



BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, September 22, 2026 at 12:15 PM

AGENDA

1. WELCOME

2. ROLL CALL OF MEMBERS

___ Vishnu V. Reddy, Chairman
___ Sylvia Tryon Oliver, Vice Chair
___ Mariana Garza
___ Georgia Neblett, Legislative Committee Chair
___ Karen O'Connor Urban
___ Pamela Brower, Finance Committee Chair
___ Sunil Reddy

3. CALL TO ORDER, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:

A. Call to order.

B. Establish quorum.

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

D. Notice is hereby provided that the Board of Managers may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. NOTICE REGARDING BUDGET. The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Board may discuss the FY27 Budget at this meeting. The adopted FY27 Budget and the required taxpayer impact statement for Fiscal Year 2027 are available for public review on the District's official website at: <https://www.nchdcc.org>.

5. ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST. Any Conflicts of Interest or Appearance of a Conflict of Interest with items on this agenda shall be declared at this time. Members with conflicts will refrain from voting and are asked to refrain from discussion on such items. Conflicts discovered later in the meeting shall be disclosed at that time.

6. PUBLIC COMMENT – Opportunity for members of the public to address the Board on matters within its jurisdiction. In-person attendees must sign the “Agenda Item Request to Speak” form at least five (5) minutes before the meeting begins. Remote attendees must notify the presiding officer when called upon. Comments are limited to three (3) minutes (six [6] minutes with translator). The presiding officer may further limit the number of speakers or time allowed. The Board may act only on items listed on the agenda. Materials submitted will not be returned; at least ten (10) copies, labeled with the commenter’s name and agenda item number, must be provided for distribution.

7. 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 August 17, 2026. | 9 |
| B. Receive listing of new vendors as of September 15, 2026; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176. | 22 |
| C. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date: | 40 |
| 1. Salaries, benefits, and supplies at/for the 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); and

b. Council on Alcohol and Drug Abuse;

6. Funding for diabetes prevention and supporting programs; and

7. Public health grants. (*Finance Committee*)

D. Receive summary of imputed claims information for medical and hospital services provided to the Nueces Aid Program population, consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for Fiscal Year 2026 year to date. 41
(*Finance Committee*)

E. Receive Fiscal Year 2026 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*) 42

F. Receive fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. 43
(*Finance Committee*)

G. Receive statement of Fiscal Year 2026 year-to-date deposits to and withdrawals from the Local Provider Participation Fund, made pursuant to the Board of Managers Order authorizing participation in a health care provider participation program under Texas Health and Safety Code, Chapter 298C, as amended. (*Finance Committee*) 44

H. Receive summary report of cumulative actual intergovernmental transfers (IGTs) made in support of local and other healthcare providers participating in Medicaid directed and supplemental payment programs sponsored by the Texas Health and Human Services Commission (HHSC), and receive estimates of provider payments resulting from the IGTs: 47

1. Directed Payment Programs - IGTs to HHSC for Medicaid managed care payments to providers that promote Medicaid program goals and objectives:

- a. Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS);
- b. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
- c. Network Access Improvement Program (NAIP); and
- d. Texas Incentives for Physicians and Professional Services (TIPPS); and

2. Supplemental Payment Programs - IGTs to HHSC for Medicaid payments to hospitals, made separately from and in addition to base payments, to incentivize achievement of specified goals or to support providers serving significant numbers of uninsured or low-income patients:

- a. Disproportionate Share Hospital (DSH);
- b. Graduate Medical Education (GME);
- c. Hospital Augmented Reimbursement Program (HARP); and
- d. Hospital Uncompensated Care (UC). (*Finance Committee*)

I. Receive reports relating to Nueces Aid Program enrollment for the month-ended August 31, 2026:

1. Referral Sources;	52
2. Total Persons and Households Enrolled;	54
3. Enrollment Summary;	55
4. Denials;	56
5. Application Processing Summary; and	57
6. Enrollment by Zip Code. (<i>Finance Committee</i>)	61

8. **REGULAR AGENDA** - Items that are non-routine, non-administrative, or require individual attention. Each item will be considered and, if action is needed, voted on separately:

A. Fiscal Year 2027 Health Care Provider Participation Program:

- 1. Review and discuss Texas Health and Safety Code, Chapter 298C relating to the Nueces County Hospital District Health Care Provider Participation Program: authority, mandatory payments, rules and procedures, public hearing and hearing notices, permitted uses of mandatory payments, payment schedule, and other requirements relating to operation of the Fiscal Year 2027 Health Care Provider Participation Program (FY 2027 Program). (**INFORMATION**)
- 2. Review and discuss the proposed FY 2027 Program mandatory rate and payment schedule. (**INFORMATION**) 68

3. Confirm completion of conditions precedent to setting FY 2027 Program mandatory payment rate:

a. Notices relating to setting FY 2027 Program mandatory payment rate; notices pursuant to Texas Health and Safety Code, §298C.101 (b):

1. Notice of public hearing on the rate of mandatory FY 2027 Program payments that the Board of Managers intends to require of each institutional health care provider located within the Hospital District's boundaries during Hospital District Fiscal Year 2027 and how the revenue derived from the payments will be spent; and 69

2. Notice to each institutional health care provider within the Hospital District's boundaries of written notice of public hearing on the rate of mandatory FY 2027 Program payments that the Board of Managers intends to require of each provider during District Fiscal Year 2027 and how the revenue derived from the payments will be spent; and 70

b. Public hearing on the matter of amount of mandatory payments that the Board intends to require during the year and how the revenue derived from those payments is to be spent; hearing pursuant to Texas Health and Safety Code, §298C.101(a). 72
(ACTION)

4. Confirm that the Nueces County Hospital District Health Care Provider Participation Program's Revised Rules and Procedures, dated August 1, 2023, apply to the FY 2027 Program. **(ACTION)** 76

5. Adopt Board of Managers Order setting the rate of mandatory FY 2027 Program payments during Hospital District Fiscal Year 2027 (October 1, 2026 - September 30, 2027) at six percent (6%) of the net patient revenue of each institutional health care provider located within the Hospital District boundaries; mandatory payments authorized by Texas Health and Safety Code, §298C.151. **(ACTION)** 83

B. Finance Committee:

1. Financial Statements:

a. Receive and approve the unaudited financial statements for the months and fiscal year-to-date periods ended July 31, 2026, and 87

August 31, 2026. (***ACTION***)

2. Fiscal Year 2027 Budget Amendment:

- a. Discuss and consider amending the Fiscal Year 2027 (October 1, 2026 – September 30, 2027) General Fund Budget to allocate an additional \$200,000 to Nueces County for the City of Corpus Christi/Nueces County Public Health District, with a corresponding offsetting reduction elsewhere in the Budget. (***ACTION***) 103

C. Legislative Committee:

1. Receive information from Legislative Consultants on 90th Texas Session Legislative Agenda. (***INFORMATION***)
2. Receive a briefing on, discuss, and consider action regarding the potential use of the YourTexasBenefits.com website, operated by the Texas Health and Human Services Commission to additionally facilitate enrollment in the Nueces Aid Program. (***ACTION***) 105
3. Discuss and consider action on proposed amendments to the Nueces County Hospital District's Draft 90th Texas Legislative Session Agenda. (***ACTION***) 108

D. Texas Opioid Abatement Fund Council:

1. Discuss and consider supporting Nueces County's nomination of Dr. Alainya Tomanec for consideration as a regional member of the Texas Opioid Abatement Fund Council. (***ACTION***) 114

E. Board of Managers Business:

1. Discuss and consider postponing action on the election of Board of Managers Officers and appointment of Committee Chairs and Committee members for Fiscal Year 2027 until after the Commissioners Court takes action on Board reappointment(s) or appointment(s); annual officer elections and committee chair and committee member appointments pursuant to Board of Managers Bylaws, §2.2.A. (***ACTION***) 115

F. Administrator's Actions:

1. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the Hospital District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e): 116
 - a. Engagement of Adamson & Company, LLC to perform an audit of the Hospital District's financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the fiscal year ended September 30, 2026 (October 1, 2025 - September 30, 2026); engagement pursuant to Texas Health and Safty Code, §281.092. **(ACTION)** 117
 - b. Donation of a jail inmate transport van to the Nueces County Sheriff's Department for use with inmates who are wheelchair users or have other special needs, donation valued at \$92,619.25; and donation pursuant to Texas Health and Safety Code, §281.050 and Texas Local Government Code, §81.032. **(ACTION)** 130

G. Administrator's Briefing:

1. Briefing on federal Centers for Medicare & Medicaid Services' withholding of Texas Medicaid Directed and Supplemental Payments. **(INFORMATION)** 132
2. Next scheduled regular meetings of the Board of Managers and Board Committees (all meeting dates, times, and locations are subject to change):
 - a. Legislative Committee: Tuesday, October 27, 2026, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;
 - b. Finance Committee: Tuesday, October 27, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and
 - c. Board of Managers: Tuesday, October 27, 2026, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

9. CLOSED MEETING – The Board of Managers may convene in closed session at any time during this meeting to deliberate any agenda item, as authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board reserves the right to discuss any agenda item in executive session when legally permitted, regardless of whether

the item is customarily considered in open session. The presiding officer will announce the applicable statutory authority under the Act prior to each closed session. Any final action, decision, or vote will be taken in open session, either upon reconvening or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to Sections 551.071 and 551.074 of the Texas Government Code, as applicable.

A. Consult with attorneys regarding CPS Energy’s proposed tax-exemption settlement Agreements related to the Barney Davis and Nueces Bay Power Plants and related matters.

B. Consult with attorneys on legal issues regarding Corpus Christi Housing Authority's workforce housing contracts, tax exemptions, potential open meetings violations, and related matters.

C. Consult with attorneys on matters related to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement and related matters.

10. **OPEN MEETING** - The Board will reconvene in open session following the Closed Meeting before taking action on Closed Meeting matters or adjourning.

A. Discuss and consider approval of the Third Amendment to the Amended and Restated Membership Agreement between CHRISTUS Spohn Health System Corporation, CHRISTUS Health, and the Hospital District extending the Membership Agreement through September 30, 2036, and authorizing the Administrator to execute the Amendment. (***ACTION***) 135

B. Discuss and consider taking final action, decision, or vote on other matters deliberated in Closed Meeting. (***ACTION AS NEEDED***)

11. **ADJOURN**

12. Public Notice Posting Receipt 137

DRAFT

**BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR MEETING
AUGUST 17, 2026**

The Nueces County Hospital District Board of Managers met at 12:30 p.m., August 17, 2026 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp	Administrator/CEO
Belinda Espinoza	Asst. Administrator, Admin. Services
Donna Littlefield	Director, Accounting & Finance
Mary Esther Guerra	Assistant County Attorney
John B. Martinez	General Counsel
Adam Robison	Legal Counsel
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

OTHERS PRESENT:

Samantha Miears	NCHD Eligibility Supervisor
Rachelle Robles	NCHD Community Health Engagement Coordinator
Mark Hendrix	NCMHID
Mike Davis	NCMHID
Jenny Dorsey	NC Courthouse Attorney
Dom Dominguez	Christus Spohn Hospital
Belinda Bustamante	Nueces County Sheriff's Office
Mark Villarreal	Nueces County Sheriff's Office
Terry Mills	Their Day Foundation
read.ai meeting notes	- via Zoom

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

1. WELCOME

2. ROLL CALL OF MEMBERS

☐_Y_ Vishnu V. Reddy, Chairman
☐_Y_ Sylvia Tryon Oliver, Vice Chair
☐_Y_ Mariana Garza
☐_Y_ Georgia Neblett, Legislative Committee Chair
☐_Y_ Karen O'Connor Urban
☐_Y_ Pamela Brower, Finance Committee Chair
☐_X_ Sunil Reddy

3. CALL TO ORDER, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:

A. Call to order – Vishnu V. Reddy, Chairman.

The meeting was called to order by Vishnu V. Reddy, Chairman at 12:30 p.m.

B. Establish quorum – Vishnu V. Reddy, Chairman.

A quorum was present with six members in attendance.

Vishnu V. Reddy, Chairman – PRESENT

Sylvia Tryon Oliver, Vice Chair – PRESENT

Mariana Garza, Member – PRESENT

Georgia Neblett, Member - PRESENT

Karen O'Connor Urban, Member – PRESENT – via Zoom

Pamela Brower, Member – PRESENT

Sunil Reddy, Member – ABSENT

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

D. Notice is hereby provided that the Board of Managers may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. NOTICE REGARDING BUDGET. The Hospital District's Fiscal Year 2026 Budget ("FY26 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Board may discuss the FY26 Budget at this meeting. The adopted FY26 Budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

review on the District's official website at:

[https://www.nchdcc.org/public_notices/finance.php](https://www.nchdcc.org/public_notices/finance.php).

The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") is currently under development and may be discussed by the Board at this meeting. Because the FY27 Budget has not yet been adopted, a taxpayer impact statement for Fiscal Year 2027 is not currently available.

5. ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST. Any Conflicts of Interest or Appearance of a Conflict of Interest with items on this agenda shall be declared at this time. Members with conflicts will refrain from voting and are asked to refrain from discussion on such items. Conflicts discovered later in the meeting shall be disclosed at that time.

Vishnu V. Reddy, Chairman. Conflict of Interest.

6. REGULAR SESSION

A. PUBLIC COMMENT – Opportunity for members of the public to address the Board on matters within its jurisdiction. In-person attendees must sign the "Agenda Item Request to Speak" form at least five (5) minutes before the meeting begins. Remote attendees must notify the presiding officer when called upon. Comments are limited to three (3) minutes (six [6] minutes with translator). The presiding officer may further limit the number of speakers or time allowed. The Board may act only on items listed on the agenda. Materials submitted will not be returned; at least ten (10) copies, labeled with the commenter's name and agenda item number, must be provided for distribution.

Terry Mills

B. 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:

1. Approve Board of Managers Regular Meeting minutes of June 23, 2026.

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

2. Approve Board of Managers Workshop minutes of June 23, 2026.
3. Receive listing of new vendors as of August 12, 2026; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.
4. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date:
 - a. Salaries, benefits, and supplies at/for the City of Corpus Christi/Nueces County Public Health District;
 - b. Emergency medical services provided in unincorporated areas of Nueces County;
 - c. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
 - d. Medical services provided at County correctional facilities:
 1. Nueces County Jail; and
 2. Nueces County Juvenile Detention Center;
 - e. Funding for alcohol and drug abuse treatment programs:
 1. Cenikor (Charlie's Place); and
 2. Council on Alcohol and Drug Abuse;
 - f. Funding for diabetes prevention and supporting programs; and
 - g. Public health grants. (*Finance Committee*)
5. Receive summary of imputed claims information for medical and hospital services provided to the Nueces Aid Program population, consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for Fiscal Year 2026 year to date. (*Finance Committee*)
6. Receive Fiscal Year 2026 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*)

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

7. Receive fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. *(Finance Committee)*

8. Receive statement of Fiscal Year 2026 year-to-date deposits to and withdrawals from the Local Provider Participation Fund, made pursuant to the Board of Managers Order authorizing participation in a health care provider participation program under Texas Health and Safety Code, Chapter 298C, as amended. *(Finance Committee)*

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

a. Directed Payment Programs - IGTs to HHSC for Medicaid managed care payments to providers that promote Medicaid program goals and objectives:

1. Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS);
2. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
3. Network Access Improvement Program (NAIP); and
4. Texas Incentives for Physicians and Professional Services (TIPPS); and

b. Supplemental Payment Programs - IGTs to HHSC for Medicaid payments to hospitals, made separately from and in addition to base payments, to incentivize achievement of specified goals or to support providers serving significant numbers of uninsured or low-income patients:

1. Disproportionate Share Hospital (DSH);
2. Graduate Medical Education (GME);
3. Hospital Augmented Reimbursement Program (HARP); and
4. Hospital Uncompensated Care (UC). *(Finance Committee)*

10. Receive reports relating to Nueces Aid Program enrollment for the months ended June 30 and July 31, 2026:

- a. Referral Sources;
- b. Total Persons and Households Enrolled;
- c. Enrollment Summary;

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

- d. Denials;
- e. Application Processing Summary; and
- f. Enrollment by Zip Code. (*Finance Committee*)

**Consent Agenda Approved, Motion by Georgia Neblett
and seconded by Pamela Brower. MOTION CARRIED.**

C. REGULAR AGENDA -Items that are non-routine, non-administrative, or require individual attention. Each item will be considered and, if action is needed, voted on separately:

1. Finance Committee:

a. Financial Statements:

- 1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended June 30, 2026. (*ACTION*)

**Motion by Georgia Neblett and seconded by
Pamela Brower. MOTION CARRIED.**

b. Investment Report:

- 1. Receive and approve Quarterly Investment Report and ratify related investment transactions for fiscal quarter-ended June 30, 2026 pursuant to Texas Government Code, §2256.023. (*ACTION*)

**Motion by Georgia Neblett and seconded by
Karen O'Connor Urban. MOTION CARRIED.**

c. Investment Policy:

- 1. Adopt Board of Managers Resolution relating to annual review of investment policy and investment strategies; adopt changes to policy and strategies to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.005(e). (*ACTION*)

Motion by Mariana Garza and seconded by

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

Karen O'Connor Urban. MOTION CARRIED.

2. Adopt Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted listing to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.025. **(ACTION)**

**Motion Georgia Neblett and seconded by
Karen O'Connor Urban. MOTION CARRIED.**

**Vishnu V. Reddy, Chairman recluse himself from any discussion
and voting from:**

Item d. CHRISTUS Spohn Health System.

relinquishing meeting to Pam Brower, Finance Chair.

d. CHRISTUS Spohn Health System:

1. Adopt Board of Managers Resolution approving the Member Revenue Specified Annual Percentage for the period October 1, 2026 – September 30, 2027, pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. **(ACTION)**

**Motion by Karen O'Connor Urban and seconded by
Mariana Garza. MOTION CARRIED.**

Vishnu V. Reddy, Chairman abstain from voting.

2. Discuss and consider authorizing the Administrator to execute an Intergovernmental Transfer (IGT) Responsibility Contract with the Texas Health and Human Services Commission (HHSC), Contract No. HHS001711400008, for the transfer of public funds as the non-federal share of Network Access Improvement Program (NAIP) payments benefiting CHRISTUS Spohn Health System for the period September 1, 2026 through August 31, 2027, in an amount not to exceed \$3,347,716.00. **(ACTION)**

**Motion by Georgia Neblett and seconded by
Karen O'Connor Urban. MOTION CARRIED.
Vishnu V. Reddy, Chairman abstain from voting.**

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

e. Fiscal Year 2027 Budget:

1. Adopt Board of Managers Resolution committing a specified amount of the September 30, 2026, fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 2026. **(ACTION)**

**Motion by Pamela Brower and seconded by Mariana Garza.
MOTION CARRIED.**

2. Adopt Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2027 Annual Budget (October 1, 2026 – September 30, 2027) for:

- a. County Healthcare Expenditures; and
- b. Nueces Center for Mental Health and Intellectual Disabilities matching funds. **(ACTION)**

**Motion by Sylvia Tryon Oliver and seconded by
Georgia Neblett. MOTION CARRIED.**

3. Adopt Board of Managers Resolution approving Fiscal Year 2027 Annual Budget (October 1, 2026–September 30, 2027), approval pursuant to Texas Health and Safety Code, §281.091(b); Budget includes:

- a. General Fund;
- b. Tobacco Fund;
- c. Opioid Settlement Fund; and
- d. Indigent Care Fund. **(ACTION)**

**Motion by Sylvia Tryon Oliver and seconded by
Georgia Neblett. MOTION CARRIED.**

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

Vishnu V. Reddy, Chairman, resumed the Chair.

2. Legislative Committee:

- a. Receive information from Legislative Consultants on 90th Texas Session Legislative Agenda. (*INFORMATION*)
- b. Receive a briefing on, discuss, and consider action regarding the potential use of the YourTexasBenefits.com website, operated by the Texas Health and Human Services Commission to additionally facilitate enrollment in the Nueces Aid Program. (*ACTION*)
- c. Discuss and consider action on proposed amendments to the Nueces County Hospital District's Draft 90th Texas Legislative Session Agenda. (*ACTION*)

Item 2. b. & c., table, no action taken.

3. Nueces Aid Program:

- a. Receive and discuss a briefing on community engagement and outreach strategies, partnerships, enrollment initiatives, client engagement, and related plans and goals to increase awareness of, access to, and participation in the Nueces Aid Program. (*INFORMATION*)

**Samantha Miears & Rachelle Robles from NCHD
gave a presentation on the Nueces Aid Program.**

- b. Receive and discuss a presentation from the Nueces County Sheriff's Office regarding a new prisoner medical transport van funded by the Hospital District. (*INFORMATION*)

**Captain Bustamante updated on the use of the medical
transport van funded by the Hospital District.**

4. Opioid Settlement Funds:

- a. Discuss and consider approval of an Interlocal Cooperation Agreement with the Nueces Center for Mental Health and Intellectual Disabilities to implement

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

the Hospital District's use of distributions received from the Texas Opioid Abatement Fund Council; Agreement term October 1, 2026, through September 30, 2027; receipt and use of funds pursuant to Texas Government Code §403.508(a)(2) and applicable program requirements under Texas Administrative Code §16.22. *(ACTION)*

**Motion by Georgia Neblett and seconded by
Pamela Brower. MOTION CARRIED.**

5. Administrator's Actions:

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

1. Execution of Amendment No. 2 to Letter Agreement with John B. Martinez (Martinez Reilly PLLC) for General Counsel Services for term June 1, 2026 - May 31, 2027. *(ACTION)*

**Motion by Georgia Neblett and seconded by
Pamela Brower. MOTION CARRIED.**

6. Administrator's Briefing:

a. Next scheduled regular meetings of the Board of Managers and Board Committees (all meeting dates, times, and locations are subject to change):

1. Legislative Committee: Tuesday, September 22, 2026, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and
2. Finance Committee: Tuesday, September 22, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;
3. Board of Managers: Tuesday, September 22, 2026, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. *(INFORMATION)*

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

7. CLOSED MEETING – The Board of Managers may convene in closed session at any time during this meeting to deliberate any agenda item, as authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board reserves the right to discuss any agenda item in executive session when legally permitted, regardless of whether the item is customarily considered in open session. The presiding officer will announce the applicable statutory authority under the Act prior to each closed session. Any final action, decision, or vote will be taken in open session, either upon reconvening or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to Sections 551.071 and 551.074 of the Texas Government Code, as applicable.

A. Consult with attorneys regarding CPS Energy’s proposed tax-exemption settlement Agreements related to the Barney Davis and Nueces Bay Power Plants and related matters.

B. Consult with attorneys on legal issues regarding Corpus Christi Housing Authority's workforce housing contracts, tax exemptions, potential open meetings violations, and related matters.

C. Consult with attorneys on matters related to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement and related matters.

D. Consult with attorneys regarding matters related to eligibility for indigent health care under current law.

Vishnu V. Reddy, Chairman called for Closed Meeting at 1:13 p.m.

8. OPEN MEETING - The Board will reconvene in open session following the Closed Meeting before taking action on Closed Meeting matters or adjourning.

Vishnu V. Reddy, Chairman called for Open Meeting at 1:30 p.m.

A. Discuss and consider taking final action, decision, or vote on matters deliberated in Closed Meeting. (***ACTION AS NEEDED***)

No Action Needed.

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

9. ADJOURN

**Vishnu V. Reddy, Chairman motion to adjourn.
Meeting adjourned at 1:30 p.m.**

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 17, 2026**

PRESIDING OFFICER:

Vishnu V. Reddy, Chairman

ATTEST:

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

terms, with as nearly as possible to one-third of the members' terms expiring each year.

DeVise

2. Resignations must be submitted in writing, tendered to the Nueces County Judge on behalf of the Nueces County Commissioners Court, and the Chairman of the NCHD, and state the effective date of resignation.

3. Removal of member of the Board of Managers:

A member may be removed from office pursuant to the mandates of Article V, Section 24 of the *Texas Constitution*, and Chapter 87, *et seq.*, of the *Texas Local Government Code*, as amended, and other causes defined by law, including but not limited to:

- (a) Bribery and corrupt influence (*Texas Penal Code*, Section 36, *et seq.*);
- (b) Abuse of official capacity (*Texas Penal Code*, Section 39, *et seq.*); or,
- (c) Nepotism (*Texas Government Code*, Chapter 573 *et seq.*)

B. Conflicts of Interest

1. A member shall follow the conflicts of interest law as provided in *Texas Local Government*, Chapter 171, *et seq.*, as amended.

C. Indemnity

Members of the Board of Managers shall be indemnified and held harmless to the full extent permitted by Texas and United States law at NCHD's sole expense, and such indemnification may be extended, at the discretion of the Board of Managers or as required by law, to NCHD employees and agents, from and against all suits, actions, or claims of any character, type or description brought or made for or on account of any injuries or damages, received or sustained by any person or persons or property, arising out of, or occasioned by the acts and/or omissions of the officers and members (and at the discretion of the Board or as required by law, employees and/or agents of NCHD) when performing their public duties as members (and/or employees or agents) of the NCHD Board of Managers and within the course and scope of such duties.

LOCAL GOVERNMENT CODE

TITLE 5. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES

SUBTITLE C. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES OF MORE
THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 171. REGULATION OF CONFLICTS OF INTEREST OF OFFICERS OF
MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

Sec. 171.001. DEFINITIONS. In this chapter:

(1) "Local public official" means a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district (including a school district), county, municipality, precinct, central appraisal district, transit authority or district, or other local governmental entity who exercises responsibilities beyond those that are advisory in nature.

(2) "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 171.002. SUBSTANTIAL INTEREST IN BUSINESS ENTITY. (a) For purposes of this chapter, a person has a substantial interest in a business entity if:

(1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or

(2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

(b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

(c) A local public official is considered to have a substantial interest under this section if a person related to the official in the first degree by consanguinity or affinity, as

determined under Chapter 573, Government Code, has a substantial interest under this section.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 561, Sec. 37, eff. Aug. 26, 1991; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(27), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 849, Sec. 1, eff. Sept. 1, 1997.

Sec. 171.0025. APPLICATION OF CHAPTER TO MEMBER OF HIGHER EDUCATION AUTHORITY. This chapter does not apply to a board member of a higher education authority created under Chapter 53, Education Code, unless a vote, act, or other participation by the board member in the affairs of the higher education authority would provide a financial benefit to a financial institution, school, college, or university that is:

(1) a source of income to the board member; or

(2) a business entity in which the board member has an interest distinguishable from a financial benefit available to any other similar financial institution or other school, college, or university whose students are eligible for a student loan available under Chapter 53, Education Code.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 41(a), eff. Aug. 28, 1989.

Sec. 171.003. PROHIBITED ACTS; PENALTY. (a) A local public official commits an offense if the official knowingly:

(1) violates Section 171.004;

(2) acts as surety for a business entity that has work, business, or a contract with the governmental entity; or

(3) acts as surety on any official bond required of an officer of the governmental entity.

(b) An offense under this section is a Class A misdemeanor.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.004. AFFIDAVIT AND ABSTENTION FROM VOTING REQUIRED. (a) If a local public official has a substantial

interest in a business entity or in real property, the official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

(1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or

(2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with the official record keeper of the governmental entity.

(c) If a local public official is required to file and does file an affidavit under Subsection (a), the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.005. VOTING ON BUDGET. (a) The governing body of a governmental entity shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a member of the governing body has a substantial interest.

(b) Except as provided by Section [171.004\(c\)](#), the affected member may not participate in that separate vote. The member may vote on a final budget if:

(1) the member has complied with this chapter; and

(2) the matter in which the member is concerned has been resolved.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Renumbered from Sec. 171.006 and amended by Acts 1989, 71st Leg.,

ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.006. EFFECT OF VIOLATION OF CHAPTER. The finding by a court of a violation under this chapter does not render an action of the governing body voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed the governing body without the vote of the person who violated the chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Renumbered from Sec. 171.008 by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.007. COMMON LAW PREEMPTED; CUMULATIVE OF MUNICIPAL PROVISIONS. (a) This chapter preempts the common law of conflict of interests as applied to local public officials.

(b) This chapter is cumulative of municipal charter provisions and municipal ordinances defining and prohibiting conflicts of interests.

Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.009. SERVICE ON BOARD OF CORPORATION FOR NO COMPENSATION. It shall be lawful for a local public official to serve as a member of the board of directors of private, nonprofit corporations when such officials receive no compensation or other remuneration from the nonprofit corporation or other nonprofit entity.

Added by Acts 1989, 71st Leg., ch. 475, Sec. 2, eff. Aug. 28, 1989.

Sec. 171.010. PRACTICE OF LAW. (a) For purposes of this chapter, a county judge or county commissioner engaged in the private practice of law has a substantial interest in a business entity if the official has entered a court appearance or signed court pleadings in a matter relating to that business entity.

(b) A county judge or county commissioner that has a substantial interest in a business entity as described by Subsection (a) must comply with this chapter.

(c) A judge of a constitutional county court may not enter a court appearance or sign court pleadings as an attorney in any matter before:

(1) the court over which the judge presides; or

(2) any court in this state over which the judge's court exercises appellate jurisdiction.

(d) Upon compliance with this chapter, a county judge or commissioner may practice law in the courts located in the county where the county judge or commissioner serves.

Added by Acts 2003, 78th Leg., ch. 227, Sec. 21, eff. Sept. 1, 2003;
Acts 2003, 78th Leg., ch. 1206, Sec. 3, eff. June 20, 2003.

LOCAL GOVERNMENT CODE

TITLE 5. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES

SUBTITLE C. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES OF MORE
THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL
GOVERNMENT OFFICERS; PROVIDING PUBLIC ACCESS TO CERTAIN
INFORMATION

Sec. 176.001. DEFINITIONS. In this chapter:

(1) "Agent" means a third party who undertakes to transact some business or manage some affair for another person by the authority or on account of the other person. The term includes an employee.

(1-a) "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

(1-b) "Charter school" means an open-enrollment charter school operating under Subchapter [D](#), Chapter [12](#), Education Code.

(1-c) "Commission" means the Texas Ethics Commission.

(1-d) "Contract" means a written agreement for the sale or purchase of real property, goods, or services.

(2) "Family member" means a person related to another person within the first degree by consanguinity or affinity, as described by Subchapter [B](#), Chapter [573](#), Government Code.

(2-a) "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter [B](#), Chapter [573](#), Government Code.

(2-b) "Gift" means a benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest. The term does not include a benefit offered on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.

(2-c) "Goods" means personal property.

(2-d) "Investment income" means dividends, capital gains, or interest income generated from:

(A) a personal or business:

- (i) checking or savings account;
- (ii) share draft or share account; or
- (iii) other similar account;

(B) a personal or business investment; or

(C) a personal or business loan.

(3) "Local governmental entity" means a county, municipality, school district, charter school, junior college district, water district created under Subchapter B, Chapter 49, Water Code, or other political subdivision of this state or a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, the mayor of a municipality, or the governing body of a municipality. The term does not include an association, corporation, or organization of governmental entities organized to provide to its members education, assistance, products, or services or to represent its members before the legislative, administrative, or judicial branches of the state or federal government.

(4) "Local government officer" means:

(A) a member of the governing body of a local governmental entity;

(B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or

(C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.

(5) "Records administrator" means the director, county clerk, municipal secretary, superintendent, or other person

responsible for maintaining the records of the local governmental entity or another person designated by the local governmental entity to maintain statements and questionnaires filed under this chapter and perform related functions.

(6) "Services" means skilled or unskilled labor or professional services, as defined by Section 2254.002, Government Code.

(7) "Vendor" means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 1, eff. May 25, 2007.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 1, eff. September 1, 2015.

Sec. 176.002. APPLICABILITY TO VENDORS AND OTHER PERSONS.

(a) This chapter applies to a person who is:

- (1) a vendor; or
- (2) a local government officer of a local governmental entity.

(b) A person is not subject to the disclosure requirements of this chapter if the person is:

- (1) a state, a political subdivision of a state, the federal government, or a foreign government; or
- (2) an employee or agent of an entity described by Subdivision (1), acting in the employee's or agent's official capacity.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 2, eff.

May 25, 2007.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 2, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 3, eff. September 1, 2015.

Sec. 176.003. CONFLICTS DISCLOSURE STATEMENT REQUIRED.

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(1) the vendor enters into a contract with the local governmental entity or the local governmental entity is considering entering into a contract with the vendor; and

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor; or

(C) has a family relationship with the local government officer.

(a-1) A local government officer is not required to file a conflicts disclosure statement in relation to a gift accepted by the officer or a family member of the officer if the gift is:

(1) a political contribution as defined by Title 15,

Election Code; or

(2) food accepted as a guest.

(a-2) A local government officer is not required to file a conflicts disclosure statement under Subsection (a) if the local governmental entity or vendor described by that subsection is an administrative agency created under Section [791.013](#), Government Code.

(b) A local government officer shall file the conflicts disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Subsection (a).

(c) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(1), eff. September 1, 2015.

(d) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(1), eff. September 1, 2015.

(e) The commission shall adopt the conflicts disclosure statement for local government officers for use under this section. The conflicts disclosure statement must include:

(1) a requirement that each local government officer disclose:

(A) an employment or other business relationship described by Subsection (a)(2)(A), including the nature and extent of the relationship; and

(B) gifts accepted by the local government officer and any family member of the officer from a vendor during the 12-month period described by Subsection (a)(2)(B) if the aggregate value of the gifts accepted by the officer or a family member from that vendor exceeds \$100;

(2) an acknowledgment from the local government officer that:

(A) the disclosure applies to each family member of the officer; and

(B) the statement covers the 12-month period described by Subsection (a)(2)(B); and

(3) the signature of the local government officer acknowledging that the statement is made under oath under penalty

of perjury.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 3, eff. May 25, 2007.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 4, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 5, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 9(1), eff. September 1, 2015.

Sec. 176.006. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER PERSONS; QUESTIONNAIRE. (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract

with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

(b) The commission shall adopt a conflict of interest questionnaire for use under this section that requires disclosure of a vendor's business and family relationships with a local governmental entity.

(c) The questionnaire adopted under Subsection (b) must require, for the local governmental entity with respect to which the questionnaire is filed, that the vendor filing the questionnaire:

(1) describe each employment or business and family relationship the vendor has with each local government officer of the local governmental entity;

(2) identify each employment or business relationship described by Subdivision (1) with respect to which the local government officer receives, or is likely to receive, taxable income, other than investment income, from the vendor;

(3) identify each employment or business relationship described by Subdivision (1) with respect to which the vendor receives, or is likely to receive, taxable income, other than investment income, that:

(A) is received from, or at the direction of, a local government officer of the local governmental entity; and

(B) is not received from the local governmental entity; and

(4) describe each employment or business relationship with a corporation or other business entity with respect to which a local government officer of the local governmental entity:

(A) serves as an officer or director; or

(B) holds an ownership interest of one percent or

more.

(d) A vendor shall file an updated completed questionnaire with the appropriate records administrator not later than the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in the questionnaire incomplete or inaccurate.

(e) A person who is both a local government officer and a vendor of a local governmental entity is required to file the questionnaire required by Subsection (a)(1) only if the person:

(1) enters or seeks to enter into a contract with the local governmental entity; or

(2) is an agent of a person who enters or seeks to enter into a contract with the local governmental entity.

(f) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(g) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(h) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(i) The validity of a contract between a vendor and a local governmental entity is not affected solely because the vendor fails to comply with this section.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. [914](#)), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. [1491](#)), Sec. 6, eff. May 25, 2007.

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. [1491](#)), Sec. 9, eff. May 25, 2007.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 15.005, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. [23](#)), Sec. 6, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. [23](#)), Sec. 9(3), eff. September 1, 2015.

Sec. 176.0065. MAINTENANCE OF RECORDS. A records

administrator shall:

(1) maintain a list of local government officers of the local governmental entity and shall make that list available to the public and any vendor who may be required to file a conflict of interest questionnaire under Section 176.006; and

(2) maintain the statements and questionnaires that are required to be filed under this chapter in accordance with the local governmental entity's records retention schedule.

Added by Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 8, eff. May 25, 2007.

Redesignated and amended from Local Government Code, Section 176.011 by Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 7, eff. September 1, 2015.

Sec. 176.008. ELECTRONIC FILING. The requirements of this chapter, including signature requirements, may be satisfied by electronic filing in a form approved by the commission.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Sec. 176.009. POSTING ON INTERNET. (a) A local governmental entity that maintains an Internet website shall provide access to the statements and to questionnaires required to be filed under this chapter on that website. This subsection does not require a local governmental entity to maintain an Internet website.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 847, Sec. 3(b), eff. January 1, 2014.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 7, eff. May 25, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 76, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 847 (H.B. 195), Sec. 3(b), eff. January 1, 2014.

Sec. 176.010. REQUIREMENTS CUMULATIVE. The requirements of this chapter are in addition to any other disclosure required by law.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Sec. 176.012. APPLICATION OF PUBLIC INFORMATION LAW. This chapter does not require a local governmental entity to disclose any information that is excepted from disclosure by Chapter 552, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 8, eff. May 25, 2007.

Sec. 176.013. ENFORCEMENT. (a) A local government officer commits an offense under this chapter if the officer:

(1) is required to file a conflicts disclosure statement under Section 176.003; and

(2) knowingly fails to file the required conflicts disclosure statement with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement.

(b) A vendor commits an offense under this chapter if the vendor:

(1) is required to file a conflict of interest questionnaire under Section 176.006; and

(2) either:

(A) knowingly fails to file the required questionnaire with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the vendor becomes aware of the facts that require the filing of the questionnaire; or

(B) knowingly fails to file an updated questionnaire with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in a

questionnaire previously filed by the vendor incomplete or inaccurate.

(c) An offense under this chapter is:

(1) a Class C misdemeanor if the contract amount is less than \$1 million or if there is no contract amount for the contract;

(2) a Class B misdemeanor if the contract amount is at least \$1 million but less than \$5 million; or

(3) a Class A misdemeanor if the contract amount is at least \$5 million.

(d) A local governmental entity may reprimand, suspend, or terminate the employment of an employee who knowingly fails to comply with a requirement adopted under this chapter.

(e) The governing body of a local governmental entity may, at its discretion, declare a contract void if the governing body determines that a vendor failed to file a conflict of interest questionnaire required by Section [176.006](#).

(f) It is an exception to the application of Subsection (a) that the local government officer filed the required conflicts disclosure statement not later than the seventh business day after the date the officer received notice from the local governmental entity of the alleged violation.

(g) It is an exception to the application of Subsection (b) that the vendor filed the required questionnaire not later than the seventh business day after the date the vendor received notice from the local governmental entity of the alleged violation.

Added by Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. [23](#)), Sec. 8, eff. September 1, 2015.

Nueces County Hospital District
Vendor Information List - Additional Vendors-Conflict of Interest Disclosure

<u>Vendor ID</u>	<u>Vendor Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>
2133	Garcia, Skyler	1500 Choctaw Road	Sinton	TX	78387
2135	4imprint	2875 Atlas Ave PO Box 320	Oshkosh	WI	54904

Nueces County Hospital District
County Health Care Department Expenditures
Cash Disbursements Relating to
Fiscal Year 2026

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal YTD	Budget 2026	Balance
<u>County Healthcare Services</u>															
Health Dept - County	0.00	0.00	450,000.00	0.00	0.00	300,000.00	0.00	0.00	600,000.00	0.00	0.00	0.00	1,350,000.00	1,800,000.00	450,000.00
Mobile Medical Clinic	0.00	0.00	176.28	0.00	0.00	549.36	0.00	0.00	120.15	0.00	0.00	0.00	845.79	60,000.00	59,154.21
Emergency Medical Services	0.00	0.00	114,600.00	0.00	0.00	128,400.00	0.00	0.00	128,400.00	0.00	0.00	0.00	371,400.00	650,000.00	278,600.00
NC MHID - Fund Matching	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	0.00	726,840.00	969,129.00	242,289.00
NC MHID - Jail Programs	82,275.04	97,058.26	150,407.46	174,307.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	504,048.67	1,500,000.00	995,951.33
NC Juvenile Center	0.00	0.00	107,521.00	0.00	0.00	129,837.85	0.00	0.00	135,302.78	0.00	0.00	0.00	372,661.63	474,000.00	101,338.37
Nueces County Jail Infirmary Svcs	563,401.59	103,680.13	669,987.28	640,084.17	664,806.31	682,100.04	666,031.23	629,908.58	671,255.39	649,836.11	0.00	0.00	5,941,090.83	8,532,015.00	2,590,924.17
Cenikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00	60,000.00	60,000.00	0.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00	50,000.00	50,000.00	0.00
Diabetes Program - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,215.27	0.00	0.00	0.00	12,215.27	60,000.00	47,784.73
HALO-Flight Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,750.00	0.00	0.00	0.00	0.00	15,750.00	15,750.00	0.00
County Public Health Grants	85,000.00	0.00	0.00	65,000.00	0.00	0.00	0.00	0.00	0.00	0.00	92,619.25	0.00	242,619.25	336,000.00	93,380.75
Totals	730,676.63	200,738.39	1,734,972.02	879,392.08	664,806.31	1,483,167.25	666,031.23	645,658.58	1,789,573.59	759,836.11	92,619.25	0.00	9,647,471.44	14,506,894.00	4,859,422.56

**Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2026
As if Adjudicated January 1, 2026 through August 31, 2026**

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	4,315	4,570,620	434,334	15,578	418,755
ASU	6	56,971	8,637	164	8,473
Clinic	4,795	2,900,336	924,822	55,941	868,882
Obs	-	-	-	0	-
OP	17,951	47,962,367	12,341,867	703,896	11,637,971
Subtotal	27,067	55,490,293	13,709,660	775,579	12,934,081
IP	654	70,310,903	2,956,523	44,995	2,911,528
SNF					-
RX	63,329	4,628,688	4,010,525	161,428	3,849,096
Physician	24,066	66,065,097	6,457,403	275,638	6,181,765
Total	115,116	196,494,982	27,134,111	1,257,640	25,876,471

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 2026

Member Revenue % 17.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
<u>Membership Revenue Deposits</u>													
Week 1	1,511,157.21	2,417,944.61	1,630,641.06	1,526,816.31	1,589,308.71	2,052,269.03	1,995,149.15	2,453,481.92	2,471,713.49	2,234,594.13	1,735,805.14	1,715,607.43	23,334,488.19
Week 2	1,403,285.99	2,163,527.85	2,308,254.99	1,672,309.25	1,712,675.50	2,060,253.40	2,077,508.23	2,290,298.87	2,403,073.04	1,951,151.20	1,756,111.52	1,889,861.15	23,688,310.99
Week 3	1,495,552.66	2,470,202.03	2,292,403.21	2,104,939.01	1,973,974.33	1,919,955.83	2,076,907.99	2,472,459.73	2,390,859.98	2,271,415.51	1,716,511.73		23,185,182.01
Week 4	2,559,686.42	holiday	2,039,849.68	1,855,237.00	2,098,068.57	2,084,883.65	2,066,306.32	2,189,102.49	2,212,622.21	1,676,578.74	1,564,227.24		20,346,562.32
Week 5	1,904,908.74		2,125,558.12	2,017,332.89				1,793,695.92		2,043,609.38			9,885,105.05
Subtotal	8,874,591.02	7,051,674.49	10,396,707.06	9,176,634.46	7,374,027.11	8,117,361.91	8,215,871.69	11,199,038.93	9,478,268.72	10,177,348.96	6,772,655.63	3,605,468.58	100,439,648.56

Nueces County Hospital District
Opioid Settlement Fund Activity
Fiscal Year 2026

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	2,938,513.01	2,948,849.83	2,958,516.90	2,968,133.15	2,977,485.17	2,985,891.97	2,995,205.01	3,388,116.10	3,398,664.66	3,391,200.50	3,394,981.64	3,306,487.89	2,938,513.01
<u>Deposits</u>													
Distribution #3							421,974.39						421,974.39
													0.00
													0.00
Interest	10,336.82	9,667.07	9,616.25	9,352.02	8,406.80	9,313.04	9,937.41	10,548.56	10,304.32	10,684.10	10,802.64		108,969.03
Total Deposits	10,336.82	9,667.07	9,616.25	9,352.02	8,406.80	9,313.04	431,911.80	10,548.56	10,304.32	10,684.10	10,802.64	0.00	530,943.42
<u>Programs</u>													
Outpatient Substance Abuse							(39,000.71)		(17,768.48)	(6,902.96)	(99,296.39)		(162,968.54)
													0.00
													0.00
													0.00
													0.00
Total Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	(39,000.71)	0.00	(17,768.48)	(6,902.96)	(99,296.39)	0.00	(162,968.54)
													0.00
Ending Balance	2,948,849.83	2,958,516.90	2,968,133.15	2,977,485.17	2,985,891.97	2,995,205.01	3,388,116.10	3,398,664.66	3,391,200.50	3,394,981.64	3,306,487.89	3,306,487.89	3,306,487.89

Texas Local Provider Participation Fund (LPPF) Programs

Overview

The Texas Local Provider Participation Fund (LPPF) is a locally administered financing mechanism authorized under Texas law that permits counties, hospital districts, and certain multi-jurisdictional entities to impose mandatory assessments on participating hospitals. Funds collected through an LPPF are used to finance the non-federal share of Medicaid supplemental and directed payment programs, thereby leveraging federal matching funds. These supplemental and directed payment programs are established, administered, and overseen by the Texas Health and Human Services Commission.

Purpose

LPPFs exist to support Medicaid payments without relying on state general revenue or local property taxes. By pooling hospital assessments locally and transferring them to the state through intergovernmental transfers (IGTs), local governments enable hospitals to receive significantly higher Medicaid reimbursements.

How LPPFs Work

Hospitals within an authorized jurisdiction are assessed a uniform mandatory payment, typically based on net patient revenue. These payments are deposited into a segregated Local Provider Participation Fund. The local government then transfers funds to the Texas Health and Human Services Commission to serve as the non-federal share for Medicaid payments. Federal matching funds are drawn down and redistributed back to hospitals through approved Medicaid payment programs.

Programs Supported

LPPF-supported funds are commonly used for Medicaid supplemental and directed payment programs, including uncompensated care payments and uniform rate enhancements. These programs are designed to support hospitals that serve a large share of Medicaid and uninsured patients.

Benefits

LPPFs allow local dollars to leverage substantial federal Medicaid funding, strengthen the financial stability of safety-net hospitals, and avoid increasing property taxes. They provide local control over healthcare financing while supporting access to care.

Legal Framework

The Nueces County Hospital District's LPPF is authorized under Texas Health and Safety Code, Chapter 298C, and is implemented pursuant to approval by the Board of Managers of the associated Health Care Provider Participation Program. Funds

Texas Local Provider Participation Fund (LPPF) Programs

deposited into the LPPF are restricted to authorized health care–related purposes and may not be used to expand Medicaid eligibility. The program is subject to applicable federal oversight to ensure compliance with Medicaid financing requirements.

Policy Considerations

Key considerations include the financial impact of mandatory assessments on participating hospitals; the administrative and compliance complexity associated with operating an LPPF; and reliance on ongoing state legislative authority and federal policy. While many LPPFs are subject to statutory sunset provisions requiring periodic legislative renewal, the Nueces County Hospital District LPPF is not subject to a sunset provision.

Summary

LPPFs are a central component of Texas’s Medicaid financing strategy, enabling local governments and hospitals to maximize federal Medicaid funding while maintaining local control and minimizing taxpayer impact.

#

01/28/2026

Nueces County Hospital District
Nueces LPPF Activity
Fiscal Year 2026

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	36,037,687.34	88,352,681.09	46,775,249.76	46,889,995.07	47,098,478.43	43,388,108.10	43,523,426.60	102,601,327.88	102,671,201.57	17,301,701.03	29,151,669.08	47,075,986.78	36,037,687.34
<u>Deposits</u>													
Christus Spohn	20,140,043.00						19,976,378.00				9,988,189.00		50,104,610.00
CCMC							14,672,857.50				7,336,428.75		22,009,286.25
CC Rehab							607,311.50				303,655.75		910,967.25
Driscoll	31,555,659.00						22,502,282.00			11,251,141.00			65,309,082.00
PAM Specialty							720,612.00			360,306.00			1,080,918.00
PAM Rehab							836,253.00			418,126.50			1,254,379.50
Oceans Behavioral	625,158.00							312,579.00			156,289.50		1,094,026.50
Subtotal	52,320,860.00	0.00	0.00	0.00	0.00	0.00	59,315,694.00	312,579.00	0.00	12,029,573.50	17,784,563.00	0.00	141,763,269.50
Interest	302,419.15	249,184.61	151,883.76	147,530.06	122,923.21	135,318.50	148,258.08	312,924.78	170,716.52	54,498.60	139,754.70		1,935,411.97
Transfers In	1,538,911.28	91,314.97		627,998.64				3,192,163.74				41,829.04	5,492,217.67
Total Deposits	54,162,190.43	340,499.58	151,883.76	775,528.70	122,923.21	135,318.50	59,463,952.08	3,817,667.52	170,716.52	12,084,072.10	17,924,317.70	41,829.04	149,190,899.14
<u>Inter-Governmental Transfers</u>													
UC			(37,138.45)		(3,833,293.54)					(53,109.52)		(3,633,057.27)	(7,556,598.78)
DSRIP													0.00
CHIRP		(41,917,930.91)						(84,883,602.42)					(126,801,533.33)
TIPPS								(656,614.64)					(656,614.64)
DSH													0.00
HARP				(386,050.81)			(386,050.80)						(772,101.61)
GME				(180,994.53)						(180,994.53)			(361,989.06)
ATLIS	(1,847,196.68)							(3,747,793.83)					(5,594,990.51)
Total IGT's	(1,847,196.68)	(41,917,930.91)	(37,138.45)	(567,045.34)	(3,833,293.54)	0.00	(386,050.80)	(3,747,793.83)	(85,540,217.06)	(234,104.05)	0.00	(3,633,057.27)	(141,743,827.93)
Transfers Out												(150,000.00)	(150,000.00)
Bank Fees													0.00
Ending Balance	88,352,681.09	46,775,249.76	46,889,995.07	47,098,478.43	43,388,108.10	43,523,426.60	102,601,327.88	102,671,201.57	17,301,701.03	29,151,669.08	47,075,986.78	43,334,758.55	43,334,758.55

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Texas HHSC Medicaid Supplemental and Directed Payment Programs

Texas Medicaid is a partnership between the state and federal governments that provides health coverage to low-income families, older adults, and people with disabilities. The federal government shares in the cost of the program by matching state Medicaid spending, and providers are paid for the care they deliver to Medicaid patients. Federal rules allow states to determine how providers are paid, and Medicaid payments generally fall into three categories: base payments, supplemental payments, and directed payments. Base Payments are made for specific services (e.g., surgery, x-rays, diagnostic tests) provided to persons with Medicaid. These payments can be made through a fee-for-service (FFS) method or through a managed care service delivery system.

1. **Supplemental Payment Programs.** Supplemental Payments are Medicaid payments that supplement base reimbursement and provide additional funding to selected providers, including hospitals. Payments may be made as lump sums or structured to support quality goals, graduate medical education, or providers that serve large numbers of uninsured or low-income patients, such as rural and safety-net providers.

- A. Key Programs:

- 1) **Disproportionate Share Hospital (DSH):** These payments provide additional funding to hospitals that serve a large share of Medicaid and low-income patients. DSH payments help offset uncompensated care costs for Medicaid and uninsured patients and are capped at a hospital's allowable uncompensated costs. Eligible providers: Hospitals serving a high proportion of Medicaid or indigent patients.
- 2) **Uncompensated Care (UC):** This Program was initially created to support Texas's expansion of Medicaid managed care while preserving supplemental payments to hospitals. UC payments help reduce uncompensated costs for qualifying medical services provided to uninsured individuals under a provider's charity care policy and must meet the federal definition of "medical assistance." Eligible providers: Public and private hospitals, public ambulance providers, government dental providers, and physician practice groups.
- 3) **Graduate Medical Education (GME):** These supplemental payments support medical residency training at teaching hospitals, which face higher costs related to resident compensation, increased testing, and the care of more complex patients. Eligible providers: State-owned teaching hospitals and government-operated teaching hospitals.
- 4) **Hospital Augmented Reimbursement Program (HARP):** Provides Medicaid payments to hospitals for inpatient and

Texas HHSC Medicaid Supplemental and Directed Payment Programs

outpatient services provided to Texas Medicaid patients under the fee-for-service model, serving as a financial transition for former DSRIP providers and helping offset the cost of delivering Medicaid services.

- 5) ****Aligning Technology by Linking Interoperable Systems for Client Health Outcomes (ATLIS):** To enhance electronic health information exchange among Medicaid Managed Care Organizations (MCOs) to improve client health outcomes and advance alternative payment models.
- 6) ***Public Health Providers-Charity Care Program (PHP-CCP):** Reimburses qualifying providers for the cost of delivering certain health care services that are not reimbursed by another source. Health care services include behavioral health services, immunizations, public health services, and other preventative services. Eligible providers: Publicly owned and operated community mental health clinics, local behavioral health authorities or local mental health authorities, local health departments, and Public Health Districts.
- 7) ***Ambulance Services Supplemental Payment Program:** Program for publicly owned ground emergency ambulance providers participating in Medicaid fee-for-service that provides additional payments aligned with average commercial insurance rates for the same services.

2. **Directed Payment Programs.** State-guided Medicaid managed care spending to support delivery system reform and improved performance by requiring Medicaid managed care organizations to make certain payments to providers, either through capitation rate adjustments or separate payment arrangements.

A. Key Programs:

- 1) **Comprehensive Hospital Increase Reimbursement Program (CHIRP):** Provides enhanced Medicaid payments for inpatient and outpatient services delivered to STAR and STAR+PLUS enrollees. Eligible providers include: (1) hospital-based rural health clinics (RHCs), including non-state government-owned and private RHCs, and (2) free-standing RHCs.
- 2) **Network Access Improvement Program (NAIP):** Pass-through payment program aimed at strengthening access to effective primary care for Medicaid recipients by incentivizing health-related institutions and public hospitals to provide high-quality, coordinated, and continuous care.
- 3) **Rural Access to Primary and Preventive Services (RAPPS):** Provides incentives for rural health clinics (RHCs) to deliver primary and preventive care to STAR, STAR+PLUS, and STAR Kids

Texas HHSC Medicaid Supplemental and Directed Payment Programs

enrollees in rural areas of the state. Eligible providers include (1) hospital-based RHCs, including non-state government-owned and private RHCs, and (2) free-standing RHCs.

- 4) **The Texas Incentives for Physicians and Professional Services (TIPPS)**: Provides enhanced Medicaid payments for health care services delivered by eligible physician groups to STAR, STAR+PLUS, and STAR Kids enrollees. Eligible providers include: (1) health-related institution (HRI) physician groups; (2) physician groups affiliated with hospitals receiving indirect medical education (IME) funding; and (3) other physician groups.
- 5) ***The Directed Payment Program for Behavioral Health Services (DPP BHS)**: Enhances access to behavioral health services, care coordination, and care transitions for STAR, STAR+PLUS, and STAR Kids enrollees. Eligible providers include Community Mental Health Centers (CMHCs) and Local Behavioral Health Authorities (LBHAs) with Certified Community Behavioral Health Clinic (CCBHC) certification.
- 6) ***Quality Incentive Payment Program (QIPP)**: A performance-based payment program that incentivizes nursing facilities to improve care quality and foster innovation.

* NCHD does not participate in this Program.

** HHSC terminated this program for the state fiscal year 2026.

01/28/2026

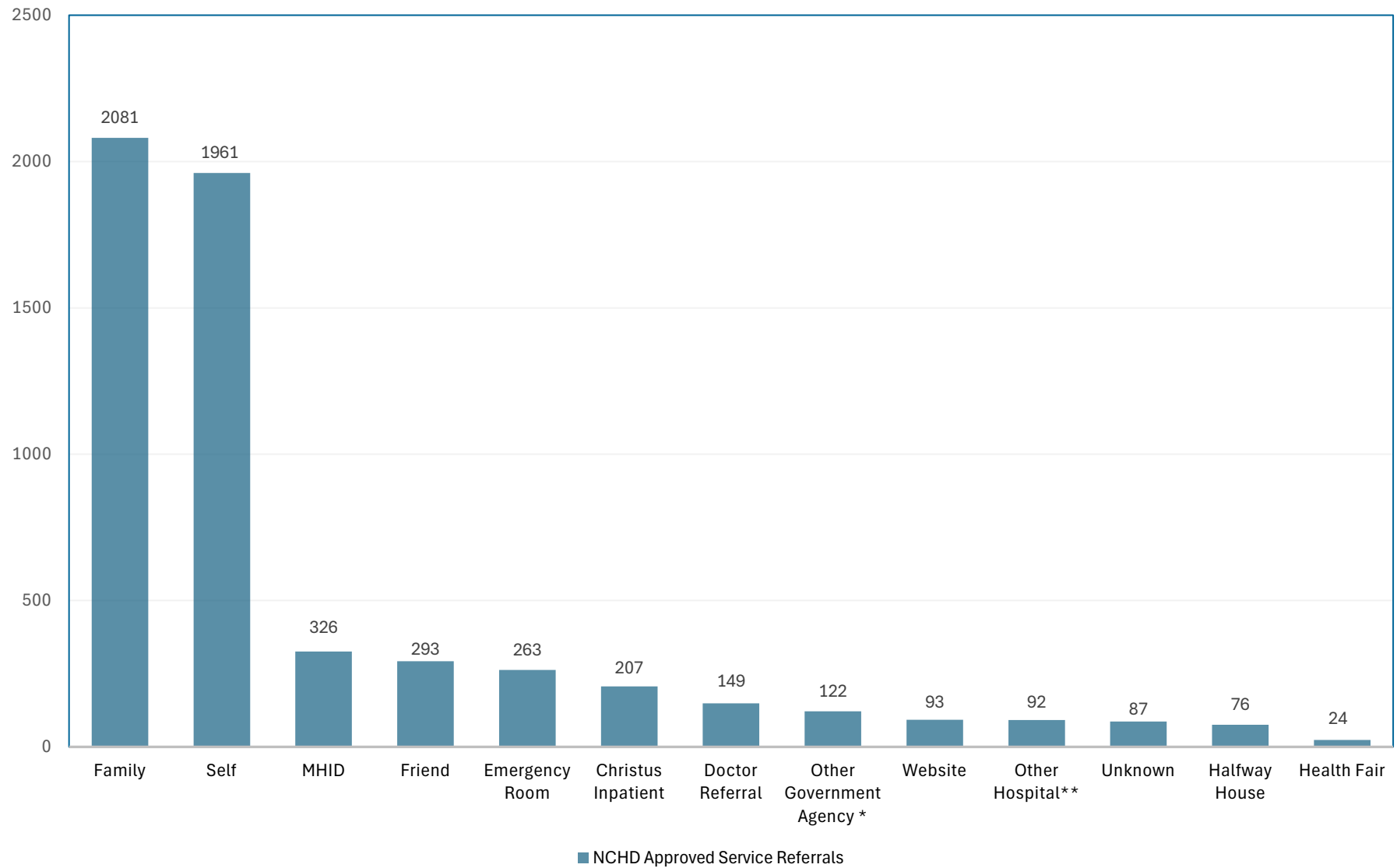
Nueces County Hospital District
Medicaid Payment Programs/Directed Payment Programs
Estimated Provider Payments & IGT History
FY2012 to Present

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS	
Christus Spohn - Corpus Christi	393,023,597	675,251,723	271,742,566	54,617,146	178,875,452	166,774,230	3,631,000	11,988,586	33,135,453	4,729,455	1,793,769,207	39%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	244,842,364	0	14,571,054	0	32,111,589	0	0	872,324	5,998,487	346,794,676	8%
Corpus Christi Medical Center	121,850,134	203,781,319	0	47,168,955	0	219,205,565	0	9,652,366	14,766,291	23,359,490	639,784,120	14%
Driscoll Childrens Hospital	314,822,705	40,518,980	0	0	0	1,084,250,462	3,650,435	26,804,632	160,612,868	41,040,138	1,671,700,219	37%
Detar Hospital	24,949,804	47,723,156	0	15,076,184	0	0	0	0	0	0	87,749,145	2%
North Bay General Hospital	0	0	0	503,238	0	0	0	0	0	0	503,238	0%
South Texas Surgical Hospital	0	0	0	889,769	0	0	0	0	0	0	889,769	0%
Corpus Christi Rehab Hospital	0	0	0	286,797	0	0	0	0	0	734,825	1,021,622	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	0	0	1,948,682	1,950,012	0%
PAM Rehab Hospital	0	0	0	141,201	0	1,480,848	0	0	0	1,812,337	3,434,386	0%
Zoom Rehabilitation Inc.	0	0	0	0	0	0	0	0	0	173,631	173,631	0%
Oceans Behavioral Hospital	0	0	0	0	0	53,995	0	0	0	1,273,186	1,327,181	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	0	0	0	21,809,410	0%
TOTALS	924,854,508	1,212,117,542	271,742,566	133,255,675	178,875,452	1,503,876,688	7,281,435	48,445,584	209,386,936	81,070,230	4,570,906,615	100%

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

IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS
Nueces County Hospital District	338,074,018	392,717,402	96,250,465	58,389,165	70,598,671	177,013,892	0	13,306,303	77,574,950	20,731,634	1,244,656,500
Nueces LPPF	27,902,997	81,186,131	7,478,253	0	0	413,336,502	2,412,214	4,715,212	5,852,488	11,733,795	554,617,591
TOTALS	365,977,014	473,903,533	103,728,718	58,389,165	70,598,671	590,350,393	2,412,214	18,021,515	83,427,437	32,465,429	1,799,274,091

Nueces County Hospital District Enrollment Referral Source YTD 2026



Nueces County Hospital District													
Application Referral Sources Calendar Year 2026													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026
Applications Approved	772	686	741	748	628	695	754	766					5790
Referral Source													
Family	296	261	263	265	214	240	256	286					2081
Self	242	242	286	246	230	233	241	241					1961
MHID	50	22	36	40	42	45	39	52					326
Friend	39	39	32	41	22	47	39	34					293
Emergency Room	34	32	22	23	33	36	46	37					263
Christus Inpatient	27	19	21	34	25	28	28	25					207
Doctor Referral	19	22	12	13	17	8	28	30					149
Other Government Agency *	16	8	15	22	9	17	20	15					122
Website	6	4	16	17	10	11	16	13					93
Other Hospital**	15	9	10	13	12	8	15	10					92
Unknown	8	15	12	16	3	8	11	14					87
Halfway House	15	7	11	11	7	8	9	8					76
Health Fair	3	4	4	4	3	2	4	0					24
Medicaid Office	1	2	1	3	1	3	1	1					13
TWC	1	0	0	0	0	0	1	0					2
MD Anderson	0	0	0	0	0	1	0	0					1
NAACP	0	0	0	0	0	0	0	0					0
Workmans Comp	0	0	0	0	0	0	0	0					0
*-Includes Nueces County Jail Referrals.													
**-Includes Non-Christus Hospitals.													

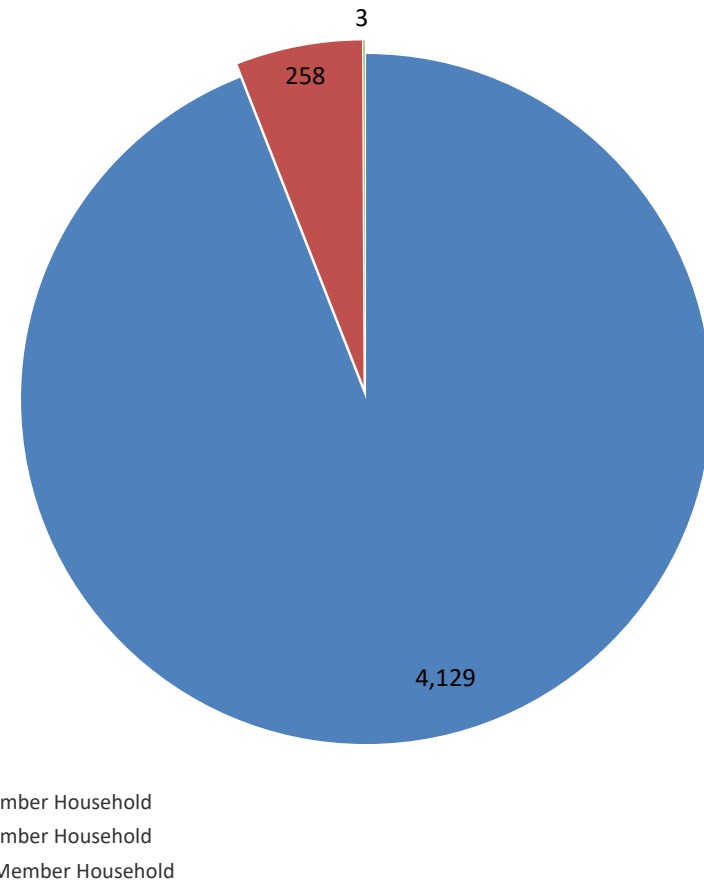
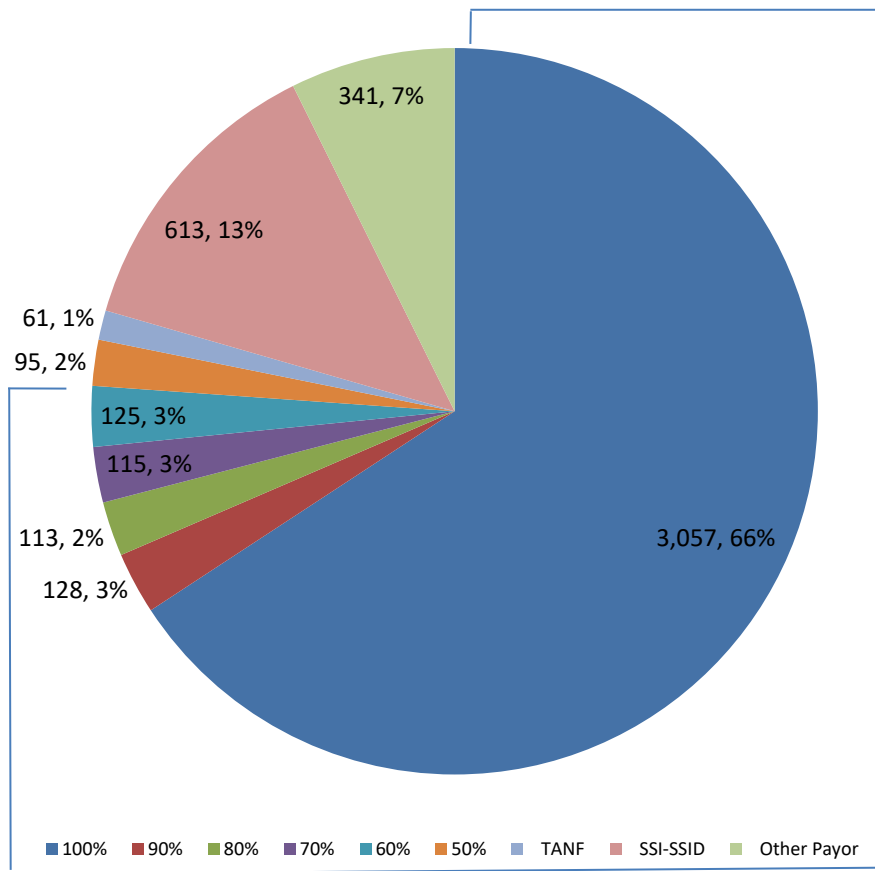
August 2026

Nueces Aid Program Enrollment

Total Enrolled: 4,648

Total recipients – Other Payer Coverage: 1,015

Total Households 4,390



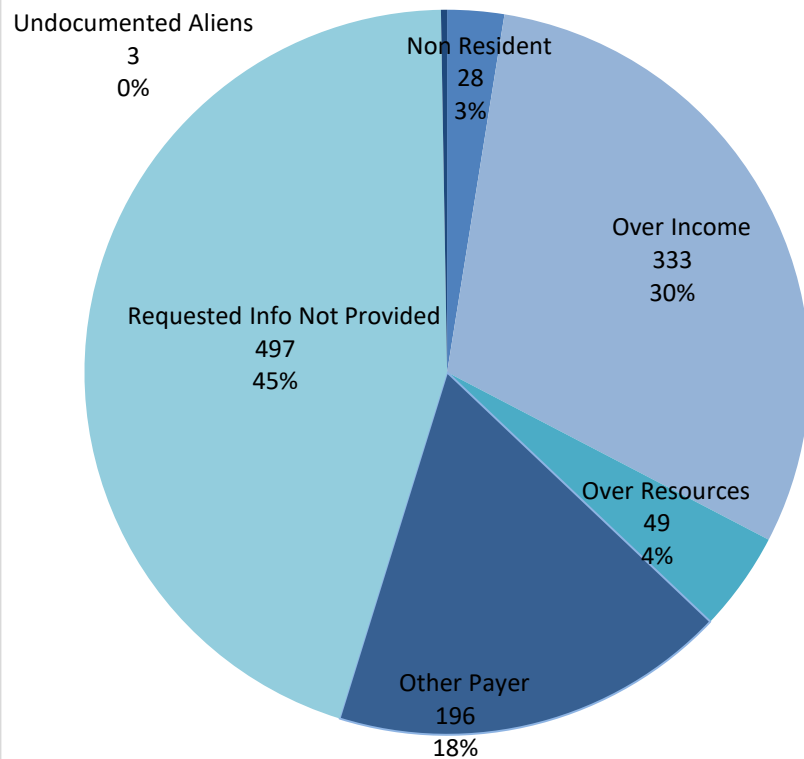
Nueces Aid Program Enrollment Summary Calendar Year 2026

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026 Average	Comments
TOTAL RECIPIENTS	4,521	4,512	4,510	4,570	4,540	4,610	4,652	4,648					4,570	
NUECES AID - All Service Levels														The percentage for each plan option is calculated by dividing the number for each option by the number of total recipients.
100%	2,926	2,948	2,967	3,034	3,001	3,037	3,054	3,057					3,003	
%	64.7%	65.3%	65.8%	66.4%	66.1%	65.9%	65.6%	65.8%					65.7%	
90%	135	131	123	118	117	128	133	128					127	
%	3.0%	3%	3%	3%	3%	3%	3%	3%					2.8%	
80%	114	117	120	118	117	118	118	113					117	
%	2.5%	2.6%	2.7%	2.6%	2.6%	2.6%	2.5%	2.4%					2.6%	
70%	115	113	113	112	111	117	114	115					114	
%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%	2.5%	2.5%					2.5%	
60%	88	93	104	110	104	120	127	125					109	
%	1.9%	2.1%	2.3%	2.4%	2.3%	2.6%	2.7%	2.7%					2.4%	
50%	88	94	84	98	101	98	97	95					94	
%	1.9%	2.1%	1.9%	2.1%	2.2%	2.1%	2.1%	2.0%					2.1%	
TANF	65	54	68	52	54	57	60	61					59	These individuals are eligible for NCHD assistance if denied assistance by other payer.
%	1.4%	1.2%	1.5%	1.1%	1.2%	1.2%	1.3%	1.3%					1.3%	
SSI-SSID	657	631	599	595	598	583	596	613					609	
%	14.5%	14.0%	13.3%	13.0%	13.2%	12.6%	12.8%	13.2%					13.3%	
Other Payor	333	331	332	333	337	352	353	341					339	
%	7.4%	7.3%	7.4%	7.3%	7.4%	7.6%	7.6%	7.3%					7.4%	
TOTAL NUECES AID	4,521	4,512	4,510	4,570	4,540	4,610	4,652	4,648					4,570	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%					100.0%	
HOUSEHOLDS BY SIZE														
1 Member Household	4,048	4,032	4,013	4,066	4,042	4,101	4,146	4,129					4,072	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
%	94.4%	94.3%	94.1%	94.1%	94.2%	94.1%	94.2%	94.1%					94.2%	
2 Member Household	234	237	246	250	247	254	252	258					247	
%	5.5%	5.5%	5.8%	5.8%	5.8%	5.8%	5.7%	5.9%					5.7%	
>=3 Member Household	5	5	4	3	3	2	2	3					3	
%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%					0.1%	
TOTAL HOUSEHOLDS	4,287	4,274	4,263	4,319	4,292	4,357	4,400	4,390					4,323	

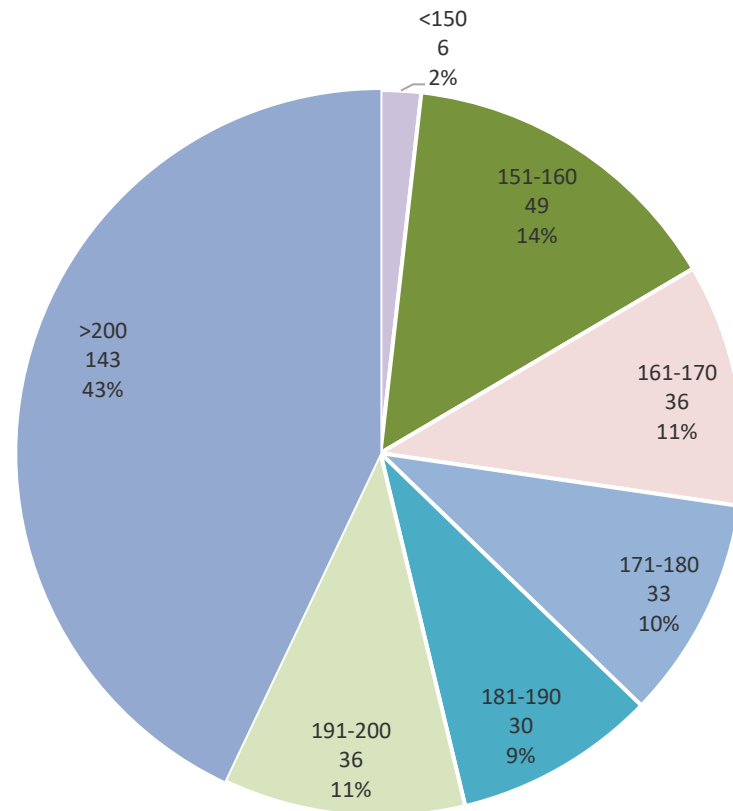
NUECES AID DENIALS

Calendar Year 2026: January - August

Denial Reasons



Comparison of Over Income Case to 2026 HHS Poverty Guidelines



Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
TOTAL APPLICATIONS	914	801	888	864	774	813	912	930	0	0	0	0	6,896	
Approved	772	686	741	748	628	695	754	766					5,790	
%	84.5%	85.6%	83.4%	86.6%	81.1%	85.5%	82.7%	82.4%	0.0%	0.0%	0.0%	0.0%	84.0%	
Denied	142	115	147	116	146	118	158	164					1,106	Since FY 1999, the denial rate is based on all deniced individuals in the household.
%	15.5%	14.4%	16.6%	13.4%	18.9%	14.5%	17.3%	17.6%	0.0%	0.0%	0.0%	0.0%	16.0%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Service Levels														
100%	522	468	509	538	442	477	515	542					4,013	The percentage of approvals by plan option is alculated by deviding the number for each plan option by the total numbers of approved applications.
%	67.6%	68.2%	68.7%	71.9%	70.4%	68.6%	68.3%	70.8%					69%	
90%	22	21	17	16	15	27	29	17					164	
%	2.8%	3.1%	2.3%	2.1%	2.4%	3.9%	3.8%	2.2%					2.8%	
80%	30	24	27	18	12	12	22	23					168	
%	3.9%	3.5%	3.6%	2.4%	1.9%	1.7%	2.9%	3.0%					2.9%	
70%	15	18	18	20	19	23	12	21					146	
%	1.9%	3%	2.4%	2.7%	3.0%	3.3%	1.6%	2.7%					2.5%	
60%	20	19	18	18	10	32	24	14					155	
%	2.6%	2.8%	2.4%	2.4%	1.6%	4.6%	3.2%	1.8%					2.7%	
50%	20	19	16	18	16	11	19	15					134	
%	2.6%	2.8%	2.2%	2.4%	2.5%	1.6%	2.5%	2.0%					2.3%	
TANF	14	12	17	13	18	15	16	11					116	
%	2%	1.7%	2.3%	1.7%	2.9%	2.2%	2.1%	1.4%					2%	
SSI-SSID	62	59	59	52	55	44	65	68					464	
%	8%	8.6%	8.0%	7.0%	8.8%	6.3%	8.6%	8.9%					8%	
Other Payor	67	46	60	55	41	54	52	55					430	
%	9%	6.7%	8.1%	7.4%	6.5%	7.8%	6.9%	7.2%					7%	
TOTAL	772	686	741	748	628	695	754	766	0	0	0	0	5,887	
%	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%					101.7%	
PENDING APPLICATIONS														
Pending Documentation	92	95	95	106	69	103	117	102					97	The YTD number for incomplete applications is the average of the monthly incomplete applications.

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	0	2	4	3	3	7	4	5					28	
%	0.0%	1.7%	2.7%	2.6%	2.1%	5.9%	2.5%	3.0%					2.5%	
Over Income	40	28	42	37	45	41	43	57					333	
%	28.2%	24.3%	28.6%	31.9%	30.8%	34.7%	27.2%	34.8%					30.1%	
Over Resources	7	7	10	2	7	3	8	5					49	
%	4.9%	6.1%	6.8%	1.7%	4.8%	2.5%	5.1%	3.0%					4.4%	
Other Payer	35	30	26	13	24	15	29	24					196	
%	24.6%	26.1%	17.7%	11.2%	16.4%	12.7%	18.4%	14.6%					17.7%	The percentage for each denial reason is calculated by dividing the number of individuals for each reason by the total number of individuals denied.
Requested Info Not Provided	60	48	64	61	67	52	74	71					497	
%	42.3%	41.7%	43.5%	52.6%	45.9%	44.1%	46.8%	43.3%					44.9%	
Undocumented Aliens	0	0	1	0	0	0	0	2					3	
%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	1.2%					0.3%	
TOTAL DENIALS	142	115	147	116	146	118	158	164	0	0	0	0	1,106	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	686	608	641	677	564	603	667	679					5,125	The percentage for each size household is calculated by dividing the number of households in the category by the total number of approved households. Any households pending other payers are not included.
%	94.0%	94.0%	92.8%	95.0%	94.5%	92.9%	93.8%	93.9%					93.8%	
2 Member Household	43	39	50	34	32	46	43	43					330	
%	5.9%	6.0%	7.2%	4.8%	5.4%	7.1%	6.0%	5.9%					6.0%	
3 or > Member Household	1	0	0	2	1	0	1	1					6	
%	0.1%	0.0%	0.0%	0.3%	0.2%	0.0%	0.1%	0.1%					0.1%	
TOTAL HOUSEHOLDS APPROVED	730	647	691	713	597	649	711	723					5,461	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	115	97	115	91	116	93	124	128					879	The denial percentage for each size household is calculated by dividing the number for each household size by the total number of denied households. Any households pending other payors are not included.
%	88.5%	92%	86%	87%	87%	87%	88%	87%					87.7%	
2 Member Household	13	8	17	12	14	11	17	17					109	
%	10.0%	7.5%	12.8%	11.4%	10.5%	10.3%	12.1%	11.6%					10.9%	
3 or > Member Household	2	1	1	2	3	3	0	2					14	
%	1.5%	0.9%	0.8%	1.9%	2.3%	2.8%	0.0%	1.4%					1.4%	
TOTAL HOUSEHOLDS DENIED	130	106	133	105	133	107	141	147					1,002	



**Annual Comparative Enrollment Report
Calendar Year 2026**

	Enrollment		Increase/(Decrease)	
Month	2026	2025	%	Enrollees
Jan	4,521	4,607	-1.87%	-86
Feb	4,512	4,513	-0.02%	-1
Mar	4,510	4,509	0.02%	1
Apr	4,570	4,544	0.57%	26
May	4,540	4,515	0.55%	25
June	4,610	4,565	0.99%	45
Jul	4,652	4,596	1.22%	56
Aug	4,648	4,566	1.80%	82
Sep				
Oct				
Nov				
Dec				

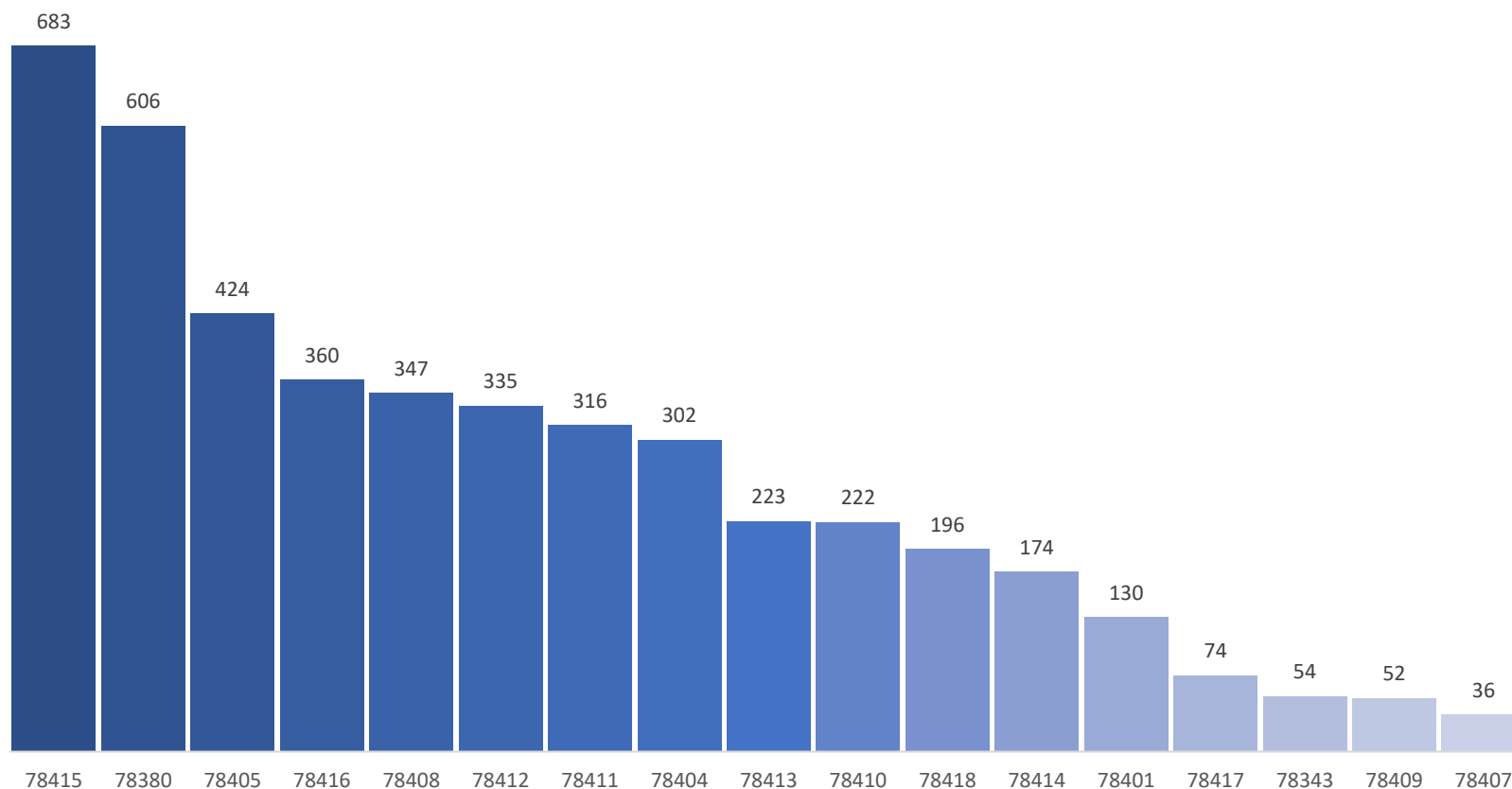
**NCHD
Eligibility History**

2020	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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	-14%
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067	-18%
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	-15%
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%	
2021	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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	-11%
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005	-6%
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	-10%
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%	
2022	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,781	3,711	3,738	3,755	3,805	3,869	3,910	3,945	4,042	3,987	3,884	3,785	46,212	3,851	0%
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145	14%
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996	3%
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%	
2023	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,767	3,186	3,727	3,611	3,614	3,599	3,565	3,548	3,566	3,598	3,613	3,545	42,939	3,578	-7%
Pend	1,145	1,677	1,148	1,157	1,173	1,161	1,177	1,181	1,183	1,185	1,186	1,166	14,539	1,212	6%
Total	4,912	4,863	4,875	4,768	4,787	4,760	4,742	4,729	4,749	4,783	4,799	4,711	57,478	4,790	-4%
% of PY	101%	102%	101%	98%	97%	95%	94%	92%	91%	92%	95%	95%	96%	96%	
2024	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,523	3,573	3,563	3,596	3,605	3,597	3,643	3,650	3,629	3,646	3,546	3,464	43,035	3,586	0%
Pend	1,161	1,185	1,175	1,171	1,177	1,157	1,180	1,182	1,177	1,183	1,159	1,121	14,028	1,169	-4%
Total	4,684	4,758	4,738	4,767	4,782	4,754	4,823	4,832	4,806	4,829	4,705	4,585	57,063	4,755	-1%
% of PY	95%	98%	97%	100%	100%	100%	102%	102%	101%	101%	98%	97%	99%	99%	
2025	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,494	3,407	3,380	3,397	3,375	3,424	3,461	3,463	3,489	3,526	3,459	3,435	41,310	3,443	-4%
Pend	1,113	1,106	1,129	1,147	1,140	1,141	1,135	1,103	1,100	1,098	1,049	1,048	13,309	1,109	-5%
Total	4,607	4,513	4,509	4,544	4,515	4,565	4,596	4,566	4,589	4,624	4,508	4,483	54,619	4,552	-4%
% of PY	98%	95%	95%	95%	94%	96%	95%	94%	95%	96%	96%	98%	96%	96%	
2026	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,466	3,496	3,511	3,590	3,551	3,618	3,643	3,633					28,508	3,564	4%
Pend	1,055	1,016	999	980	989	992	1,009	1,015					8,055	1,007	-9%
Total	4,521	4,512	4,510	4,570	4,540	4,610	4,652	4,648	-	-	-	-	36,563	4,570	0%
% of PY	98%	100%	100%	101%	101%	101%	101%	102%	0%	0%	0%	0%	67%	100%	



Nueces County Hospital District

Enrollment by Zipcode as of August 2026

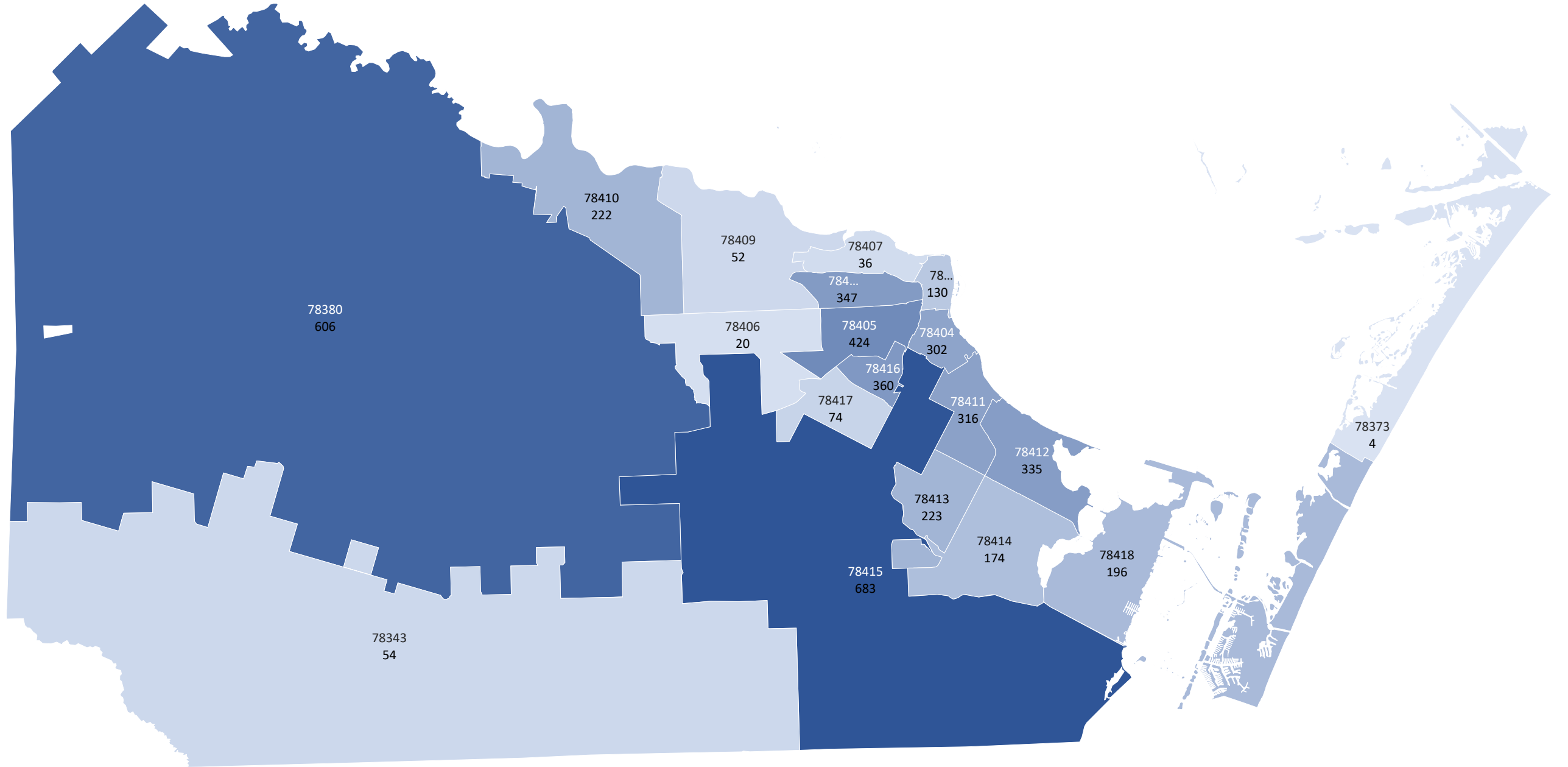


**Nueces County Hospital District
Enrollment by Zip Code
As of 08/31/2026**

Zip Code	Description	Members	% to Total
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	683	15%
78380	Robstown	606	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	424	9%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	360	8%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	347	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	335	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	316	7%
78404	CC:Six Points	302	6%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	223	5%
78410	CC:Annaville and Calallen	222	5%
78418	CC:Flour Bluff	196	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	174	4%
78401	CC:Downtown and Cargo Docks	130	3%
78417	CC:Old Brownsville to Ayers to Saratoga	74	2%
78343	Bishop + FM 665 to CR 107 W to CR 57E	54	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	52	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	36	1%
	Subtotal	4,534	98%
	Total	4,648	



Nueces County Hospital District Enrollment Map



BRIEFING MEMORANDUM

TO: Board of Managers
FROM: Jonny F. Hipp, Administrator
DATE: September 22, 2026
RE: Overview of Health & Safety Code Chapter 298C — Nueces County Hospital District Provider Participation Program

I. Purpose of This Memorandum

This memorandum summarizes Chapter 298C of the Texas Health and Safety Code, which authorizes the Nueces County Hospital District (the "District") to establish a local health care provider participation program. The statute allows the District to assess mandatory payments on local institutional health care providers to fund the nonfederal share of Medicaid supplemental payments and managed care rate enhancements, thereby drawing down additional federal matching funds for hospitals operating in the District.

II. Statutory Origin and Scope

Chapter 298C was added by the 86th Texas Legislature, Regular Session (2019), through Senate Bill 2315 (Acts 2019, Ch. 694), effective June 10, 2019. By its own terms (Sec. 298C.002), the chapter applies only to the Nueces County Hospital District; it is not a program of general applicability to hospital districts statewide.

III. Key Definitions (Sec. 298C.001)

- **Board** — the board of hospital managers of the District.
- **District** — the Nueces County Hospital District.
- **Institutional health care provider** — a hospital not owned and operated by a federal or state government that provides inpatient hospital services.
- **Paying provider** — an institutional health care provider required to make a mandatory payment under the chapter.
- **Program** — the health care provider participation program authorized by the chapter.

IV. Program Authorization

Under Sec. 298C.003, the Board may authorize the District to participate in a health care provider participation program on the affirmative vote of a majority of the Board, subject to the remaining provisions of the chapter. Participation is therefore discretionary, not mandatory.

V. Powers and Duties of the Board (Subchapter B)

- **Limited authority to compel payment (Sec. 298C.051):** The Board may require mandatory payments from institutional health care providers only in the manner expressly provided by the chapter.

- **Rulemaking (Sec. 298C.052):** The Board may adopt rules governing administration of the program, including collection of payments, expenditures, audits, and other administrative matters.
- **Provider reporting (Sec. 298C.053):** Participating providers must submit to the District the same financial and utilization data they are already required to report to the Department of State Health Services (DSHS) under Sections 311.032 and 311.033, and any related HHSC rules.

VI. General Financial Provisions (Subchapter C)

A. Public Hearing (Sec. 298C.101)

In any fiscal year the program is authorized, the Board must hold a public hearing on the amount of mandatory payments it intends to require and how the resulting revenue will be spent. Notice must be published in a newspaper of general circulation in the District and given in writing to each institutional provider at least five days before the hearing.

B. Depository (Sec. 298C.102)

If mandatory payments are required, the Board must designate one or more banks as depository for the District's local provider participation fund, and all collected funds must be secured in the same manner as other District funds.

C. Local Provider Participation Fund (Sec. 298C.103)

The District must create a local provider participation fund ("LPPF") consisting of: (1) revenue from mandatory payments; (2) certain refunds from HHSC of intergovernmental transfers that did not receive federal match; and (3) fund earnings. LPPF money may not be commingled with other District funds and may be used only for the following purposes:

- Funding intergovernmental transfers to the State to provide the nonfederal share of Medicaid payments — including uncompensated care payments, delivery system reform incentive payments, uniform rate enhancements, and substantially similar waiver payments, or any reimbursement for which federal matching funds are available;
- Paying the District's administrative expenses in administering the program (subject to the cap described in Section VII.D below), including collateralization of deposits;
- Refunding mandatory payments collected in error;
- Refunding to paying providers a proportionate share of funds received from HHSC that are not used, or cannot be used, to fund the relevant Medicaid supplemental payments or rate enhancements;
- Transferring funds back to HHSC if legally required to address a disallowance of federal matching funds; and
- Reimbursing the District where insufficient LPPF funds force it to incur expenses or forgo Medicaid reimbursements under the uniform rate enhancement program.

Notably, funds received through these intergovernmental transfers may not be used by the State, District, or any other entity to expand Medicaid eligibility under the Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010.

VII. Mandatory Payments (Subchapter D)

A. Basis of Assessment (Sec. 298C.151(a))

If the program is authorized, the Board may assess mandatory payments — annually or periodically, at the Board's discretion — based on each institutional health care provider's net patient revenue. Providers receive written notice of each assessment and have 30 calendar days from receipt to pay. In the program's first fiscal year, net patient revenue is determined from the most recent DSHS-reported data under Sections 311.032–.033, or from the provider's Medicare cost report if no DSHS data was reported. The mandatory payment amount must be updated annually.

B. Uniformity and Federal Compliance (Sec. 298C.151(b))

Payments must be uniformly proportionate to each paying provider's net patient revenue, as permitted under federal law, and the program may not "hold harmless" any provider, consistent with 42 U.S.C. § 1396b(w).

C. Statutory Cap (Sec. 298C.151(c))

The aggregate mandatory payments required of all paying providers in the District may not exceed six percent (6%) of the aggregate net patient revenue from hospital services provided by all paying providers in the District.

D. Administrative Expense Allowance (Sec. 298C.151(d))

Subject to the 6% cap, the Board must set mandatory payments to generate revenue sufficient to cover the District's administrative expenses and to fund the intergovernmental transfer described above. The annual amount of mandatory-payment revenue allocated to administrative expenses is fixed at \$150,000, plus the cost of collateralizing deposits, regardless of the District's actual costs.

E. Additional Limitations (Sec. 298C.151(e)–(f))

- Paying providers may not pass a mandatory payment on to patients as a surcharge.
- A mandatory payment under this chapter is not considered a "tax" for purposes of Article IX, Section 4 of the Texas Constitution or Section 281.045 of the Health and Safety Code.

F. Assessment and Collection (Sec. 298C.152)

The District may designate a district official or contract with a third party to assess and collect mandatory payments. The collecting party may charge and deduct a collection fee not exceeding its usual and customary rates for similar services. If a District official performs this role, collection-fee revenue is deposited in the District's general fund and reported as District fees, where appropriate.

G. Statutory Purpose, Corrective Rulemaking, and Conditions Precedent (Sec. 298C.153)

- Purpose limitation: The chapter exists solely to let the District fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements — not to raise general revenue or collect amounts beyond what is reasonably necessary for those purposes and related administrative costs.

- Corrective rules: If any provision or procedure would render a mandatory payment ineligible for federal matching funds, the Board may adopt an alternative provision or procedure conforming to CMS requirements — but such a rule may not materially expand the legal or financial liability of the District or any provider beyond what the chapter already provides. The Board is not required to adopt such a rule.
- Condition precedent to collection: The District may assess and collect a mandatory payment only if a qualifying waiver program, uniform rate enhancement, or reimbursement (as described in Sec. 298C.103(c)(1)) is actually available to at least one institutional health care provider in the District.

VIII. Summary Assessment

Chapter 298C is a narrowly tailored, single-district enabling statute that follows a template used elsewhere in the Health and Safety Code for hospital-district "provider participation programs." It gives the Nueces County Hospital District Board explicit, but bounded, authority to assess local hospitals in order to generate the nonfederal share needed to access federal Medicaid matching funds. Key guardrails include: (1) a hard 6% cap on aggregate assessments relative to providers' net patient revenue; (2) a fixed \$150,000 annual administrative-expense allowance; (3) mandatory public notice and hearing requirements; (4) a prohibition on passing costs to patients; (5) a prohibition on using resulting funds to expand ACA Medicaid eligibility; and (6) a purpose limitation confining the program strictly to Medicaid supplemental-payment and rate-enhancement funding rather than general revenue generation.

Source: Tex. Health & Safety Code ch. 298C (enacted by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), eff. June 10, 2019).

Nueces LPPF FY2027 Rate Proposal

Nueces LPPF FY27 Rate Calculation by Provider

Facility	System	2024 Net Patient Revenue	FY27 Rate	Q1 Assessment	Q2 Assessment	Q3 Assessment	Q4 Assessment
			6.00%	Due 4/30/2027	Due 4/30/2027	Due 7/30/2027	Due 9/30/2027
Driscoll Children's Hospital	DCH	976,231,581.00	58,573,895.00	14,643,473.75	14,643,473.75	14,643,473.75	14,643,473.75
CHRISTUS Spohn Hospital Corpus Christi	CHRISTUS	694,810,951.00	41,688,657.00	10,422,164.25	10,422,164.25	10,422,164.25	10,422,164.25
Corpus Christi Medical Center	HCA	536,429,484.00	32,185,769.00	8,046,442.25	8,046,442.25	8,046,442.25	8,046,442.25
PAM Specialty Hospital of Corpus Christi	PAM	24,716,500.00	1,482,990.00	370,747.50	370,747.50	370,747.50	370,747.50
PAM Rehab Hospital of Corpus Christi	PAM	30,752,626.00	1,845,158.00	461,289.50	461,289.50	461,289.50	461,289.50
Oceans Behavioral Hospital of Corpus Christi	Oceans	16,418,790.00	985,127.00	246,281.75	246,281.75	246,281.75	246,281.75
Corpus Christi Rehab Hospital	Ernest Health	22,668,263.00	1,360,096.00	340,024.00	340,024.00	340,024.00	340,024.00
TOTAL		2,302,028,195.00	138,121,692.00	34,530,423.00	34,530,423.00	34,530,423.00	34,530,423.00

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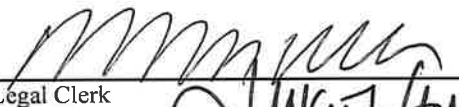
Melissa Quintanilla
Nueces County Hospital Dist.
555 N Carancahua ST # 950
Corpus Christi TX 78401-0835

STATE OF WISCONSIN, COUNTY OF BROWN

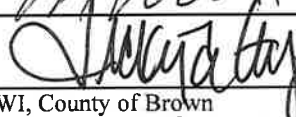
The Corpus Christi Caller-Times, a newspaper published in the city of Corpus Christi, Nueces County, State of Texas, generally circulated in Aransas, Bee, Brooks, Duval, Jim Hogg, Jim Wells, Kleberg, Live Oak, Nueces, Refugio, and San Patricio Counties, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

09/16/2026

and that the fees charged are legal.
Sworn to and subscribed before on 09/16/2026



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NOTICE OF PUBLIC HEARING ON HEALTH CARE PROVIDER PARTICIPATION PROGRAM (HCPPP) MANDATORY PAYMENT AMOUNTS FOR FISCAL YEAR 2027.

The Nueces County Hospital District (NCHD) Board of Managers will hold a public hearing on Tuesday, September 22, 2026, at 12:00 PM in the NCHD Board of Managers Meeting Room at 555 N. Carancahua Street (Tower II), Room 950-A, Corpus Christi, Texas, to receive comments on the proposed mandatory payment amounts under the HCPPP for Fiscal Year 2027 (10/01/2026 - 09/30/2027) (FY27) and on the intended use of the revenue collected during FY27. The Board is considering the amount of mandatory payments to be required from institutional health care providers within the District's boundaries (coterminous with Nueces County) during FY27. An institutional health care provider is defined as a hospital that provides inpatient services and is not owned or operated by the federal or state government. Representatives of affected providers and the public are invited to attend and comment either in-person or virtually. To join via Zoom, visit <https://tinyurl.com/5n7p6m9s> (Meeting ID: 574 676 5992, Passcode: 195957). To join by phone, dial +1 346 248 7799 (Houston) or use one-tap mobile: +13462487799,,5746765992 # or +16699006833,,5746765992 #. Questions may be directed to Belinda Espinoza, NCHD Assistant Administrator, at belinda.espinoza@nchdcc.org or g. Meeting agenda and materials are available at <https://meetings.boardbook.org/Public/Organization/1886>.

Public Hearing on Fiscal Year 2027 Health Care Provider Participation Program Mandatory Payment Rate

From Jonny F. Hipp (NCHD) <jonny.hipp@nchdcc.org>

Date Mon 9/14/2026 10:22 AM

To Angie Jones (angelajones@ernesthealth.com) <angelajones@ernesthealth.com>; Crystal West (crystalwest@ernesthealth.com) <crystalwest@ernesthealth.com>; Michael Pearce (MichaelPearce@ernesthealth.com) <MichaelPearce@ernesthealth.com>; David Irizarry Jr. (david.irizarryjr@hcahealthcare.com) <david.irizarryjr@hcahealthcare.com>; Lee Lopez (Lee.Lopez@hcahealthcare.com) <Lee.Lopez@hcahealthcare.com>; Bingman Samantha Bingman <Samantha.Bingman2@hcahealthcare.com>; Becky Rios (becky.rios@christushealth.org) <becky.rios@christushealth.org>; Dominic Dominguez (dom.dominguez@christushealth.org) <dom.dominguez@christushealth.org>; Joel Vigil (joel.vigil@christushealth.org) <joel.vigil@christushealth.org>; Kristina Alldredge (kristina.alldredge@christushealth.org) <kristina.alldredge@christushealth.org>; Richard R. Ford (richard.ford2@christushealth.org) <richard.ford2@christushealth.org>; Eric Hamon (eric.hamon@dchstx.org) <eric.hamon@dchstx.org>; Steven E. King (steve.king@dchstx.org) <steve.king@dchstx.org>; Belinda Chism (NCHD) (belinda.chism@nchdcc.org) <belinda.chism@nchdcc.org>; Donna Littlefield (NCHD) (donna.littlefield@nchdcc.org) <donna.littlefield@nchdcc.org>; Jonny F. Hipp (jonny.hipp@nchdcc.org) <jonny.hipp@nchdcc.org>; Stuart Archer (sarcher@oceanshealthcare.com) <sarcher@oceanshealthcare.com>; Michelle C. Lozano (michelle.lozano@oceanshealthcare.com) <michelle.lozano@oceanshealthcare.com>; Elizabeth Wilson <ewilson@pamhealth.com>; Elizabeth Wilson <ewilson@pamhealth.com>

Cc Alex Russell (alex@ahcv.com) <alex@ahcv.com>; Corbin Pefanis (corbin@ahcv.com) <corbin@ahcv.com>; Jared A. Konczal (konczal@gl-law.com) <konczal@gl-law.com>; Kevin Spencer (kspencer@ahcv.com) <kspencer@ahcv.com>; Lance J. Ramsey (ramsey@gl-law.com) <ramsey@gl-law.com>; Robin Oldham (robin@ahcv.com) <robin@ahcv.com>; Flores James <jamesflores@ahcv.com>; Adam Robison <arobison@kslaw.com>

Administrators of Institutional Health Care Providers in Nueces County,

NOTICE OF PUBLIC HEARING ON HEALTH CARE PROVIDER PARTICIPATION PROGRAM (HCP PP) MANDATORY PAYMENT AMOUNTS FOR FISCAL YEAR 2027

Texas Health and Safety Code, Chapter 298C, as amended, authorizes the Nueces County Hospital District to participate in a Health Care Provider Participation Program, establish a local provider participation fund, and impose mandatory payments on institutional health care providers. This public hearing notice is issued in accordance with Section 298C.101 of that Chapter.

The Nueces County Hospital District (NCHD) Board of Managers will hold a public hearing on Tuesday, September 22, 2026, at 12:00 PM in the NCHD Board of Managers Meeting Room at 555 N. Carancahua Street (Tower II), Room 950-A, Corpus Christi, Texas, to receive comments on the proposed mandatory payment amounts under the HCP PP for Fiscal Year 2027 (10/01/2026 – 09/30/2027) (FY27) and on the intended use of the revenue collected during FY27. The Board is considering the amount of mandatory payments to be required from institutional health care providers within the District's boundaries (coterminous with Nueces County) during FY27. An institutional health care provider is defined as a hospital that provides inpatient services and is not owned or operated by the federal or state government.

Representatives of affected providers and the public are invited to attend and comment either in-person or virtually. To join via Zoom, visit <https://tinyurl.com/5n7p6m9s> (Meeting ID: 574 676 5992, Passcode: 195957). To join by phone, dial +1 346 248 7799 (Houston) or use one-tap mobile: +13462487799,,5746765992# or +16699006833,,5746765992#.

Questions may be directed to Belinda Espinoza, NCHD Assistant Administrator, at belinda.espinoza@nchdcc.org. Meeting agenda and materials will be available on September 17, 2026, at <https://meetings.boardbook.org/Public/Organization/1886>.

Jonny F. Hipp, ScD, LFACHE
Administrator/Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua, Suite 950
Corpus Christi, TX 78401-0835
Office: (361) 808-3300 | Fax: (361) 808-3274 | Cell: (361) 877-7290
jonny.hipp@nchdcc.org | www.nchdcc.org





NOTICE OF PUBLIC MEETING

BOARD OF MANAGERS

**Public Hearing
Tuesday, September 22, 2026 at 12:00 PM**

Location:

Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus Christi, Texas 78401

The Nueces County Hospital District ("NCHD") Board of Managers or a Committee thereof as specified above will hold a meeting on the date and at the time and location shown above. The agenda item(s) for the meeting are set forth on the accompanying page(s). Agenda item(s) are not necessarily considered in the order listed.

The specified NCHD Board of Managers meeting will be held in-person and via videoconference call. Public participation will be available in-person as well as via videoconference call as allowed under the Texas Open Meetings Act ("Act"). It is the intent that a quorum of the Board of Managers or Committee as required for the specified meeting will be physically present at the meeting location posted in this meeting notice. It is also the intent that the Board member presiding over the meeting be physically present for the specified meeting at the meeting location posted in this meeting notice. Any member of the Board of Managers participating by videoconference call will be visible and audible to the public whenever the member is speaking; Board member participation by audio-only is not permitted. Any member of the public wishing to observe or participate in the meeting via videoconference call may do so through the videoconference call meeting Internet link shown on this meeting notice below and via NCHD's BoardBook meeting management system at <https://meetings.boardbook.org/Public/Organization/1886>.

The Act defines a "videoconference call" as a communication conducted between two or more persons in which one or more of the participants communicate with the other participants through duplex audio and video signals transmitted over a telephone network, a data network, or the Internet. NCHD will use Zoom to conduct the meeting via videoconference call; Zoom is a cloud-based communications platform that allows users to connect with video, audio, phone, and chat. Using Zoom requires an Internet connection and a supported device.

The agenda for this meeting and its supporting materials are available at: <https://meetings.boardbook.org/Public/Organization/1886>.

The Meeting may be attended in-person or via videoconference call:

Videoconference Call:

Click the link below or copy and paste the link into a supported web browser address bar.

<https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFBBpZGJYdHYyQmp1VUdZeUc3Zz09>

Meeting ID: **574 676 5992**

Passcode: **195957**

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BOARD OF MANAGERS
Public Hearing
Tuesday, September 22, 2026 at 12:00 PM

AGENDA

1. WELCOME

2. ROLL CALL OF MEMBERS

___ Vishnu V. Reddy, Chairman
___ Sylvia Tryon Oliver, Vice Chair
___ Mariana Garza
___ Georgia Neblett, Legislative Committee Chair
___ Karen O'Connor Urban
___ Pamela Brower, Finance Committee Chair
___ Sunil Reddy

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

A. Call to order.

B. Establish quorum.

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

4. PUBLIC HEARING - Pursuant to Texas Health and Safety Code, §298C.101, the Nueces County Hospital District ("District") Board of Managers ("Board") will conduct a Public Hearing on the matter of:

A. A proposed Mandatory Health Care Provider Participation Program payment rate of six percent (6%) of net patient revenue, which the Board intends to require of each institutional health care provider located within the District during Fiscal Year 2027 (October 1, 2026 – September 30, 2027) and the proposed uses of the revenue derived from such payments.

5. CLOSE PUBLIC HEARING

6. ADJOURN

7. Public Notice Posting Receipt.

**NUECES COUNTY HOSPITAL DISTRICT
HEALTH CARE PROVIDER PARTICIPATION PROGRAM
REVISED RULES AND PROCEDURES
Effective: August 1, 2023**

General Provisions

Rule 1. Definitions. In these rules and procedures:

- (a) "Mandatory payment" means a mandatory payment authorized under Texas Health and Safety Code, Chapter 298C.
- (b) "Institutional health care provider" means a hospital that is not owned and operated by a federal or state government and provides inpatient hospital services.
- (c) "Paying provider" or "Paying hospital" means an institutional health care provider required to make a mandatory payment under Texas Health and Safety Code, Chapter 298C.
- (d) "Program" means the health care provider participation program authorized under Texas Health & Safety Code, Chapter 298C.
- (e) "Hospital District" means the Nueces County Hospital District.
- (f) "Board of Managers" means the Board of Managers of the Nueces County Hospital District.

Rule 2. Health Care Provider Participation Program; Participation in Program.

- (a) The Program authorizes the Hospital District to collect a mandatory payment from each institutional health care provider located in the Hospital District to be deposited in a local provider participation fund established by the Hospital District. Money in the fund may be used by the Hospital District to fund certain intergovernmental transfers as provided by these rules and procedures.
- (b) The Board of Managers may adopt an order authorizing the Hospital District to participate in the Program, subject to the limitations provided by these rules and procedures.
- (c) To the extent any provision or procedure under Texas Health & Safety Code, Chapter 298C causes a mandatory payment to be ineligible for federal matching funds, the Hospital District may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare & Medicaid Services.

Powers and Duties of Board of Managers

Rule 3. Limitation on Authority to Require Mandatory Payment. The Hospital District may require a mandatory payment from an institutional health care provider only in the manner provided in these rules and procedures.

Rule 4. Majority Vote Required Prior to Mandatory Payment. The Hospital District may not collect a mandatory payment without an affirmative vote of a majority of the

members of the Board of Managers authorizing the Hospital District to participate in the Program.

Rule 5. Institutional Health Care Provider Reporting; Inspection of Records.

(a) The Hospital District shall require each institutional health care provider to submit to the Hospital District a copy of any financial and utilization data required by and reported to the Department of State Health Services under Texas Health & Safety Code, §311.032 and §311.033 and any rules adopted by the Executive Commissioner of the Texas Health and Human Services Commission to implement those sections.

(b) The Hospital District may inspect the records of an institutional health care provider to the extent necessary to ensure that the institutional health care provider has submitted all required data under this Rule.

General Financing Provisions

Rule 6. Hearing.

(a) Each year, the Board of Managers shall hold a public hearing on the amounts of any mandatory payments that the Board intends to require during the year and how the revenue derived from those payments is to be spent.

(b) Not later than the fifth (5th) day before the date of the hearing required under Subdivision 6(a), the Board of Managers shall publish notice of the hearing in a newspaper of general circulation in the Hospital District.

(c) A representative of a paying hospital is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments.

Rule 7. Depository and Investment of Funds.

(a) The Hospital District shall designate one or more banks as the depository for the Hospital District local provider participation fund.

(b) All income received by the Hospital District under these rules and procedures, including the revenue from mandatory payments remaining after fees for assessing and collecting the payments are deducted, shall be deposited with the Hospital District depository in the District's local provider participation fund and may be withdrawn only as provided by these rules and procedures.

(c) All funds under these rules and procedures shall be secured in the manner provided for securing other Hospital District funds.

(d) All funds received under these rules and procedures may be invested consistent with the Investment Policy of the Hospital District, except that such investment shall be limited to overnight funds.

Rule 8. Local Provider Participation Fund; Authorized Uses of Money.

(a) If the Hospital District requires a mandatory payment, it shall create a local provider participation fund.

(b) The local provider participation fund of the Hospital District consists of:

(1) all revenue received by the Hospital District attributable to mandatory payments;

(2) money received from the Texas Health and Human Services Commission as a refund of an intergovernmental transfer under the Program, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the Hospital District to the State of Texas to provide the nonfederal share of Medicaid payments for:

(A) uncompensated care payments to hospitals in the Medicaid managed care service area in which the Hospital District is located, if those payments are authorized under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315);

(B) delivery system reform incentive payments, if those payments are authorized under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315);

(C) uniform rate enhancements for hospitals in the Medicaid managed care service area in which the Hospital District is located;

(D) payments available under another waiver program authorizing payments that are substantially similar to Medicaid payments to hospitals described by Paragraph (A), (B), or (C); or

(E) any reimbursement to hospitals for which federal matching funds are available;

(2) pay the administrative expenses of the Hospital District in administering the Program, including the collateralization of deposits;

(3) refund of a mandatory payment collected in error from a paying hospital;

(4) refund to paying providers the proportionate share of money that the Hospital District:

(A) receives from the Texas Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments or uniform rate enhancements described by Subdivision (1)(C); or

(B) determines cannot be used to fund the nonfederal share of Medicaid supplemental payment program payments of uniform rate enhancements described by Subdivision (1)(C).

(5) transfer funds to the Texas Health and Human Services Commission if the Hospital District is legally required to transfer the funds to address a disallowance of federal matching funds with respect to programs for which the Hospital District made intergovernmental transfers described by Subdivision (c)(1); and

(6) reimburse the Hospital District if the Hospital District is required by the rules governing the uniform rate enhancement program described by Subdivision (1)(C) to incur an expense or forego Medicaid reimbursements from the State because the balance of the local provider participation fund is not sufficient to fund that rate enhancement program.

(d) Money in the local provider participation fund may not be commingled with other Hospital District funds.

(e) An intergovernmental transfer of funds described by Subdivision (c)(1) and any funds received by the Hospital District as a result of an intergovernmental transfer described by that rule may not be used by the State, Hospital District, or other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

Mandatory Payments

Rule 9. Mandatory Payments Based on Paying Hospital Net Patient Revenue.

(a) Except as provided by Rule 11, if the Board of Managers collects a mandatory payment, it may require that a mandatory payment be assessed annually or periodically throughout the fiscal year at the discretion of the Board of Managers on the net patient revenue of each institutional health care provider located in the boundaries of the Hospital District.

(b) The Board of Managers shall provide an institutional health care provider written notice of each assessment and the mandatory payments shall be made 30 days following the date of receipt of the notice of payment.

(c) In the first year in which the mandatory payment is required, the mandatory payment is assessed based on the most recent fiscal year data collected pursuant to Subdivision 5(a). If no such data are available for an institutional health care provider, the mandatory payment may be calculated based on the institutional health care provider's Medicare cost report submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report.

(d) The net patient revenue basis of the mandatory payment may be updated during the fiscal year using the most recent fiscal year data collected pursuant to Subdivision 5(a). Use of data that is updated during the fiscal year does not require Board of Managers approval.

Rule 10. Mandatory Payment Requirements

(a) The amount of a mandatory payment must be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the Hospital District.

(b) If the Board of Managers requires a mandatory payment, it shall set the amount of the mandatory payment; the aggregate amount of the mandatory payments required of all paying providers in the Hospital District may not exceed six percent (6%)

of the aggregate net patient revenue from hospital services provided by all paying providers within boundaries of the District.

(c) Subject to the maximum amount prescribed by Rule 11(a), if the Board of Managers requires a mandatory payment, it shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the Hospital District for activities under these rules and procedures and to fund purposes described in Rule 8(c).

(i) The annual amount of revenue from mandatory payments used for administrative expenses of the Hospital District for activities under these rules and procedures is \$150,000, plus the cost of collateralization of deposits, regardless of actual expenses.

(d) The mandatory payment may not be collected for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary to fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements for hospitals to cover the administrative expenses of the Hospital District associated with the Program.

(e) To the extent any Program provision or procedure causes a mandatory payment to be ineligible for federal matching funds, the Board may provide by rule for an alternative provision or procedure that conforms to the requirements of federal Centers for Medicare & Medicaid Services.

Rule 11. Mandatory Payment Prohibitions.

(a) The amount of the mandatory payment required of each paying hospital may not exceed an amount that, when added to the amount of the mandatory payments required from all other paying hospitals located in the boundaries of the Hospital District, equals an amount of revenue that exceeds six percent (6%) of the aggregate net patient revenue of all paying hospitals in the Hospital District.

(b) A mandatory payment may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) A paying provider may not add a mandatory payment required under this section as a surcharge to a patient.

(d) A mandatory payment assessed hereunder is not a tax for hospital purposes for purposes of Texas Constitution, Section 4, Article IX or Texas Health and Safety Code, §281.045.

(e) The amount of the mandatory payment required of each paying hospital may not be discounted.

Rule 12. Assessment and Collection of Mandatory Payments.

(a) The Hospital District may designate an official of the Hospital District or contract with another person to assess and collect the mandatory payments.

(b) The person charged by the Hospital District with the assessment and collection of mandatory payments shall charge and deduct from the mandatory payments collected for the Hospital District a collection fee in the amount not to exceed the person's usual and customary charges for like services.

(c) If the person charged with the assessment and collection of mandatory payments is an official of the Hospital District, any revenue from a collection fee charged under Subdivision (b) shall be deposited in the Hospital District's general fund and, if appropriate, shall be reported as fees of the Hospital District.

EXHIBIT A-1

Institutional Health Care Providers

1. CHRISTUS Spohn Hospital Corpus Christi
2. Corpus Christi Rehabilitation Hospital
3. Driscoll Children's Hospital
4. PAM Rehabilitation Hospital of Corpus Christi
5. PAM Specialty Hospital of Corpus Christi North
6. South Texas Surgical Hospital (CHRISTUS Surgical Hospital)
7. The Corpus Christi Medical Center – Bay Area



Administrative Offices

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

Office: (361) 808-3300

Fax: (361) 808-3274

www.nchdcc.org

BOARD OF MANAGERS ORDER **SEPTEMBER 22, 2026**

Order Setting the Fiscal Year 2027 Mandatory Payment Rate for the Nueces County Hospital District Health Care Provider Participation Program

WHEREAS, the Texas Legislature in the 86th Regular Session enacted S.B. 2315 which added Chapter 298C to the Health and Safety Code enabling the Nueces County Hospital District's ("District") Board of Managers ("Board") to authorize a local health care provider participation program ("Program");

WHEREAS, the 87th Texas Legislature enacted House Bill 1456 which amended Health and Safety Code, Chapter 298C effective June 15, 2021;

WHEREAS, pursuant to Section 298C.003 of the Health and Safety Code the Board authorized the District to participate in the Program for Fiscal Years: 2021, 2022, 2023, 2024, 2025, and 2026 on September 29, 2020; August 3, 2021; September 20, 2022; July 24, 2023; July 23, 2024; and August 26, 2025, respectively;

WHEREAS, the Board desires to proceed with establishing the amount of the mandatory payments under the Program for Fiscal Year 2027 (October 1, 2026 – September 30, 2027) and to satisfy the related preliminary requirements of Chapter 298C, Health and Safety Code;

WHEREAS, pursuant to Section 298C.101(a), Health and Safety Code in each fiscal year that the Board authorizes the Program, the Board is required to hold a public hearing on the amounts of any mandatory payments that the Board intends to require during the applicable fiscal year and how the revenue derived from those mandatory payments is to be spent, and the District held said public hearing on September 22, 2026;

WHEREAS, pursuant to Section 298C.101(b), Health and Safety Code not later than the fifth day before the date of the public hearing, the Board is required to publish notice of the public hearing in a newspaper of general circulation in the District, and the District published said notice on September 16, 2026;

WHEREAS, pursuant to Section 298C.101(b), Health and Safety Code not later than the fifth day before the date of the public hearing, the Board is required to provide written notice of the hearing to each institutional health care provider located in the District, and the District provided said notice on September 14, 2026; and

WHEREAS, in consideration of the foregoing, the Board now desires to establish the amount of the mandatory payments under the Program for Fiscal Year 2027 and to direct that the mandatory payments to be used for one or more of the authorized uses of the mandatory payments as set forth in §298C.103, Health and Safety Code.

NOW THEREFORE, BE IT ORDERED that the Board sets the amount of the mandatory payments under the Program for Fiscal Year 2027 (October 1, 2026 – September 30, 2027) at six percent (6%) of the net patient revenue from inpatient and outpatient hospital services of each institutional health care provider located in the District and directs the mandatory payments to be used for one or more of the authorized uses of the mandatory payments as set forth in §298C.103, Health and Safety Code.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Vishnu V. Reddy
Chairman

Sylvia Tryon Oliver
Vice Chairman

Mariana Garza
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

Pamela Brower
Member

Sunil Reddy
Member

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CERTIFICATE OF SECRETARY

THE STATE OF TEXAS
COUNTY OF NUECES

§
§
§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The members of the Board of Managers (the "Board") of the Nueces County Hospital District (the "Hospital District") have been duly appointed pursuant to Texas Health and Safety Code (the "Health Code"), §281.021.
2. Pursuant to Health Code, §281.021(a), the Board has been duly appointed; pursuant to Health Code, §281.048, the Board is the governing body of the Hospital District; and pursuant to the collective authorities of Health Code, §281.047 and §281.048, the Board has, and the time of adoption of this Order had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District.
3. On the 22nd day of **September, 2026**, the Board convened in a regular meeting at the Hospital District's regular meeting place (the "Meeting"), the duly constituted members and officers of the Board being as follows:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

and all of said persons were present, except the following absentees:
_____, thus, constituting a quorum.

4. Among other business considered at the Meeting, the attached order entitled:

**Order Setting the Fiscal Year 2027 Mandatory Payment Rate for the
Nueces County Hospital District Health Care Provider Participation Program**

is a true copy of a order introduced and submitted to the Board for consideration toward passage and adoption (the "Order"). After presentation and discussion, it was then duly moved and seconded that the Order be passed and adopted. The motion to pass and adopt the Order prevailed and carried by the following viva voce vote:

YEAS:	()
NAYS:	()
PRESENT NOT VOTING:	()
ABSENT:	()

all as shown in the official Minutes of the Board for the Meeting.

5. The attached Order is a true and correct copy of the original on file in the official records of the Hospital District; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Order would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Order, was posted and given in advance thereof in compliance with the provisions of Chapter 551, Texas Government Code, as amended.
6. I am the Secretary of the Board having been duly appointed pursuant to Health Code, §281.023(b).
7. The foregoing Order is in full force and effect; that the same has not been rescinded, nor has it been amended or modified in any way.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of the Hospital District on this the 22nd day of September 22, 2026.

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

{HOSPITAL DISTRICT SEAL}

UNAUDITED

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
As of 07/31/2026
(In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	105,126,208	48,240,703	15,981	0	0	153,382,892
Investments	5,897,462	20,415,650	0	0	0	26,313,111
Accrued Interest	0	189,182	48	0	0	189,230
Taxes Receivable, Net of Allowance	2,192,598	0	0	0	0	2,192,598
Other Receivables	0	0	0	0	0	0
Due from Other Funds	92,043	0	0	0	0	92,043
Prepaid Expenditures	111,875	0	0	0	0	111,875
Restricted Cash & Cash Equivalents - LPPF	29,151,669	0	0	0	0	29,151,669
Fixed Assets	0	0	0	14,245,281	0	14,245,281
Am't to be Provided for Retirement of LT Debt	0	0	0	0	45,322	45,322
Total Assets	142,571,856	68,845,535	16,030	14,245,281	45,322	225,724,023
Liabilities						
Accounts Payable	4,472,534	0	0	0	0	4,472,534
Accrued Payroll & Related Liabilities	391,455	0	0	0	0	391,455
Intergovernmental Transfer Obligations	29,151,669	0	0	0	0	29,151,669
Due to Other Funds	0	79,705	12,338	0	0	92,043
Deferred Revenue	2,192,598	0	0	0	0	2,192,598
Long Term Paid Time Off	0	0	0	0	45,322	45,322
Total Liabilities	36,208,257	79,705	12,338	0	45,322	36,345,622
Fund Equity						
Fund Balance	66,788,279	0	3,691	14,245,281	0	81,037,251
Committed to:						
Intergovernmental Transfers	39,575,321	0	0	0	0	39,575,321
Indigent Care	0	65,367,977	0	0	0	65,367,977
Opioid Abatement	0	3,394,982	0	0	0	3,394,982
Assigned to:						
County Health Care	0	2,871	0	0	0	2,871
Total Fund Equity	106,363,599	68,765,830	3,691	14,245,281	0	189,378,401
Total Liabilities & Fund Equity	142,571,856	68,845,535	16,030	14,245,281	45,322	225,724,023

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Taxes	179,332	41,567,075
Penalties & Interest - Taxes	37,891	410,111
Spohn Corporate Member Revenue	10,177,349	90,061,524
Investment Income	335,910	3,297,205
Other Income	25	1,013
Total Revenues	<u>10,730,507</u>	<u>135,336,928</u>
Current Expenditures		
Intergovernmental Transfers	1,936,801	104,391,333
Emergency Residency Support	354,167	2,489,792
County Healthcare Funding	1,274,747	10,852,490
Salaries	141,822	1,324,459
Benefits	56,386	621,049
Legal & Professional Fees	63,711	561,200
Purchased Services	97,005	1,206,607
Supplies & Materials	1,391	11,986
Rent & Leases	11,697	120,555
Repairs & Maintenance	749	2,271
Utilities	4,678	46,462
Insurance	2,584	26,562
Administrative & General	5,456	56,295
Capital Outlay	1,915	10,315
Total Current Expenditures	<u>3,953,108</u>	<u>121,721,376</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>6,777,399</u>	<u>13,615,552</u>
Other Financing Sources & Uses		
Operating Transfers In	<u>0</u>	<u>(893,000)</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>(893,000)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>6,777,399</u>	<u>14,508,552</u>
Fund Balance, Beginning of Year		91,855,047
FUND BALANCE, END OF YEAR		<u><u>106,363,599</u></u>

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

UNAUDITED

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	223,244	2,234,665
Tobacco Settlement Proceeds	0	889,461
Opioid Settlement Proceeds	0	421,974
Total Revenues	<u>223,244</u>	<u>3,546,101</u>
Current Expenditures		
Legal & Professional Fees	2,800	13,315
Purchased Services	<u>63,672</u>	<u>63,672</u>
Total Current Expenditures	<u>66,472</u>	<u>76,987</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>156,772</u>	<u>3,469,114</u>
Other Financing Sources & Uses		
Operating Transfers Out	<u>0</u>	<u>893,000</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>893,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>156,772</u>	<u>2,576,114</u>
Fund Balance, Beginning of Year		66,189,716
FUND BALANCE, END OF YEAR		<u><u>68,765,830</u></u>

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

UNAUDITED

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	<u>48</u>	<u>504</u>
Total Revenues	<u>48</u>	<u>504</u>
Current Expenditures		
Benefits	634	10,742
Administrative & General	<u>7</u>	<u>1,456</u>
Total Current Expenditures	<u>641</u>	<u>12,199</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(592)</u>	<u>(11,694)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(592)</u>	<u>(11,694)</u>
Fund Balance, Beginning of Year		15,386
FUND BALANCE, END OF YEAR		<u><u>3,691</u></u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	179,332	54,999	124,333	41,567,075	40,332,823	1,234,252
Penalties & Interest - Taxes	37,891	45,833	(7,942)	410,111	312,090	98,021
Spohn Corporate Member Revenue	10,177,349	7,933,333	2,244,016	90,061,524	79,333,334	10,728,190
Investment Income	335,910	85,011	250,899	3,297,205	942,622	2,354,583
Other Income	25	0	25	1,013	0	1,013
Total Revenues	10,730,507	8,119,176	2,611,331	135,336,928	120,920,869	14,416,059
Current Expenditures						
Intergovernmental Transfers	1,936,801	8,416,407	6,479,606	104,391,333	115,819,407	11,428,074
Emergency Residency Support	354,167	354,167	0	2,489,792	2,489,795	3
County Healthcare Funding	1,274,747	1,174,595	(100,152)	10,852,490	12,157,712	1,305,222
Salaries	141,822	202,962	61,140	1,324,459	1,888,131	563,672
Benefits	56,386	90,986	34,600	621,049	927,089	306,040
Legal & Professional Fees	63,711	74,292	10,581	561,200	742,924	181,724
Purchased Services	97,005	105,914	8,909	1,206,607	1,349,208	142,601
Supplies & Materials	1,391	2,166	775	11,986	21,672	9,686
Rent & Leases	11,697	13,250	1,553	120,555	132,504	11,949
Repairs & Maintenance	749	1,167	418	2,271	11,674	9,403
Utilities	4,678	8,533	3,855	46,462	85,338	38,876
Insurance	2,584	4,042	1,458	26,562	40,424	13,862
Administrative & General	5,456	18,833	13,377	56,295	188,350	132,055
Capital Outlay	1,915	0	(1,915)	10,315	210,000	199,685
Extraordinary	0	417	417	0	4,170	4,170
Total Current Expenditures	3,953,108	10,467,731	6,514,623	121,721,376	136,068,398	14,347,023
Excess of Revenues Over Expenditures Before Sources/Uses	6,777,399	(2,348,555)	9,125,954	13,615,552	(15,147,529)	28,763,081
Other Financing Sources & Uses						
Operating Transfers In	0	0	0	(893,000)	(700,000)	193,000
Total Other Financing Sources & Uses	0	0	0	(893,000)	(700,000)	193,000
Excess of Revenues Over Expenditures After Sources & Uses	6,777,399	(2,348,555)	9,125,954	14,508,552	(14,447,529)	28,956,081
Fund Balance, Beginning of Year				91,855,047	0	91,855,047
FUND BALANCE, END OF YEAR				106,363,599	(14,447,529)	120,811,128

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	9	0	9	4,405	0	4,405
Tobacco Settlement Proceeds	0	0	0	889,461	700,000	189,461
Total Revenues	9	0	9	893,866	700,000	193,866
Excess of Revenues Over Expenditures Before Sources/Uses	9	0	9	893,866	700,000	193,866
Other Financing Sources & Uses						
Operating Transfers Out	0	0	0	893,000	700,000	(193,000)
Total Other Financing Sources & Uses	0	0	0	893,000	700,000	(193,000)
Excess of Revenues Over Expenditures After Sources & Uses	9	0	9	866	0	866
Fund Balance, Beginning of Year				2,005	0	2,005
FUND BALANCE, END OF YEAR				2,871	0	2,871

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Opioid Settlement Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	10,684	2,438	8,246	98,166	29,841	68,325
Opioid Settlement Proceeds	0	0	0	421,974	0	421,974
Total Revenues	10,684	2,438	8,246	520,141	29,841	490,300
Current Expenditures						
Purchased Services	63,672	100,000	36,328	63,672	1,000,000	936,328
Total Current Expenditures	63,672	100,000	36,328	63,672	1,000,000	936,328
Excess of Revenues Over Expenditures Before Sources/Uses	(52,988)	(97,562)	44,574	456,469	(970,159)	1,426,628
Excess of Revenues Over Expenditures After Sources & Uses	(52,988)	(97,562)	44,574	456,469	(970,159)	1,426,628
Fund Balance, Beginning of Year				2,938,513	0	2,938,513
FUND BALANCE, END OF YEAR				3,394,982	(970,159)	4,365,141

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 7/1/2026 Through 7/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	<u>212,551</u>	<u>78,939</u>	<u>133,612</u>	<u>2,132,094</u>	<u>785,141</u>	<u>1,346,953</u>
Total Revenues	<u>212,551</u>	<u>78,939</u>	<u>133,612</u>	<u>2,132,094</u>	<u>785,141</u>	<u>1,346,953</u>
Current Expenditures						
Legal & Professional Fees	<u>2,800</u>	<u>3,000</u>	<u>200</u>	<u>13,315</u>	<u>30,000</u>	<u>16,685</u>
Total Current Expenditures	<u>2,800</u>	<u>3,000</u>	<u>200</u>	<u>13,315</u>	<u>30,000</u>	<u>16,685</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>209,751</u>	<u>75,939</u>	<u>133,812</u>	<u>2,118,779</u>	<u>755,141</u>	<u>1,363,638</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>209,751</u>	<u>75,939</u>	<u>133,812</u>	<u>2,118,779</u>	<u>755,141</u>	<u>1,363,638</u>
Fund Balance, Beginning of Year				63,249,198	0	63,249,198
FUND BALANCE, END OF YEAR				<u><u>65,367,977</u></u>	<u><u>755,141</u></u>	<u><u>64,612,836</u></u>

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
As of 08/31/2026
(In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	110,828,173	48,518,217	16,023	0	0	159,362,413
Investments	5,918,154	20,423,771	0	0	0	26,341,926
Accrued Interest	0	129,619	50	0	0	129,669
Taxes Receivable, Net of Allowance	2,050,907	0	0	0	0	2,050,907
Other Receivables	0	0	0	0	0	0
Due from Other Funds	193,354	0	0	0	0	193,354
Prepaid Expenditures	73,564	0	0	0	0	73,564
Restricted Cash & Cash Equivalents - LPPF	47,075,987	0	0	0	0	47,075,987
Fixed Assets	0	0	0	14,245,281	0	14,245,281
Am't to be Provided for Retirement of LT Debt	0	0	0	0	45,322	45,322
Total Assets	166,140,139	69,071,607	16,072	14,245,281	45,322	249,518,421
Liabilities						
Accounts Payable	4,886,789	0	0	0	0	4,886,789
Accrued Payroll & Related Liabilities	391,536	0	0	0	0	391,536
Intergovernmental Transfer Obligations	47,075,987	0	0	0	0	47,075,987
Due to Other Funds	0	180,505	12,849	0	0	193,354
Deferred Revenue	2,050,907	0	0	0	0	2,050,907
Long Term Paid Time Off	0	0	0	0	45,322	45,322
Total Liabilities	54,405,219	180,505	12,849	0	45,322	54,643,894
Fund Equity						
Fund Balance	65,532,411	0	3,223	14,245,281	0	79,780,915
Committed to:						
Intergovernmental Transfers	46,202,510	0	0	0	0	46,202,510
Indigent Care	0	65,581,735	0	0	0	65,581,735
Opioid Abatement	0	3,306,488	0	0	0	3,306,488
Assigned to:						
County Health Care	0	2,880	0	0	0	2,880
Total Fund Equity	111,734,920	68,891,103	3,223	14,245,281	0	194,874,527
Total Liabilities & Fund Equity	166,140,139	69,071,607	16,072	14,245,281	45,322	249,518,421

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Taxes	139,495	41,706,570
Penalties & Interest - Taxes	30,913	441,024
Spohn Corporate Member Revenue	6,772,656	96,834,180
Investment Income	357,944	3,655,149
Other Income	25	1,038
Total Revenues	<u>7,301,034</u>	<u>142,637,961</u>
Current Expenditures		
Intergovernmental Transfers	278,976	104,670,310
Emergency Residency Support	354,167	2,843,958
County Healthcare Funding	975,516	11,828,006
Salaries	110,603	1,435,062
Benefits	73,063	694,113
Legal & Professional Fees	26,986	588,186
Purchased Services	78,342	1,284,949
Supplies & Materials	901	12,886
Rent & Leases	11,697	132,252
Repairs & Maintenance	0	2,271
Utilities	4,894	51,355
Insurance	2,590	29,152
Administrative & General	11,978	68,273
Capital Outlay	0	10,315
Total Current Expenditures	<u>1,929,713</u>	<u>123,651,088</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>5,371,321</u>	<u>18,986,873</u>
Other Financing Sources & Uses		
Operating Transfers In	0	(893,000)
Total Other Financing Sources & Uses	<u>0</u>	<u>(893,000)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>5,371,321</u>	<u>19,879,873</u>
Fund Balance, Beginning of Year		91,855,047
FUND BALANCE, END OF YEAR		<u><u>111,734,920</u></u>

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	226,073	2,460,738
Tobacco Settlement Proceeds	0	889,461
Opioid Settlement Proceeds	0	421,974
Total Revenues	<u>226,073</u>	<u>3,772,173</u>
Current Expenditures		
Legal & Professional Fees	1,503	14,818
Purchased Services	99,296	162,969
Total Current Expenditures	<u>100,799</u>	<u>177,787</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>125,273</u>	<u>3,594,387</u>
Other Financing Sources & Uses		
Operating Transfers Out	0	893,000
Total Other Financing Sources & Uses	<u>0</u>	<u>893,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>125,273</u>	<u>2,701,387</u>
Fund Balance, Beginning of Year		66,189,716
FUND BALANCE, END OF YEAR		<u><u>68,891,103</u></u>

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	<u>50</u>	<u>554</u>
Total Revenues	<u>50</u>	<u>554</u>
Current Expenditures		
Benefits	511	11,253
Administrative & General	<u>7</u>	<u>1,463</u>
Total Current Expenditures	<u>518</u>	<u>12,716</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(468)</u>	<u>(12,162)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(468)</u>	<u>(12,162)</u>
Fund Balance, Beginning of Year		15,386
FUND BALANCE, END OF YEAR		<u><u>3,223</u></u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	139,495	119,306	20,189	41,706,570	40,452,129	1,254,441
Penalties & Interest - Taxes	30,913	54,260	(23,347)	441,024	366,350	74,674
Spohn Corporate Member Revenue	6,772,656	7,933,333	(1,160,677)	96,834,180	87,266,667	9,567,513
Investment Income	357,944	91,803	266,141	3,655,149	1,034,425	2,620,724
Other Income	25	0	25	1,038	0	1,038
Total Revenues	7,301,034	8,198,702	(897,668)	142,637,961	129,119,571	13,518,390
Current Expenditures						
Intergovernmental Transfers	278,976	18,695,724	18,416,748	104,670,310	134,515,131	29,844,821
Emergency Residency Support	354,167	354,167	0	2,843,958	2,843,962	4
County Healthcare Funding	975,516	1,174,595	199,079	11,828,006	13,332,307	1,504,301
Salaries	110,603	175,365	64,762	1,435,062	2,063,496	628,434
Benefits	73,063	106,022	32,959	694,113	1,033,111	338,998
Legal & Professional Fees	26,986	74,292	47,306	588,186	817,216	229,030
Purchased Services	78,342	105,914	27,572	1,284,949	1,455,122	170,173
Supplies & Materials	901	2,166	1,265	12,886	23,838	10,952
Rent & Leases	11,697	13,250	1,553	132,252	145,754	13,502
Repairs & Maintenance	0	1,167	1,167	2,271	12,841	10,570
Utilities	4,894	8,533	3,639	51,355	93,871	42,516
Insurance	2,590	4,042	1,452	29,152	44,466	15,314
Administrative & General	11,978	18,833	6,855	68,273	207,183	138,910
Capital Outlay	0	0	0	10,315	210,000	199,685
Extraordinary	0	417	417	0	4,587	4,587
Total Current Expenditures	1,929,713	20,734,487	18,804,774	123,651,088	156,802,885	33,151,797
Excess of Revenues Over Expenditures Before Sources/Uses	5,371,321	(12,535,785)	17,907,106	18,986,873	(27,683,314)	46,670,187
Other Financing Sources & Uses						
Operating Transfers In	0	0	0	(893,000)	(700,000)	193,000
Total Other Financing Sources & Uses	0	0	0	(893,000)	(700,000)	193,000
Excess of Revenues Over Expenditures After Sources & Uses	5,371,321	(12,535,785)	17,907,106	19,879,873	(26,983,314)	46,863,187
Fund Balance, Beginning of Year				91,855,047	0	91,855,047
FUND BALANCE, END OF YEAR				111,734,920	(26,983,314)	138,718,234

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	9	0	9	4,414	0	4,414
Tobacco Settlement Proceeds	0	0	0	889,461	700,000	189,461
Total Revenues	9	0	9	893,875	700,000	193,875
Excess of Revenues Over Expenditures Before Sources/Uses	9	0	9	893,875	700,000	193,875
Other Financing Sources & Uses						
Operating Transfers Out	0	0	0	893,000	700,000	(193,000)
Total Other Financing Sources & Uses	0	0	0	893,000	700,000	(193,000)
Excess of Revenues Over Expenditures After Sources & Uses	9	0	9	875	0	875
Fund Balance, Beginning of Year				2,005	0	2,005
FUND BALANCE, END OF YEAR				2,880	0	2,880

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Opioid Settlement Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	10,803	2,316	8,487	108,969	32,157	76,812
Opioid Settlement Proceeds	0	0	0	421,974	0	421,974
Total Revenues	10,803	2,316	8,487	530,943	32,157	498,786
Current Expenditures						
Purchased Services	99,296	100,000	704	162,969	1,100,000	937,031
Total Current Expenditures	99,296	100,000	704	162,969	1,100,000	937,031
Excess of Revenues Over Expenditures Before Sources/Uses	(88,494)	(97,684)	9,190	367,975	(1,067,843)	1,435,818
Excess of Revenues Over Expenditures After Sources & Uses	(88,494)	(97,684)	9,190	367,975	(1,067,843)	1,435,818
Fund Balance, Beginning of Year				2,938,513	0	2,938,513
FUND BALANCE, END OF YEAR				3,306,488	(1,067,843)	4,374,331

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 8/1/2026 Through 8/31/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	<u>215,261</u>	<u>79,034</u>	<u>136,227</u>	<u>2,347,355</u>	<u>864,175</u>	<u>1,483,180</u>
Total Revenues	<u>215,261</u>	<u>79,034</u>	<u>136,227</u>	<u>2,347,355</u>	<u>864,175</u>	<u>1,483,180</u>
Current Expenditures						
Legal & Professional Fees	<u>1,503</u>	<u>3,000</u>	<u>1,497</u>	<u>14,818</u>	<u>33,000</u>	<u>18,182</u>
Total Current Expenditures	<u>1,503</u>	<u>3,000</u>	<u>1,497</u>	<u>14,818</u>	<u>33,000</u>	<u>18,182</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>213,758</u>	<u>76,034</u>	<u>137,724</u>	<u>2,332,537</u>	<u>831,175</u>	<u>1,501,362</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>213,758</u>	<u>76,034</u>	<u>137,724</u>	<u>2,332,537</u>	<u>831,175</u>	<u>1,501,362</u>
Fund Balance, Beginning of Year				63,249,198	0	63,249,198
FUND BALANCE, END OF YEAR				<u>65,581,735</u>	<u>831,175</u>	<u>64,750,560</u>

NUECES COUNTY HOSPITAL DISTRICT

FISCAL YEAR 2027 BUDGET AMENDMENT MEMORANDUM

Date: September 22, 2026
To: Board of Managers, Nueces County Hospital District
From: Jonny F. Hipp, Administrator
Subject: Budget Amendment No. 1 — Reallocation of FY2027 Funding from Graduate Medical Education Support to County Healthcare Services (Public Health District Funding)

I. Purpose

This memorandum requests Board approval of a Fiscal Year 2027 budget amendment reallocating \$200,000 within the Nueces County Hospital District's adopted budget. The amendment increases the County Healthcare Services line item by \$200,000 to provide additional funding to the City of Corpus Christi/Nueces County Public Health District, offset by a corresponding \$200,000 decrease to the Graduate Medical Education Support line item. The amendment is budget-neutral and does not increase the District's total adopted budget or tax rate.

II. Background

The District's adopted FY2027 budget includes appropriations for County Healthcare Services, which funds indigent and community healthcare programs administered in partnership with local governmental entities, and for Graduate Medical Education Support, which funds residency and physician training programs benefiting the District's service area. District staff have identified a need for additional funding support to the City of Corpus Christi/Nueces County Public Health District to sustain public health services during the current fiscal year.

III. Proposed Amendment

The proposed amendment is summarized below. Figures for the current adopted budget and resulting amended budget should be confirmed against the District's official FY2027 budget ledger prior to Board action.

Line Item	Fund / Department	Current Budget	Amendment	Amended Budget
County Healthcare Services — City of Corpus Christi / Nueces County Public Health District Funding	General Fund — County Healthcare Services	\$1,800,000	+ \$200,000	\$2,000,000
Graduate Medical Education Support	General Fund — Graduate Medical Education Support	\$5,652,000	– \$200,000	\$5,452,000
Net Budgetary Impact			\$0	

IV. Justification

- Increase of \$200,000 to County Healthcare Services provides additional funding to the City of Corpus Christi/Nueces County Public Health District to support public health programs and services within the District's service area.
- Decrease of \$200,000 to Graduate Medical Education Support reflects available, unobligated capacity within that line item for the current fiscal year, as identified by District finance staff.
- The amendment is revenue-neutral: total appropriations across the two line items, and the District's overall FY2027 budget, remain unchanged.

V. Fiscal Impact

This amendment has no net fiscal impact on the District's total FY2027 budget. It reallocates \$200,000 between two existing appropriation line items within the General Fund and does not require additional revenue, debt, or tax rate action.

VI. Recommendation

District staff recommend that the Board of Managers approve Budget Amendment No. 1, increasing the County Healthcare Services line item by \$200,000 for additional funding to the City of Corpus Christi/Nueces County Public Health District, and decreasing the Graduate Medical Education Support line item by \$200,000, effective upon approval.

VII. Requested Action

Staff respectfully request that the Board of Managers review and approve this Fiscal Year 2027 budget amendment as presented.

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Proposed Legislation to Integrate County Indigent Health Care Program Applications with the State Integrated Benefits Portal

Purpose

To brief the Board of Managers regarding preliminary proposed legislation for the 90th Texas Legislature that would streamline County Indigent Health Care Program (CIHCP) eligibility determination and application procedures through the State's integrated benefits portal, currently known as YourTexasBenefits.com.

Background

The proposed legislation is a preliminary draft for discussion purposes. It addresses the application and eligibility processes used under Chapter 61, Texas Health and Safety Code, for county-administered indigent health care programs and for public hospitals and hospital districts.

The draft is based on the premise that the State's integrated benefits portal already collects substantially the same eligibility information required for CIHCP determinations, including identity, household composition, county of residence, income, assets, and insurance information. It proposes using that existing State process to reduce duplicative applications and documentation while preserving local administration of indigent health care programs.

Integrated Application Pathway

The legislation would designate the integrated benefits portal as an authorized CIHCP application pathway for counties, public hospitals, and hospital districts. Information collected and verified through the portal in connection with a Medicaid application generally would satisfy corresponding CIHCP information and documentation requirements.

The proposed pathway would allow an applicant to proceed through the existing Medicaid application flow and, when appropriate, complete CIHCP-specific consent and supplemental information. It also contemplates allowing an individual to apply directly for CIHCP through the portal without first submitting a Medicaid application when the applicant indicates a prior Medicaid denial or categorical ineligibility.

HHSC Data Sharing

The proposed legislation would authorize the Texas Health and Human Services Commission (HHSC), with applicant consent and subject to applicable confidentiality requirements, to transmit specified eligibility information to the appropriate local program administrator. Information potentially shared would include county of residence, household composition, verified income and resources, Medicaid denial information, and the absence of qualifying health coverage.

Program administrators receiving information would be required to execute a data use agreement with HHSC governing permissible uses, confidentiality safeguards, and data destruction procedures. Shared information could be used only for CIHCP eligibility purposes and would remain subject to applicable privacy protections.

Automatic Referral Following Medicaid Denial

A central feature of the draft is automatic referral of certain Medicaid-denied applicants to the appropriate CIHCP administrator. When an applicant's verified income and resources fall within the statutory CIHCP thresholds and the applicant has consented to data sharing, HHSC would electronically transmit the eligibility information to the applicable county, public hospital, or hospital district.

The Medicaid denial date would serve as the CIHCP application date. The receiving program administrator would be required to notify the applicant that an application had been initiated, request any permitted supplemental documentation, and make an eligibility determination within the timeframes established in the proposed legislation.

Application Routing and Local Administration

The proposed legislation would require HHSC to determine the appropriate program administrator based on the applicant's county of residence and whether the area is served under the county-administered provisions of Chapter 61 or by a public hospital or hospital district.

The draft preserves local administration and eligibility decision-making. Counties, public hospitals, and hospital districts would remain responsible for final CIHCP eligibility determinations while being permitted to rely on eligibility information already collected and verified through the State portal.

Hospital District Provisions

The draft specifically addresses public hospitals and hospital districts under Subchapter C of Chapter 61. A hospital district could use the integrated portal application, documentation, and verification procedures or continue to use a less restrictive local process.

The proposed legislation also adds a provision applicable to hospital districts under Chapter 285. When a hospital district receives portal-verified eligibility data, its obligation to inquire into a patient's financial circumstances for Chapter 61 indigent health care eligibility would be satisfied to the extent the transmitted information covers the relevant income, asset, household, and insurance categories. The district would retain authority to verify residency and to conduct financial inquiries for other purposes authorized by law.

Applicant Consent and Confidentiality

The integrated portal would include a standardized consent authorization explaining the proposed sharing of eligibility information with the applicable local program administrator. Consent would require an affirmative opt-in and could not be inferred merely from completion of the State benefits application.

An applicant could decline consent without affecting eligibility for other HHSC-administered benefit programs and would retain the ability to apply directly with the appropriate CIHCP administrator. HHSC would maintain records of consent authorizations as provided in the draft.

Technology and State Implementation

The legislation would direct HHSC to develop a secure electronic interface connecting the integrated benefits portal with program administrators. The interface would transmit standardized eligibility data, provide notification of incoming applications and referrals, support reporting of eligibility determinations, and comply with applicable data-security requirements.

HHSC would also maintain a statewide mapping identifying the applicable Chapter 61 program administrator for each county so that applications and referrals could be routed appropriately. The portal pathway would be accessible through internet-connected devices and would include a telephone-assisted application option.

Implementation Schedule

The preliminary draft establishes a phased implementation schedule. HHSC would notify program administrators and provide technical assistance by October 1, 2027; complete statewide service-area mapping by January 1, 2028; and adopt implementing rules by March 1, 2028.

Development and deployment of the CIHCP portal intake pathway and associated data-use arrangements would be completed by September 1, 2028. The proposed Act would take effect September 1, 2028.

Fiscal and Administrative Considerations

The proposed legislation does not itself make an appropriation. To the extent State expenditures are necessary, the draft directs HHSC to seek implementation through specifically appropriated funds, existing appropriations, available federal matching funds, or eligible grants.

For local program administrators, the proposal is intended to reduce duplicative collection and verification of eligibility information and establish a more direct pathway between Medicaid denial and local indigent health care enrollment. Implementation would nevertheless require data use agreements, local coordination with HHSC, appropriate information-security practices, and operational integration with local eligibility processes.

Potential Effect on the District

For the District, the proposed framework could provide an additional application pathway for its indigent health care program and permit reliance on eligibility information already collected and verified through YourTexasBenefits.com. It could also result in automatic referrals of Medicaid-denied Nueces County residents who meet the applicable statutory income and resource criteria.

The legislation would not transfer final eligibility authority to HHSC. The District would continue to administer its program and make eligibility determinations while potentially using State-verified information to reduce duplicative applicant documentation and financial inquiry requirements.

Board Consideration

The Board is being asked to receive and discuss the preliminary proposed legislation and its potential implications for the District's indigent health care enrollment and eligibility processes. The draft provides a legislative framework for integrating State benefits information with locally administered Chapter 61 programs while retaining local program administration.

Summary

The preliminary legislation would expand YourTexasBenefits.com to serve as an authorized CIHCP application and referral pathway for counties, public hospitals, and hospital districts. It would authorize consent-based eligibility data sharing, establish automatic referral following certain Medicaid denials, create standardized State-local data interfaces and routing procedures, and permit hospital districts to rely on portal-verified financial information for Chapter 61 eligibility purposes. The proposal is structured for implementation during 2027 and 2028, with an effective date of September 1, 2028.

NUECES COUNTY HOSPITAL DISTRICT
90th Texas Legislative Session Agenda
August 17, 2026

Summary

The Nueces County Hospital District supports targeted legislative action to strengthen medical education, expand healthcare workforce capacity, improve access to behavioral health services, and streamline access to indigent health care services in South Texas.

Countywide Benefits

- Increased physician retention.
 - Improved behavioral health access.
 - Complemented medical infrastructure.
 - Strengthened medical education pipelines.
 - Enhanced healthcare resilience.
 - Expanded access to indigent health care services through streamlined CIHCP eligibility determination.
-

I. Graduate Medical Education (GME)

Support increased investment in GME to expand physician training and retention.

Advocacy Position:

- Increase Medicaid GME supplemental payments
- Fund existing and new residency slots
- Incentivize expansion of training slots
- Support teaching hospitals
- Expand funding through General Revenue and budget riders

Data Point:

Nueces County faces persistent physician shortages in primary care and specialty fields, limiting access to care.

Impact on Nueces County:

- Expanded local residency and fellowship opportunities.
 - Improved long-term physician retention.
 - Reduced reliance on temporary providers.
 - Enhanced capacity at local teaching hospitals.
 - Greater continuity of care.
 - Stabilized medical workforce pipeline.
-

II. Medical Workforce Development

Authorize NCHD to address shortages in essential specialties.

Advocacy Position:

- Allow local designation based on community health needs assessments
- Financial incentives: loan repayment, housing support, income guarantees
- Professional protections: malpractice limits and liability protections
- Recruitment supports: relocation and startup assistance
- Require minimum service commitments

Data Point:

Several high-need specialties remain underrepresented in coastal South Texas.

Impact on Nueces County:

- Improved recruitment in shortage specialties.
 - Increased access to essential services.
 - Greater competitiveness for healthcare talent.
 - Reduced patient outmigration.
 - Strengthened provider networks.
 - Enhanced sustainability of service lines.
-

III. Regional Behavioral Health Infrastructure

Expand access to mental health services and support planning for a state-supported mental health facility in the Coastal Bend.

Advocacy Position:

- Establish state-supported regional facilities
- Serve adults, children, and justice-involved populations
- Partner with LMHAs and community providers
- Integrate inpatient, crisis, and outpatient services
- Request state appropriation to fund a feasibility study for establishing a state-supported mental health facility in the Coastal Bend region

Data Point:

Behavioral health wait times in South Texas frequently exceed recommended standards, and the Coastal Bend region lacks a state-supported inpatient mental health facility, requiring patients to travel long distances for acute psychiatric care.

Impact on Nueces County:

- Expanded access to behavioral health services.
- Reduced emergency department boarding.
- Shorter wait times for treatment.

- Improved system coordination.
 - Better outcomes for high-risk populations.
 - Reduced strain on hospitals and first responders.
 - Potential establishment of a regional mental health facility, reducing patient transfer distances and improving access to acute psychiatric care in the Coastal Bend.
-

IV. CIHCP Streamlining — Integrated Benefits Portal Access

Streamline eligibility determination for the County Indigent Health Care Program (CIHCP) by extending the state’s YourTexasBenefits.com integrated benefits portal to all program administrators, including hospital districts.

Legislative Pursuit:

- Amend Chapter 61, Health and Safety Code, to designate YourTexasBenefits.com as an authorized CIHCP application pathway for counties, public hospitals, and hospital districts
- Authorize HHSC to share Medicaid eligibility data with all CIHCP program administrators (new §61.0046)
- Require automatic referral of income-eligible Medicaid denials to the appropriate CIHCP administrator within three business days of denial (new §61.0047)
- Amend Chapter 531, Government Code, to extend the integrated eligibility mandate to county CIHCP programs and hospital districts, and require HHSC to build and maintain a CIHCP intake pathway and county-to-administrator service area mapping on YourTexasBenefits.com
- Add new §285.092 to Chapter 285, Health and Safety Code, clarifying that portal-verified eligibility data satisfies the financial inquiry requirement applicable to all hospital district types under Chapters 281, 282, 283, and 286

Data Point:

CIHCP serves Texans at or below 21% of the federal poverty level who are ineligible for Medicaid and have no other health coverage — among the most economically vulnerable residents served by hospital districts. The current application process is administered independently by each of 143 county programs and hospital districts, with no uniform portal, inconsistent documentation requirements, and no automatic referral pathway. Applicants must first be denied Medicaid and then separately locate and apply to their local CIHCP administrator — a duplicative burden that causes eligible individuals to go without care. The proposed legislation eliminates that duplication while preserving local program administration.

Impact on Nueces County:

- Reduced administrative burden on NCHD CIHCP intake staff through automatic electronic referrals from HHSC upon Medicaid denial.
- Elimination of duplicative income and household verification for patients already screened through YourTexasBenefits.com.

- Explicit statutory clarification (new §285.092) that portal-verified data satisfies NCHD’s financial inquiry obligation under its creating statute, reducing legal ambiguity.
- Increased identification of eligible uninsured residents who would otherwise fall through the gap between Medicaid and NCHD’s charity care programs.
- Alignment of NCHD intake procedures with a statewide standardized process, reducing training costs and error rates.
- Preservation of NCHD’s authority to conduct independent financial inquiries for non-CIHCP services and cost recovery.

Proposed Statutory Changes:

Code	Provision	What It Does	Applies To
H&S Code §61.002(5)	New definition: “program administrator”	Covers counties, public hospitals & hospital districts under one term throughout Ch. 61	All administrators
H&S Code §61.006(c)	YourTexasBenefits.com as authorized portal pathway	Directs HHSC rulemaking; portal data satisfies documentation requirements	All administrators
H&S Code §61.007(b)	Portal data satisfies applicant information requirements	Limits supplemental requests to residency verification only	All administrators
H&S Code §61.0046 [NEW]	HHSC data-sharing authorization	Permits sharing of 6 data categories with appropriate program administrator; data use agreement required	All administrators
H&S Code §61.0047 [NEW]	Auto-referral upon Medicaid denial	Within 3 business days; routes to Sub. B county or Sub. C hospital district/public hospital; denial date = application date	All administrators
H&S Code §61.024	County application procedure (Sub. B)	Adds portal pathway as explicit option; county public notice duty	Counties
H&S Code §61.053	Hospital district/public hospital application procedure (Sub. C)	Parallel to §61.024: portal pathway option; notice duty; referral opt-in	Hospital districts & public hospitals
Gov’t Code §531.002(b)	HHSC integrated eligibility mandate expanded	Adds county CIHCP, hospital districts, and public hospitals to HHSC’s	Foundational authority

		statewide eligibility mandate	
Gov't Code §531.0255 [NEW]	HHSC portal build-out and county mapping	Requires CIHCP intake pathway on YTB.com; Sub. B/C routing; statewide service-area map; electronic interface; Sept. 1, 2027 deadline	All administrators
Gov't Code §531.0256 [NEW]	Standardized applicant consent	Affirmative opt-in; consent neutral to benefit eligibility; 5-year retention	All administrators
H&S Code §285.092 [NEW]	Hospital district financial inquiry satisfaction	Portal-verified data satisfies Ch. 281/282/283/286 financial inquiry obligations for CIHCP eligibility; preserves cost recovery authority	All hospital districts

Background and Analytical Basis:

This proposal emerged from a comparative analysis of the CIHCP and SNAP application processes that identified significant structural disparities. Key findings:

- CIHCP applicants must first be denied Medicaid (establishing a precondition), then independently locate their county or hospital district CIHCP administrator, then complete a separate application — with no statewide online option and no automatic connection between the two processes.
- The SNAP application through YourTexasBenefits.com already collects substantially all information required for CIHCP eligibility determination (income, household composition, county of residence, assets, insurance status), but no legal mechanism currently permits HHSC to share that data with county or hospital district CIHCP administrators.
- CIHCP's income threshold (21% of FPL) and SNAP's threshold (165% of FPL) serve largely non-overlapping populations; the bill therefore focuses on the Medicaid denial pathway rather than SNAP cross-referral as the primary trigger.
- Existing law (§61.024(b)) already permits counties to use less restrictive procedures than HHSC's baseline, meaning some elements of this reform could be adopted by individual administrators without legislation. However, the critical data-sharing authorization and auto-referral trigger require explicit statutory change.
- Chapter 281 hospital districts (including NCHD) face a specific interpretive risk: §281.071 requires the administrator to independently inquire into a patient's financial circumstances. New §285.092 resolves this by providing that portal-verified data satisfies that obligation for CIHCP purposes across all hospital district types under a single Chapter 285 provision.

Key Implementation Dates (as proposed):

Date	Milestone
Sept. 1, 2027	Act takes effect
Oct. 1, 2027	HHSC notifies all program administrators (counties, hospital districts, public hospitals) of Act provisions and implementation timeline
Jan. 1, 2028	HHSC applies for any required federal waivers or approvals; completes and publishes statewide service-area mapping
Mar. 1, 2028	HHSC adopts implementing rules (portal designation, documentation standards, data use agreement template, consent form)
Sept. 1, 2028	HHSC completes deployment of CIHCP intake pathway on YourTexasBenefits.com; all data use agreements executed; legislative report submitted

Faculty

Alainya Tomanec, MD

Program Director

Assistant Medical Director-CHRISTUS Spohn Shoreline Hospital Emergency Department

Medical School: Texas A&M University Health Sciences Center

Residency: CHRISTUS Health/Texas A&M Spohn Emergency Medicine

Academic Interests: Airway Management, Rural Emergency Care



D. Scope of Board and/or Member Authority

1. The Board of Managers and/or individual Board Members have no authority to act on behalf of NCHD, unless said authority is designated by the Board after concurrence by a majority vote of a quorum;
2. The Board of Managers shall:
 - (a) Act as trustee for public health care funds and related public health care services in Nueces County; and
 - (b) Determine the need for and establish all general policies to be implemented in the operation of the NCHD.

E. Public Statements

Because each Board Member is but one-seventh of the Board of Managers, no member is authorized to speak for the Board of Managers; however, policy and statements of official positions of the Board of Managers can be made only after concurrence by a majority vote of a quorum, and shall be issued by the Chairman and, at the direction of the Board, the Administrator. Alternatively, a board member may issue a public statement on behalf of NCHD only after the concurrence by a majority vote of a quorum.

2.2 Officers

A. Election of Officers

1. The Chairman and Vice-Chairman shall be elected by a majority of a quorum for a one-year term at the regularly scheduled September board meeting, and take office at the start of the fiscal year in October.
2. Nominations for officers will be accepted from board members.

B. Scope of Authority as Officer

1. The authority of officers is limited to that provided by law, these Bylaws or by the Board of Managers after concurrence by the majority vote of a quorum;
2. The Chairman shall:

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 281.026. ADMINISTRATOR; DUTIES. (a) The board shall appoint a person qualified by training and experience as the administrator for the district.

(b) The administrator serves at the will of the board and for terms of not more than four years.

(c) The administrator is entitled to compensation as determined by the board.

(d) Before assuming duties, the administrator shall execute a bond payable to the district in the amount of not less than \$10,000, conditioned on the faithful performance of the administrator's duties and any other requirements determined by the board.

(e) Subject to the limitations prescribed by the board, the administrator shall:

- (1) perform duties required by the board;
 - (2) supervise the work and activities of the district;
- and
- (3) generally direct the affairs of the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 424 (S.B. 1769), Sec. 1, eff. June 17, 2005.

Sec. 281.027. ASSISTANT ADMINISTRATOR. (a) If the administrator is incapacitated, absent, or unable to perform the administrator's duties, the board may designate an assistant administrator to perform any of the administrator's powers or duties, subject to limitations prescribed by board order.

(b) The assistant administrator or other persons shall execute a bond as required by board order.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 281.028. STAFF. (a) The board may appoint doctors to the district's staff and hire technicians, nurses, and other employees the board considers advisable for the district's



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September 16, 2026

Mr. Jonny Hipp
Nueces County Hospital District
555 N. Carancahua, Suite 950-A
Corpus Christi, TX 78401

We are pleased to confirm our understanding of the services we are to provide Nueces County Hospital District, a component unit of Nueces County, Texas, for the year ended September 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Nueces County Hospital District as of and for the year ended September 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Nueces County Hospital District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Nueces County Hospital District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of our engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Nueces County Hospital District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

UHY will perform nonattest services in accordance with applicable professional standards. UHY, in its sole professional judgment, reserves the right to refuse to perform any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. The Company must make all decisions with regard to nonattest services.

Other Services

We will also prepare the financial statements of Nueces County Hospital District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any document selected by us for testing.

The audit documentation for this engagement is the property of UHY LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to it by law or regulation. In the event UHY LLP is requested pursuant to subpoena or other legal process to produce its documents relating to this engagement in judicial or administrative proceedings to which UHY LLP is not a party, the Company shall reimburse UHY LLP at standard billing rates for its professional time and expenses, including reasonable attorney's fees incurred in responding to such requests.

Caitlin Chupe is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in November 2026 and to issue our reports no later than January 2027.

"UHY" is the brand name under which UHY LLP and UHY Advisors, Inc. ("UHY Advisors") provide professional services. The two firms operate as separate legal entities in an alternative practice structure. UHY LLP is a licensed independent CPA firm that performs attest services. UHY Advisors, Inc. provides tax and business consulting services through subsidiary entities. UHY LLP has a contractual arrangement with UHY Advisors and its various subsidiaries pursuant to which UHY Advisors provides UHY LLP with services for which licensure as a CPA is not required. In order to avoid duplication of efforts arising out of this arrangement, we request that you consent to our sharing with UHY Advisors and UHY Advisors sharing with UHY LLP the information that may be obtained from you during the course of our engagement. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to make disclosures to UHY Advisors of confidential information that we may obtain in the course of our engagement.

UHY Advisors, Inc. and UHY LLP are U.S. members of Urbach Hacker Young International Limited (UHY International), a UK company, and form part of the international UHY network of legally independent accounting and consulting firms. Any services described herein are provided by UHY Advisors, Inc. and/or UHY LLP (as the case may be) and not by UHY International or any other member firm of UHY International. Neither UHY International nor any member of UHY International has any liability for services provided by other members.

In today's technological environment, businesses and individuals are continuously interacting through e-mail. This often involves sending data, documents and other information, including sensitive tax and financial information. Although convenient, a business or individual that chooses to exchange such information via e-mail should ensure that their e-mail server and the information stored in their system are secure. By providing your financial information to us for the preparation of your financial statement, you authorize us to send information to you (or to other authorized recipients) via the e-mail addresses that you provide. The firm is not responsible for any transmission problems or the failure of you or any authorized recipient of the information to receive the file containing the information or maintaining the confidentiality of any information transmitted via e-mail or in the possession of you or any authorized recipient.

This engagement letter and all services rendered hereunder shall be governed, construed, and enforced by the laws of the State of Texas, without the need to resort to principles of conflicts of laws. Texas law shall apply to any legal or equitable proceeding that shall be instituted in any way arising out of this engagement letter, any obligations contained or allegedly contained herein, and all services rendered touching or relating in any way to the obligations of this engagement letter. All parties to this engagement consent to the exclusive jurisdiction of the federal and state courts located in Texas and, more particularly, the state court located in District Court of Nueces County, Texas and the federal court located in the Southern District of Texas.

We estimate that our fees for these services will be \$30,500. You will also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our fee will be based on normal hourly rates. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

From time to time both during and after the conclusion of our engagement, we may be required to respond to subpoenas or other requests for documents, testimony or court appearances, or to otherwise take actions under compulsion of law or legal process, relating to you and/or the work we have undertaken for you as identified and described herein. In any such instance, you will be and remain responsible to compensate us for our time expended, and to reimburse us for our costs and disbursements (including attorney's fees) incurred, in complying with any such legal requirements, all in the manner described in the preceding engagement letter paragraph that addresses billing and payment.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existences of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Independence rules require us to obtain written documentation related to certain non-attest services. At your request, during the year, we may perform services for you including, but not limited to, consulting services, bookkeeping services, payroll services, tax services, profit-sharing plan services, preparation of financial statements, etc. By your signature below, you acknowledge that you are responsible for management decisions and functions. That responsibility includes designating qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the services we perform, as well as evaluating the adequacy and results of the services performed. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Reporting

We will issue a written report upon completion of our audit of Nueces County Hospital District's financial statements. Our report will be addressed to the Board of Managers of Nueces County Hospital District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

For the purposes of this engagement letter (and other letters of correspondence), transmitted copies (reproduced documents that are transmitted via photocopy, facsimile or process that accurately transmits the original) are considered documents equivalent to original documents. Signatures transmitted and received via facsimile, .pdf format, e-mail, or an electronic signature platform will be treated for all purposes of this engagement letter (and other letters of correspondence) as original signatures and will be deemed valid, binding and enforceable by and against all parties.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Sincerely,

UHY LLP

RESPONSE:

This letter correctly sets forth the understanding of
Nueces County Hospital District

Signature: _____

Jonny J. Hipp

Title: Administrator/Chief Executive Officer



Craig A. Adamson, CPA CFF-Partner
Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-Partner

Caitlin J. Chupe, CPA MAcc-Partner
Adam R. Miller, CPA MBA-Partner
Jeremy C. Moore, CPA MAcc-Partner
Priyanka B. Desai, CPA MAcc-Partner

August 12, 2026

Mr. Jonny Hipp
Nueces County Hospital District
555 N. Carancahua, Suite 950-A
Corpus Christi, TX 78401

Dear Mr. Hipp:

We are pleased to confirm our understanding of the services we are to provide for the Nueces County Hospital District, a component unit of Nueces County, Texas, for the year ended September 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the disclosures, which collectively comprise the basic financial statements of the Nueces County Hospital District, a component unit of Nueces County, Texas, as of and for the fiscal year ended September 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Nueces County Hospital District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Nueces County Hospital District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- **The Management's Discussion and Analysis**

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls and (2)
- Revenue recognition.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Nueces County Hospital District's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Other Services

We will also prepare the financial statements and related notes disclosures of Nueces County Hospital District in conformity with accounting principles generally accepted in the United States based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Adamson & Company, LLC. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators or their designee. We will notify you of such a request. If requested, access to such workpapers will be provided under the supervision of Adamson & Company, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators or grantor agencies. The regulators or grantor agencies may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Caitlin Chupe is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in November 2026 and to issue our reports no later than January 2027. We estimate that our fee for the engagement will approximately \$30,500. We do not anticipate the fee to exceed \$30,500 for the services, unless unforeseen circumstances arise. Such circumstances will be discussed when, and if, encountered. Our invoices for these fees will be rendered as work progresses and are payable on presentation. Our professional fees are based on the value of the services provided. In arriving at this value, we consider several factors, some of which are the complexity of the engagement, results of the engagement, the time required to complete the engagement, and out-of-pocket expenses. We will perform this engagement in the most cost-efficient manner by assigning work to members of the Firm that we believe have the appropriate level of experience and skill for the engagement.

Reporting

We will issue a written report upon completion of our audit of Nueces County Hospital District's financial statements. Our report will be addressed to the Board of Managers of Nueces County Hospital District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Nueces County Hospital District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

ADAMSON & COMPANY, LLC

A handwritten signature in black ink that reads "Caitlin J. Chupe". The signature is written in a cursive, flowing style.

Caitlin Chupe, CPA
Audit Partner

RESPONSE: This letter correctly sets forth the understanding of Nueces County Hospital District.

Officer Signature: Jonny F. Hipp
Jonny F. Hipp
Title: Administrator

**NUECES COUNTY
DONATION INFORMATION FORM**

July 10, 2026

Donation Date

Donor Name: Nueces County Hospital District

Address: 555 N. Carancahua St., Suite 950
Corpus Christi, TX 78401

Phone No.: (361) 808-3300 email: _____

Value of Donation : \$ 92,619.25

Recipient : Nueces County Sheriff's Department

Donation Description: Transport Van for inmates in wheelchairs or
other special needs. _____

Do you want this Donation to be used for a specific purpose : Yes

If yes: Please state the purpose : To be used in the daily operations of
the Nueces County jail facilities for the purpose of transporting inmates
of Nueces County Jail to Christus Spohn Hospital Corpus Christi-Shoreline
located at 600 Elizabeth Street, Corpus Christi, Texas 78404 for medical

treatment and upon release transporting said inmates back to a Nueces County Jail facility.

NUECES COUNTY HOSPITAL DISTRICT

By: Jonny F. Hipe
Name: Jonny F. Hipe
Title: CEO / Administrator
Date: 08/17/26

Briefing Memorandum

To: Board of Managers

From: Jonny F. Hipp, Administrator/CEO

Date: September 22, 2026

Subject: CMS Withholding of Texas Medicaid Directed & Supplemental Payments

1. Bottom Line Up Front

Since **September 1, 2026** (start of Texas's FY2027), CMS has withheld approval of roughly **\$9.8 billion** in Texas Medicaid state-directed and supplemental payment programs — most of it tied to the **Comprehensive Hospital Increase Reimbursement Program (CHIRP)**. Texas hospitals are reportedly losing about **\$27 million a day** as a result. The dispute centers on how local Texas taxing entities calculate the hospital "provider taxes" used to draw down federal matching funds, not on a new legal ruling — it follows a separate case Texas *won* against CMS in 2025 over a related but distinct "hold harmless" issue. Gov. Abbott has pushed back publicly and calls it a funding "gun to the head"; CMS says it is protecting the integrity of Medicaid financing.

2. Background: How the Money Normally Works

- Texas Medicaid payments to providers fall into three buckets: **base payments** (fee-for-service/managed care claims), **supplemental payments**, and **directed payments** (authorized under 42 CFR §438.6(c), which let the state direct Medicaid managed-care organizations to pay providers more for specific goals).
- **CHIRP** is the largest of these programs. Local governmental entities (counties, hospital districts) collect roughly **\$4 billion/year** in local hospital taxes; the federal government matches those dollars, and the combined funding flows back to hospitals through Medicaid managed-care organizations to close the gap between what Medicaid pays and what care actually costs.
- Federal law requires these "provider taxes" to be **broad-based** (applied to all providers in a class) and **uniform** (same rate for all), and prohibits **"hold harmless" arrangements** that guarantee providers get their tax money back.

3. The Current Dispute (Fall 2026)

- CMS began questioning Texas's local hospital-tax calculation methodology in **December 2025** and said it would withhold approval of the affected payment programs until Texas addressed its concerns.
- Texas has gone through **11 rounds of CMS information requests**, including an August demand that Texas certify none of the funding covers care for people without verified immigration status — Texas HHSC provided that assurance on **August 17, 2026**.
- No resolution was reached before the FY2027 start, so as of **September 1, 2026**, CMS is withholding approval for **three state-directed/supplemental payment programs**, the bulk of it CHIRP-related — a total Texas pegs at **up to \$12 billion** for the year (THA's more conservative running estimate is **\$9.8B**).
- This is not the first time Texas has fought CMS over this funding, and Texas previously prevailed in a similar dispute in 2023 — though the One Big Beautiful Bill Act (OBBBA) has since reshaped federal Medicaid financing rules nationally.

4. Financial/Service Impact Reported by Hospitals

- Texas hospitals are losing an estimated \$27 million per day.

- Harris Health (Houston's public hospital system) projects a loss of **at least \$258 million**; total Houston-region exposure estimated as high as **\$1.4 billion**.
- Children's Health in Dallas has warned that continued delays threaten pediatric specialty and behavioral-health access.
- THA leadership has said there is no state general-revenue cushion available to offset the federal shortfall.
- Even with a near-term federal/state agreement, hospitals reportedly expect **90+ days** to clear resulting claims backlogs.

5. Political Positioning

- **Gov. Greg Abbott** wrote HHS Secretary **Robert F. Kennedy Jr.** on **August 7, 2026**, defending the tax structure as fully compliant with federal law, calling the delay an economic "gun to the head," and putting the state's potential 2027 loss at up to \$12 billion.
- Abbott has said Texas is willing to *voluntarily* adjust its tax structure going forward to satisfy CMS, but wants federal assurance that doing so won't be treated as an admission the current system is unlawful, and wants guarantees the state won't lose the "grandfathered" protections he says OBBBA provides for existing tax structures.
- Abbott's letter states the tax structure enacted by the Texas Legislature and implemented daily by local governments fully complies with federal law, and that CMS's request undermines protections recently enacted in the One Big Beautiful Bill Act.
- CMS's public position is that it is reviewing Texas's financing structure for compliance and to protect Medicaid's financial integrity; Texas officials maintain their calculation methodology hasn't changed and remains compliant.

6. Legal/Regulatory Context (related but distinct threads)

It's worth separating **two related CMS-Texas fights** that are sometimes conflated in coverage:

A. The hold-harmless/final-rule litigation (Texas won this one)

- Texas sued CMS in **April 2023** over a CMS informational bulletin that expanded the definition of prohibited "hold harmless" arrangements to reach private redistribution agreements among providers.
- CMS's **April 2024 Medicaid managed-care final rule** codified related financing/appeals provisions Texas hospitals opposed; Texas amended its suit to challenge that rule too (May 2024).
- **September 24, 2025**: The U.S. District Court for the Eastern District of Texas (Texas v. CMS, No. 6:23-cv-00161) permanently vacated CMS's reinterpretation, finding CMS exceeded its statutory authority, and applied the vacatur **nationwide**, not just to Texas.
- CMS appealed; the case (*State of Texas et al. v. Oz and CMS et al.*, No. 25-40766) is now before the **Fifth Circuit**. Hospital associations (THA, America's Essential Hospitals, and others) filed amicus briefs in June 2026 supporting the district court's nationwide vacatur.

B. The current SFY2027 payment-withholding dispute (unresolved, described in Sections 2–5)

- This is a **separate, ongoing administrative dispute** over provider-tax calculation methodology, not (yet) new litigation, though it draws on the same underlying statutory framework (broad-based/uniform tax requirements, hold-harmless prohibitions).
- **OBBBA (2025)** independently caps state-directed payment rates — 100% of Medicare for Medicaid-expansion states, **110% of Medicare for non-expansion states like Texas** — which constrains what Texas can pay through CHIRP-type programs regardless of how the tax-methodology dispute resolves.

7. Precedent to Watch

- **Florida** faced a similar CMS challenge to its hospital tax structure; that dispute took **11 months** to resolve.
- Analysts (AJMC) flag this as evidence the Texas standoff could run long even if an in-principle agreement is reached soon, given claims-processing lag time.

8. Open Questions / Things to Monitor

- Whether Texas and CMS reach a negotiated fix to the tax-calculation methodology (and on what timeline).
- Whether CMS releases any of the withheld \$9.8–12B once/if Texas's methodology changes are accepted, and whether that release is retroactive to September 1.
- Fifth Circuit ruling in the separate hold-harmless appeal, which could affect CMS's leverage/authority nationally.
- Further immigration-status certification requirements CMS may impose as a condition of approval.
- State legislative or emergency funding response if the standoff continues into 2027.

#

THIRD AMENDMENT TO RESTATED MEMBERSHIP AGREEMENT

This Third Amendment to the Amended and Restated Membership Agreement (this “Third Amendment”) is effective as of the ____ day of _____, 2026 (“Effective Date”) by and between CHRISTUS Spohn Health System Corporation, a Texas nonprofit corporation (“Spohn”), CHRISTUS Health, a Texas nonprofit corporation (“CHRISTUS Health”), and the Nueces County Hospital District, a body politic and corporate and a political subdivision of the State of Texas (the “District”) (collectively, “the Parties”).

RECITALS

WHEREAS, the Parties entered into the Amended and Restated Membership Agreement, effective the 18th day of November, 2015 and amended effective the 17th day of October, 2017 (the “Agreement”);

WHEREAS, the Parties wish to extend the term of the Restated Membership Agreement through September 30, 2036;

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

AMENDMENT

1. The Parties hereby delete Article IX Section 9.01 in its entirety and replace it with the following paragraph:

“Section 9.01. Term. This Agreement shall remain in effect through September 26, 2036. Notwithstanding anything herein to the contrary, this Agreement may be terminated by:

- (a) The mutual agreement of CHRISTUS Health and the District;
 - (b) Either party, upon the expiration of sixty (60) days from written notice of election to terminate this Agreement, with or without cause;
 - (c) The District, immediately in the event that CHRISTUS Health voluntarily transfers its membership in Spohn in accordance with Section 3.5(b)(vii) of the Bylaws or if Spohn provides notification to the District pursuant to Section 4.02 of this Agreement;
 - (d) CHRISTUS Health, immediately in the event compliance with Section 5.02 or any other provision of this Agreement would cause CHRISTUS Health and/or Spohn to be in material breach, default, or violation of the terms of the CHRISTUS Indenture.”
2. Except as expressly modified by this Third Amendment, the Agreement remains in full force and effect, and its terms and provisions are hereby ratified and affirmed in all respects.
 3. Separate copies of this Third Amendment may be signed by the Parties hereto, with the

same effect as though all Parties had signed one copy of this Third Amendment.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment to be effective as of the date first set forth above.

CHRISTUS SPOHN HEALTH SYSTEM CORPORATION

By: _____
Dominic Dominguez, President

CHRISTUS HEALTH

By: _____
Ernie Sadau, Chief Executive Officer

NUECES COUNTY HOSPITAL DISTRICT

By: _____
Jonny F. Hipp, Administrator/Chief Executive Officer

APPROVED BY THE NUECES COUNTY COMMISSIONERS COURT

By: _____
Connie Scott, County Judge

4927-9265-1709

RECEIVED

SEP 16 2026

KARA SANDS
CLERK OF THE COUNTY COURT
NUECES COUNTY TEXAS



Nueces County Hospital District

NOTICE OF PUBLIC MEETING

BOARD OF MANAGERS

**Board of Managers - Regular Meeting
Tuesday, September 22, 2026 at 12:15 PM**

Location:

Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus Christi, Texas 78401

The Nueces County Hospital District ("NCHD") Board of Managers or a Committee thereof as specified above will hold a meeting on the date and at the time and location shown above. The agenda item(s) for the meeting are set forth on the accompanying page(s). Agenda item(s) are not necessarily considered in the order listed.

The specified NCHD Board of Managers meeting will be held in-person and via videoconference call. Public participation will be available in-person as well as via videoconference call as allowed under the Texas Open Meetings Act ("Act"). It is the intent that a quorum of the Board of Managers or Committee as required for the specified meeting will be physically present at the meeting location posted in this meeting notice. It is also the intent that the Board member presiding over the meeting be physically present for the specified meeting at the meeting location posted in this meeting notice. Any member of the Board of Managers participating by videoconference call will be visible and audible to the public whenever the member is speaking; Board member participation by audio-only is not permitted. Any member of the public wishing to observe or participate in the meeting via videoconference call may do so through the videoconference call meeting Internet link shown on this meeting notice below and via NCHD's BoardBook meeting management system at <https://meetings.boardbook.org/Public/Organization/1886>.

The Act defines a "videoconference call" as a communication conducted between two or more persons in which one or more of the participants communicate with the other participants through duplex audio and video signals transmitted over a telephone network, a data network, or the Internet. NCHD will use Zoom to conduct the meeting via videoconference call; Zoom is a cloud-based communications platform that allows users to connect with video, audio, phone, and chat. Using Zoom requires an Internet connection and a supported device.

The agenda for this meeting and its supporting materials are available at: <https://meetings.boardbook.org/Public/Organization/1886>.

The Meeting may be attended in-person or via videoconference call:

Videoconference Call:

Click the link below or copy and paste the link into a supported web browser address bar.

<https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFBBpZGJYdHYyQmp1VUdZeUc3Zz09>

Meeting ID: 574 676 5992

Passcode: 195957

Telephone:

Dial any telephone number below and enter the Meeting ID and Passcode above if required.

One tap mobile:

+13462487799,,5746765992# US (Houston)

+16699006833,,5746765992# US (San Jose)

Dial by your location (United States):

+1 346 248 7799 (Houston)

+1 719 359 4580

+1 253 205 0468

+1 253 215 8782 (Tacoma)

+1 669 444 9171

+1 669 900 6833 (San Jose)

+1 929 205 6099 (New York)

+1 301 715 8592 (Washington DC)

+1 305 224 1968

+1 309 205 3325

+1 312 626 6799 (Chicago)

+1 360 209 5623

+1 386 347 5053

+1 507 473 4847

+1 564 217 2000

+1 646 931 3860

+1 689 278 1000

Find your local number: <https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFBBpZGJYdHYyQmp1VUdZeUc3Zz09>



BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, September 22, 2026 at 12:15 PM

AGENDA

1. WELCOME

2. ROLL CALL OF MEMBERS

___ Vishnu V. Reddy, Chairman
___ Sylvia Tryon Oliver, Vice Chair
___ Mariana Garza
___ Georgia Neblett, Legislative Committee Chair
___ Karen O'Connor Urban
___ Pamela Brower, Finance Committee Chair
___ Sunil Reddy

3. CALL TO ORDER, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:

A. Call to order.

B. Establish quorum.

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

D. Notice is hereby provided that the Board of Managers may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. NOTICE REGARDING BUDGET. The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Board may discuss the FY27 Budget at this meeting. The adopted FY27 Budget and the required taxpayer impact statement for Fiscal Year 2027 are available for public review on the District's official website at: <https://www.nchdcc.org>.

5. ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST. Any Conflicts of Interest or Appearance of a Conflict of Interest with items on this agenda shall be declared at this time. Members with conflicts will refrain from voting and are asked to refrain from discussion on such items. Conflicts discovered later in the meeting shall be disclosed at that time.

6. PUBLIC COMMENT – Opportunity for members of the public to address the Board on matters within its jurisdiction. In-person attendees must sign the “Agenda Item Request to Speak” form at least five (5) minutes before the meeting begins. Remote attendees must notify the presiding officer when called upon. Comments are limited to three (3) minutes (six [6] minutes with translator). The presiding officer may further limit the number of speakers or time allowed. The Board may act only on items listed on the agenda. Materials submitted will not be returned; at least ten (10) copies, labeled with the commenter’s name and agenda item number, must be provided for distribution.

7. 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 August 17, 2026.

B. Receive listing of new vendors as of September 15, 2026; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

C. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date:

1. Salaries, benefits, and supplies at/for the 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); and
- b. Council on Alcohol and Drug Abuse;

6. Funding for diabetes prevention and supporting programs; and

7. Public health grants. *(Finance Committee)*

D. Receive summary of imputed claims information for medical and hospital services provided to the Nueces Aid Program population, consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for Fiscal Year 2026 year to date. *(Finance Committee)*

E. Receive Fiscal Year 2026 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)*

F. Receive fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. *(Finance Committee)*

G. Receive statement of Fiscal Year 2026 year-to-date deposits to and withdrawals from the Local Provider Participation Fund, made pursuant to the Board of Managers Order authorizing participation in a health care provider participation program under Texas Health and Safety Code, Chapter 298C, as amended. *(Finance Committee)*

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

- 1. Directed Payment Programs - IGTs to HHSC for Medicaid managed care payments to providers that promote Medicaid program goals and objectives:
 - a. Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS);
 - b. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
 - c. Network Access Improvement Program (NAIP); and
 - d. Texas Incentives for Physicians and Professional Services (TIPPS); and

2. Supplemental Payment Programs - IGTs to HHSC for Medicaid payments to hospitals, made separately from and in addition to base payments, to incentivize achievement of specified goals or to support providers serving significant numbers of uninsured or low-income patients:

- a. Disproportionate Share Hospital (DSH);
- b. Graduate Medical Education (GME);
- c. Hospital Augmented Reimbursement Program (HARP); and
- d. Hospital Uncompensated Care (UC). (*Finance Committee*)

I. Receive reports relating to Nueces Aid Program enrollment for the month-ended August 31, 2026:

1. Referral Sources;
2. Total Persons and Households Enrolled;
3. Enrollment Summary;
4. Denials;
5. Application Processing Summary; and
6. Enrollment by Zip Code. (*Finance Committee*)

8. **REGULAR AGENDA** - Items that are non-routine, non-administrative, or require individual attention. Each item will be considered and, if action is needed, voted on separately:

A. **Fiscal Year 2027 Health Care Provider Participation Program:**

1. Review and discuss Texas Health and Safety Code, Chapter 298C relating to the Nueces County Hospital District Health Care Provider Participation Program: authority, mandatory payments, rules and procedures, public hearing and hearing notices, permitted uses of mandatory payments, payment schedule, and other requirements relating to operation of the Fiscal Year 2027 Health Care Provider Participation Program (FY 2027 Program). (**INFORMATION**)

2. Review and discuss the proposed FY 2027 Program mandatory rate and payment schedule. (**INFORMATION**)

3. Confirm completion of conditions precedent to setting FY 2027 Program mandatory payment rate:

a. Notices relating to setting FY 2027 Program mandatory payment rate; notices pursuant to Texas Health and Safety Code, §298C.101 (b):

1. Notice of public hearing on the rate of mandatory FY 2027 Program payments that the Board of Managers intends to require of each institutional

health care provider located within the Hospital District's boundaries during Hospital District Fiscal Year 2027 and how the revenue derived from the payments will be spent; and

2. Notice to each institutional health care provider within the Hospital District's boundaries of written notice of public hearing on the rate of mandatory FY 2027 Program payments that the Board of Managers intends to require of each provider during District Fiscal Year 2027 and how the revenue derived from the payments will be spent; and

b. Public hearing on the matter of amount of mandatory payments that the Board intends to require during the year and how the revenue derived from those payments is to be spent; hearing pursuant to Texas Health and Safety Code, §298C.101(a). *(ACTION)*

4. Confirm that the Nueces County Hospital District Health Care Provider Participation Program's Revised Rules and Procedures, dated August 1, 2023, apply to the FY 2027 Program. *(ACTION)*

5. Adopt Board of Managers Order setting the rate of mandatory FY 2027 Program payments during Hospital District Fiscal Year 2027 (October 1, 2026 - September 30, 2027) at six percent (6%) of the net patient revenue of each institutional health care provider located within the Hospital District boundaries; mandatory payments authorized by Texas Health and Safety Code, §298C.151. *(ACTION)*

B. Finance Committee:

1. Financial Statements:

a. Receive and approve the unaudited financial statements for the months and fiscal year-to-date periods ended July 31, 2026, and August 31, 2026.
(ACTION)

2. Fiscal Year 2027 Budget Amendment:

a. Discuss and consider amending the Fiscal Year 2027 (October 1, 2026 – September 30, 2027) General Fund Budget to allocate an additional \$200,000 to Nueces County for the City of Corpus Christi/Nueces County Public Health District, with a corresponding offsetting reduction elsewhere in the Budget.
(ACTION)

C. Legislative Committee:

1. Receive information from Legislative Consultants on 90th Texas Session Legislative Agenda. **(INFORMATION)**
2. Receive a briefing on, discuss, and consider action regarding the potential use of the YourTexasBenefits.com website, operated by the Texas Health and Human Services Commission to additionally facilitate enrollment in the Nueces Aid Program. **(ACTION)**
3. Discuss and consider action on proposed amendments to the Nueces County Hospital District's Draft 90th Texas Legislative Session Agenda. **(ACTION)**

D. Texas Opioid Abatement Fund Council:

1. Discuss and consider supporting Nueces County's nomination of Dr. Alainya Tomanec for consideration as a regional member of the Texas Opioid Abatement Fund Council. **(ACTION)**

E. Board of Managers Business:

1. Discuss and consider postponing action on the election of Board of Managers Officers and appointment of Committee Chairs and Committee members for Fiscal Year 2027 until after the Commissioners Court takes action on Board reappointment(s) or appointment(s); annual officer elections and committee chair and committee member appointments pursuant to Board of Managers Bylaws, §2.2.A. **(ACTION)**

F. Administrator's Actions:

1. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the Hospital District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):
 - a. Engagement of Adamson & Company, LLC to perform an audit of the Hospital District's financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the fiscal year ended September 30, 2026 (October 1, 2025 - September 30, 2026); engagement pursuant to Texas Health and Safety Code, §281.092. **(ACTION)**
 - b. Donation of a jail inmate transport van to the Nueces County Sheriff's Department for use with inmates who are wheelchair users or have other special needs, donation valued at \$92,619.25; and donation pursuant to Texas Health and Safety Code, §281.050 and Texas Local Government Code, §81.032.

(ACTION)

G. Administrator's Briefing:

1. Briefing on federal Centers for Medicare & Medicaid Services' withholding of Texas Medicaid Directed and Supplemental Payments. **(INFORMATION)**

2. Next scheduled regular meetings of the Board of Managers and Board Committees (all meeting dates, times, and locations are subject to change):

a. Legislative Committee: Tuesday, October 27, 2026, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

b. Finance Committee: Tuesday, October 27, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and

c. Board of Managers: Tuesday, October 27, 2026, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

9. CLOSED MEETING – The Board of Managers may convene in closed session at any time during this meeting to deliberate any agenda item, as authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board reserves the right to discuss any agenda item in executive session when legally permitted, regardless of whether the item is customarily considered in open session. The presiding officer will announce the applicable statutory authority under the Act prior to each closed session. Any final action, decision, or vote will be taken in open session, either upon reconvening or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to Sections 551.071 and 551.074 of the Texas Government Code, as applicable.

A. Consult with attorneys regarding CPS Energy's proposed tax-exemption settlement Agreements related to the Barney Davis and Nueces Bay Power Plants and related matters.

B. Consult with attorneys on legal issues regarding Corpus Christi Housing Authority's workforce housing contracts, tax exemptions, potential open meetings violations, and related matters.

C. Consult with attorneys on matters related to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement and related matters.

10. **OPEN MEETING** - The Board will reconvene in open session following the Closed Meeting before taking action on Closed Meeting matters or adjourning.

A. Discuss and consider approval of the Third Amendment to the Amended and Restated Membership Agreement between CHRISTUS Spohn Health System Corporation, CHRISTUS Health, and the Hospital District extending the Membership Agreement through September 30, 2036, and authorizing the Administrator to execute the Amendment. (***ACTION***)

B. Discuss and consider taking final action, decision, or vote on other matters deliberated in Closed Meeting. (***ACTION AS NEEDED***)

11. **ADJOURN**

12. Public Notice Posting Receipt



Kara Sands

Nueces County Clerk
901 Leopard St #201
Corpus Christi, TX 78401

Main: (361)888-0580

Receipt: 20260916000032

Date: 09/16/2026

Time: 09:26AM

By: Vanessa D

Station: CLERK03

Status: ORIGINAL COPY

<u>Seq</u>	<u>Item</u>	<u>Document Description</u>	<u>Number</u>	<u>Number Of</u>	<u>Amount</u>	<u>Serial Number</u>
1	Public Notice	PBN	2026000462	11	\$0.00	

Order Total (1) \$0.00

<u>Seq</u>	<u>Payment Method</u>	<u>Transaction Id</u>	<u>Comment</u>	<u>Total</u>
1				\$0.00
Total Payments (1)				\$0.00
Change Due				\$0.00

NUECES COUNTY HOSPITAL DISTRICT

For more information about the County Clerk's office and to search property records online, please visit <http://www.nuecesco.com/county-services/county-clerk>



VG-12-2026-2026000462

Nueces County
Kara Sands
Nueces County Clerk

Instrument Number: 2026000462

Public Notice

PUBLIC NOTICES

Recorded On: September 16, 2026 09:26 AM

Number of Pages: 11

" Examined and Charged as Follows: "

Total Recording: \$0.00



STATE OF TEXAS
Nueces County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Nueces County, Texas

Kara Sands
Nueces County Clerk
Nueces County, TX

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2026000462
Receipt Number: 20260916000032
Recorded Date/Time: September 16, 2026 09:26 AM
User: Vanessa D
Station: CLERK03

Record and Return To:

NUECES COUNTY HOSPITAL DISTRICT