Other Income	150,839	0	150,839	286,877	100,000	186,877
Total Revenues	<u>1,418,101</u>	<u>1,082,173</u>	<u>335,928</u>	<u>45,477,565</u>	<u>43,465,528</u>	<u>2,012,037</u>
<b>Current Expenditures</b>						
Intergovernmental Transfers	594,375	934,140	339,765	26,880,810	16,072,945	(10,807,865)
County Healthcare Funding	956,501	934,549	(21,952)	6,139,393	7,949,749	1,810,356
Salaries	161,189	118,234	(42,955)	824,420	1,057,011	232,591
Benefits	53,044	59,184	6,140	433,235	502,241	69,006
Legal & Professional Fees	33,837	122,500	88,663	230,686	980,504	749,818
Purchased Services	78,434	93,775	15,341	891,303	960,264	68,961
Supplies & Materials	1,927	1,750	(177)	10,561	14,000	3,439
Rent & Leases	12,444	12,625	181	96,483	101,004	4,521
Repairs & Maintenance	1,273	751	(522)	2,135	6,008	3,873
Utilities	3,025	4,866	1,841	25,124	38,936	13,812
Insurance	2,110	2,258	148	15,239	18,068	2,829
Administrative & General	7,446	16,632	9,186	34,960	133,084	98,124
Capital Outlay	0	0	0	2,501	163,000	160,499
Extraordinary	0	417	417	0	3,336	3,336
Total Current Expenditures	<u>1,905,605</u>	<u>2,301,681</u>	<u>396,076</u>	<u>35,586,848</u>	<u>28,000,150</u>	<u>(7,586,698)</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(487,505)</u>	<u>(1,219,508)</u>	<u>732,003</u>	<u>9,890,717</u>	<u>15,465,378</u>	<u>(5,574,661)</u>
<b>Other Financing Sources &amp; Uses</b>						
Operating Transfers In	0	(550,000)	(550,000)	0	(550,000)	(550,000)
Total Other Financing Sources & Uses	<u>0</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>0</u>	<u>(550,000)</u>	<u>(550,000)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(487,505)</u>	<u>(669,508)</u>	<u>182,003</u>	<u>9,890,717</u>	<u>16,015,378</u>	<u>(6,124,661)</u>
Fund Balance, Beginning of Year				44,636,198	0	44,636,198
<b>FUND BALANCE, END OF YEAR</b>				<u>54,526,915</u>	<u>16,015,378</u>	<u>38,511,537</u>

Nueces County Hospital District  
 Statement of Revenues and Expenditures - Actual v. Budget  
 Tobacco Settlement Fund  
 From 5/1/2022 Through 5/31/2022  
 (In Whole Numbers)

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	347	0	347	348	0	348
Tobacco Settlement Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>666,491</u>	<u>550,000</u>	<u>116,491</u>
Total Revenues	<u>347</u>	<u>0</u>	<u>347</u>	<u>666,839</u>	<u>550,000</u>	<u>116,839</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>347</u>	<u>0</u>	<u>347</u>	<u>666,839</u>	<u>550,000</u>	<u>116,839</u>
Other Financing Sources & Uses						
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>550,000</u>	<u>550,000</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>550,000</u>	<u>550,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>347</u>	<u>0</u>	<u>347</u>	<u>666,839</u>	<u>0</u>	<u>666,839</u>
Fund Balance, Beginning of Year				837	0	837
FUND BALANCE, END OF YEAR				<u><u>667,676</u></u>	<u><u>0</u></u>	<u><u>667,676</u></u>

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
Indigent Care Fund  
From 5/1/2022 Through 5/31/2022  
(In Whole Numbers)

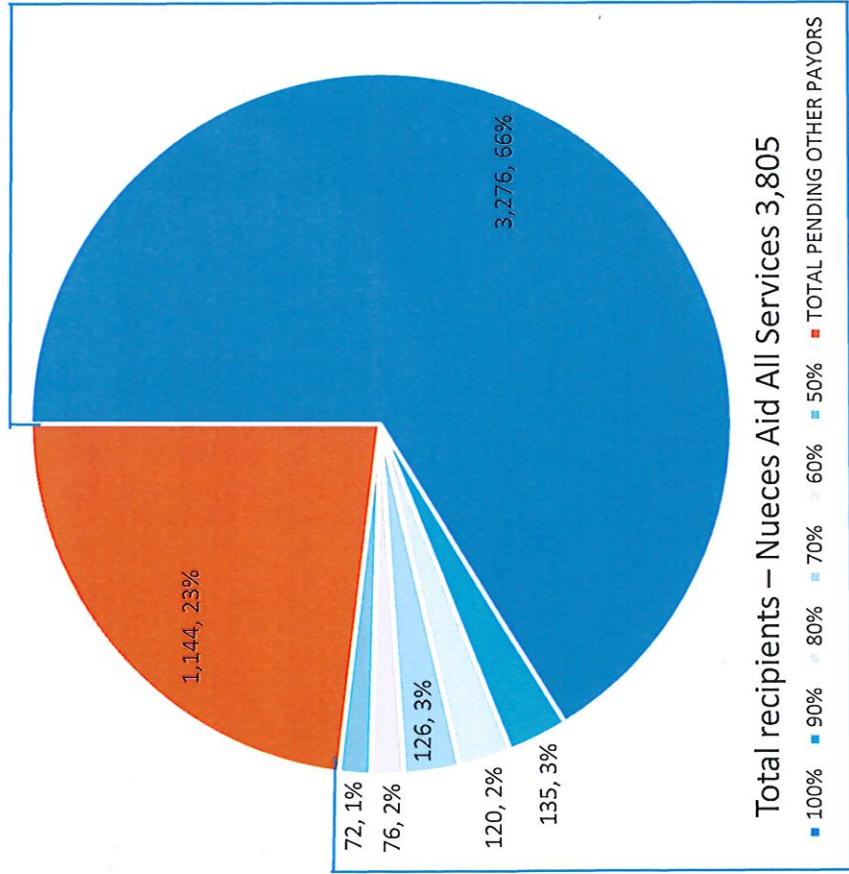
**UNAUDITED**

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>Current Year Actual</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>
Revenues						
Investment Income	30,793	4,705	26,088	139,395	37,632	101,763
Total Revenues	<u>30,793</u>	<u>4,705</u>	<u>26,088</u>	<u>139,395</u>	<u>37,632</u>	<u>101,763</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>30,793</u>	<u>4,705</u>	<u>26,088</u>	<u>139,395</u>	<u>37,632</u>	<u>101,763</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>30,793</u>	<u>4,705</u>	<u>26,088</u>	<u>139,395</u>	<u>37,632</u>	<u>101,763</u>
Fund Balance, Beginning of Year				56,461,793	0	56,461,793
FUND BALANCE, END OF YEAR				<u><u>56,601,188</u></u>	<u><u>37,632</u></u>	<u><u>56,563,556</u></u>

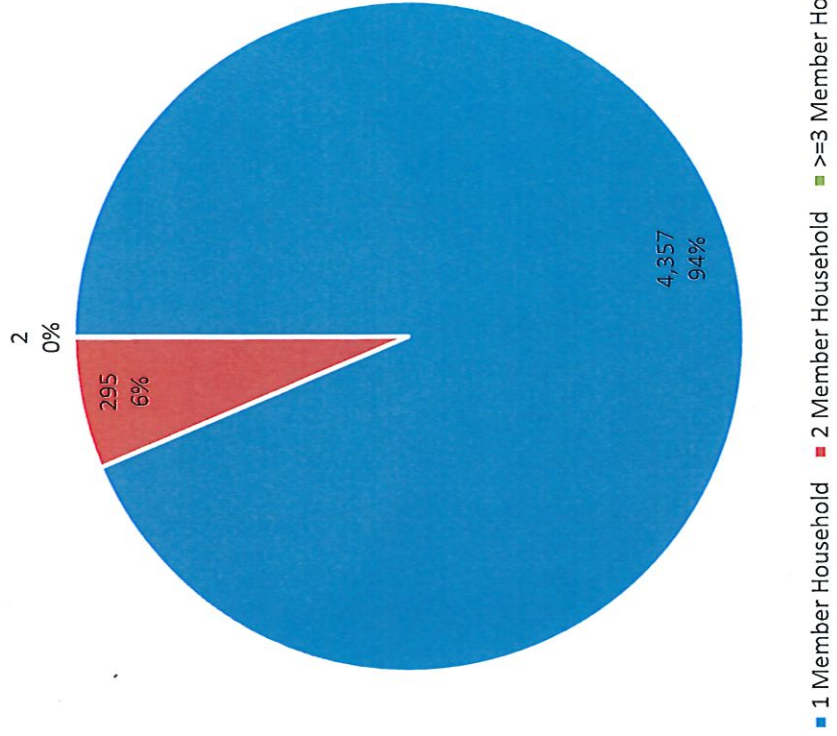
# May 2022

## Nueces Aid Program Enrollment

Total Enrolled  
4,949



Total Households  
4,654





**Nueces Aid Program  
Enrollment Summary Calendar Year 2022**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2022 Average	Comments
<b>PENDING OTHER PAYORS</b>														
TANF	71	56	75	69	70								68	
%	6.5%	5.3%	6.8%	6.2%	6.1%								6.2%	
SS/SSID	633	617	633	643	653								636	
%	57.9%	56.2%	57.0%	57.8%	57.1%								57.6%	These individuals are eligible for NCHD assistance if
Other Payor	389	388	402	401	421								400	denied assistance by other
%	35.6%	36.6%	36.2%	36.0%	36.8%								36.2%	payer.
<b>TOTAL PENDING OTHER PAYORS</b>	1,093	1,061	1,110	1,113	1,144								1,104	
	22.4%	22.2%	22.9%	22.9%	23.1%								22.7%	
<b>HOUSEHOLDS BY SIZE</b>														
1 Member Household	4,304	4,209	4,276	4,292	4,357								4,288	The percentage for each size
%	93.7%	93.7%	93.7%	93.7%	93.6%								93.7%	household is calculated by
2 Member Household	283	260	285	287	295								286	dividing the number of each
%	6.2%	6.2%	6.2%	6.3%	6.3%								6.2%	member household by the
>=3 Member Household	4	4	3	3	2								3	total number of households.
%	0.1%	0.1%	0.1%	0.1%	0.0%								0.1%	
<b>TOTAL HOUSEHOLDS</b>	4,591	4,493	4,564	4,582	4,654								4,577	

**NCHD  
Eligibility History**

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg
<b>2017</b>														
NCHD	6,018	5,963	5,969	5,961	5,966	5,951	5,905	5,798	5,769	5,789	5,696	5,593	70,378	5,865
Pend	1,333	1,332	1,303	1,327	1,357	1,382	1,397	1,386	1,404	1,443	1,450	1,431	16,545	1,379
Total	7,351	7,295	7,272	7,288	7,323	7,333	7,302	7,184	7,173	7,232	7,146	7,024	86,923	7,244
% of PY	97%	96%	96%	95%	96%	95%	95%	94%	94%	96%	97%	97%	96%	96%
<b>2018</b>														
NCHD	5,630	5,708	5,674	5,613	5,471	5,481	5,492	5,438	5,396	5,467	5,673	5,235	66,278	5,523
Pend	1,488	1,483	1,398	1,386	1,349	1,336	1,324	1,317	1,337	1,327	1,313	1,270	16,328	1,361
Total	7,118	7,191	7,072	6,999	6,820	6,817	6,816	6,755	6,733	6,794	6,986	6,505	82,606	6,884
% of PY	97%	99%	97%	96%	93%	93%	93%	94%	94%	94%	98%	93%	95%	95%
<b>2019</b>														
NCHD	5,277	5,181	5,075	5,024	4,957	4,961	4,996	4,943	4,970	5,064	4,944	4,821	60,213	5,018
Pend	1,294	1,260	1,289	1,305	1,274	1,281	1,330	1,356	1,339	1,357	1,330	1,277	15,692	1,308
Total	6,571	6,441	6,364	6,329	6,231	6,242	6,326	6,299	6,309	6,421	6,274	6,098	75,905	6,325
% of PY	92%	90%	90%	90%	91%	92%	93%	93%	94%	95%	90%	94%	92%	92%
<b>2020</b>														
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	92%	92%
<b>2021</b>														
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	92%	92%
<b>2022</b>														
NCHD	3,781	3,711	3,738	3,755	3,805								18,790	3,758
Pend	1,093	1,061	1,110	1,113	1,144								5,521	1,104
Total	4,874	4,772	4,848	4,868	4,949								24,311	4,862
% of PY	103%	104%	108%	109%	106%	0%	0%	0%	0%	0%	0%	0%	0%	0%



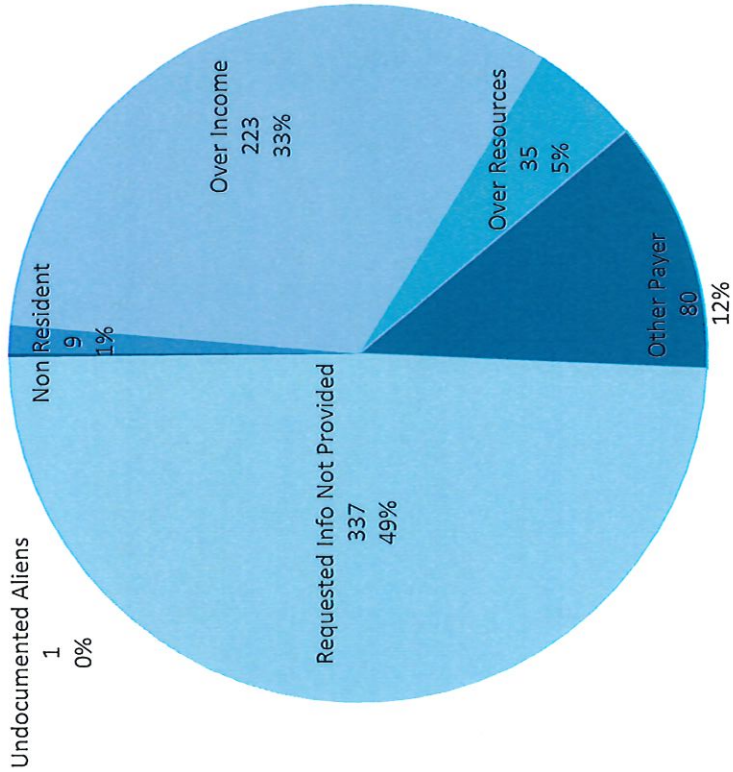
**Annual Comparative Enrollment Report  
Calendar Year 2022**

Month	Enrollment		Increase/(Decrease)	
	2022	2021	%	Enrollees
Jan	4,874	4,738	2.87%	136
Feb	4,772	4,599	3.76%	173
Mar	4,848	4,489	8.00%	359
Apr	4,868	4,485	8.54%	383
May	4,949	4,648	6.48%	301
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				

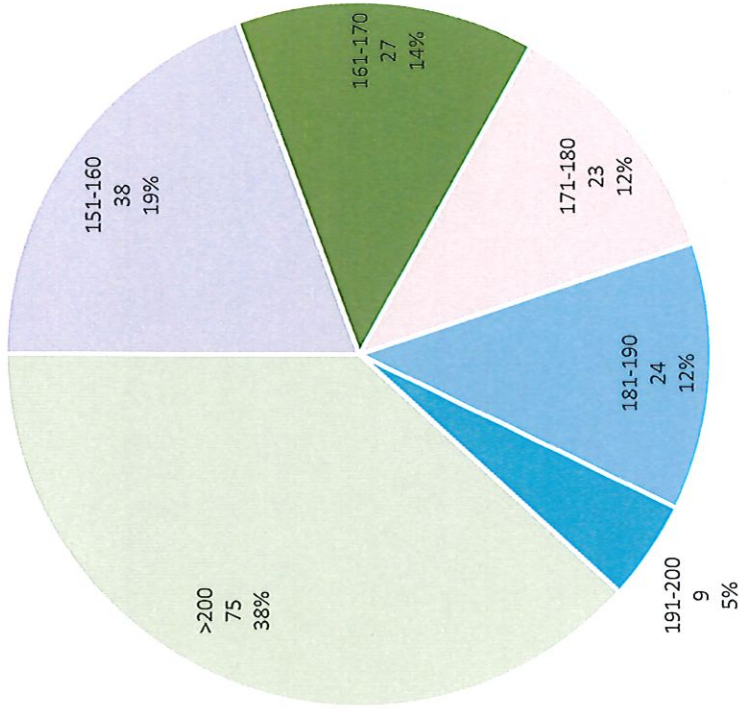
# NUECES AID DENIALS

Calendar Year 2022  
January-May

Denial Reasons



Comparison of Over Income Case  
to 2022 HHS Poverty Guidelines



**Nueces Aid Program  
Application Processing Summary Calendar Year 2022**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2022	Comments
<b>TOTAL APPLICATIONS</b>	849	838	1,007	884	924								4,502	
- Approved	725	728	865	747	752								3,817	
%	85.4%	86.9%	85.9%	84.5%	81.4%								84.8%	Since FY 1999, the denial rate is based on all denied
- Denied	124	110	142	137	172								685	individuals in the household.
%	14.6%	13.1%	14.1%	15.5%	18.6%								15.2%	
<b>APPROVALS BY PLAN TYPE</b>														
<b>NUECES AID - All Services</b>														
100%	511	540	612	530	503								2,696	
%	70.5%	74.2%	70.8%	71.0%	66.9%								70.6%	
90%	18	19	22	18	26								103	
%	2.5%	2.6%	2.5%	2.4%	3.5%								2.7%	
80%	17	18	25	17	19								96	
%	2.3%	2.5%	2.9%	2.3%	2.5%								2.5%	
70%	17	15	30	27	22								111	The percentage of approvals
%	2.3%	2.1%	3.5%	3.6%	2.9%								2.9%	by plan option is calculated
60%	13	8	16	12	14								63	by dividing the number for
%	1.8%	1.1%	1.8%	1.6%	1.9%								1.7%	each plan option by the
50%	11	11	15	16	13								66	total number of approved
%	1.5%	1.5%	1.7%	2.1%	1.7%								1.7%	applications.
<b>TOTAL</b>	587	611	720	620	597								3,135	
%	81.0%	83.9%	83.2%	83.0%	79.4%								82.1%	
<b>HOUSEHOLDS BY SIZE - APPROVED</b>														
1 Member Household	628	656	739	663	664								3,350	The percentage for each size
%	92.8%	94.8%	92.0%	94.0%	93.8%								93.4%	household is calculated by
2 Member Household	48	36	63	42	44								233	dividing the number of house-
%	7.1%	5.2%	7.8%	6.0%	6.2%								6.5%	holds in the category by the
3 or > Member Household	1	0	1	0	0								2	total number of approved
%	0.1%	0.0%	0.1%	0.0%	0.0%								0.1%	households.
														2 Households pending other
														payors are not included.
<b>TOTAL HOUSEHOLDS APPROVED</b>	677	692	803	705	708								3,585	

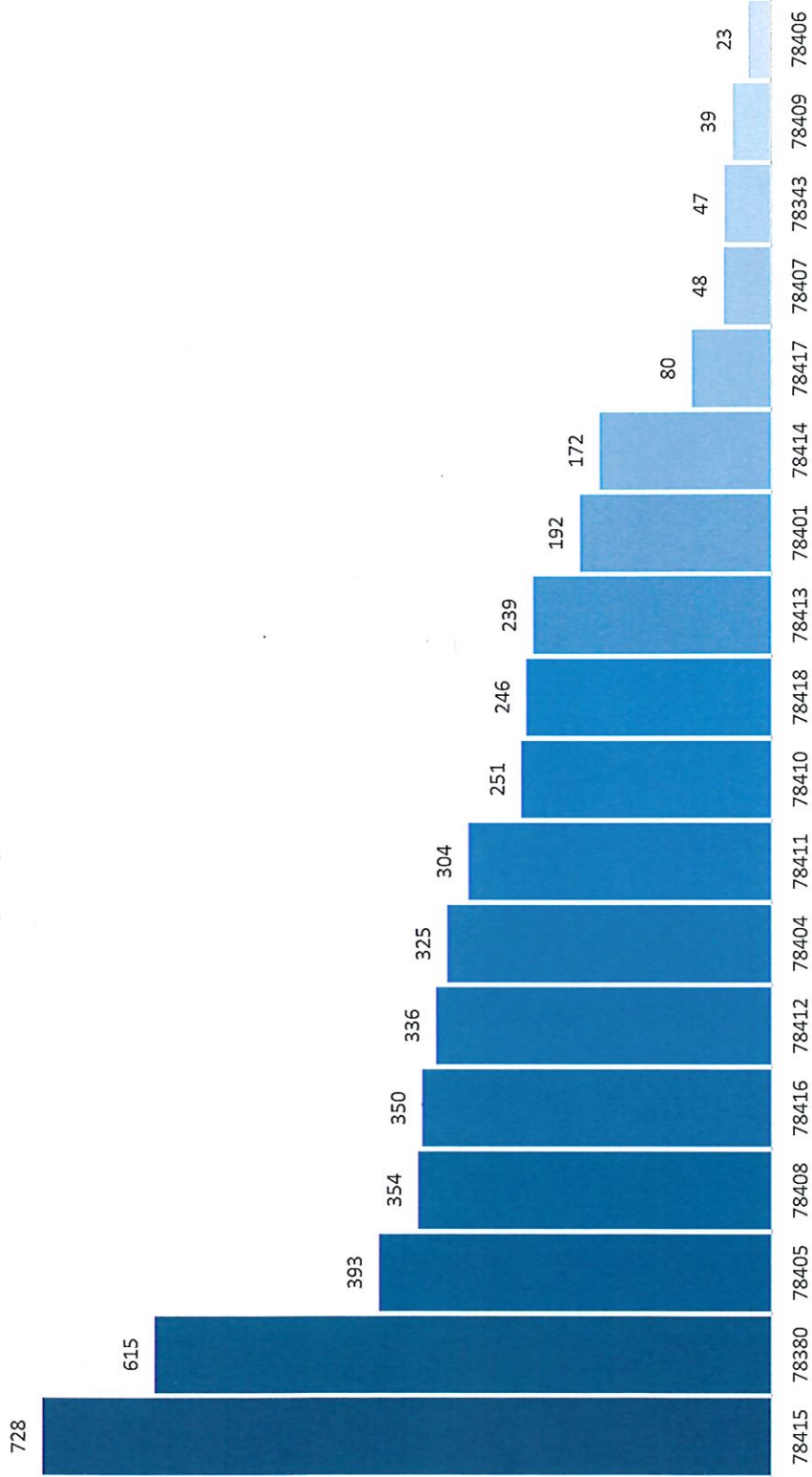
**Nueces Aid Program  
Application Processing Summary Calendar Year 2022**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2022	Comments
<b>NCHD DENIALS - Reasons for Denials</b>														
Non Resident %	0	0	4	2	3									9 The percentage for each denial reason is calculated by dividing the number of
Over Income %	46	37	46	46	48									223 individuals for each reason
Over Resources %	9	4	12	6	4									32.6% by the total number of individuals denied.
Other Payer %	18	13	22	14	13									35
Requested Info Not Provided %	51	56	58	69	103									5.1%
Undocumented Aliens %	0	0	0	0	1									80
<b>TOTAL DENIALS</b>	124	110	142	137	172									11.7%
<b>HOUSEHOLDS BY SIZE - DENIED</b>														
1 Member Household %	85	90	121	115	133									544
2 Member Household %	16.8%	10.0%	8.3%	8.7%	12.3%									87.9%
3 or > Member Household %	3.7%	0.0%	0.0%	0.0%	1.3%									each size household is calculated by dividing the number for each household size by the total number of denied households.
<b>TOTAL HOUSEHOLDS DENIED</b>	107	100	132	126	154									619
<b>PENDING APPLICATIONS</b>														
Pending documentation	95	83	123	136	89									The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	19	10	30	14	22									105
SSI-SSID	64	57	45	63	46									22
Other Payor	55	40	70	50	87									46
														87



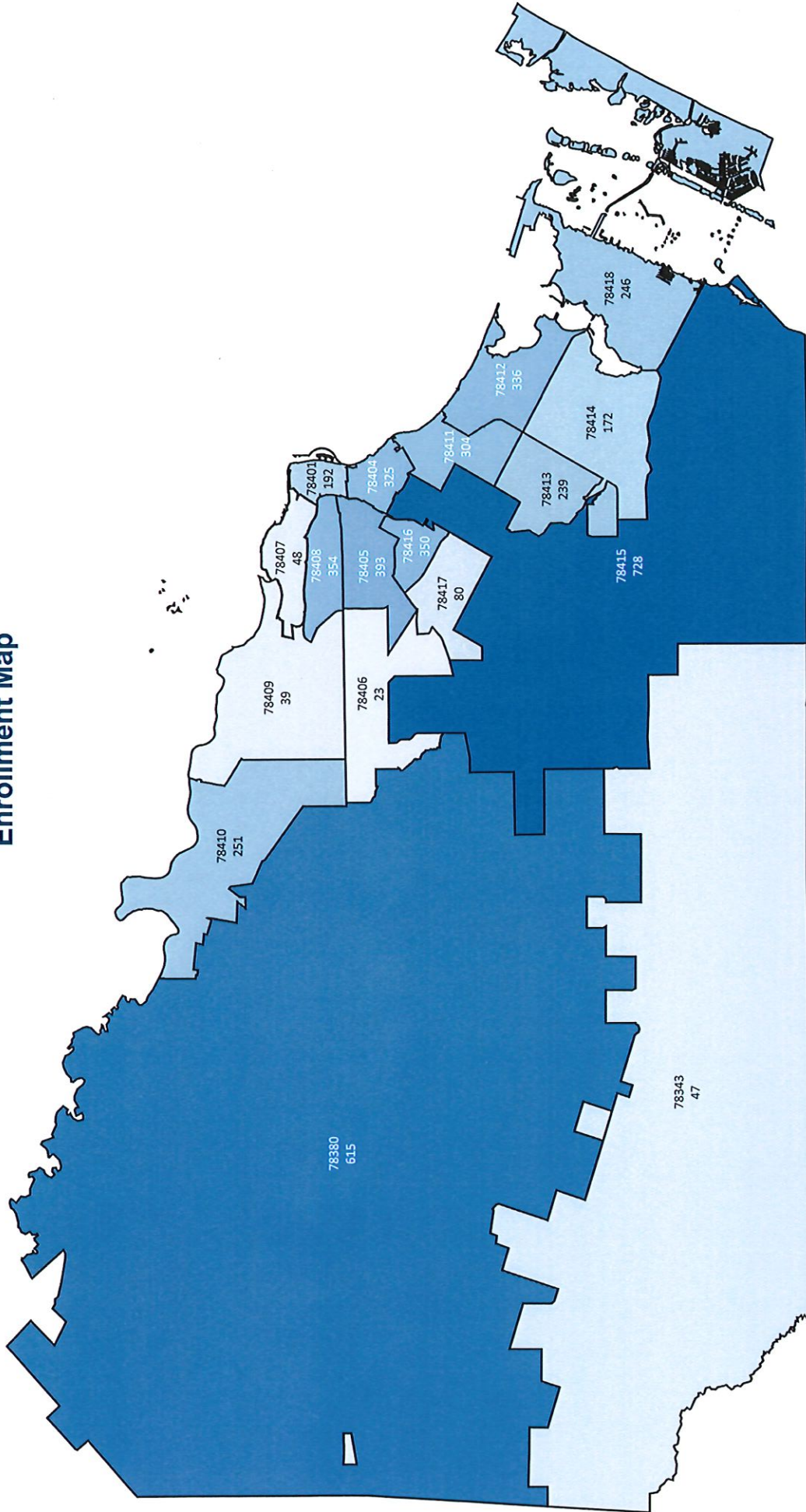
# Nueces County Hospital District

Enrollment by Zipcode as of May 2022



# Nueces County Hospital District

## Enrollment Map



**Nueces County Hospital District  
Enrollment by Zip Code  
As of 5/31/2022**

<b>Zip Code</b>	<b>Description</b>	<b>Members</b>	<b>% to Total</b>
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	728	15%
78380	Robstown	615	12%
78405	CC:19th to Port Ave to Agnes, includes HPG	393	8%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	354	7%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	350	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	336	7%
78404	CC:Six Points	325	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	304	6%
78410	CC:Annville and Calallen	251	5%
78418	CC:Flour Bluff	246	5%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	239	5%
78401	CC:Downtown and Cargo Docks	196	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	172	3%
78417	CC:Old Brownsville to Ayers to Saratoga	80	2%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	48	1%
78343	Bishop + FM 665 to CR 107 W to CR 57E	47	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	39	1%
78406	CC: Clarkwood and San Juan	23	0%
	Subtotal	4,746	96%
	Total	4,949	



April 22, 2022

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

*via Courier; USPS Certified Mail  
Return Receipt Requested  
and Email at  
jonny.hipp@nchdcc.org*

**RE: Resumption of Memorial Medical Center Equipment Removal Request**

Dear Mr. Hipp:

We are writing to provide you with notice regarding the disposition of the District's hospital equipment located at Memorial Medical Center under the terms of the CHRISTUS Spohn Health System Corporation Membership Agreement ("Membership Agreement").

On April 17, 2020, CHRISTUS Spohn Health System ("Spohn") provided the Nueces County Hospital District ("District") written notice to remove its hospital equipment from the Memorial hospital building and other structures and infrastructure situated on the Main Campus (collectively, "Memorial Buildings and Infrastructure"). On July 16, 2020, Spohn agreed to suspend the District's obligation to remove its equipment for thirty (30) days in consideration of the District's request and the COVID-19 pandemic, with the option for further extensions as appropriate. COVID-19 subsequently continued to impact the Nueces community and interfere with the demolition process, but the parties did not formally extend the timeline for the District to remove its equipment.

Spohn is resuming the steps to initiate demolition this summer, starting with the remediation of the Memorial Buildings and Infrastructure. Spohn is now sending this letter to ensure it fully resolves the Membership Agreement's notice requirements regarding removal of the District's equipment. Given the length of time since the parties discussed the suspension of the original equipment removal notice in 2020, Spohn hereby provides a new notice to the District.

Schedule 1, Section 3.10.4 of the Membership Agreement requires that Spohn provide the District with not less than sixty (60) days' notice prior to the demolition of the Memorial Buildings and Infrastructure so that the District may comply with its statutory salvage requirements. Section 3.10.4 further requires that the District promptly remove its hospital equipment from the Memorial Buildings and Infrastructure upon receipt of this notice. Any District hospital equipment remaining within or comprising the Memorial Buildings and Infrastructure as of the effective date of demolition shall belong to Spohn.



In compliance with Schedule 1, Section 3.9.2, Spohn has maintained all District asset tags on the District's hospital equipment. Additionally, we note Spohn provided an inventory list to the District on April 14, 2022 to satisfy Spohn's obligations under Section 3.10.4 to describe each piece of equipment at issue for removal pursuant to this notice.

Spohn would like to assist the District in meeting its statutory obligations and work collaboratively to address the disposition of the District's hospital equipment in a timely manner. Spohn now requests that the District remove its hospital equipment from the Memorial Buildings and Infrastructure pursuant to Section 3.10.4 of the Membership Agreement.

As always, CHRISTUS Spohn will continue to coordinate with the District to provide appropriate and timely notice of the Memorial demolition and as required by the Membership Agreement.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Osbert Blow".

Osbert Blow, MD, PhD, FACS  
Chief Executive Officer  
CHRISTUS Spohn Health System

A handwritten signature in black ink, appearing to read "Dominic Dominguez".

Dominic Dominguez  
Senior Vice President Group Operations  
CHRISTUS South Texas

cc: Belinda Chism  
Adam Robison  
William Dewitt Alsup  
Lance Ramsey  
Jennifer Gurevitz  
Becky Rios

***belinda.chism@nchdcc.org***  
***arobison@kslaw.com***  
***wd\_alsup@swbell.net***  
***ramsey@gl-law.com***  
***jennifer.gurevitz@christushealth.org***  
***becky.rios@christushealth.org***



# Nueces County Hospital District

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**Administrative Offices**

555 N. Carancahua Street, Suite 950  
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300

Fax: (361) 808-3274

[www.nchdcc.org](http://www.nchdcc.org)

*Via Email*

**May 20, 2022**

Osbert Blow, MD, PhD, FACS  
Chief Executive Officer  
CHRISTUS Spohn Health System  
1702 Santa Fe  
Corpus Christi, Texas 78404

Dominic Dominguez  
Senior Vice President Group Operations  
CHRISTUS South Texas  
1702 Santa Fe  
Corpus Christi, Texas 78404

**Re: Request for Removal of Hospital Equipment at Memorial Medical Center**

Dear Dr. Blow and Mr. Dominguez:

I am in receipt of both (i) your letter dated April 22, 2022 regarding the request for removal of the Nueces County Hospital District's (the "District") equipment located at the Memorial hospital building and other structures and infrastructure situated on the Main Campus (collectively, "Memorial Buildings and Infrastructure") under the terms of the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement ("Membership Agreement") and (ii) the inventory list of such equipment sent by CHRISTUS Spohn Health System ("Spohn") on April 14, 2022. It is my understanding, based on your April 22, 2022 letter, that Spohn plans to initiate demolition of the Memorial Buildings and Infrastructure this summer.

The District acknowledges its obligation under Schedule 1, Section 3.10.4 of the Membership Agreement to promptly remove the District's equipment, fixtures, and other structural components, infrastructure, or materials located within or comprising the Memorial Buildings and Infrastructure. The District is currently taking steps in accordance with Section 3.10.4 to remove such equipment as provided on the inventory list and will continue to coordinate with Spohn personnel on the removal and/or auction of such equipment.

As a reminder, pursuant to Schedule 1, Section 3.5.4 of the Membership Agreement, Spohn is required to comply with the following in connection with the demolition of Memorial Buildings and Infrastructure:

- Spohn must provide the District a copy of the plans for demolition ("Demolition Plans") and consult with the District regarding the Demolition Plans at least 10 business days before commencement of the demolition.
- The demolition must be conducted by a qualified contractor engaged by Spohn at Spohn's sole cost and expense in accordance with the Demolition Plans.

- The demolition must be conducted by the contractor in a reasonable, good, and workmanlike manner and in accordance with generally accepted demolition practices and applicable legal requirements.
- Spohn must use reasonable efforts to re-use or recycle building materials where applicable to reduce the volume of refuse from the demolition.
- The demolition must result in the complete removal of the Memorial Buildings and Infrastructure (including, without limitation, the basement infrastructure, underground storage tanks, and any other existing above ground or below ground infrastructure) from the portion of the Demolition Area<sup>1</sup> in such a manner that said area, including the former sites of the Memorial Buildings and Infrastructure will be suitable for future development, including for the construction of facilities that require deep foundations.
- Spohn must provide periodic (but in no event less frequent than monthly) status reports to the District on the status of the demolition during the demolition process. Spohn must also cooperate with any inspections of the demolition conducted by the District or its agents or representatives for compliance with Schedule 1, Section 3.5.4 within 10 business days after the District's receipt of each such status report.
- Prior to completion of the demolition, Spohn must provide the District with written notice that the demolition is nearing completion and cooperate with any inspections conducted by the District or its agents or representatives for compliance with Schedule 1, Section 3.5.4 within 10 business days after the District receives such written notice.

The District will continue to coordinate with Spohn on the removal of the District's equipment from the Memorial Buildings and Infrastructure and the demolition of Memorial Buildings and Infrastructure in accordance with the requirements set forth in the Membership Agreement.

Very truly yours,



Jonny F. Hipp, ScD, FACHE  
Administrator and Chief Executive Officer

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<sup>1</sup> "Demolition Area" as defined in Schedule 1, Section 3.5.3 of the Membership Agreement.