

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, March 16, 2021 at 12:00 PM**

AGENDA

1. WELCOME

2. ROLL CALL OF BOARD OF MANAGERS

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

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

A. Call to order.

B. Establish quorum.

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

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

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

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

- A. Approve Board of Managers minutes:
 - 1. Regular Meeting of January 27, 2021; and 7
 - 2. Special Meeting of March 2, 2021. 17

- B. Receive listing of new vendors as of March 11, 2021; listing provided 23
pursuant to Board of Managers Bylaws, §2.1.B and Texas Local
Government Code, Chapter 176.

- C. Receive hospital providers' quarterly reports relating to certain Indigent Care
Affiliation Agreements associated with participation in the Texas Healthcare
Transformation and Quality Improvement Program Medicaid 1115 Waiver for calendar
quarter-ended December 31, 2020:
 - 1. CHRISTUS Spohn Health System Corporation Hospitals: Alice, 24
Beeville, and Kleberg (Consolidated Report);
 - 2. Corpus Christi Medical Center; and 33
 - 3. Driscoll Children's Hospital. 37

- D. Receive summary payment information on Nueces County health care 38
disbursements for Fiscal Year 2021 year-to-date:
 - 1. Salaries, benefits, supplies, and intergovernmental transfers at/for Corpus
Christi/Nueces County Public Health Department;
 - 2. Emergency medical services provided in unincorporated areas of Nueces County;
 - 3. Supplemental and jail diversion program funding for Nueces Center for Mental
Health and Intellectual Disabilities;
 - 4. Medical services provided at County correctional facilities:
 - a. Nueces County Jail; and
 - b. Nueces County Juvenile Detention Center;
 - 5. Funding for alcohol and drug abuse treatment programs:
 - a. Cenikor (Charlie's Place);
 - b. Council on Alcohol and Drug Abuse; and
 - c. Palmer Drug Abuse Program;
 - 6. Funding for diabetes prevention and supporting programs;
 - 7. Public health grants; and
 - 8. Legal and professional fees. (*Finance Committee*)

- E. Receive summary imputed claims information on medical and hospital 39
care provided to the Nueces Aid Program population consistent with the
CHRISTUS Spohn Health System Corporation Amended and Restated
Membership Agreement for fiscal year-to-date periods-ended January 31,

2021 and February 28, 2021. *(Finance Committee)*

F. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. *(Finance Committee)* 41

G. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statement for months-ended January 31, 2021 and February 28, 2021. *(Finance Committee)* 42

H. Receive monthly statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C. *(Finance Committee)* 46

I. Receive summary report of year-to-date intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental payment programs sponsored by the Texas Health and Human Commission. *(Finance Committee)* 47

1. Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver):

- a. Delivery System Reform Incentive Payment (DSRIP) pool; and
- b. Hospital Uncompensated Care (UC) pool.

2. Disproportionate Share Hospitals (DSH) program;

3. Network Access Improvement Program (NAIP);

4. Uniform Hospital Rate Increase Program (UHRIP); and

5. Graduate Medical Education (GME). *(Finance Committee)*

J. Receive information relating to U.S. Department of Health and Human Services (DHHS) Poverty Guidelines:

1. Annual update of the DHHS Poverty Guidelines from Federal Register, Vol. 86, No. 19, February 1, 2021, pp. 7732-7734; and 49

2. Prior DHHS Poverty Guidelines and Federal Register References, 1982 - 2021. 52

K. Receive notice of annual increase adjustments of Nueces Aid Program's Eligibility Guidelines; adjustments effective March 1, 2021 for:

1. Household Resources as required by Program's Handbook Policy No. NA002, Attachment 2, Sections I-B, I-C-1, I-C-23, and I-F; and 57

2. Household Income as required by Program’s Handbook Policy No. NA002, Attachment 4, Section I-F-3. 65

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

A. Board Chairman Business:

1. Board of Managers Chairman to appoint new Board member Efrain Guerrero, Jr. to one or more Board committee(s); Chairman's appointment(s) pursuant to Board of Managers Bylaws, §2.5.A. (**ACTION**)

B. Finance Committee:

1. Receive and approve Annual Financial Report from Collier, Johnson, & Woods, P.C., Certified Public Accountants on Nueces County Hospital District's governmental activities financial statements, major funds, and aggregate remaining funds for fiscal year ended September 30, 2020. (**ACTION**) 74

2. Receive and approve unaudited financial statements for the months and fiscal year-to-date periods ended January 31, 2021 and February 28, 2021. (**ACTION**) 128

3. Receive reports relating to Nueces Aid Program enrollment for months ended January 31, 2021 and February 28, 2021 and discuss any variances in the number of participants enrolled as well as any other enrollment-related items pertaining to the Program. (**INFORMATION**) 142

4. Receive report on historical Nueces Aid Program enrollment for the months January 2011 - February 2021. (**INFORMATION**) 148

C. Legislative Committee:

1. Receive update on 87th Texas Legislative Session agenda. (**INFORMATION**) 149

D. COVID-19 Pandemic:

1. Ratify execution of Statement of Work (SOW) with Accenture, LLP to address COVID-19 response planning for revised 8-week term March 8, 2021- April 30, 2021; SOW relates to strategy and planning for COVID-19 vaccine second dose scheduling, emergency operations organization reviews, digital portal/test data management - testing and assessment services, public health messaging, and COVID-19 data analytics and reporting. (**ACTION**) 151

E. Community Mental Health Initiatives:

1. Nueces County's selection of Mental Health Programs Director.
(INFORMATION)

F. Replacement Medical Examiner's Facility Site:

1. Discuss and consider matters relating to proposed site for replacement medical examiner's facility. **(ACTION)**

G. Hospital District Website:

1. Receive and comment on presentation from Thomas L. Graham on Hospital District's website redesign (beta version); redesign related to pending Personal Services Contract deliverable to develop and upgrade NCHD website.

(INFORMATION)

7. ADMINISTRATOR'S BRIEFING:

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

1. Finance Committee: April 20, 2021, 11:15 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

2. Legislative Committee: April 20, 2021, 11:45 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and

3. Board of Managers: April 20, 2021, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

8. CLOSED MEETING - Public notice is hereby given that the Board of Managers may elect to go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551 and the Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act, §551.071 and/or §551.072. In the event the Board elects to go into closed session(s) regarding an agenda item(s), the section(s) of the Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed session(s), then the final action, final decision, or final vote shall be either: (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or (b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws:

A. Consult with attorneys on matters relating to Cause No. 2016DCV-0484-D, Sundial Owner's Association, Inc. v. Nueces County; Nueces County Hospital District; Del Mar Public Junior College District; City of Corpus Christi; and Port Aransas I.S.D in the

District Court of Nueces County, Texas, 105th Judicial District;

B. Consult with attorneys on matters related to Hospital District-owned real property;
and

C. Consult with attorneys on matters relating to Amended and Restated Membership Agreement between the Hospital District and CHRISTUS Spohn Health System Corporation.

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

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

11. **ADJOURN**

DRAFT

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR MEETING
JANUARY 27, 2021**

The Nueces County Hospital District Board of Managers met at 12:00 p.m., Wednesday, January 27, 2021 in the NCHD Board Room, at 555 N. Carancahua, Suite 950 – A, Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

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

OTHERS PRESENT:

Mark Hendrix	MHID – via Zoom
Mike Davis	MHID – via Zoom
Chris Nicosia	CCMC – via Zoom
Andrea Kovarik	MHID – via Zoom
Becky Rios	Christus Spohn Hospital – via Zoom
Jenny Dorsey	Nueces County Attorney – via Zoom
Gary Eiland	Consultant – via Zoom
Eric Evans	CCMC – via Zoom
Venesa Santos	Crosswinds – via Zoom
MK Trawick	via Zoom
Thomas Graham	Consultant – via Zoom
V. Camarillo	Corpus Christi Caller Times – via Zoom
IP address # 76.248.208.151	via Zoom
IP address # 107.77.218.82	via Zoom

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
JANUARY 27, 2021**

WELCOME

1. ROLL CALL OF BOARD OF MANAGERS

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

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

- A. Welcome new Board member Efrain Guerrero, Jr.
- B. Call to order – Mr. Dain, Chairman
The meeting was called to order by Mr. Dain at 12:55 p.m.
- C. Establish quorum – Mr. Dain.
A quorum was present with all members in attendance.

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

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

3. PUBLIC COMMENT - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting

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REGULAR MEETING
JANUARY 27, 2021**

room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must verbally notify the presiding officer of their desire to comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Board through a translator shall limit their comments to six (6) minutes.

No one to speak for public comment.

4. **CONSENT AGENDA** - The Consent Agenda consists of those agenda items which are routine, non-controversial, 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 meeting minutes of December 15, 2020 Regular Meeting.

B. Receive annual listing of vendors as of December 31, 2020; 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 2021 year-to-date:

1. Salaries, benefits, supplies, and intergovernmental transfers at/for Corpus Christi/Nueces County Public Health Department;
2. Emergency medical services provided in unincorporated areas of Nueces County;
3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
4. Medical services provided at County correctional facilities:
 - a. Nueces County Jail; and
 - b. Nueces County Juvenile Detention Center;
5. Funding for alcohol and drug abuse treatment programs:
 - a. Cenikor (Charlie's Place);
 - b. Council on Alcohol and Drug Abuse; and
 - c. Palmer Drug Abuse Program;
6. Funding for diabetes prevention and supporting programs;
7. Public health grants; and
8. Legal and professional fees. (*Finance Committee*)

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D. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended December 31, 2020. *(Finance Committee)*

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

F. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statement for month-ended December 31, 2020. *(Finance Committee)*

G. Receive fiscal year-to-date Local Provider Participation Fund activity report. *(Finance Committee)*

H. Receive summary report of year-to-date intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental payment programs sponsored by the Texas Health and Human Commission. *(Finance Committee)*

1. Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver):
 - a. Delivery System Reform Incentive Payment (DSRIP) pool; and
 - b. Hospital Uncompensated Care (UC) pool.
2. Disproportionate Share Hospitals (DSH) program;
3. Network Access Improvement Program (NAIP);
4. Uniform Hospital Rate Increase Program (UHRIP); and
5. Graduate Medical Education (GME). *(Finance Committee)*

Motion to approve 5.(A) – (C) and (E) – (H) by Mr. Valls and seconded by Ms. Oliver. MOTION CARRIED.

Item 5. (D) pulled by Ms. Oliver.

Ms. Oliver withdrew motion to pull Item 5 (D)

Motion to approve Item 5. (D) by Ms. Oliver and seconded by Mr. Valls. MOTION CARRIED.

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JANUARY 27, 2021**

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

A. Finance Committee:

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended December 31, 2020. (*ACTION*)

**Motion by Mr. Valls and seconded by Mr. Oliver.
Motion by Mr. Valls and seconded by Ms. Oliver
MOTION CARRIED.**

2. Receive and approve Quarterly Investment Report for fiscal quarter-ended December 31, 2020 and ratify related investment transactions. (*ACTION*)

**Motion by Mr. Valls and seconded by Ms. Oliver
MOTION CARRIED.**

3. Receive and discuss revenue, expense, and fund balance projections for Fiscal Year 2021 (October 1, 2020 - September 30, 2021) and subsequent Fiscal Years. (*INFORMATION*)

4. Receive reports relating to Nueces Aid Program enrollment for month-ended December 31, 2020. (*INFORMATION*)

B. Legislative Committee:

1. Receive update on legislative agenda for 87th Texas Session. (*INFORMATION*)

2. Discuss and consider revising adopted legislative agenda for 87th Texas Session. (*ACTION*)

**Motion by Mr. Valls and seconded by Ms. Flores.
MOTION CARRIED.**

3. Adopt Board of Managers Resolution supporting legislation to use certain funds for residents of the District. (*ACTION*)

**Motion by Mr. Valls and seconded by Ms. Oliver.
MOTION CARRIED.**

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REGULAR MEETING
JANUARY 27, 2021**

4. Adopt Board of Managers Resolution supporting legislation relating to use of tax-levied funds for indigent care and to fund health care services, including public health services, mental health and mental retardation services, emergency medical services, health services provided to persons confined in jail facilities, and for other health related purposes. *(ACTION)*

**Motion by Mr. Valls and seconded by Ms. Oliver.
MOTION CARRIED.**

5. Adopt Board of Managers Resolution supporting legislation redefining a management contractor for tort claims liability purposes. *(ACTION)*

**Motion by Mr. Valls and seconded by Ms. Flores.
MOTION CARRIED.**

6. Adopt Board of Managers Resolution supporting legislation to extend expiration of the Nueces County Hospital District Health Care Provider Participation Program. *(ACTION)*

**Motion by Mr. Valls and seconded by Ms. Flores.
MOTION CARRIED.**

C. COVID-19 Pandemic:

1. Discuss and consider approval of terms for Letter of Agreement relating to establishment of a COVID-19-related Alternate Care Site for subacute inpatient hospital surge capacity in Nueces County at CHRISTUS Spohn Hospital Corpus Christi - Shoreline located at 600 Elizabeth Street, Corpus Christi, Texas; and authorize Administrator to prepare and execute Letter of Agreement. *(ACTION)*

Motion by Mr. Valls to table Item C. and seconded by Ms. Oliver. MOTION CARRIED.

D. Community Mental Health Initiatives:

1. Discuss and consider approval of Interlocal Cooperation Act Agreements with Nueces Center for Mental Health and Intellectual Disabilities for the term October 1, 2020 through September 30, 2021 and authorize Administrator to execute Agreements:

a. Forensic Assertive Community Treatment (Forensic ACT) Program not to exceed \$1,340,000;

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JANUARY 27, 2021**

- b. Jail Diversion and Crisis Intervention Services not to exceed \$2,290,000; and
- c. Walk-In Crisis Clinic not to exceed \$570,000. (*ACTION*)

**Motion by Ms. Oliver and seconded by Ms. Flores.
MOTION CARRIED.**

- 2. Receive update on interview/selection process for Nueces County's Director of Mental Health Programs position to be funded and co-supervised by Hospital District. (*INFORMATION*)

E. Medicaid 1115 Waiver:

- 1. Receive information relating to recent Federal extension of the Texas Healthcare Transformation and Quality Improvement 1115 Demonstration Waiver through September 30, 2030. (*INFORMATION*)

F. Other Business:

- 1. Discuss and consider reappointing Ms. Rachel Canales as Director to CHRISTUS Spohn Health System Corporation's Board of Directors for three-year term commencing January 1, 2021 and ending December 31, 2023; receive and consider Nueces County Commissioners Court's nomination of the aforesaid individual; concur with Court's nomination and appoint nominee for aforesaid term; Hospital District's appointment pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Article III, Section 3.01(b); and authorize Administrator to notify Commissioners Court and CHRISTUS Spohn Health System Corporation. (*ACTION*)

**Motion by Mr. Valls and seconded by Ms. Flores.
MOTION CARRIED.**

- 2. Discuss and consider approval of Amendment No. 3 to Personal Services Contract, as amended, between Nueces County, Nueces County Hospital District, and Thomas L. Graham; Amendment extends term and final website deliverable due date to March 31, 2021; and authorize Administrator to execute Amendment. (*ACTION*)

**Motion by Mr. Valls and seconded by Ms. Oliver.
MOTION CARRIED.**

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BOARD OF MANAGERS
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JANUARY 27, 2021**

G. Administrator's Actions:

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

a. Ratify execution of Amendment to Interlocal Cooperation Act Contract with The University of Texas Medical Branch at Galveston to provide Health Care Services; Amendment extends term through August 31, 2020 and provides for automatic one-year renewals. (***ACTION***)

**Motion by Mr. Valls and seconded by Ms. Flores.
MOTION CARRIED.**

b. Ratify execution of Pharmacy Benefit Administrative Services Agreement with Script Care, Inc. for the term January 1, 2021 through December 31, 2021. (***ACTION***)

**Motion by Mr. Valls and seconded by Ms. Oliver.
MOTION CARRIED.**

6. ADMINISTRATOR'S BRIEFING:

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

1. Finance Committee Regular Meeting: February 16, 2021, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

2. Legislative Committee Regular Meeting: February 16, 2021, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and

3. Board of Managers Regular Meeting: February 16, 2021, 12:00 Noon in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. (***INFORMATION***)

7. CLOSED MEETING - Public notice is hereby given that the Board of Managers may elect to go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551 and the Board specifically expects to go into a

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
JANUARY 27, 2021**

closed session(s) on the matters listed below pursuant to the Act, §551.071. In the event the Board elects to go into closed session(s) regarding an agenda item(s), the section(s) of the

Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed session(s), then the final action, final decision, or final vote shall be either: (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or (b) at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine pursuant to applicable laws:

A. Consult with attorneys on matters relating to establishment of COVID-19-related Alternate Care Site at CHRISTUS Spohn Hospital Corpus Christi - Shoreline and associated matters.

Board Members did not call for Closed Meeting.

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

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

No Action Needed.

10. **ADJOURN**

Motion to adjourn by Mr. Dain. Motion by Mr. Valls and seconded by Ms. Flores. Meeting adjourned at 3:00 p.m.

**MINUTES
BOARD OF MANAGERS
REGULAR MEETING
JANUARY 27, 2021**

PRESIDING OFFICER

Daniel W. Dain, Chairman
Nueces County Hospital District

ATTEST:

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

Wm Dewitt Alsup, General Counsel
Nueces County Hospital District

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL MEETING
MARCH 2, 2021**

The Nueces County Hospital District Board of Managers met at 12:00 p.m., Tuesday, March 2, 2021 in the NCHD Board Room, at 555 N. Carancahua, Suite 950 – A, Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

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

OTHERS PRESENT:

Jenny P. Dorsey	Nueces County Atty.
Francisco X. Zamora	Nueces County Attorney Office, Chief of Admin. Services
Chris Nicosia	CCMC – via Zoom
Jared Konczal	Gjerset & Lorenz – via Zoom
Becky Rios	Christus Spohn Hospital – via Zoom
JT Graham	Crosswinds – via Zoom
Ryan Callison	Accenture – via Zoom
V. Camarillo	CC Caller Times – via Zoom
Adam Robison	Consultant – via Zoom
Gary Eiland	Consultant – via Zoom
Maggie Turner	Nueces County, Asst to Judge Canales – via Zoom
Barbara Canales	Nueces County Judge – via Zoom
Mike Pierce	- via Zoom
Dr. Michael Peterson	- via Zoom
Guest # 15128993995	- via Zoom
Guest # 122114978	- via Zoom

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
MARCH 2, 2021**

1. WELCOME

2. ROLL CALL OF BOARD OF MANAGERS

MEMBERS:

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

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

A. Call to order – Mr. Dain, Chairman

The meeting was called to order by Mr. Dain at 12:05 p.m.

B. Establish quorum – Mr. Dain.

A quorum was present with all members in attendance.

Daniel W. Dain, Chairman – PRESENT

Sylvia Tryon Oliver, Vice – Chairman – PRESENT – via Zoom

Belinda Flores, RN, Member – PRESENT – via Zoom

Vishnu V. Reddy, M.D., Member – PRESENT

John E. Valls, M.B.A., Member – PRESENT

Mariana Garza, J.D., Member – PRESENT – via Zoom

Efrain Guerrero, Jr., Member – PRESENT

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

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

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
MARCH 2, 2021**

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

No one to speak for public comment.

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

A. Discuss and consider revising legislative agenda for 87th Texas Session. (***ACTION***)

**Motion to approve Item A, omitting pg 4, No. 2 by
Mr. Valls and seconded by Dr. Reddy.
MOTION CARRIED.**

B. Discuss and consider approval of Statement of Work (SOW) with Accenture, LLP to assist with addressing COVID-19 response planning for the 8-week term March 3, 2021 - April 21, 2021; SOW relates to strategy and planning for COVID-19 vaccine second dose scheduling, emergency operations organization reviews, digital portal/test data management - testing and assessment services, public health messaging, and COVID-19 data analytics and reporting; authorize Administrator to execute SOW and related documents. (***ACTION***)

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

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

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
MARCH 2, 2021**

1. Amendment No. 1 to Statement of Work (SOW) with Accenture, LLP extending final deliverable to March 21, 2021; SOW originally entered October 21, 2020; SOW relates to the provision of and access to proprietary and COVID-19 related data supporting identification of Nueces County's social determinants of health; SOW includes provision of cloud-based social determinants data sets and development of geographical and population-based dashboards in conjunction with Texas Health Institute. SOW accompanies Texas Department of Information Resources Contract No. DIR-TSO-4062 relating to cloud services and related services. *(ACTION)*

**Motion to approve extension through April 13, 2021
by Dr. Reddy and seconded by Mr. Valls.
MOTION CARRIED.**

2. Amendment No. 1 to Agreement with Texas Health Institute extending term to March 23, 2021; Agreement originally entered October 20, 2020; Agreement relates to provision of project management, subject matter expert, environmental and policy scan, community stakeholder engagement services, and recommendations to guide Accenture, LLP's social determinants of health dashboard framework and metrics. *(ACTION)*

**Motion to approve extenson through April 13, 2021
by Dr. Reddy and seconded by Mr. Valls.
MOTION CARRIED.**

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

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
MARCH 2, 2021**

- A. Consult with attorneys on matters relating to Hospital District-owned real property.
- B. Consult with attorneys on matters relating to Amended and Restated Membership Agreement between the Hospital District and CHRISTUS Spohn Health System Corporation.
- C. Consult with attorneys on matters relating to the Professional Services Agreement between the Hospital District and The Law Office of Richard Schechter, P.C., The Lanier Law Firm, P.C., Reich & Binstock, LLP, and The Law Office of James B. Ragan and their respective team, and The Purnell Law Firm, Phipps Anderson Deacon, LLP and their respective team.

Mr. Dain called for close session at 12:53 p.m.

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

Mr. Dain called for open session at 1:45 p.m.

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

No Action taken.

9. **ADJOURN**

Motion to adjourn by Mr. Dain. Motion by Dr Reddy and seconded by Mr. Valls. Meeting adjourned at 1:46 p.m.

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
MARCH 2, 2021**

PRESIDING OFFICER:

Daniel W. Dain, Chairman
Nueces County Hospital District

ATTEST:

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

ABSENT

Wm Dewitt Alsup, General Counsel
Nueces County Hospital District

No vendor list at this meeting.

**SUMMARY OF COMMUNITY BENEFITS PROVIDED BY CHRISTUS SPOHN
HOSPITAL ALICE, CHRISTUS SPOHN HOSPITAL BEEVILLE, AND
CHRISTUS SPOHN HOSPITAL KLEBERG
JANUARY 2021**

Throughout the year, CHRISTUS Spohn Hospital Alice, CHRISTUS Spohn Hospital Beeville and CHRISTUS Spohn Hospital Kleberg (collectively, the “Hospitals”) provide healthcare services to the residents of Nueces County and Region 4, including inpatient and outpatient hospital services at their facilities and other healthcare and educational services in clinics and throughout the community. As part of their collaboration with the Nueces County Hospital District (“the District”), memorialized in the Nueces County Indigent Care Affiliation Agreement, the Hospitals have agreed to provide the District reports summarizing the services they provide in the community. In accordance with the State of Texas’ requirements for receipt of Medicaid supplemental payments under the Texas Demonstration Waiver program, the Hospitals and the District have certified that the Hospitals will not provide service summary reports more often than quarterly. Following is a summary report which provides an overview of the community services provided by the Hospitals in the three months ending December 31, 2020.

Hospital Services

The Hospitals provide a significant amount of uncompensated care to residents of Nueces County and surrounding communities, and experience unreimbursed costs for these services totaling approximately \$20.9 million annually.

The Hospitals recognize the need to support community health improvement services as well as local charitable organizations and collaborate to reach out to the surrounding communities. This outreach includes contributing funding to community agencies, providing education services to health professionals, operating a mobile clinic under its Community Outreach program, providing supervision to healthcare students, and providing free health screenings under its Cardiac Risk and Breast Care programs.

CHRISTUS Spohn Hospital Alice (“Alice”)

- Alice provides a significant amount of uncompensated care to residents of Jim Wells County and surrounding communities, and experiences unreimbursed costs for these services totaling approximately \$9.3 million annually.
- Alice also provided over \$18.9 million in inpatient and outpatient charitable healthcare services to indigent patients of Region 4 over the last three months. Although Alice remains willing and able to provide charity hospital services to patients eligible for Nueces Aid, no Nueces Aid patients presented for services at Alice during this period.
- Alice recognizes the need to provide emergency services to all residents of the community, including low-income and needy patients, and provides these services

regardless of a patient's ability to pay. Alice has achieved a Level IV Trauma Center designation by the State's Bureau of Emergency Management based on the 24-hour access to emergency physicians, radiology, and clinical laboratory services that Alice offers the local community. Included as **Exhibit A** is documentation supporting Alice's provision of these services, encompassing 5,239 patient visits, of which approximately 51% represent charity, Medicaid and uninsured patients.

- Alice recognizes that the state infant mortality rate exceeds 5% each year and the hospital is focused on reducing this rate. Through its superior pediatric facilities and newborn delivery services, Alice is proud to have brought 30 healthy babies into the world in the last quarter. Included as **Exhibit B** is information regarding these delivery services, of which approximately 93% represented charity, uninsured and Medicaid services.

CHRISTUS Spohn Hospital Beeville ("Beeville")

- Beeville provides a significant amount of uncompensated care to uninsured residents of the County and surrounding communities, and experiences unreimbursed costs for these services totaling approximately \$5.9 million annually.
- Beeville also provided over \$11.1 million in inpatient and outpatient charitable healthcare services to indigent patients during this period. Although Beeville remains willing and able to provide charity hospital services to patients eligible for Nueces Aid, no Nueces Aid patients presented for services at Beeville during this period.
- Beeville recognizes the need to provide emergency services to all residents of its community, including low-income and needy patients, and provides these services regardless of a patient's ability to pay. Beeville has achieved a Level IV Trauma Center designation by the State's Bureau of Emergency Management based on the 24-hour access to emergency physicians, radiology, and clinical laboratory services that Beeville offers the local community. Included as **Exhibit C** is documentation supporting Beeville's provision of these services. Of the 7,219 emergency encounters provided by Beeville, approximately 43% represent services provided to Medicaid, charity and uninsured patients.
- Beeville recognizes that the state infant mortality rate exceeds 5% each year and the hospital is focused on reducing this rate. Included as **Exhibit D** is information on the 47 newborn deliveries Beeville performed during this period, approximately 96% of which represent services to Medicaid, charity and uninsured.

CHRISTUS Spohn Hospital Kleberg ("Kleberg")

- Kleberg provides a significant amount of uncompensated care to residents of the County and surrounding communities, and experiences unreimbursed costs for these services totaling approximately \$5.7 million annually.
- Kleberg also provided approximately \$12.2 million in inpatient and outpatient charitable healthcare services to indigent patients during this period. Although Kleberg remains willing and able to provide charity hospital services to patients

eligible for Nueces Aid, no Nueces Aid patients presented for services at Kleberg during this period.

- Kleberg recognizes the need to provide emergency services to all residents of its community, including low-income and needy patients, and provides these services regardless of a patient's ability to pay. Kleberg has achieved a Level IV Trauma Center designation by the State's Bureau of Emergency Management based on the 24-hour access to emergency physicians, radiology, and clinical laboratory services that Kleberg offers the local community. Included as **Exhibit E** is documentation supporting Kleberg's provision of these services to 6,225 patients, of which approximately 42% represent charity, Medicaid and uninsured patients.
- Kleberg recognizes that the state infant mortality rate exceeds 5% each year and the hospital is focused on reducing this rate. Through its superior pediatric facilities and newborn delivery services, Kleberg is proud to have brought 101 healthy babies into the world during the last quarter. Included as **Exhibit F** is information regarding these delivery services, of which approximately 80% represented charity, uninsured and Medicaid services.

203936

**SUMMARY BY SERVICE - ALICE ER
OCTOBER 2020 - DECEMBER 2020**

Insurance Plan Group	Sum of Cases
0 - Not Specified	1
AG - AGENCY	39
CO - COMMERCIAL	34
HM - HEALTH MAINTENANCE ORGANIZATIO	220
HS - HOSPICE	2
KD - MEDICAID	86
KM - MEDICAID MANAGED	1068
KP - MEDICAID PENDING	11
MC - MEDICARE	758
MM - MEDICARE MANAGED	876
PP - PREFERRED PROVIDER ORGANIZATIO	568
SP - SELF-PAY	1516
TC - TRICARE-USFHP	31
WC - WORKERS COMPENSATION	29
Grand Total	5239

Payor	Sum of CASES
CHARITY/UNINSURED/SELF-PAY	1540
INSURED	2545
MEDICAID	1154
Grand Total	5239

**% of Alice ER with Medicaid/Charity/Uninsured/Self-Pay for October
2020 - December 2020** **51%**

**SUMMARY OF SERVICE - ALICE NEWBORNS
OCTOBER 2020 - DECEMBER 2020**

Insurance Plan Group	Sum of Cases
KD - MEDICAID	3
KM - MEDICAID MANAGED	24
KP - MEDICAID PENDING	1
PP - PREFERRED PROVIDER ORGANIZATIO	2
Grand Total	30

Payor	Sum of Cases
CHARITY/UNINSURED/SELF-PAY	1
INSURED	2
MEDICAID	27
Grand Total	30

**% of Alice Newborns with Medicaid/Charity/Uninsured/Self-Pay for
October - November 2020** **93%**

**SUMMARY BY SERVICE - BEEVILLE ER
OCTOBER 2020 - DECEMBER 2020**

Insurance Plan Group	Sum of Cases
AG - AGENCY	68
CO - COMMERCIAL	51
HM - HEALTH MAINTENANCE ORGANIZATIO	482
KD - MEDICAID	81
KM - MEDICAID MANAGED	1607
KP - MEDICAID PENDING	23
MC - MEDICARE	1185
MM - MEDICARE MANAGED	1400
PP - PREFERRED PROVIDER ORGANIZATIO	833
SP - SELF-PAY	1381
TC - TRICARE-USFHP	79
WC - WORKERS COMPENSATION	29
Grand Total	7219

Payor	Sum of Cases
CHARITY/UNINSURED/SELF-PAY	1434
INSURED	4097
MEDICAID	1688
Grand Total	7219

**% of Beeville ER with Medicaid/Charity Pay/Uninsured/Self-Pay
for October 2020 - December 2020** **43%**

**SUMMARY BY SERVICE - BEEVILLE NEWBORNS
OCTOBER 2020 - DECEMBER 2020**

Insurance Plan Group	Sum of Cases
HM - HEALTH MAINTENANCE ORGANIZATIO	1
KD - MEDICAID	4
KM - MEDICAID MANAGED	38
KP - MEDICAID PENDING	1
PP - PREFERRED PROVIDER ORGANIZATIO	1
SP - SELF-PAY	2
Grand Total	47

Payor	Sum of Cases
CHARITY/UNINSURED/SELF-PAY	3
INSURED	2
MEDICAID	42
Grand Total	47

**% of Beeville Newborns with Medicaid/Charity
Pay/Uninsured/Self-Pay for October 2020 - December 2020** **96%**

**SUMMARY OF SERVICES - KLEBERG ER
OCTOBER 2020 - DECEMBER 2020**

Insurance Plan Group	Sum of Cases
AG - AGENCY	176
CO - COMMERCIAL	68
HM - HEALTH MAINTENANCE ORGANIZATIO	297
HS - HOSPICE	4
KD - MEDICAID	64
KM - MEDICAID MANAGED	1241
KP - MEDICAID PENDING	16
MC - MEDICARE	770
MM - MEDICARE MANAGED	1213
PP - PREFERRED PROVIDER ORGANIZATIO	952
SP - SELF-PAY	1218
TC - TRICARE-USFHP	141
WC - WORKERS COMPENSATION	65
Grand Total	6225

Payor	Sum of Cases
CHARITY/UNINSURED/SELF-PAY	1313
INSURED	3607
MEDICAID	1305
Grand Total	6225

**% of Kleberg ER with Medicaid/Charity Pay/Uninsured/Self-Pay for
October 2020 - December 2020** **42%**

**SUMMARY BY SERVICE - KLEBERG NEWBORNS
OCTOBER 2020 - DECEMBER 2020**

Insurance Plan Group	Sum of Cases
HM - HEALTH MAINTENANCE ORGANIZATIO	2
KD - MEDICAID	7
KM - MEDICAID MANAGED	74
PP - PREFERRED PROVIDER ORGANIZATIO	16
TC - TRICARE-USFHP	2
Grand Total	101

Payor	Sum of Cases
INSURED	20
MEDICAID	81
Grand Total	101

**% of Kleberg Newborns with Medicaid/Charity Pay/Uninsured/Self-Pay
for October 2020 - December 2020** **80%**

Summary of Community Benefits Provided To

Nueces County Community

Quarter Ending December 31, 2020

By

Bay Area Healthcare Group, Ltd. d/b/a Corpus Christi Medical Center

Above all else, we are committed to the care and improvement of human life.

I. Background

The 2011 Texas Legislature directed HHSC to expand Medicaid managed care to achieve savings and to preserve hospital access to funding consistent with upper payment limit (UPL) funding. The best approach to achieve these goals along with delivery system reform and quality improvements was to negotiate a five-year 1115 waiver. In December 2011, Texas received federal approval for the 1115 Healthcare Transformation Waiver (Waiver). The Waiver requires providers and other stakeholders to work collectively and collaboratively to develop and submit a regional plan for health care delivery system reform through the formation of Regional Healthcare Partnerships (RHP's). Corpus Christi Medical Center is an active participant in the RHP 4 planning and has several proposed delivery system reform projects included in the final regional plan.

Integral to the success of the regional plan is the collaboration to support Nueces County Hospital District (District) in its mission to provide healthcare to the poor and needy. Throughout the year, CCMC provides healthcare services to the residents of Nueces (and surrounding) counties, including inpatient and outpatient hospital services at the facility, as well as other healthcare and educational services throughout the community. As part of the collaboration with the District, memorialized in the Nueces County Indigent Care Affiliation Agreement, CCMC agreed to provide the District periodic reports summarizing the services provided in the community.

The following is the thirty-third quarterly report, which provides an overview of the community benefits provided by CCMC during the last quarter.

II. Community Benefits

CCMC provides a significant amount of healthcare services that are delivered directly to members of the community at free or reduced cost. These services benefit the District by sharing the burden and responsibility for caring for the poor and needy. CCMC provides a significant amount of uncompensated care to the residents of Nueces County and surrounding communities. For this reporting period CCMC provided approximately \$37 million in uncompensated care, including the unreimbursed costs of treating Medicaid patients. CCMC continually strives to improve the services provided to the community, as well as access to those services. Listed on the next page are examples of some of the additional services provided by CCMC in their collaboration with the District.

III. Additional Services Provided by CCMC

- ◆ **Emergency Room Services:** CCMC recognizes the need to provide emergency services to all residents of its community, including low-income and needy patients, and provides these services regardless of a patient's ability to pay. Approximately 49% of all visits to CCMC's emergency department are charity, self-pay, or Medicaid patients.

III. Additional Services Provided by CCMC (continued)

- ◆ **Newborn Services:** CCMC recognizes that the state infant mortality rate exceeds 5% each year and the hospital is focused on reducing this rate. Approximately 59% of all births at CCMC are for charity, self-pay, or Medicaid patients.
- ◆ **Psychiatric Services:** Patients requiring psychiatric services are often one of the most underserved populations in the community, and CCMC strives to ensure that these patients receive appropriate care. CCMC is the largest provider of inpatient psychiatric care in the community with 60 beds and the capability to treat adolescent, adult, and geriatric patients. In addition, CCMC offers several outpatient programs designed to compliment our inpatient services. Approximately 58% of psychiatric services are provided to charity, self-pay, Medicaid, and low income patients.
- ◆ **Trauma Level II Services:** CCMC started pursuit of Level II trauma on 8/1/18 in response to the community's need for these services on the south side of town. Significant capital investment and major operating expenditures have been incurred (and are ongoing) to ensure a successful program with quality patient outcomes. Approximately 29% of the trauma patients are uninsured or low income.
- ◆ **New Equipment/Upgrades:** CCMC continues to renovate and upgrade its facility and equipment. Major projects/purchases include; Surgical equipment upgrades, Cardiovascular service line enhancements, Radiology upgrades, and Trauma Level II Services starting 8/1/18.
- ◆ **Physician Recruitment/Training:** CCMC continues to support its Internal Medicine residency program at levels that significantly exceed the caps funded by the Medicare program. In addition, CCMC is supporting two Fellowship programs in Cardiology and Pulmonary/Critical Care. CCMC is actively recruiting several physicians to the market, including Orthopedics, Cardiology, OB/Gyn, Urology, and FP. CCMC is also providing locum tenens and telemedicine coverage to alleviate the critical Behavioral Health provider shortage and supplement Neurology coverage.
- ◆ **Donations:** CCMC provided support to the following organizations in the fourth quarter of 2020; American Heart Association, American Cancer Society, and United Way,
- ◆ **Education and Outreach:** CCMC participated in various health fairs and speaking engagements, provided free health screenings, and volunteered staff and physicians for local radio and television health and wellness programs. Our programs include; Stroke support group, Weight loss and Bariatric surgery seminars, Behavioral Health seminars, Joint Replacement Classes, Childbirth Education classes, and fall prevention education.

III. Additional Services Provided by CCMC (continued)

- ◆ **Partnerships and Community Support:** CCMC is active in many community organizations; March of Dimes, American Heart Association, American Cancer Society, Rotary Club, United Way, CASA, Nueces County Medical Society, Charlie's Place, CCFD, and the Chamber of Commerce. Support includes personal and corporate donations as well as time volunteered by CCMC's employees. CCMC provides space at their Northwest campus free of charge in order for Del Mar College to offer classes in the local community.

- ◆ **COVID-19 Response:** CCMC has responded to the current crisis in our community by; 1) increasing bed capacity, 2) continually refining testing strategies to reduce the turnaround time, 3) partnering with our physicians on the appropriate clinical strategies, 4) securing additional nursing and physician resources to aid in the care of our patients, 5) continually refining our procedures/policies to comply with local, state, and federal guidelines, and 6) coordinating with local emergency management personnel on all reporting and response efforts. CCMC has begun vaccinating its employees and physicians in accordance with the federal guidelines. The initial allotment received in December was not enough to vaccinate all our employees and physicians which resulted in CCMC utilizing the federal tiering guidelines to identify those at the highest risk. Through December 31, 2020 CCMC was able to administer 1,119 first doses.

Summary of Community Benefits Provided By:

Driscoll Children's Hospital

Quarter Ending December 31st, 2020

- Driscoll Children's Hospital recognizes the need to provide emergency services to all residents of its community, including low-income and needy patients, and provides these services regardless of a patient's ability to pay. Approximately 81.68% of all visits to Driscoll's emergency departments are made by charity, self-pay, or Medicaid patients.
- Driscoll recognizes that the state infant mortality rate exceeds 5% each year and the hospital is focused on reducing this rate by providing the latest in medical technology and specialized care to newborns across the region. Over 64.03% of neonatal intensive care services are to charity, self-pay, or Medicaid patients.
- Patients requiring psychiatric services are often one of the most under-served populations in a community, and Driscoll strives to ensure that these patients receive appropriate care. Approximately 73.69% of the primary diagnosis behavioral services Driscoll offers in its facilities are provided to charity, self-pay, and Medicaid patients.
- Dedicated to our continued effort to improve the community's access to pediatric physician specialists, Driscoll recruited a Pediatric Neonatology. Driscoll also credentialed pediatric physicians to the medical staff of its hospital. These physicians began practicing within the hospital and physician groups during the 4th Quarter of 2020.
- Driscoll continues to provide a variety of health services to Nueces and surrounding counties to meet the needs of the underserved community:
 - These programs include but are not limited to: Community Health Fairs, health education, physician education, and therapy camps. These activities represent a community benefit of approximately \$36,702.
 - The Driscoll transport program provides emergency transports services via ambulance and air transport. Most of the children transported would not otherwise have had the means to access the service. From October 2020 through December 2020, there were 326 transports.

Nueces County Hospital District
 County Health Care Department Expenditures
 Cash Disbursements Relating to
 Fiscal Year 2021

	Fiscal 2021												Balance		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		YTD	Budget 2021
Intergovernmental Transfers															
Health Dept - County - IGT	0.00	0.00	0.00	87,089.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,089.65	1,208,100.00	1,121,010.35
County Healthcare Services															
Health Dept - County	0.00	0.00	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00	693,200.00	663,200.00
Emergency Medical Services	0.00	0.00	0.00	129,440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129,440.00	500,000.00	370,560.00
NC MHID - Fund Matching	0.00	0.00	0.00	242,289.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	242,289.00	969,129.00	726,840.00
NC MHID - Jail Programs	0.00	0.00	0.00	0.00	359,211.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	359,211.99	4,200,000.00	3,860,788.01
Mental Healthcare Services	0.00	0.00	184,751.00	31,188.00	29,688.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	245,627.00	556,801.00	311,174.00
Juvenile Center - Lab	0.00	650.00	1,273.50	503.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,427.00	407,000.00	
Juvenile Center - Doctors	2,743.33	16,958.67	15,824.34	15,795.00	7,886.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59,207.34		
Juvenile Center - Pharmacy	1,665.89	336.26	1,760.09	1,372.25	1,471.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,605.56		
Juvenile Center - Other	573.30	270.00	1,228.62	1,629.99	575.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,277.68		
Subtotal	4,982.52	18,214.93	20,086.55	19,300.74	9,932.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72,517.58	407,000.00	334,482.42
Nueces County Jail Services	292,040.33	292,040.33	353,224.55	353,224.55	353,224.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,643,754.31	5,250,800.00	3,607,045.69
Center															
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	60,000.00
Diabetes Program - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
County Public Health Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170,000.00	170,000.00
Alternate Care Site Funding	0.00	0.00	0.00	0.00	26,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,000.00	3,000,000.00	2,974,000.00
Professional Fees															
Legal/Consulting/Engineering	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	120,000.00	116,000.00
Totals	301,022.85	310,255.26	558,062.10	892,531.94	758,057.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,819,929.53	17,235,030.00	14,415,100.47

**Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2020
As if Adjudicated January 1, 2021 through January 31, 2021**

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	297	1,798,239	198,677	7,620	191,057
ASU	56	1,147,574	105,808	3,988	101,820
Clinic	1,594	780,708	218,051	11,308	206,743
Obs	10	280,574	48,064	0	48,064
OP	817	2,687,826	650,730	28,782	621,948
Subtotal	2,774	6,694,921	1,221,330	51,698	1,169,632
IP	38	2,647,200	353,581	11,886	341,695
SNF	-	-	-	-	-
RX	10,174	3,627,144	1,480,853	54,549	1,426,304
Physician	2,540	708,277	256,004	8,410	247,594
Total	15,526	13,677,542	3,311,768	126,543	3,185,225

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
Imputed Claims Experience for Calendar Year 2020
As if Adjudicated January 1, 2021 through February 28, 2021**

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	407	2,592,873	280,283	9,873	270,410
ASU	90	1,667,822	147,432	5,656	141,776
Clinic	2,204	1,064,767	297,389	13,947	283,442
Obs	17	497,041	88,552	0	88,552
OP	115	3,833,297	882,275	40,038	842,237
Subtotal	2,833	9,655,800	1,695,931	69,514	1,626,417
IP	92	6,040,265	859,585	14,283	845,302
SNF	-				-
RX	18,554	6,664,421	2,721,322	95,516	2,625,805
Physician	3,794	1,163,173	385,772	14,092	371,680
Total	25,273	23,523,659	5,662,610	193,405	5,469,204

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 2021

Member Revenue % 2.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Week 1	1,624,588.95	139,564.97	139,591.37	119,128.41	107,956.46	167,756.24							2,298,586.40
Week 2	130,996.52	112,756.05	145,888.20	121,503.13	143,087.83								654,231.73
Week 3	132,319.80	166,248.28	158,045.36	119,189.07	148,250.13								724,052.64
Week 4	125,520.11	127,276.13	146,591.03	150,094.50	156,695.85								706,177.62
Week 5	125,380.74			154,995.60									280,376.34
Subtotal	2,138,806.12	545,845.43	590,115.96	664,910.71	555,990.27	167,756.24	0.00	0.00	0.00	0.00	0.00	0.00	4,663,424.73



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

TEMP-RETURN SERVICE REQUESTED

MB 01 001302 52873 B 5 A
NUECES COUNTY HOSPITAL DISTRICT
ATTN: JONNY HIPPI
555 NORTH CARANCAHUA ST. SUITE 950
CORPUS CHRISTI TX 78401-0835

RECEIVED
MAR 08 2021
NCHD-ADMINISTRATION

PAGE 1 OF 4

Account Number [REDACTED]
Statement Period 02/01/2021 through 02/28/2021
Account Title CHRISTUS SPOHN HEALTH SYSTEM CORP /
NUECES COUNTY HOSPITAL DISTRICT
CHRISTUS SPOHN / NUECES CNTY ESCROW
ADMINISTRATIVE OFFICER GCAS CLIENT SERVICE.
13129923272 GCAS_AMRS_ESCROW_CLIENT_SERVICE
E@BAML.COM
ALTERNATE CONTACT CLIENT SERVICE.
13129923272 GCAS_AMRS_ESCROW_CLIENT_SERVICE
E@BOFA.COM

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For further information about the compensation provided by the FSCS, refer to the FSCS website at www.fscs.org.uk

PARTICIPATING PORTFOLIOS

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

PARTICIPATING PORTFOLIOS

PORTFOLIO NUMBER [REDACTED] PORTFOLIO NAME

Please visit the web address <http://www.bofaml.com/en-us/content/gcas-client-disclaimer.html> for important legal information and regulatory disclosures regarding this statement or report.





CASH AND EQUIVALENTS

7,261,361.53	BLACKROCK TREASURY TRUST - CASH MANAGEMENT M4	7,261,361.53	7,261,361.53	1,940.09
TOTAL CASH AND EQUIVALENTS		7,261,361.53	7,261,361.53	1,940.09

TRANSACTION SUMMARY

DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
BEGINNING BALANCE	0.00	0.00	7,261,314.65
DIVIDENDS	0.00	0.00	0.00
INTEREST	0.00	46.88	0.00
OTHER INCOME	0.00	0.00	0.00
RECEIPTS & DEPOSITS	0.00	0.00	0.00
SALES & DISPOSITIONS	0.00	0.00	0.00
INTRA ACCOUNT TRANSFERS	0.00	0.00	0.00
DISTRIBUTIONS & WITHDRAWALS	0.00	0.00	0.00
PURCHASES & ACQUISITIONS	0.00	-46.88	46.88
FEES & EXPENSES	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00
ENDING BALANCE	0.00	0.00	7,261,361.53

TRANSACTION DETAIL

DATE	DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
	BEGINNING BALANCE	0.00	0.00	7,261,314.65
02/01/21	INTEREST PAYMENT PAYABLE 02/01/21		46.88	
	BLACKROCK TREASURY TRUST - CASH MANAGEMENT M4			





TRANSACTION DETAIL (continued)

DATE	DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
02/01/21	SWEEP PURCHASE 46.88 SHARES		-46.88	46.88
	TRADE 02/01/21 BLACKROCK TREASURY TRUST - CASH MANAGEMENT N4			
	ENDING BALANCE	0.00	0.00	7,261,361.53

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27/FEB/2021 CA NUECES COUNTY HOSPITAL DISTRICT 02/01/2021 thru 02/28/2021



You are solely responsible for making, and the content of, any required filings with any state or government agency, any self-regulatory organization or exchange and for the accuracy of the information contained therein. Bank of America does not act as a tax agent. Bank of America does not render any opinion or provide advice regarding legal, compliance, accounting, regulatory or tax matters and it is your responsibility to seek such legal, compliance, accounting, regulatory or tax advice as you deem necessary. The Information is not intended or written to be used, and cannot be used or relied upon for the purpose of avoiding tax penalties.

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45 This website address appears at the foot of your reports and statements for your convenience.

Cash Sweep Clients

With respect to any "cash sweep vehicle", if applicable, Money Market Funds and Mutual Funds are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813 (l)), are not insured or guaranteed by the U.S. Government, the FDIC or any other government agency, are not insured, endorsed or guaranteed by Bank of America, are not obligations of Bank of America, and involve investment risk, including possible loss of principal. If a receiver were appointed for Bank of America, the client would have an ownership interest in the shares of the Money Market Fund or the Mutual Fund that Bank of America purchased on behalf of the client.

Nueces County Hospital District
 Nueces LPPF Activity
 Fiscal Year 2021

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balan	0.00	0.00	18,017,693.17	18,223,793.14	16,601,593.29	31,864,161.55	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	0.00
Deposits													
Christus Spohn		7,137,824.25			7,137,824.25								14,275,648.50
CCMC		5,322,796.00			5,322,796.00								10,645,592.00
CC Rehab		0.00	206,276.50		206,276.50								412,553.00
Driscoll		4,676,181.50			4,676,181.50								9,352,363.00
PAM Specialty		231,198.00			231,198.00								462,396.00
PAM Rehab		103,532.25			103,532.25								207,064.50
S. TX Surgical		546,131.50			546,131.50								1,092,263.00
Subtotal	0.00	18,017,663.50	206,276.50	0.00	18,223,940.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,447,880.00
Interest		29.67	138.92	128.90	117.65								415.14
Transfers In													0.00
Total Deposits	0.00	18,017,693.17	206,415.42	128.90	18,224,057.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,448,295.14
Inter-Governmental Transfers													
UC					(2,960,356.64)	(48,381.90)							(3,008,738.54)
DSRIP				(1,621,246.24)									(1,621,246.24)
DSH													0.00
NAIP													0.00
UHRIP													0.00
Total IGT's	0.00	0.00	0.00	(1,621,246.24)	(2,960,356.64)	(48,381.90)	0.00	0.00	0.00	0.00	0.00	0.00	(4,629,984.78)
Bank Fees			(315.45)	(1,082.51)	(1,132.75)								(2,530.71)
Transfers Out													0.00
Ending Balance	0.00	18,017,693.17	18,223,793.14	16,601,593.29	31,864,161.55	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65	31,815,779.65

Nueces County Hospital District
 Medicaid Payment Programs
 Intergovernmental Transfer Activity

IGT Date	Description	Total NCHD IGT		Spohn			Spohn Rural (Alicia/Beer/Kiebert)			CCMC			Driscoll		
		DSRIP	UC	DSH	UHRIP	NAIP	DSRIP	UHRIP	UC	DSRIP	UHRIP	UC	DSRIP	UHRIP	UC
10/05/2020	UC DY4 Withheld		245,815					47,167			135,159				
10/09/2020	DSH-2021 Adv Pmt 1			2,553,320											
10/13/2020	NAIP					1,604,250									
11/04/2020	DSH-2021 Adv Pmt 2			2,711,953											
11/06/2020	UHRIP-PY4 Pmt 3				8,802,410								8,738,812		
11/10/2020	NAIP					1,604,250									
12/10/2020	NAIP				(225,813)								(191,346)		
12/24/2020	Refund-UHRIP Yr3														
01/06/2021	DSRIP	4,755,079							1,142,894						
01/06/2021	DSRIP-LPPF														
01/11/2021	NAIP					1,604,250									
02/04/2021	UC DY10 Adv pmt		21,951,143												
02/04/2021	UC DY10 Adv pmt-LPPF														
02/10/2021	NAIP					1,604,250									
03/03/2021	DSH-2021 Adv Pmt 3			4,271,228											
03/03/2021	UC DY5 Withheld		130,293												
03/03/2021	UC DY5 Withheld-LPPF														
03/10/2021	NAIP					1,604,250									
Total YTD FY2021		4,755,079	22,327,251	9,536,500	8,576,597	9,625,501	1,142,894	3,347,241	5,038,928	1,460,090	8,547,466	9,145,965	3,607,888	0	356,058
FY2012 to Date		316,189,537	390,050,619	170,165,454	54,209,228	86,551,550	42,212,701	14,343,879	147,574,896	99,489,036	46,663,102	111,443,265	256,134,351	0	15,917,969
Combined Totals						1,017,166,388		204,131,476				257,595,402			272,052,319
				58%				11%						14%	

* Total entity payments subject to FHSC review and administrative fees.

Nueces County Hospital District
 Medicaid Payment Programs
 Intergovernmental Transfer Activity

IGT Date	Description	Total NCHD IGT	DeTar		Nueces Cnty Public Health Dept	N. Bay/S Tx Surgical/Rehab/Pam		Total Receipts
			DSRIP	UHRIP		UC	UHRIP	
10/05/2020	UC DY4 Withheld	179,605						428,141
10/09/2020	DSH-2021 Adv Pmt 1	816,807						2,553,320
10/13/2020	NAIP	513,200						1,604,250
11/04/2020	DSH-2021 Adv Pmt 2	867,554						2,711,953
11/06/2020	UHRIP-PY4 Pmt 3	9,533,589		2,648,948			323,637	23,969,200
11/10/2020	NAIP	513,200						1,604,250
12/10/2020	NAIP	513,200						1,604,250
12/24/2020	Refund-UHRIP Yr3	(252,197)		(65,961)			(2,674)	(593,946)
01/06/2021	DSRIP	1,973,851			272,240			6,170,213
01/06/2021	DSRIP-LPPF	1,621,246						5,067,978
01/11/2021	NAIP	513,200						1,604,250
02/04/2021	UC DY10 Adv pmt	8,604,174						26,896,448
02/04/2021	UC DY10 Adv pmt-LPPF	2,960,357						9,254,006
02/10/2021	NAIP	513,200						1,604,250
03/03/2021	DSH-2021 Adv Pmt 3	1,366,366						4,271,228
03/03/2021	UC DY5 Withheld	75,772						176,749
03/03/2021	UC DY5 Withheld-LPPF	48,382						112,857
03/10/2021	NAIP	513,200						1,604,250
Total YTD FY2021		30,874,703	0	2,582,987	0	272,240	320,963	90,643,647
FY2012 to Date		764,835,911	24,949,804	15,449,906	47,723,156	17,444,507	1,800,808	1,858,313,766
Combined Totals			88,122,866	5%	17,444,507	1%	1,800,808	1,858,313,766

* Total entity payments subject to FHSC review and administrative fees.

that have engineered sharps injury protections as described in the Needlestick Safety and Prevention Act, Public Law 106–430, 114 Stat. 1901 (Nov. 6, 2000) and Occupational Safety and Health Administration (OSHA) standard 29 CFR 1910.1030, Bloodborne Pathogens.”

A copy of the Notice of the March 25 Designation, including the above modifications and those included in the June 30, 2020 and July 30, 2020 notices is provided below and also can be found on HHS’s website.

Notice of Designation of Scarce Materials or Threatened Materials

Health or medical resources, or any of their essential components, determined by the Secretary of HHS to be needed to respond to the spread of COVID–19 and which are, or are likely to be, in short supply (scarce materials) or the supply of which would be threatened by hoarding (threatened materials). Designated scarce materials or threatened materials are subject to periodic review by the Secretary.

The following materials are designated pursuant to section 102 of the Defense Production Act (50 U.S.C. 4512) and Executive Order 13190 of March 23, 2020 (Preventing Hoarding of Health and Medical Resources to Respond to the Spread of COVID–19) as scarce materials or threatened materials:

1. N–95 Filtering Facepiece Respirators, including devices that are disposable half-face-piece non-powered air-purifying particulate respirators intended for use to cover the nose and mouth of the wearer to help reduce wearer exposure to pathogenic biological airborne particulates
2. Other Filtering Facepiece Respirators (*e.g.*, those designated as N99, N100, R95, R99, R100, or P95, P99, P100), including single-use, disposable half-mask respiratory protective devices that cover the user’s airway (nose and mouth) and offer protection from particulate materials at or greater than an N95 filtration efficiency level per 42 CFR 84.181.
3. Elastomeric, air-purifying respirators and appropriate particulate filters/cartridges
4. Powered Air Purifying Respirators (PAPR)
5. Portable Ventilators, including portable devices intended to mechanically control or assist patient breathing by delivering a predetermined percentage of oxygen in the breathing gas
6. Sterilization services for any device as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) and sterilizers as defined in

21 CFR 880.6860, 880.6870, and 880.6880, including devices that already have FDA marketing authorization and those that do not have FDA marketing authorization but are intended for the same uses, or are authorized by FDA under section 564 of the FD&C Act for purposes of decontamination

7. Disinfecting devices intended to kill pathogens and other kinds of microorganisms by chemical means or physical means, including those defined in 21 CFR 876.1500, 880.6992, and 892.1570 and other sanitizing and disinfecting products suitable for use in a clinical setting

8. Medical gowns or apparel, *e.g.*, surgical gowns or isolation gowns

9. Personal protective equipment (PPE) coveralls, *e.g.*, Tyvek Suits

10. Face masks, including any masks that cover the user’s nose and mouth and may or may not meet fluid barrier or filtration efficiency levels

11. Surgical masks, including masks that covers the user’s nose and mouth and provides a physical barrier to fluids and particulate materials

12. PPE face shields, including those defined at 21 CFR 878.4040 and those intended for the same purpose

13. PPE gloves or surgical gloves, including those defined at 21 CFR 880.6250 (exam gloves) and 878.4460 (surgical gloves) and such gloves intended for the same purposes

14. Ventilators, anesthesia gas machines modified for use as ventilators, and positive pressure breathing devices modified for use as ventilators (collectively referred to as “ventilators”), ventilator tubing connectors, and ventilator accessories as those terms are described in FDA’s March 2020 Enforcement Policy for Ventilators and Accessories and Other Respiratory Devices During the Coronavirus Disease 2019 (COVID–19) Public Health Emergency located at <https://www.fda.gov/media/136318/download>.

15. Laboratory reagents and materials used for isolation of viral genetic material and testing, such as transport media, collection swabs, test kits and reagents specific to those kits, and consumables such as plastic pipette tips and plastic tubes

16. Drug products currently recommended by the NIH COVID–19 Treatment Guidelines Panel, including (as of July 30, 2020) remdesivir and dexamethasone

17. Alcohol-based (over 60 percent) hand sanitizer and rubs.

18. Syringes and hypodermic needles (whether distributed separately or attached together) generally used in the

United States for vaccinations that are either:

(i) Piston syringes in 1 ml or 3 ml sizes that allow for the controlled and precise flow of liquid as described by 21 CFR 880.5860, that are compliant with ISO 7886–1:2017 and use only Current Good Manufacturing Practices (CGMP) processes; or

(ii) Hypodermic single lumen needles between 1” and 1.5” and 22 to 25 gauge between 1” and 1.5” and 22 to 25 gauge that have engineered sharps injury protections as described in the Needlestick Safety and Prevention Act, Public Law 106–430, 114 Stat. 1901 (Nov. 6, 2000) and OSHA standard 29 CFR 1910.1030, Bloodborne Pathogens.”

Authority: The authority for this Notice is Executive Order 13910 and section 102 of the Defense Production Act of 1950, 50 U.S.C. 4512, as amended.

Norris Cochran,

Acting Secretary, Department of Health and Human Services.

[FR Doc. 2021–02102 Filed 1–29–21; 8:45 am]

BILLING CODE 4150–37–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Annual Update of the HHS Poverty Guidelines

AGENCY: Department of Health and Human Services.

ACTION: Notice.

SUMMARY: This notice provides an update of the Department of Health and Human Services (HHS) poverty guidelines to account for last calendar year’s increase in prices as measured by the Consumer Price Index.

DATES: *Applicable:* January 13, 2021 unless an office administering a program using the guidelines specifies a different effective date for that particular program.

ADDRESSES: Office of the Assistant Secretary for Planning and Evaluation, Room 404E, Humphrey Building, Department of Health and Human Services, Washington, DC 20201.

FOR FURTHER INFORMATION CONTACT: For information about how the guidelines are used or how income is defined in a particular program, contact the Federal, state, or local office that is responsible for that program. For information about poverty figures for immigration forms, the Hill–Burton Uncompensated Services Program, and the number of people in poverty, use the specific telephone numbers and addresses given below.

For general questions about the poverty guidelines themselves, contact Kendall Swenson, Office of the Assistant Secretary for Planning and Evaluation, Room 404E.3, Humphrey Building, Department of Health and Human Services, Washington, DC 20201—telephone: (202) 795-7309—or visit <http://aspe.hhs.gov/poverty/>.

For information about the percentage multiple of the poverty guidelines to be used on immigration forms such as USCIS Form I-864, Affidavit of Support, contact U.S. Citizenship and Immigration Services at 1-800-375-5283. You also may visit <https://www.uscis.gov/i-864>.

For information about the Hill-Burton Uncompensated Services Program (free or reduced-fee health care services at certain hospitals and other facilities for persons meeting eligibility criteria involving the poverty guidelines), contact the Health Resources and Services Administration Information Center at 1-800-638-0742. You also may visit <https://www.hrsa.gov/get-health-care/affordable/hill-burton/index.html>.

For information about the number of people in poverty, visit the Poverty section of the Census Bureau's website at <https://www.census.gov/topics/income-poverty/poverty.html> or contact the Census Bureau's Customer Service Center at 1-800-923-8282 (toll-free) or visit <https://ask.census.gov> for further information.

SUPPLEMENTARY INFORMATION:

Background

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902(2)) requires the Secretary of the Department of Health and Human Services to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are used as an eligibility criterion by Medicaid and a number of other Federal programs. The *poverty guidelines* issued here are a simplified version of the *poverty thresholds* that the Census Bureau uses to prepare its estimates of the number of individuals and families in poverty.

As required by law, this update is accomplished by increasing the latest published Census Bureau poverty thresholds by the relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI-U). The guidelines in this 2021 notice reflect the 1.2 percent price increase between calendar years 2019 and 2020. After this inflation adjustment, the guidelines are rounded and adjusted to standardize the

differences between family sizes. In rare circumstances, the rounding and standardizing adjustments in the formula result in small decreases in the poverty guidelines for some household sizes even when the inflation factor is not negative. In cases where the year-to-year change in inflation is not negative and the rounding and standardizing adjustments in the formula result in reductions to the guidelines from the previous year for some household sizes, the guidelines for the affected household sizes are fixed at the prior year's guidelines. As in prior years, these 2021 guidelines are roughly equal to the poverty thresholds for calendar year 2020 which the Census Bureau expects to publish in final form in September 2021.

The poverty guidelines continue to be derived from the Census Bureau's current official poverty thresholds; they are not derived from the Census Bureau's Supplemental Poverty Measure (SPM).

The following guideline figures represent annual income.

2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$12,880
2	17,420
3	21,960
4	26,500
5	31,040
6	35,580
7	40,120
8	44,660

For families/households with more than 8 persons, add \$4,540 for each additional person.

2021 POVERTY GUIDELINES FOR ALASKA

Persons in family/household	Poverty guideline
1	\$16,090
2	21,770
3	27,450
4	33,130
5	38,810
6	44,490
7	50,170
8	55,850

For families/households with more than 8 persons, add \$5,680 for each additional person. 50

2021 POVERTY GUIDELINES FOR HAWAII

Persons in family/household	Poverty guideline
1	\$14,820
2	20,040
3	25,260
4	30,480
5	35,700
6	40,920
7	46,140
8	51,360

For families/households with more than 8 persons, add \$5,220 for each additional person.

Separate poverty guideline figures for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. (Note that the Census Bureau poverty thresholds—the version of the poverty measure used for statistical purposes—have never had separate figures for Alaska and Hawaii.) The poverty guidelines are not defined for Puerto Rico or other outlying jurisdictions. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office that administers the program is generally responsible for deciding whether to use the contiguous-states-and-DC guidelines for those jurisdictions or to follow some other procedure.

Due to confusing legislative language dating back to 1972, the poverty guidelines sometimes have been mistakenly referred to as the “OMB” (Office of Management and Budget) poverty guidelines or poverty line. In fact, OMB has never issued the guidelines; the guidelines are issued each year by the Department of Health and Human Services. The poverty guidelines may be formally referenced as “the poverty guidelines updated periodically in the **Federal Register** by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).”

Some federal programs use a percentage multiple of the guidelines (for example, 125 percent or 185 percent of the guidelines), as noted in relevant authorizing legislation or program regulations. Non-Federal organizations that use the poverty guidelines under their own authority in non-Federally-funded activities also may choose to use a percentage multiple of the guidelines.

The poverty guidelines do not make a distinction between farm and non-farm families, or between aged and non-aged units. (Only the Census Bureau poverty thresholds have separate figures for aged

and non-aged one-person and two-person units.)

This notice does not provide definitions of such terms as “income” or “family” as there is considerable variation of these terms among programs that use the poverty guidelines. The legislation or regulations governing each program define these terms and determine how the program applies the poverty guidelines. In cases where legislation or regulations do not establish these definitions, the entity that administers or funds the program is responsible to define such terms as “income” and “family.” Therefore questions such as net or gross income, counted or excluded income, or household size should be directed to the entity that administers or funds the program.

Norris Cochran,

Acting Secretary, Department of Health and Human Services.

[FR Doc. 2021-01969 Filed 1-29-21; 8:45 am]

BILLING CODE 4150-05-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-NRNL-DTS#-31404;
PPWOCRADIO, PCU00RP14.R50000]

National Register of Historic Places; Notification of Pending Nominations and Related Actions

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: The National Park Service is soliciting electronic comments on the significance of properties nominated before January 16, 2021, for listing or related actions in the National Register of Historic Places.

DATES: Comments should be submitted electronically by February 16, 2021.

ADDRESSES: Comments are encouraged to be submitted electronically to *National_Register_Submissions@nps.gov* with the subject line “Public Comment on <property or proposed district name, (County) State>.” If you have no access to email you may send them via U.S. Postal Service and all other carriers to the National Register of Historic Places, National Park Service, 1849 C Street NW, MS 7228, Washington, DC 20240.

SUPPLEMENTARY INFORMATION: The properties listed in this notice are being considered for listing or related actions in the National Register of Historic Places. Nominations for their consideration were received by the National Park Service before January 16,

2021. Pursuant to Section 60.13 of 36 CFR part 60, comments are being accepted concerning the significance of the nominated properties under the National Register criteria for evaluation.

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Nominations submitted by State or Tribal Historic Preservation Officers:

DISTRICT OF COLUMBIA

District of Columbia

Annie’s Paramount Steakhouse, 1519 and 1609-1611 17th St. NW, Washington, SG100006178

GEORGIA

Fulton County

Sperry & Hutchinson Company Warehouse, 2181 Sylvan Rd., East Point, SG100006164

IOWA

Henry County

Schantz, Christian K. and Margaret (Rich), House and Carpentry Shop, 116 West 2nd St., Wayland, SG100006173

Scott County

WOC Broadcasting Center, 805 Brady St., Davenport, SG100006171

MISSISSIPPI

Hinds County

Falk, Meyer and Genevieve, House, 2037 Eastbourne Pl., Jackson, SG100006163

Lafayette County

Abbeville Colored School, West side of Cty. Rd, 115, Abbeville vicinity, SG100006175

MISSOURI

Cole County

J.B. Bruns Shoe Co. Building, 627 West McCarty St., Jefferson City, SG100006167

St. Louis Independent City

Goodwill Building, 4140 Forest Park Ave., St. Louis, SG100006165

OHIO

Allen County

J.M. Sealts Company Warehouse Building, The 330 North Central Ave., Lima, SG100006179

PENNSYLVANIA

Allegheny County

Riverview Park, Roughly bounded by Woods Run Ave., Mairdale Ave., Perrysville Ave., and Kilbuck St., Pittsburgh, SG100006181

VERMONT

Bennington County

Norton, Julius and Sophia, House, 300 Pleasant St., Bennington, SG100006180

VIRGINIA

Lunenburg County

Woodburn, 673 Meherrin River Rd., Chase City vicinity, SG100006177

Williamsburg Independent City

College Terrace Historic District, 600 and 700 blks. of College Ter. and Richmond Rd., Williamsburg, SG100006176

Additional documentation has been received for the following resources:

IOWA

Clayton County

McGregor Commercial Historic District (Additional Documentation), (Iowa’s Main Street Commercial Architecture MPS), A and 1st Sts. between Main and intersection of A and 1st Sts., McGregor, AD02001033

Keokuk County

Saints Peter and Paul Roman Catholic Church Historic District (Additional Documentation), 30748-30832 242nd St., Harper vicinity, AD86002277

A request for removal has been made for the following resource:

NEVADA

Elko County

Lamoille Organization Camp, Right Fork of Lamoille Creek, end of FS Rd. 122, Ruby Mountains Ranger District, Humboldt—Toiyabe NF, Lamoille vicinity, OT07000553

Authority: Section 60.13 of 36 CFR part 60.

Dated: January 21, 2021.

Sherry A. Frear,

*Chief, National Register of Historic Places/
National Historic Landmarks Program.*

[FR Doc. 2021-02056 Filed 1-29-21; 8:45 am]

BILLING CODE 4312-52-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-528-529 and
731-TA-1264-1268 (Review)]

Certain Uncoated Paper From Australia, Brazil, China, Indonesia, and Portugal; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930 (“the Act”), as amended, to determine whether revocation of the countervailing duty orders on certain



OFFICE OF THE ASSISTANT SECRETARY
FOR PLANNING AND EVALUATION

PRIOR HHS POVERTY GUIDELINES AND FEDERAL REGISTER REFERENCES

HOME • PRIOR HHS POVERTY GUIDELINES A...

Poverty guidelines since 1982 for the 48 contiguous states and the District of Columbia can be calculated by addition using the figures shown below. (This simple calculation procedure gives correct guideline figures for each year, but it is not identical to the procedure by which the poverty guidelines are calculated from the poverty thresholds each year; see an example calculation.) Before 1982, the poverty guidelines were issued by the Office of Economic Opportunity/Community Services Administration.

NOTE: The poverty guideline figures below are NOT the figures the Census Bureau uses to calculate the number of poor persons.

The figures that the Census Bureau uses are the poverty thresholds.

HHS Poverty Guidelines

YEAR	FIRST PERSON	EACH ADDITIONAL PERSON	(FOUR-PERSON FAMILY)	PAGE WITH COMPLETE DETAILS
2021	\$12,880	\$4,540	(\$26,500)	2021 Guidelines
2020	\$12,760	\$4,480	(\$26,200)	2020 Guidelines
2019	\$12,490	\$4,420	(\$25,750)	2019 Guidelines
2018	\$12,140	\$4,320	(\$25,100)	2018 Guidelines
2017	\$12,060	\$4,180	(\$24,600)	2017 Guidelines
2016	\$11,880	Varies	(\$24,300)	2016 Guidelines
2015	\$11,770	\$4,160	(\$24,250)	2015 Guidelines

YEAR	FIRST PERSON	EACH ADDITIONAL PERSON	(FOUR-PERSON FAMILY)	PAGE WITH COMPLETE DETAILS
2014	\$11,670	\$4,060	(\$23,850)	2014 Guidelines
2013	\$11,490	\$4,020	(\$23,550)	2013 Guidelines
2012	\$11,170	\$3,960	(\$23,050)	2012 Guidelines
2011	10,890	3,820	(22,350)	2011 Guidelines
2010	10,830	3,740	(22,050)	Guidelines for Remainder of 2010 Extension of 2009 Guidelines Until at Least 5/31/2010
2009	10,830	3,740	(22,050)	2009 Guidelines
2008	10,400	3,600	(21,200)	2008 Guidelines
2007	10,210	3,480	(20,650)	2007 Guidelines
2006	9,800	3,400	(20,000)	2006 Guidelines
2005	9,570	3,260	(19,350)	2005 Guidelines
2004	9,310	3,180	(18,850)	2004 Guidelines
2003	8,980	3,140	(18,400)	2003 Guidelines
2002	8,860	3,080	(18,100)	2002 Guidelines
2001	8,590	3,020	(17,650)	2001 Guidelines
2000	8,350	2,900	(17,050)	2000 Guidelines
1999	8,240	2,820	(16,700)	1999 Guidelines
1998	8,050	2,800	(16,450)	1998 Guidelines
1997	7,890	2,720	(16,050)	1997 Guidelines
1996	7,740	2,620	(15,600)	1996 Guidelines
1995	7,470	2,560	(15,150)	

YEAR	FIRST PERSON	EACH ADDITIONAL PERSON	(FOUR-PERSON FAMILY)	PAGE WITH COMPLETE DETAILS
1994	7,360	2,480	(14,800)	
1993	6,970	2,460	(14,350)	
1992	6,810	2,380	(13,950)	
1991	6,620	2,260	(13,400)	
1990	6,280	2,140	(12,700)	
1989	5,980	2,040	(12,100)	
1988	5,770	1,960	(11,650)	
1987	5,500	1,900	(11,200)	
1986	5,360	1,880	(11,000)	
1985	5,250	1,800	(10,650)	
1984	4,980	1,740	(10,200)	
1983	4,860	1,680	(9,900)	
1982*	4,680	1,540	(9,300)	
* Figures for nonfarm families only.				

For a table showing the poverty guidelines for all family sizes back to 1965, see Table 3.E8 in the most recent Annual Statistical Supplement of the Social Security Bulletin .

Poverty guidelines for the years shown above can be found in the *Federal Register* as follows:

2020 Vol. 85, No. 12, January 17, 2020, pp. 3060-3061

2019 Vol. 84, No. 22, February 1, 2019, pp. 1167-1168

2018 Vol. 83, No. 12, January 18, 2018, pp. 2642-2644

2017 Vol. 82, No. 19, January 31, 2017, pp. 8831-8832

2016 Vol. 81, No.15 January 25, 2016, pp. 4036-4037

2015 Vol. 80, No. 14, January 22, 2015, pp. 3236-3237

2014 Vol. 79, No. 14, January 22, 2014, pp. 3593-3594

2013 Vol. 78, No. 16, January 24, 2013, pp. 5182-5183

2012 Vol. 77, No. 17, January 26, 2012, pp. 4034-4035

2011 Vol. 76, No. 13, January 20, 2011, pp. 3637-3638

2010 (Delayed update) Vol. 75, No. 148, August 3, 2010, pp. 45628-45629

(Extension of the 2009 poverty guidelines until at least March 1, 2010)¹ Vol. 75, No. 14, January 22, 2010, pp. 3734-3735

2009 Vol. 74, No. 14, January 23, 2009, pp. 4199-4201

2008 Vol. 73, No. 15, January 23, 2008, pp. 3971-3972

2007 Vol. 72, No. 15, January 24, 2007, pp. 3147-3148

2006 Vol. 71, No. 15, January 24, 2006, pp. 3848-3849

2005 Vol. 70, No. 33, February 18, 2005, pp. 8373-8375

2004 Vol. 69, No. 30, February 13, 2004, pp. 7336-7338

2003 Vol. 68, No. 26, February 7, 2003, pp. 6456-6458

2002 Vol. 67, No. 31, February 14, 2002, pp. 6931-6933

2001 Vol. 66, No. 33, February 16, 2001, pp. 10695-10697

2000 Vol. 65, No. 31, February 15, 2000, pp. 7555-7557

1999 Vol. 64, No. 52, March 18, 1999, pp. 13428-13430

1998 Vol. 63, No. 36, February 24, 1998, pp. 9235-9238

1997 Vol. 62, No. 46, March 10, 1997, pp. 10856-10859

1996 Vol. 61, No. 43, March 4, 1996, pp. 8286-8288

1995 Vol. 60, No. 27, February 9, 1995, pp. 7772-7774

1994 Vol. 59, No. 28, February 10, 1994, pp. 6277-6278

1993 Vol. 58, No. 28, February 12, 1993, pp. 8287-8289

1992 Vol. 57, No. 31, February 14, 1992, pp. 5455-5457

1991 Vol. 56, No. 34, February 20, 1991, pp. 6589-6861

1990 Vol. 55, No. 33, February 16, 1990, pp. 5664-5666

1989 Vol. 54, No. 31, February 16, 1989, pp. 7097-7098

1988 Vol. 53, No. 29, February 12, 1988, pp. 4213-4214

1987 Vol. 52, No. 34, February 20, 1987, pp. 5340-5341

1986 Vol. 51, No. 28, February 11, 1986, pp. 5105-5106

1985 Vol. 50, No. 46, March 8, 1985, pp. 9517-9518 ²

1984 Vol. 49, No. 39, February 27, 1984, pp. 7151-7152

1983 Vol. 48, No. 34, February 17, 1983, pp. 7010-7011

1982 Vol. 47, No. 69, April 9, 1982, pp. 15417-15418

¹ The Congress subsequently extended the 2009 guidelines until at least March 31 and then until at least May 31, 2010. HHS reported those extensions on the Poverty Guidelines web site.

² For a correction of a typographical error in one figure for Hawaii for 1985, see Federal Register , Vol. 50, No. 50, March 14, 1985, p. 10319.

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**NUECES COUNTY HOSPITAL DISTRICT
INDIGENT HEALTHCARE PROGRAM
POLICY AND PROCEDURE**

Date of Origin: January 1, 1999
Date of Revision: March 1, 2021
Date of Review: February 26, 2021

Authorized and Approved By: 
Board of Managers, Nueces County Hospital District
Administrator, Board Secretary

Title: NUECES AID PROGRAM ELIGIBILITY GUIDELINES Policy: NA002

I. POLICY

The Nueces County Hospital District is responsible for ensuring the provision of medically necessary healthcare services, in accordance with the state statute and as approved by the Board of Managers, to the needy and eligible residents of Nueces County. The district meets this responsibility through the administration of the Nueces Aid Program.

The Board of Managers of the Nueces County Hospital District has an ethical and statutory obligation to establish and maintain objective guidelines for use in determining an individual's eligibility for healthcare assistance through the Nueces Aid Program. To fulfill this obligation the Board of Managers will evaluate the eligibility guidelines annually and make recommendations for revision when indicated.

The Nueces County Hospital District will use the eligibility guidelines and related policies to complete an objective eligibility evaluation of all individuals applying for healthcare assistance. Three specific areas will be considered during the evaluation of the applicant's eligibility for healthcare assistance. The three areas are residency in Nueces County, household resources and household size and income.

II. PURPOSE

The purpose of this policy is to establish written policies and guidelines which clearly and objectively state the means used to determine an applicant's eligibility for financial assistance through the Nueces Aid Program.

III. RESPONSIBILITY

The Quality Management Committee, through the authority delegated by the Nueces County Hospital District Board of Managers, will provide direction and leadership in establishing and maintaining the guidelines used for determining eligibility for the Nueces Aid Program.

The Nueces County Hospital District Board of Managers will consult with CHRISTUS Spohn Health System during review of the eligibility policy and guidelines recommended by the Quality Management Committee and either approve or disapprove the proposed guidelines.

IV. PROCEDURE

A. Qualifications for Financial Assistance

In accordance with the state statute, to receive healthcare assistance from the Nueces County Hospital District, an applicant must:

1. provide evidence of residency in Nueces County;
2. meet the household size and income guidelines; and
3. meet the household resource guidelines;

OR

4. be a Nueces County resident confined to a correctional facility operated by Nueces County and not the responsibility of another governmental service or agency.

B. Residency Policy and Guidelines

The Residency Policy and Guidelines are defined in **Attachment 1** to this policy.

C. Household Resource Policy and Guidelines

The Household Resource Policy and Guidelines are defined in **Attachment 2** to this policy.

D. Household Composition Policy and Guidelines

The Household Composition Policy and Guidelines are defined in **Attachment 3** to this policy.

E. Household Income Policy and Guidelines

The Household Income Policy and Guidelines are defined in **Attachment 4** to this policy.

I. HOUSEHOLD RESOURCE GUIDELINES

A. Definitions

For the purposes of the NCHD Indigent Healthcare Handbook:

1. **Resources** are defined as assets or possessions, both liquid and non-liquid. Examples include cash, bank accounts, stocks, bonds, certificates of deposit, vehicles, boats, campers, buildings, land and mineral rights.
2. **Fair Market Value** is defined as the amount a resource would bring if sold on the current local market.
3. **Equity** is defined as the amount of money that would be available to the owner after the sale of a resource. The amount is determined by subtracting from the fair market value any money owed on the item and the costs normally associated with the sale and transfer of the item.
4. Accessible resources are defined as resources legally available to the household.
5. **Inaccessible resources** are defined as resources not legally available to the household.
6. **Personal possessions** are defined as furniture, appliances, jewelry, clothing, livestock, farm equipment and other items if the household uses them to meet personal needs essential for daily living.
7. **Countable resource** is defined as the equity value of any resource that is not specifically exempt.

B. Resource Limit

A household is not eligible for the Nueces Aid Program if the total countable household resources exceeds \$4,496.53 anytime during the month.

This amount will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the Federal Register.

C. Types of Resources

Household resources are either countable or exempt. Listed below are resource types used to

determine household eligibility. Each resource is designated as counted or exempt:

1. 401K Plan

Exempt

2. Alien Sponsor's Resources

Count for three years after the alien's entry into the United States, the resources of the alien's sponsor and sponsor's spouse if the sponsor and spouse are living together. Determine the sponsor's countable resources by applying the policies contained in this section; subtract \$2,248.26 and consider the remainder as resources available to the household.

The subtracted amount will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the federal register.

3. Burial Plots

Exempt burial plots as a countable resource.

4. Homestead

Exempt a household's homestead. A homestead is the household's usual residence and surrounding property that is not separated by property owned by others. Surrounding property that is separated by public rights of way such as roads is considered as part of the homestead.

Exempt a homestead temporarily unoccupied because of employment, training or future employment, illness casualty, or natural disaster if the household intends to return.

Do not exempt as a homestead any real property outside of Nueces County.

Households that do not currently own a home but own or are purchasing a lot on which they intend to build or are building a permanent home, receive an exemption for the lot and if partially completed, for the home.

Count money remaining from the sale of a home

5. Inaccessible Resources

Exempt inaccessible resources. Examples are irrevocable trust funds, property in probate, security deposits on rental property and utilities.

6. Income-Producing Property (except real property)

Exempt income producing property if it is essential to a household member's employment or self-employment and annually produces income consistent with its fair market value, even if used only on a seasonal basis. Such property will continue to be exempt during temporary periods of unemployment if the client expects to return to work. Property essential to self-employment is not exempt

if earnings result from an illegal activity.

7. Individual Retirement Accounts

Count Individual Retirement Accounts (IRA) as resources. If there is a penalty for early withdrawal, deduct the penalty and count the remaining amount.

8. Insurance Settlements

Count insurance settlements as resources. Deduct any amount earmarked and spent for the household's bills for burial, medical or damaged/lost possessions. Count the remaining amount after deductions.

9. Jointly Owned Property

Exempt if the property is jointly owned by the household and other owners and the household proves that the property cannot be sold or divided without the other owners' consent and the other owners will not sell or divide the property.

10. Keogh Plans

Count Keogh Plans. If there is a penalty for early withdrawal, deduct the penalty amount and count the remainder. **Exempt** the Keogh Plan if there is a contractual withdrawal agreement with other people who are not household members and who share the same fund. This type of Keogh Plan is considered an inaccessible resource.

11. Lawsuit Settlement

Count lawsuit settlements, minus any amount earmarked and spent for the household's bills for burial, legal, medical or damaged/lost possessions.

12. Life Insurance

Exempt

13. Liquid Resources

Count liquid resources if readily negotiable. Examples; cash, checking, or saving accounts, saving certificates, stocks and bonds.

14. Lump-Sum Payments

Count. Countable lump-sum payments include but are not limited to income tax refunds, retroactive lump-sum Social Security, railroad retirement benefits or other payments and refunds of security deposits on rental property or utilities.

15. Non-liquid Assets

Count non-liquid assets such as, personal property, licensed and unlicensed vehicles, buildings, and land.

16. Personal Possessions

Exempt personal possessions. If personal possessions are sold, count the money received from the sale as a liquid resource.

17. Prepaid Burial Insurance

Exempt one of these policies per household member. Also exempt one prepaid funeral plan or prepaid funeral agreement for each household member.

18. Real property

Count real property. Real property is land and any improvements on it.

19. Resources of Disqualified Persons

Exempt the resources of disqualified persons, such as, resources of an AFDC or SSI recipient. **Exempt** all resources of a person who receives QMB, MQMB, SLMB, QI-1, or QI-2.

20. Retirement Accounts

Exempt. Retirement accounts are those in which an employee and/or his employer contributes money intended to provide for retirement.

The amount in the retirement account is exempt until the money is withdrawn. If the money is withdrawn as a monthly check, count it as income. If the money is withdrawn as a lump sum, count it as a resource.

21. Trust Funds

Exempt.

22. Vested Retirement Accounts

Exempt. Vested retirement accounts are those to which an employee makes contributions for a specified period of time as defined by the employer. The money is not matched by the employer until that defined period of time ends. The money in this account is exempt.

23. Vehicles

Exempt one vehicle per household when it is used by the household for transportation regardless of value. **Exempt** all licensed vehicles if they are used more than 50% of the time for income-producing purposes or if they produce annual income consistent with their fair market value (even if only used on a seasonal basis). **Exempt** all vehicles with a fair market value of less than or equal to \$6,969.62, regardless of the number of vehicles owned by the household. The fair market value in excess of \$6,969.62 of vehicles is counted as part of the household's available resources, except for the exemptions listed above.

The fair market exemption amount will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the federal register.

The following are suggestions for determining the fair market value of a vehicle:

- Use the average trade-in or wholesale value listed in the National Automobile Dealers Association (NADA) Used Car Guide - current within the last six (6) months. Use the loan value of the vehicle only if other sources are unavailable.
- If the household thinks that the listed value is incorrect because of the vehicle's condition (body damage or inoperable), allow the household to provide verification from a reliable source (bank loan officer or licensed car dealer).
- Do not increase the value because of low mileage, optional equipment, or special equipment for handicapped.
- Request that the household prove the value of antique, custom-made, or classic vehicles if an accurate appraisal cannot be made by staff.
- Accept the household's estimated value of vehicles no longer listed in the NADA guide unless the value is questionable and would affect eligibility. In this case, have the household provide an appraisal from a licensed car dealer or some other evidence of the value such as a tax assessment or newspaper ad showing the sale price of similar vehicles.
- For new vehicles not yet listed in the NADA guide, ask the household to provide an estimate of the wholesale or trade-in value from a new car dealer or a bank loan officer.

D. Verification of Resources

Prior to approval for healthcare assistance, questionable resources will be verified.

E. Documentation of Resources

The Eligibility Worksheet will be used to verify and document household resources.

F. Property Transfer Guidelines

Households are ineligible if within the previous three months they have transferred a countable resource for less than its fair market value to qualify for healthcare assistance. This penalty applies only if the value of the

transferred resource plus the household's other countable resources will affect eligibility. If spouses are separated, transfer of separate property by one spouse does not affect the eligibility of the other spouse. Households which have transferred resources within the previous three months for less than the fair market value in order to qualify for the Nueces Aid Program will be subject to the following delays in assistance:

\$ 0.01	to	\$ 374.70	Delay of 1 Month
\$ 374.71	to	\$1,497.34	Delay of 3 Months
\$1,497.35	to	\$4,496.51	Delay of 6 Months
\$4,496.52	to	\$7,494.20	Delay of 9 Months
\$7,494.21		and above	Delay of 12 Months

The transferred resources in the table above will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the Federal Register.

I. HOUSEHOLD INCOME GUIDELINES

A. Definitions

For the purposes of the NCHD Indigent Healthcare handbook:

1. **Income** is defined as a type of payment that is a regular and predictable gain or a benefit to a household.
2. **Regular and predictable income** is defined as income that is received in one month and is likely to be received in the next month or was received on a regular and predictable basis in past months.
3. **Earned income** is defined as income related to employment.
4. **Unearned income** is defined as income received without performing work. It includes benefits from other programs and regular and predictable income from other sources, such as family members

B. Prior to receiving healthcare assistance from the Nueces Aid Program, households are required to pursue and take advantage of all income to which they are legally entitled.

C. Income Sources

Income is either countable or exempt. Listed below are the sources of income used to determine household eligibility. Each income source is designated as counted income or exempt income.

1. Temporary Assistance for Needy Families (TANF)
Exempt TANF benefits because the person receiving the benefits is a Medicaid recipient and, therefore, disqualified as a household member. **EXCEPTION:** An adult Medicaid recipient who meets eligibility guidelines may receive assistance with dental services and or prescription services, as defined in Section 3 Covered Services.
2. Alien Sponsor's Income
When a legal alien enters the United States, he/she may have been required to have a sponsor. Some legal aliens, such as refugees, are not required to have a sponsor. If the legal alien has a sponsor, count the income of the alien's sponsor as unearned income for three years after the alien's entry into the United States. Consider the sponsor's income as unearned income and include all of the sponsor's and the sponsor's spouse's gross countable income. From that income subtract the following deductions:

- 20% of the total gross monthly earned income (including net self-employment earned income), or \$175 whichever is less;
- an amount equal to the maximum income limit for the sponsor's family size, include all members of the household the sponsor claims or could claim as tax dependents;
- the total amount the sponsor pays to claimed tax dependents living outside the home; and
- the total alimony or child support the sponsor pays to persons living outside the home.

Count the remaining amount as unearned income for the alien,

3. **Cash Contributions**

Count cash contributions as unearned income if they meet the definition of regular and predictable income. NOTE: **Exempt** any cash contribution for common household expenses such as rent, utilities, or food if it is received from a non-qualified household member who lives with the qualified member or shares household expenses with the qualified household member and no and landlord/tenant relationship exists.

4. **Child Support Payments**

Count child support payments as unearned income. This income is not counted if the child receives Medicaid and is, therefore, a disqualified household member.

5. **Child's Earned Income**

Exempt a child's earned income (under age 18 and not an emancipated minor) if the child is a full-time student or a part-time student employed less than 30 hours per week. If the child receives Medicaid, he is a disqualified household member and his income is exempt, regardless of his student/work status

6. **Disability Insurance Benefits**

Count Disability Insurance Income as unearned income.

7. **Disqualified Household Member's Income**

Exempt a disqualified household member's income whether it is earned or unearned income. Exempt all income of a person who receives QMB, MQMB, SLMB, QI-1, or QI-2.

8. **Dividends and Royalties**

Count dividends and royalties as unearned income.

9. **Educational Assistance**

Exempt educational assistance. This includes aid from the U.S. Office of Education for undergraduate, vocational, or education courses. The most common programs are Pell Grants, Supplemental Educational Opportunity Grants, Stafford Loan Program (formerly Guaranteed Student Loan Program), Supplemental Loans for Students, Parent Loans for Undergraduate Students (PLUS Loans), State

Student Incentive Grants, College Work Study, Perkins Loans (formerly National Direct Student Loans), Byrd Honors Scholarship Program, Special Programs for Students from Disadvantaged Backgrounds, Special Programs for Students Whose Families are Migrant or Seasonal Farm Workers, Trio Loans, and Income Contingent Loan Program.

10. Educational Benefits

Count educational benefits as unearned income. Any part of the benefit that is for educational expenses including tuition, books, fees, transportation, and child care is deducted. Examples are educational benefits from the Veterans Administration or other federal, state, fraternal, or alumni associations.

11. Energy Assistance

Exempt the following types of energy assistance:

- Assistance from federally funded, state administered programs such as HEAP, Weatherization, or Energy Crisis Intervention.
- Utility supplement payments from the Department of Housing and Urban Development (HUD) or local housing authorities whether they are in the form of vendor payments, in-kind income, or cash.
- Assistance from private, non-profit, or governmental agencies based on need.

If energy assistance is combined with other forms of assistance only the energy assistance portion is exempt.

12. Foster Care/Adoption Subsidy Payments

Exempt foster care/adoption subsidy payments.

13. Government-Sponsored Programs

Count Government-Sponsored Program payments as unearned income unless they are from crisis intervention programs such as ENTERP or FEMA.

14. Income Producing Property

Count income producing property as unearned income, whether from rent, lease or sale on an installment plan. If the household sells property on an installment plan, **count** the payments as unearned income. The balance of the note is an inaccessible resource. Examples of unearned income are income that is produced from non-liquid resources such as equipment, vehicles, and real property. Income produced from boarding situations is counted as earned income.

15. In-Kind Income

Exempt gain or benefit that is not money/check payable directly to the household.

16. Interest

Count interest income as unearned income.

17. Job Training
Exempt payments under the Workforce Investment Act (WIA) except On The Job (OJT) payments funded under Title II, Section 204(#) of the WIA are earned income and counted for adults. OJT payments are exempt if received by a child who is under 19 and under parental control of another household member.
18. Loans (non-educational)
Count as unearned income unless:
 - there is an understanding that the money will be re-paid and,
 - the client can reasonably explain how he will repay it.
19. Lump-Sum Payments
Count lump-sum payments as a resource and not as income.
20. Military Pay and Allowances
Count military pay and allowances for housing, food, base pay and flight pay as earned income.
21. Pensions
Count pensions as unearned income.
22. Royalties
Count royalties as unearned income.
23. Self-Employment Income
Count self-employment income minus business expenses as earned income. Depreciation, travel, meals and entertainment expenses are not allowed and will not be used in the calculations. Therefore, any of these expenses taken on the tax return or on financial statements will be included in total income calculations.

If the household had self-employment income for the past year, then use the income figures from the previous year's business records or tax forms. Use more current information if current information is substantially different from the previous year.

If the business did not have self-employment income for the past year, than average the income over the period of time the business has been in operation and project that income.

If the business is so new that there is not enough information to make a reasonable projection, calculate the income based on anticipated earnings and expenses.

A person is self-employed if he is engaged in an enterprise for gain, either as an independent contractor, franchise holder, or owner-operator. If someone other than the earner withholds either income taxes or FICA from the earner's earnings, the earner is an employee and not self-employed.

24. Social Security (RSDI) Benefits/Other Retirement Benefits
Count Social Security (RSDI) Benefits/Other Retirement Benefits as unearned income after **exempting** the amount deducted from the RSDI check for the Medicare premium and any amount that is being recouped for a prior overpayment. If a person receives a RSDI check and a SSI check, **exempt** the RSDI check as well as the SSI check because a person who receives any amount of SSI benefits also receives Medicaid and is therefore a disqualified household member. All income of a disqualified household member is **exempt**.
- If an adult receives a social security survivor's benefit check for a child, this is considered the child's income and is only counted if the child is counted in the household composition.
25. Supplemental Security Income (SSI) Payments
Exempt Supplemental Security Income because anyone receiving SSI also receives Medicaid and is therefore a disqualified household member. All income of disqualified household members is **exempt**. EXCEPTION: Exempt a Medicaid recipient meeting eligibility guidelines may receive assistance with dental care and/or prescription services, as outlined in Section 3 Covered Services.
26. Trust Funds
Count trust fund withdrawals or dividends as unearned income.
27. Unemployment Compensation
Count unemployment compensation as unearned income.
28. Vendor Payments
Exempt vendor payments if made by a person or an organization outside of the household directly to the household's creditor or person providing the service.
29. Veterans Administration Benefits
Count Veterans Administration Benefits as unearned income. Exempt benefits that meet a special need. (i.e. a clothing allowance for an orthopedic appliance or an allowance for an attendant for a disabled veteran who requires special care).
30. Wages, Salaries and Commissions
Count the gross amount as earned income.
31. Worker's Compensation
Count Worker's Compensation as unearned income. Exempt any reimbursement for a medical bill that the household paid and any deductions for FICA or income taxes.
32. Unusual Types of Benefits/Payments
Exempt benefits or payments from the following programs:
- The National and Community Services Act (NCSA) of 1993 established a

corporation to administer paid volunteer service programs, including the Domestic Volunteer Service Act of 1973, Americorp Volunteers in Service to America (VISTA), Retired Senior Volunteer Program (RSVP), Foster Grandparents, Senior Companions, Service Corps of Retired Executives, and Community Service Programs.

- Tax exempt portions of payments made under the Alaska Native Claims Settlement Act.
- Food Stamp Program.
- Funds distributed or held in trust under the Indian Claims Commission for Indian Tribe members under Public Laws 92-254 or 93-135.
- Child Nutrition Act of 1966.
- National School Lunch Act.
- Nutrition Program for the Elderly (Title III, Older American Act of 1965).
- Uniform Relocation Assistance and Real Property Acquisitions Act (Title II).
- WIC Program (Special Supplemental Food Program for Women, Infants, and Children).
- Crime Victim Compensation Payments

D. Verification of Income Sources

Prior to approval for healthcare assistance through the Nueces Aid Program, all **countable** income must be verified.

1. Earned Income

To verify earned income, use:

- paycheck stubs
- W-2 forms
- income tax returns
- sales records
- statements from employers (See Attachment 5)

2. Self-Employment Income

To verify self-employment income, use:

- business records and income tax forms
- statements completed and signed by the self-employed person

A signed copy of the previous year's IRS income tax statement; or business ledger listing income and expenses for the last 12 months or from the date the business started, whichever is less; or a statement from the business accountant or the self employed individual listing the income and expenses for the last 12 months or the date the business started, whichever is less.

3. Unearned Income

To verify unearned income, use:

- award letters
- court orders or public decrees
- notes for cash contributions
- recent benefit checks
- income statements

If attempts to verify income are unsuccessful because the payer fails or refuses to give information and other proof is not available **use the applicant's statement as best available information** to determine the income amount.

E. Documentation of Income

The Eligibility Worksheet will be used to document and verify all sources of income. Exempt income will be documented with an explanation why it is exempt.

1. Earned Income

For earned income, the following items will be documented:

- dates of each wage statement or stub used;
- date paycheck is received;
- payer's name and address;
- gross income amount;
- frequency of receipt; and

- calculations used.
2. Self-Employment Income
For self-employment income, the following items will be documented:
- deductions for the cost of doing business; and
 - other factors used to arrive at the income amount used.
3. Unearned Income
For unearned income, the following items will be documented:
- types of income;
 - check or document seen;
 - amount recorded on check or document;
 - date income is verified; and
 - calculations used.

F. Calculation of Income

1. The household's circumstances and income will be considered. Three (3) months of consecutive current pay periods will be used to calculate fluctuating income. Eligibility will be determined based on anticipated income and circumstances. If changes are likely, then the NCHD Enrollment Counselor will determine how the changes will affect the household's eligibility status.

Adjustments to the length of the eligibility period may be made based on anticipated changes in income and only after the eligibility period change has been approved by the NCHD Assistant Administrator or designee.

2. All income will be converted to monthly amounts by:
- dividing yearly income by 12.
 - multiplying weekly income by 4.33.
 - adding amount received twice a month.
 - multiplying amount received every other week by 2.17.
3. The Gross Household Income Table (Eligibility Income Guidelines for Financial Assistance) will be adjusted on January 1, 2001 and annually thereafter on the first day of the month following publication in the *Federal Register* to reflect the

Federal Poverty Guidelines (FPG) published each year, based on family size and percentage of coverage. The new table will include the following relationships:

EPG%	NCHD Payment %	Patient Co-Insurance
0-100%	100%	0%
101-110%	90%	10%
111-120%	80%	20%
122-130%	70%	30%
131-138%	60%	40%
139-150%	50%	50%

The new Eligibility Income Guidelines and Federal Poverty Guidelines effective are attached.

4. An applicant with income levels between **138% and 150%** of the Federal Poverty Guidelines will be eligible for Nueces Aid coverage only when a hardship exemption is provided. Hardship exemptions are granted through the health insurance market place at [Healthcare.gov](https://www.healthcare.gov).

NUECES COUNTY HOSPITAL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2020

NUECES COUNTY HOSPITAL DISTRICT
AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

February 16, 2021

The Board of Managers of the
Nueces County Hospital District
Corpus Christi, Texas

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of the Nueces County Hospital District, a component unit of Nueces County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Nueces County Hospital District as of September 30, 2020, and the respective changes in financial position and budgetary comparisons for the general fund, indigent care fund and tobacco settlement fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16 be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 16, 2021 on our consideration of the Nueces County Hospital District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nueces County Hospital District's internal control over financial reporting and compliance.

Collier, Johnson & Woods

**Nueces County Hospital District
Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2020**

This Management's Discussion and Analysis ("MD&A") of the Nueces County Hospital District ("District"), a political subdivision of the State of Texas and component unit of Nueces County, Texas ("County"), is intended to provide an overview of the District's financial position and results of operation for year ended September 30, 2020 ("Fiscal Year 2020"). Since the focus of the MD&A is on the above fiscal period's operations, activities, and currently known facts, it should be read in conjunction with the District's related financial statements and accompanying notes to best understand the District's financial position.

The MD&A is one of the elements of the reporting model required by the Government Accounting Standards Board ("GASB"). As part of the MD&A, presentation of certain comparative information between the current fiscal year and the prior fiscal year is required to assist in financial analysis.

Financial Highlights

The District's net position increased \$19.4 million or 17.7% compared to the prior year net position. The net position of the District on September 30, 2020 and 2019 was \$128.8 million and \$109.4 million, respectively. Cash, cash equivalents, and investments amounted to \$122.5 million and \$99.9 million which represent 93.4% of total assets for September 30, 2020 and 89.6% for 2019, respectively.

In Fiscal Year 2020, the District's General Fund Balance increased \$18.2 million or 39.8% compared to the prior year balance. At fiscal year ended September 30, 2020, the District's General Fund balance was \$63.9 million compared to \$45.7 million in 2019.

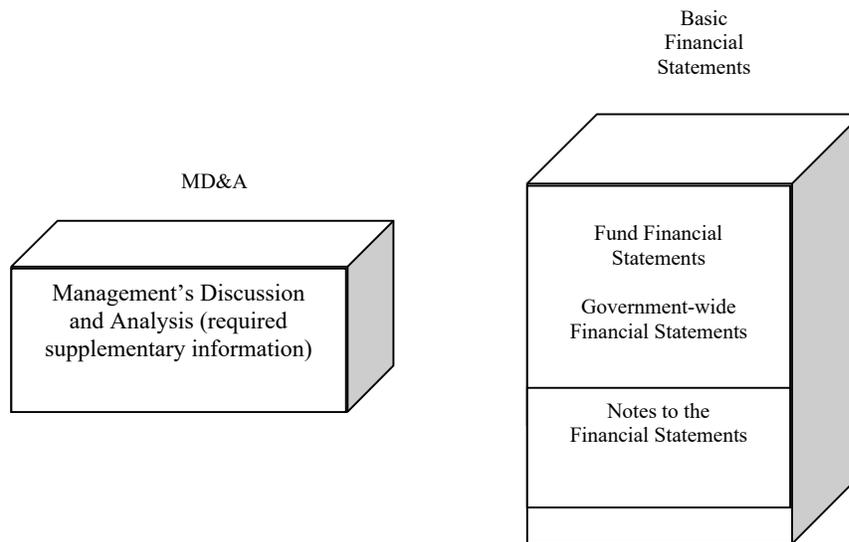
In Fiscal Year 2020, the District's total revenues decreased \$21.9 million or 15.0% compared to the prior year. 71.4% of the District's total revenues were from non-tax sources. The District's total expenses decreased \$20.7 million or 16.5% compared to the prior year.

In Fiscal Year 2020, the District continued to make voluntary intergovernmental transfers for several Medicaid-related supplemental payment, waiver, and Medicaid managed care provider payment initiative programs sponsored by the State ("Medicaid Payment Programs"). These transferred funds enabled both local and regional health care providers, who provide indigent healthcare consistent with the District's primary mission, to draw additional Medicaid funds. The intergovernmental transfers provided funding to draw over 95% of the total value of providers' waiver program projects in Nueces County and over 85% of the total value of providers' waiver program projects in the region.

In Fiscal Year 2020, the District's Board of Managers committed \$39.9 million of the District's fiscal year-end General Fund balance cash to funding the Medicaid Payment Programs-related intergovernmental transfers that are expected to be requested sometime during the District's subsequent fiscal year. Please refer to Note 12 on intergovernmental transfers and Note 13 on committed fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic is provided to facilitate the reader's understanding of the format of the Basic Financial Statements and their individual components:



The District's Annual Financial Report consists of the MD&A, the basic financial statements and accompanying notes, with the primary focus being on the District as a whole. As a special purpose entity with only one governmental program, GASB allows the District to combine its government-wide and fund financial statements and that is done so here. The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the fund financial statements focus on major funds that, for the District, include the General Fund and the Indigent Care Fund, rather than fund types. The Fiduciary Fund statements provide financial information for those activities in which the District acts solely as the trustee or agent for the benefit of others. The accompanying notes provide essential information that is not disclosed on the face of the financial statements. Consequently, the notes form an integral part of the District's basic financial statements.

The District has two kinds of funds:

- 1.) **Government Funds** - The accounting for most of the District's services is included in the governmental funds. The General Fund and Special Revenue Fund are governmental funds that use the modified accrual accounting method which focuses on how cash and other financial assets that can readily be converted to cash and the balance at year-end that are available for future spending. Furthermore, under this basis of accounting, changes in net spendable assets are normally recognized only to the extent that they are expected to have a near-term impact, while inflows are recognized only if they are available to liquidate liabilities of the current period. Similarly, future outflows are typically recognized only if they represent a depletion of current financial resources.
- 2.) **Fiduciary Funds** - These funds are used to report activity and other resources held purely in a custodial capacity. The resources accounted for in these funds are excludable from the government-wide financial statements or columns because these funds are not available to finance the District's operations. Consequently, the District is responsible for ensuring that these resources are used only for their intended purpose. The District has an irrevocable trust originally used for self-insured health claims of the then employees of the District's former hospital, Memorial Medical Center. The fund may be used to subsidize the District's current employees with their health insurance premiums and other Board-approved allowable Trust benefits.

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

GOVERNMENT WIDE-FINANCIAL ANALYSIS

Statement of Net Position (Government-Wide)

The District’s total Net Position was \$128.8 million and \$109.4 million as of September 30, 2020 and 2019, respectively, an increase of \$19.4 million or 17.7%. Total assets increased \$19.8 million or 17.7% compared to September 30, 2019. The District’s total liabilities increased \$373 thousand or 17.8% compared to September 30, 2019.

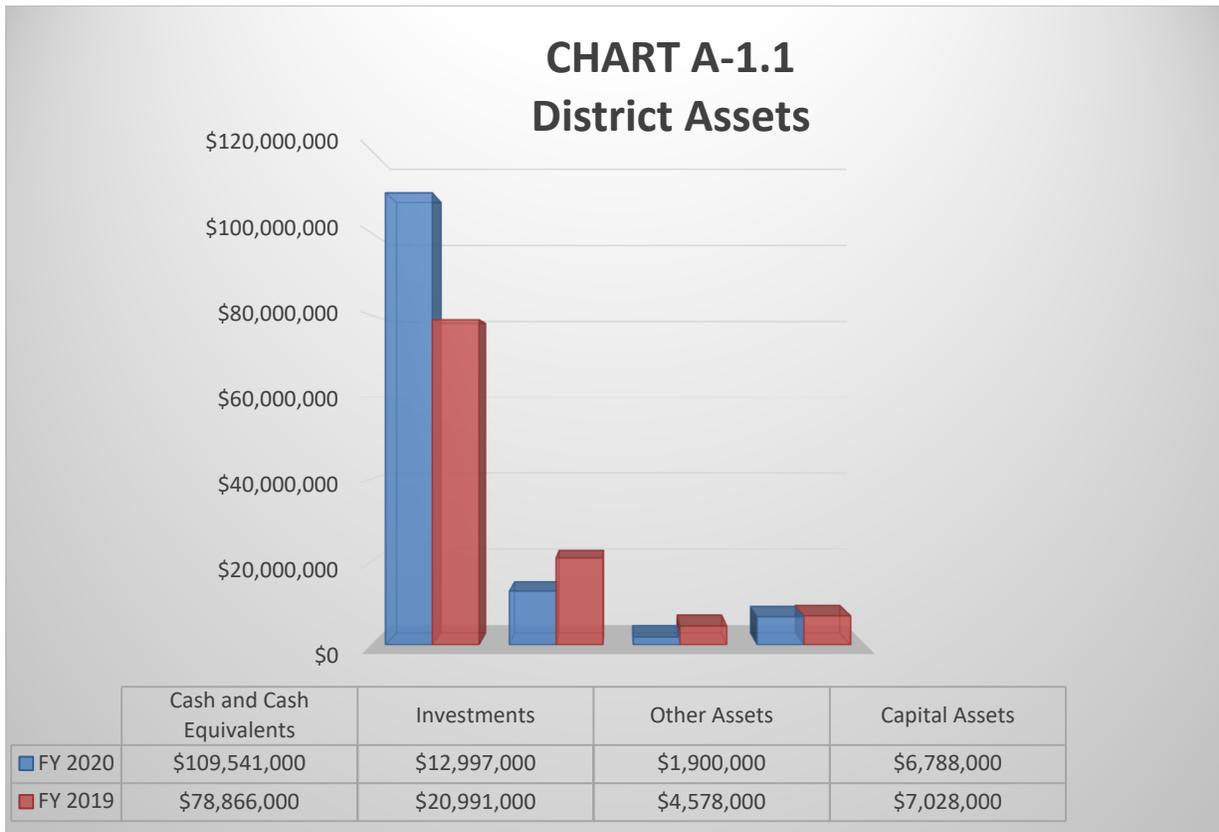
**TABLE A-1
Nueces County Hospital District Net Position
September 30, 2020 and 2019
(In Thousands)**

Assets:	<u>2020</u>	<u>2019</u>	<u>2020-2019</u> <u>Variance</u>
Cash and Cash Equivalents	\$ 109,541	\$ 78,866	\$ 30,675
Investments	12,997	20,991	(7,994)
Other Assets	1,900	4,578	(2,678)
Capital Assets (Net of Accumulated Depreciation)	<u>6,788</u>	<u>7,028</u>	<u>(240)</u>
Total Assets	<u>131,226</u>	<u>111,463</u>	<u>19,763</u>
Liabilities:			
Accounts Payable	2,196	1,864	332
Accrued Payroll and Related Liabilities	235	204	31
Long-Term Liabilities - Accrued Paid Time Off	<u>41</u>	<u>31</u>	<u>10</u>
Total Liabilities	<u>2,472</u>	<u>2,099</u>	<u>373</u>
Net Position:			
Net Investment in Capital Assets	6,788	7,028	(240)
Unrestricted	<u>121,966</u>	<u>102,336</u>	<u>19,630</u>
Total Net Position	<u>\$ 128,754</u>	<u>\$ 109,364</u>	<u>\$ 19,390</u>

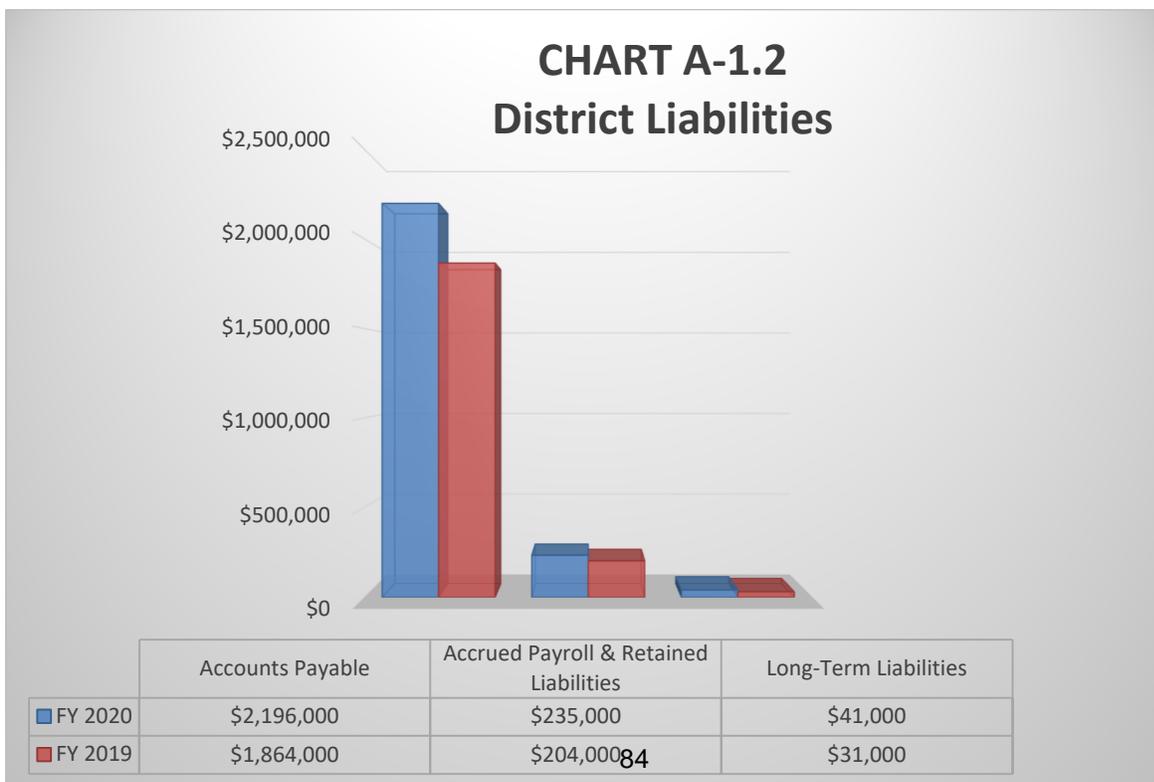
Financial Analysis

In Fiscal Year 2020, the \$22.7 million or 22.7% net increase in cash and cash equivalents and investments combined is in part the result of a reduction in total intergovernmental transfers and the receipt of various Medicaid Payment Program refunds during the year. Other Assets decreased \$2.7 million primarily from a decrease in receivables from Nueces Center for Mental Health and Intellectual Disabilities (MHID). The \$240 thousand or 3.4% decrease in Capital Assets (Net of Accumulated Depreciation) mainly relates to depreciation expense. Accounts Payable and Related Liabilities increased \$373 thousand or 17.8% due to annual fluctuations in payments of accrued liabilities.

Please refer to Table A-1 above for details of Chart A-1.1 below relating to the District's Assets.



Please refer to Table A-1 above for details of Chart A-1.2 below relating to the District's Liabilities.

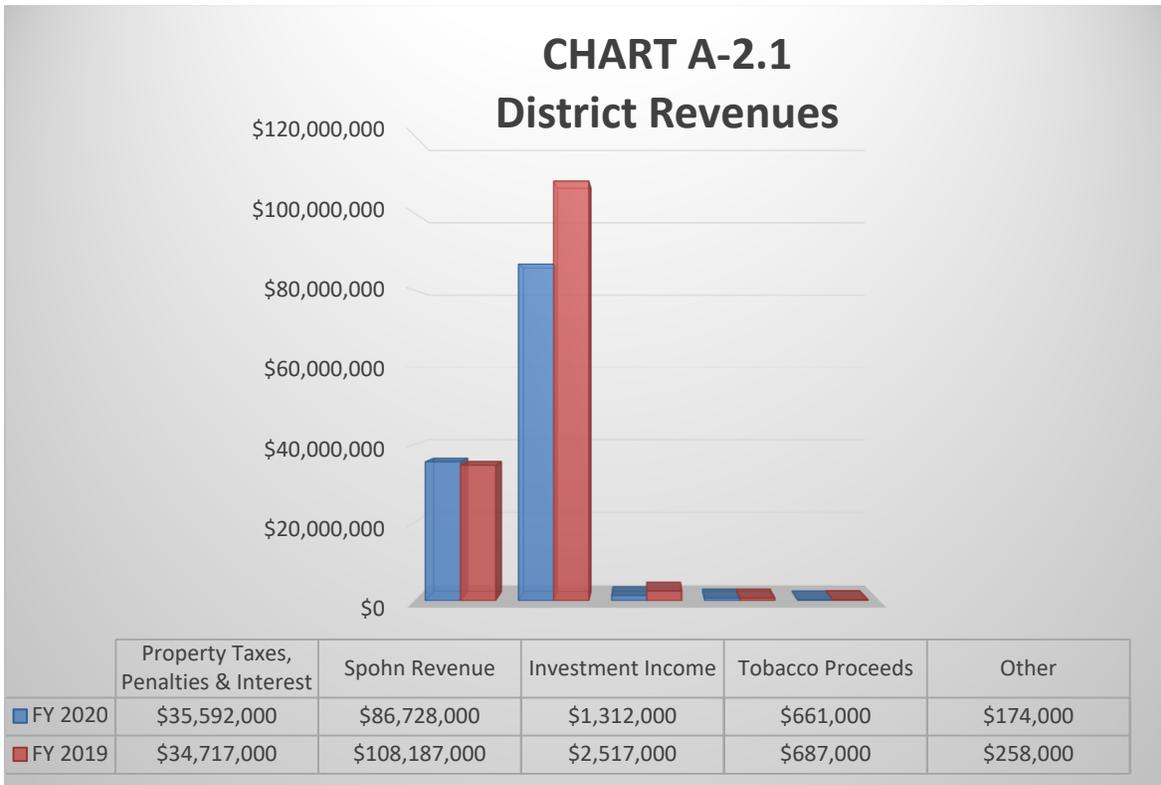


Statement of Activities (Government-Wide)

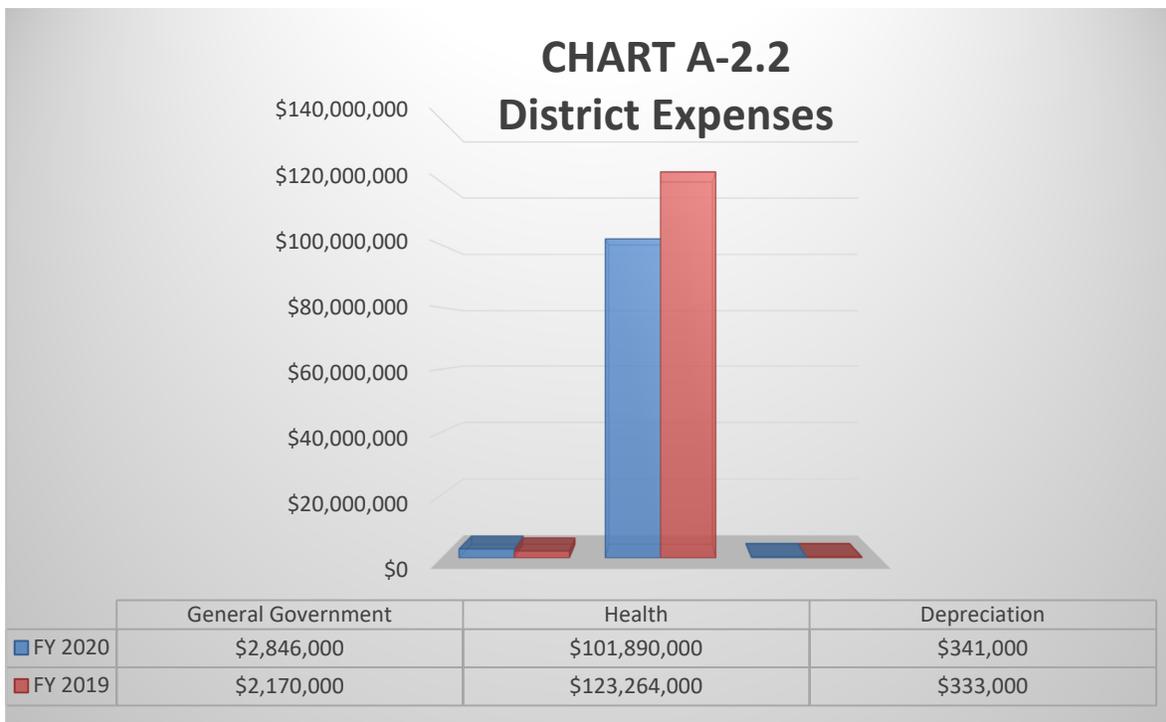
TABLE A-2
Changes in Nueces County Hospital District Net Position
September 30, 2020 and 2019
(In Thousands)

Revenues	<u>2020</u>	<u>2019</u>	<u>2020-2019</u> <u>Variance</u>
Property Taxes and Penalties and Interest	\$ 35,592	\$ 34,717	\$ 875
Spohn Corporate Membership Revenue	86,728	108,187	(21,459)
Investment Income	1,312	2,517	(1,205)
Tobacco Proceeds	661	687	(26)
Other	174	258	(84)
Total Revenues	<u>124,467</u>	<u>146,366</u>	<u>(21,899)</u>
Expenses:			
General Government	2,846	2,170	676
Health	101,890	123,264	(21,374)
Depreciation	341	333	8
Total Expenses	<u>105,077</u>	<u>125,767</u>	<u>(20,690)</u>
Net Change in Net Position	19,390	20,599	(1,209)
Net Position, Beginning of Year	<u>109,364</u>	<u>88,765</u>	<u>--</u>
NET POSITION, END OF YEAR	<u>\$ 128,754</u>	<u>\$ 109,364</u>	<u>\$ (1,209)</u>

Please refer to Table A-2 above for details of Chart A-2.1 below relating to the District’s Revenues.



Please refer to Table A-2 above for details of Chart A-2.2 below relating to the District’s Expenses.



FINANCIAL ANALYSIS

Revenues

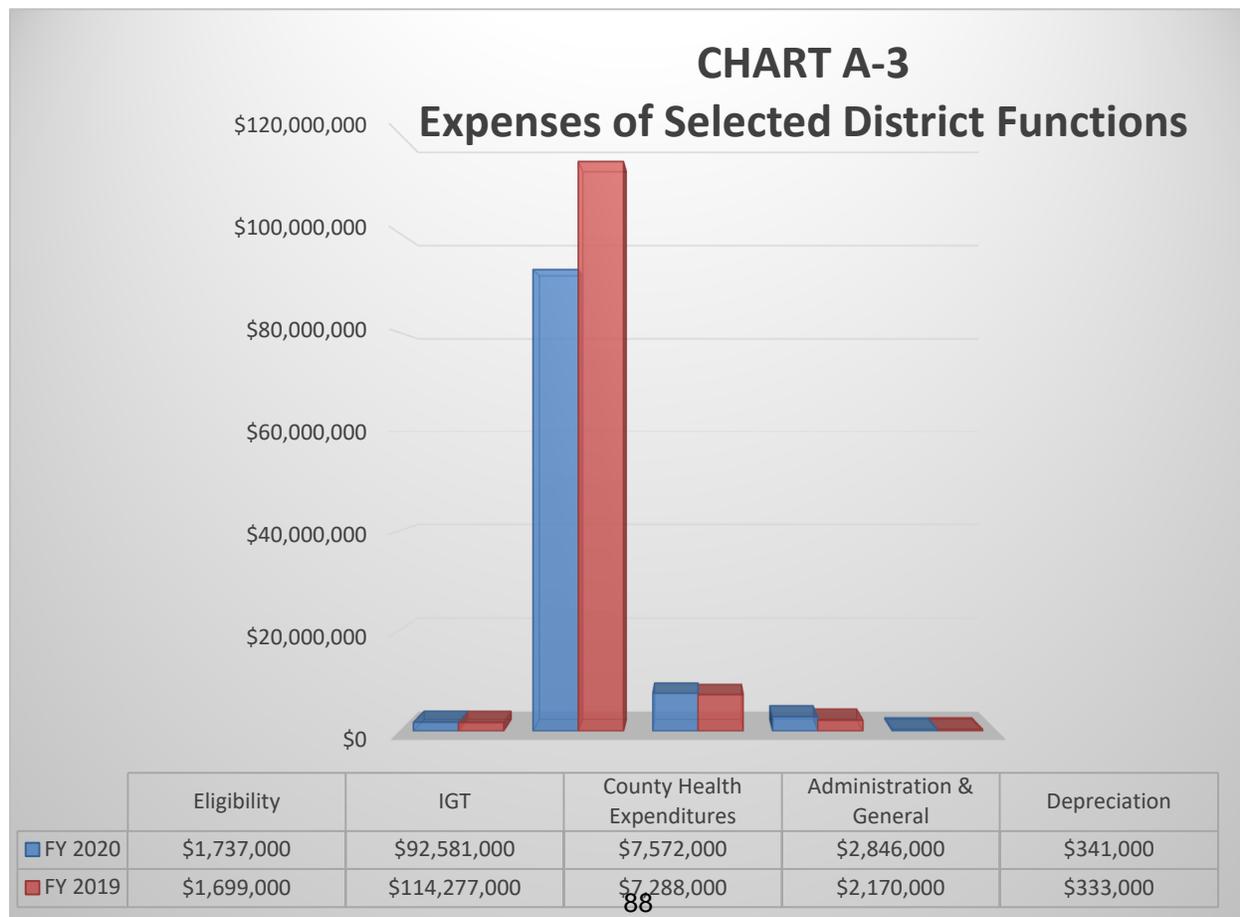
In Fiscal Year 2020, the District's total revenues decreased \$21.9 million or 15.0% compared to the prior fiscal year. There were four principal sources of revenue for the District. The first source of revenue is from ad valorem taxes levied on Nueces County property owners based on assessed valuations. These tax revenues increased by \$875 thousand or 2.5% and accounted for 28.6% of total revenues compared to 23.7% in the prior fiscal year. The District's tax rate during Fiscal Year 2020 decreased to the effective tax rate of \$0.112421 per \$100 valuation. Property valuations increased by \$2.0 billion or 6.6%. The second source is from the Membership Agreement with Spohn which accounted for \$86.7 million and 69.7% of total revenue. This revenue decreased \$21.5 million, or 19.8%, resulting from decreased net patient revenue sharing allocation percentage utilized during the fiscal year. See Note 3 for an outline of the Membership Agreement. The third source is investment income which decreased \$1.2 million or 47.9% due to lower interest rates. The fourth source is a Tobacco Settlement distribution from the State of Texas' tobacco litigation which decreased by \$26 thousand or 3.8% compared to prior fiscal year. Additional revenue proceeds which include a reimbursement from the State for the District's assistance in operating one of the Medicaid Payment Programs in the region had a decrease of \$84 thousand from prior fiscal year or 32.6%.

TABLE A-3
Net Cost of Selected District Functions
September 30, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2020-2019</u> <u>Variance</u>
Eligibility	\$ 1,737	\$ 1,699	\$ 38
Intergovernmental Transfers (IGT)	92,581	114,277	(21,696)
County Healthcare Expenditures	7,572	7,288	284
Administration and General	2,846	2,170	676
Depreciation	341	333	8
TOTAL	<u>\$ 105,077</u>	<u>\$ 125,767</u>	<u>\$ (20,690)</u>

Expenses

The expenses of the District’s functions in Fiscal Year 2020 decreased \$20.7 million or 16.5% compared to the prior fiscal year. The District’s health functions include intergovernmental transfers and county healthcare expenditures. The District’s largest amount of costs is voluntary intergovernmental transfers to the State for the benefit of various regional health care providers who provide indigent healthcare. The intergovernmental transfers draw down additional Medicaid funds for regional providers under the Medicaid Payment Programs. This cost totaled \$92.6 million in Fiscal Year 2020 and represented 88.1% of all functional expenditures. The second largest amount of cost is \$7.6 million for county healthcare expenditures which relates to the District’s support of other healthcare services in Nueces County. The District directly or indirectly pays for non-indigent healthcare-related service costs that were paid by Nueces County in earlier years. These costs include expenses such as emergency medical services, county jail and juvenile detention center healthcare services, reimbursement of operating expenditures at the City/County Public Health Department, match, and other subsidies for the Nueces Center for Mental and Intellectual Disabilities and costs associated with operation of the County Jail’s infirmary. This cost increased \$284 thousand or 3.9% in Fiscal Year 2020 compared to the prior fiscal year. County healthcare expenditure costs represented 7.2% of all the District’s net costs in Fiscal Year 2020 compared to 5.8% in the prior fiscal year. The two other costs of the District were Administrative and General and Eligibility determination costs. Collectively, these costs increased \$714 thousand or 18.5% during Fiscal Year 2020 compared to the prior fiscal year. Major costs in this category were legal fees, consulting fees, rents, supplies, purchased services, and salaries and benefits. Administrative and General costs represented 2.7% of all net costs in Fiscal Year 2020 compared to 1.7% in the prior fiscal year. Eligibility costs represented 1.7% of all net costs in Fiscal Year 2020 compared to 1.4% in the prior fiscal year. Please refer to Table A-3 for details of Chart A-3 below relating to the District’s net cost of selected functions.



General Fund Budgetary Highlights

Expectations for the District's general fund budget were surpassed during Fiscal Year 2020.

Revenues

Revenues exceeded budget by \$3.5 million. The excess is partially attributed to revenue resulted from the Membership Agreement, which surpassed budget by \$2.2 million. The surplus is due to the use of an estimate of the Membership Agreement's initial revenue sharing allocation percentage between the District and Spohn when the Fiscal Year 2020 budget was developed; due to the difficulty in projecting Spohn's net patient revenues, the District is only able to estimate the Membership Agreement-related sharing allocation. Ad valorem tax revenue combined with penalties and interest, exceeded budget by \$1.3 million. Investment income also exceeded budget by \$78 thousand. Finally, other income, including a reimbursement from the State for the District's assistance in operating one of the State's Medicaid Payment Programs in the region, recovery of certain prior fiscal year's expenses, and jail health care reimbursements from another governmental entity, fell short of budget by approximately \$126 thousand. This was mainly due to a smaller request for reimbursement from the State than had been estimated at the time of budget.

Expenditures

Expenditures were less than budget by \$23.9 million. Of the expenditures less than budget, \$22.3 million was associated with Medicaid Payment Programs-related intergovernmental transfers from the District. Due to the complex nature of the calculations of intergovernmental transfers, the District is only able to approximate an amount at the time its budget is adopted. The District had also received various refunds relating to prior years payment program reconciliations. County Services were under budget by \$959 thousand primarily due to overestimated jail diversion program costs. Personal services were less than budget by \$247 thousand due to the increased utilization of the District's paid-time-off accrued liability and less than maximum participation of certain benefit programs. Contractual Services were under budget this year by \$343 thousand mainly due to less utilization of legal fees and consultant fees for one of the Medicaid Payment Programs. The Materials and Supplies category was over budget by \$8 thousand mainly resulting from unanticipated COVID-19 pandemic related expenditures. Finally, the Other category which includes office lease and administrative expenditures ended under budget by approximately \$18 thousand.

CAPITAL ASSETS

The District had \$6.8 million in net capital assets at the end of September 30, 2020. The breakdown of the capital assets is as follows:

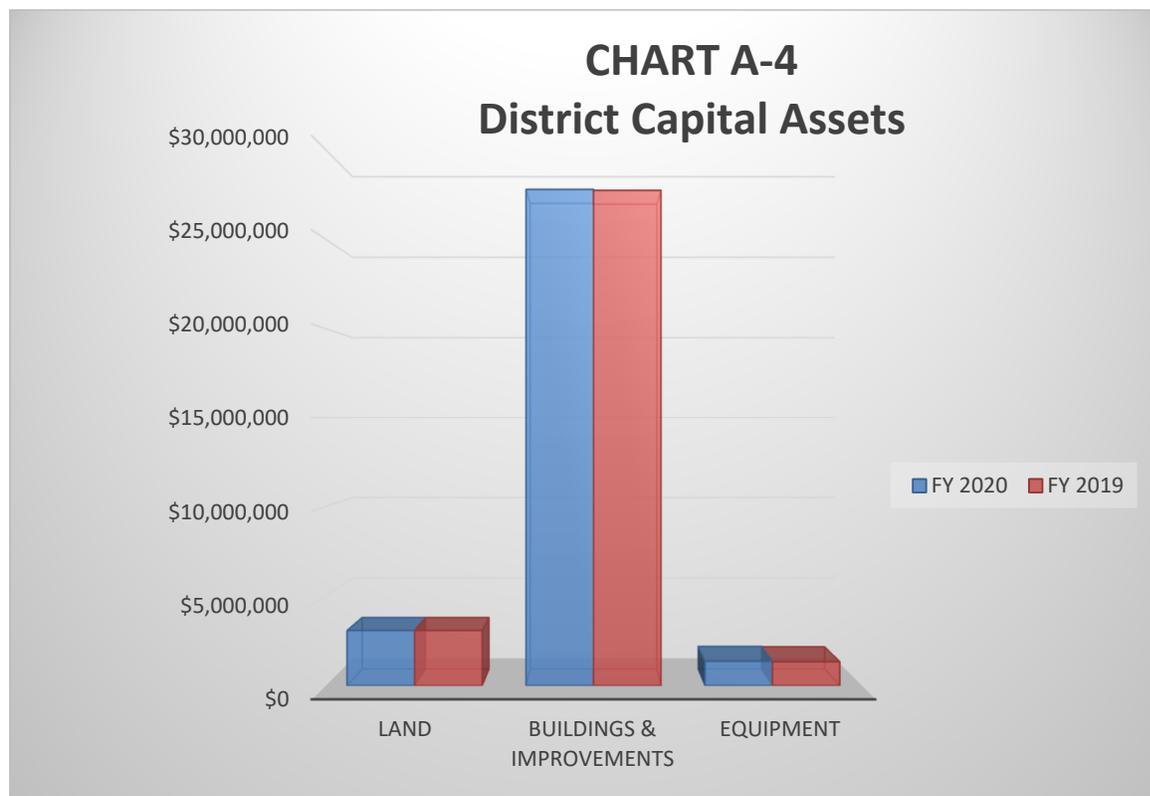
TABLE A-4
Nueces County Hospital District's Capital Assets
September 30, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2020-2019</u> <u>Variance</u>
Land	\$ 3,077	\$ 3,077	\$ --
Buildings and Improvements	27,760	27,710	50
Equipment	<u>1,356</u>	<u>1,329</u>	<u>27</u>
Total	32,193	32,116	77
Less: Accumulated Depreciation	<u>25,405</u>	<u>25,089</u>	<u>316</u>
NET CAPITAL ASSETS	<u><u>\$ 6,788</u></u>	<u><u>\$ 7,027</u></u>	<u><u>\$ (239)</u></u>

Under terms of the Membership Agreement, the District contributed the use of its former hospital Memorial Medical Center (MMC) buildings and equipment to Spohn; and Spohn is responsible for maintaining the buildings and equipment, and the purchase of any medical and other equipment needed during the Agreement’s term. The Membership Agreement requires that Spohn spend \$600 thousand on upkeep of the buildings and equipment in each calendar year starting in 2017 and thereafter. Please refer to Note 8 - Capital Assets of the Financial Statements for more details on capital assets.

During Fiscal Year 2020, net capital assets decreased by \$239 thousand mostly due to depreciation. The District held no surplus equipment auctions during the year.

Please refer to Table A-4 for details of Chart A-4 relating to the District's Capital Assets.



Economic Factors, Next Year's Budget, Tax Rates and Property Valuations, and Financial Planning

Economic Factors

For the forthcoming fiscal year and subsequent fiscal years, the Coronavirus pandemic, possible expiration of the Medicaid waiver program, State budget pressures and shifting priorities may alter funding, services, programs, or eligibility for its Medicaid program which could affect enrollments in the District's indigent health care program. Texas has the highest health care uninsured rate in the nation and the County's rate is among the highest in the State. The benefits of the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) legislation that was intended to reduce the number of health care uninsured persons and expand Medicaid has not yet been realized in Texas; during the forthcoming District fiscal year, these unrealized benefits may affect the number of persons enrolled in the District's indigent health care program. Additionally, the P.L. 111-148 individual mandate to carry health insurance was repealed effective 2019; during the forthcoming District fiscal year, this action may affect the number of persons enrolled in the District's indigent health care program. Also, there may be alterations to aspects of P.L. 111-148, and P.L. 111-152, due to proposed block granting of Medicaid funds to the States and/or other reductions of Medicaid funds to the States, each of which may affect the indigent health care program's enrollment. In addition, proposed federal regulations would limit the methods States can use to finance the non-federal share of Medicaid payments, jeopardizing the availability and/or continuation of indigent health care services in the community. Finally, potential changes could occur to the Patient Protection and Affordable Care Act, Health Care and Education Reconciliation Act, and Medicaid program as a result of changes to national health policy.

Next Year's Budget, Tax Rates, and Property Valuations

Budget

For the District's forthcoming fiscal year ending September 30, 2021 ("Fiscal Year 2021"), the District's Board of Managers and County Commissioners Court approved a District operating budget wherein expenditures exceed revenues by \$42.9 million. The deficit is planned, attributable to the usage of certain committed funds to supplement intergovernmental transfer expenditures for the State's Medicaid Payment Programs. Revenues are budgeted at \$41.5 million, a 65.1% decrease compared to the prior fiscal year. Expenditures are budgeted at \$84.4 million, a 34.4% decrease compared to the prior fiscal year.

Tax Rates and Property Valuations

The property valuations for the District's forthcoming fiscal year ending September 30, 2021 are \$33.7 billion, an increase of 4.7% from the prior year. To offset this increase, County Commissioners Court has decreased the District's tax rate for the Fiscal Year 2021 budget to \$0.111824 per \$100 valuation, which is 3% above the no-new-revenue tax rate. The Fiscal Year 2021 budget estimates include tax revenues of \$34.9 million, an increase of \$1.3 million or 3.8% over Fiscal Year 2020. Certain prior year refinery related property value lawsuits are still pending and potential refunds have been applied to the tax revenue budget. The District expects tax base expansion and increases in property values to approximate recent years.

Financial Planning

The District does not receive State or federal funding for provision of indigent health care. However, the District expects to continue receiving de minimis reimbursement annually from the State for the District assisting it in operating one of the Medicaid Payment Programs in the region; the program has been extended for four additional years, however it is unknown if future extensions will occur. The District expects that the Membership Agreement's revenue sharing allocation percentage between the District and Spohn will be insufficient to support some of the District's objectives in the forthcoming fiscal year and the District will rely on its reserves to fund operations to a greater degree than the prior year. Federal regulations governing certain provisions of the Membership Agreement and past State actions relating to certain disallowances may potentially affect future performance of the Agreement; it is possible that the current permitted use of a combination of tax and Membership Agreement-related revenues by the District to make voluntary intergovernmental transfers to the State in support of the Medicaid Payment Programs could change in the future.

CONTACTING DISTRICT MANAGEMENT

These District financial statements are designed to provide our citizens, taxpayers, elected officials, investors, creditors, and others with a general overview of the District's financial position and results of operations, to demonstrate the District's accountability for the tax and other funds it receives, and show how the District's funds are used. Questions concerning any of the information contained in these statements or requests for additional statement information can be directed to the District at:

Nueces County Hospital District
Administrative Offices
555 N. Carancahua St., Suite 950
Corpus Christi, TX 78401-0835
Telephone: (361) 808-3300
Facsimile: (361) 808-3274
<http://www.nchdcc.org/contact.cfm>

HISTORICAL AUDITED FINANCIAL STATEMENTS

Recent historical audited financial statements of the District are available via the Internet and can be viewed or downloaded in Portable Document Format from www.nchdcc.org/financial.cfm.

Basic Financial Statements

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

ASSETS	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Cash and Cash Equivalents (Note 4)	66,196,981	43,343,323	838
Investments (Note 4 and Note 5)	--	12,996,632	--
Accrued Interest	--	4,737	--
Taxes Receivable Net Of Allowance for Uncollectibles (Note 7 and 9):	1,759,550	--	--
Other Receivables	3,251	--	--
Prepaid Expenditures	132,947	--	--
Land (Note 8)	--	--	--
Other Capital Assets, net of Accumulated Depreciation (Note 8)	--	--	--
TOTAL ASSETS	<u>68,092,729</u>	<u>56,344,692</u>	<u>838</u>

Exhibit 1

GOVERNMENTAL FUNDS TOTAL	ADJUSTMENTS EXHIBIT 2	STATEMENT OF NET POSITION
109,541,142	--	109,541,142
12,996,632	--	12,996,632
4,737	--	4,737
1,759,550	--	1,759,550
3,251	--	3,251
132,947	--	132,947
--	3,076,927	3,076,927
--	3,710,897	3,710,897
124,438,259	6,787,824	131,226,083

(Continued)

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
LIABILITIES			
Accounts Payable	2,195,828	--	--
Accrued Payroll and Related Liabilities	234,864	--	--
Unearned Revenue (Note 9)	1,759,550	--	--
Long-term Liabilities-			
Accrued Paid Time Off (Note 10)	--	--	--
TOTAL LIABILITIES	4,190,242	--	--
FUND EQUITY/NET POSITION			
Fund Balances:			
Nonspendable	132,947	--	--
Committed to: (Note 13)			
Intergovernmental Transfers	39,918,934	--	--
Indigent Care	--	56,344,692	--
Assigned to County Health Care	--	--	838
Unassigned	23,850,606	--	--
Total Fund Equity	63,902,487	56,344,692	838
TOTAL LIABILITIES AND FUND EQUITY	68,092,729	56,344,692	838
Net Position:			
Net Investment in Capital Assets			
Unrestricted			
TOTAL NET POSITION			

The notes to the financial statements are an integral part of this statement.

Exhibit 1
Continued

GOVERNMENTAL FUNDS TOTAL	ADJUSTMENTS EXHIBIT 2	STATEMENT OF NET POSITION
2,195,828	--	2,195,828
234,864	--	234,864
1,759,550	(1,759,550)	--
--	41,354	41,354
<u>4,190,242</u>	<u>(1,718,196)</u>	<u>2,472,046</u>
132,947	(132,947)	--
39,918,934	(39,918,934)	--
56,344,692	(56,344,692)	--
838	(838)	--
<u>23,850,606</u>	<u>(23,850,606)</u>	<u>--</u>
<u>120,248,017</u>	<u>(120,248,017)</u>	<u>--</u>
<u><u>124,438,259</u></u>		
	6,787,824	6,787,824
	<u>121,966,213</u>	<u>121,966,213</u>
	<u><u>128,754,037</u></u>	<u><u>128,754,037</u></u>

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NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

**EXPLANATIONS FOR ADJUSTMENTS TO RECONCILE
GOVERNMENTAL FUNDS - BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Total Fund Balance - Total Governmental Funds	120,248,017
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$27,754,895 and the accumulated depreciation is \$25,404,652 (Note 8)	6,787,824
Taxes receivable, net of allowance is not available to pay for current period expenditures and is, therefore, deferred in the governmental funds. (Note 7)	1,759,550
Long-Term liabilities, include accrued paid time off, are not due and payable in the current period and, therefore, are not reported in the funds. (Note 10)	<u>(41,354)</u>
NET POSITION	<u><u>128,754,037</u></u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2020

	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Revenues:			
Taxes	34,539,830	--	--
Penalties and Interest - Taxes	345,120	--	--
Spohn Corporate Membership Revenue	86,727,740	--	--
Investment Income	585,265	726,770	158
Tobacco Settlement	--	--	661,192
Other	174,012	--	--
Total Revenue	<u>122,371,967</u>	<u>726,770</u>	<u>661,350</u>
Expenditures/Expenses:			
General Government	2,836,158	--	--
Health	101,890,021	--	--
Depreciation	--	--	--
Capital Outlay	100,628	--	--
Total Expenditures/Expenses	<u>104,826,807</u>	<u>--</u>	<u>--</u>
Excess of Revenues Over Expenditures/Expenses	17,545,160	726,770	661,350
Other Financing Sources (Uses):			
Transfers In (Note 14)	661,000	--	--
Transfers Out (Note 14)	--	--	(661,000)
Total Other Financing Sources (Uses)	<u>661,000</u>	<u>--</u>	<u>(661,000)</u>
Net Change in Fund Balance/Net Position	18,206,160	726,770	350
Fund Balance/Net Position, Beginning of Year	<u>45,696,327</u>	<u>55,617,922</u>	<u>488</u>
FUND BALANCE/NET POSITION, END OF YEAR	<u><u>63,902,487</u></u>	<u><u>56,344,692</u></u>	<u><u>838</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit 3

GOVERNMENTAL FUNDS TOTAL	ADJUSTMENTS EXHIBIT 4	STATEMENT OF ACTIVITIES
34,539,830	706,799	35,246,629
345,120	--	345,120
86,727,740	--	86,727,740
1,312,193	--	1,312,193
661,192	--	661,192
174,012	--	174,012
<u>123,760,087</u>	<u>706,799</u>	<u>124,466,886</u>
2,836,158	9,720	2,845,878
101,890,021	--	101,890,021
--	340,568	340,568
100,628	(100,628)	--
<u>104,826,807</u>	<u>249,660</u>	<u>105,076,467</u>
18,933,280	457,139	19,390,419
661,000	(661,000)	--
(661,000)	661,000	--
<u>--</u>	<u>--</u>	<u>--</u>
18,933,280	457,139	19,390,419
<u>101,314,737</u>	<u>8,048,881</u>	<u>109,363,618</u>
<u>120,248,017</u>	<u>8,506,020</u>	<u>128,754,037</u>

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NUECES COUNTY HOSPITAL DISTRICT**(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)****EXPLANATIONS FOR ADJUSTMENTS TO RECONCILE
GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds	18,933,280
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$340,568 was more than capital outlays of \$100,628 in the current period. (Note 8)	(239,940)
Revenues from uncollected taxes that do not provide current financial resources are included in the statement of activities and not reported as revenues in the governmental funds.	706,799
Expenses accrued for employees paid time off in the statement of activities that do not use current financial resources are not reported as expenses in the governmental funds.	<u>(9,720)</u>
CHANGE IN NET POSITION	<u><u>19,390,419</u></u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Taxes	33,274,804	34,539,830	1,265,026
Penalties and Interest - Taxes	332,748	345,120	12,372
Spohn Corporate Membership Revenue	84,500,000	86,727,740	2,227,740
Investment Income	506,937	585,265	78,328
Other	300,000	174,012	(125,988)
Total Revenues	<u>118,914,489</u>	<u>122,371,967</u>	<u>3,457,478</u>
Expenditures:			
Current:			
General Government			
Administration:			
Personal Services	643,425	602,347	41,078
Materials and Supplies	50,500	56,016	(5,516)
Contractual Services	2,217,330	2,020,178	197,152
Other	169,460	157,157	12,303
Total Administration	<u>3,080,715</u>	<u>2,835,698</u>	<u>245,017</u>
Facilities Management -			
Materials and Supplies	1,300	460	840
Total General Government	<u>3,082,015</u>	<u>2,836,158</u>	<u>245,857</u>
Health:			
Personal Services	1,406,230	1,200,306	205,924
Materials and Supplies	36,200	38,573	(2,373)
Contractual Services	640,700	494,511	146,189
Intergovernmental Transfers (Note 12)	114,835,114	92,581,241	22,253,873
County Services	8,531,039	7,572,175	958,864
Other	8,850	3,215	5,635
Total Health	<u>125,458,133</u>	<u>101,890,021</u>	<u>23,568,112</u>
Capital Outlay	162,000	100,628	61,372
Total Current Expenditures	<u>128,702,148</u>	<u>104,826,807</u>	<u>23,875,341</u>
Excess of Revenues Over (Under) Expenditures	(9,787,659)	17,545,160	27,332,819
Other Financing Sources (Uses)-			
Transfers In	600,000	661,000	61,000
Total Other Financing Sources	<u>600,000</u>	<u>661,000</u>	<u>61,000</u>
Net Change in Fund Balance	<u>(9,187,659)</u>	18,206,160	<u>27,393,819</u>
Fund Balance, Beginning of Year		<u>45,696,327</u>	
FUND BALANCE, END OF YEAR		<u>63,902,487</u>	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
INDIGENT CARE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues -			
Investment Income	668,893	726,770	57,877
	<u>668,893</u>	<u>726,770</u>	<u>57,877</u>
Net Change in Fund Balance	<u>668,893</u>	<u>726,770</u>	<u>57,877</u>
Fund Balance, Beginning of Year		<u>55,617,922</u>	
FUND BALANCE, END OF YEAR		<u>56,344,692</u>	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
TOBACCO SETTLEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Tobacco Settlement	600,000	661,192	61,192
Investment Income	--	158	158
Total Revenues	<u>600,000</u>	<u>661,350</u>	<u>61,350</u>
Other Financing Uses -			
Transfers Out	<u>(600,000)</u>	<u>(661,000)</u>	<u>(61,000)</u>
Total Other Financing Uses	<u>(600,000)</u>	<u>(661,000)</u>	<u>(61,000)</u>
Net Change in Fund Balance	<u> --</u>	<u> 350</u>	<u> 350</u>
Fund Balance, Beginning of Year		<u> 488</u>	
FUND BALANCE, END OF YEAR		<u> 838</u>	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

FIDUCIARY FUNDS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	HEALTH BENEFIT PLAN AND TRUST FUND
ASSETS	
Cash and Cash Equivalents (Note 4)	117,584
Accrued Interest	2
Total Assets	117,586
 LIABILITIES	
Due to General Fund	2,495
 NET POSITION	
Held in Trust for Employee Health Benefits	115,091

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2020

	<u>HEALTH BENEFIT PLAN AND TRUST FUND</u>
ADDITIONS	
Interest	1,073
DEDUCTIONS	
Administration and General	1,470
Employee Benefits	21,704
Total Deductions	23,174
Net Decrease	(22,101)
Net Position, Beginning of Year	137,192
NET POSITION, END OF YEAR	115,091

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 1 – REPORTING ENTITY

Nueces County Hospital District (the District), a discretely presented component unit of Nueces County, Texas (the County), was made available by an Act of the Legislature of the State of Texas and subsequently approved by the voters of Nueces County, Texas. The District is legally separate from the County, however, members of the District’s governing board (the Board) are appointed by the County Commissioners’ Court.

The District has no component units as defined by Governmental Accounting Standards Board. Although the District and County Commissioners’ Court appoint three of the members of the Board of Trustees of CHRISTUS Spohn Health System (“Spohn”) as part of the Spohn Membership Agreement between the two parties, Spohn does not qualify as a component unit. The District does not approve the budget of Spohn, nor have any rights to surpluses of Spohn. However, Spohn shares certain revenues with the District pursuant to the terms of the Agreement.

Additionally, the District serves as the Region 4 Anchor and funds voluntary intergovernmental transfers (IGTs) for certain healthcare providers under provisions of the Texas Health and Human Services Commission’s (HHSC) Medicaid Payment Programs. This allows Spohn and certain other Region 4 healthcare providers to participate in supplemental Medicaid Payment Programs.

Formation and Background

The District is a tax-supported governmental entity authorized by the Constitution of the State of Texas, the creation of which was approved by the voters of Nueces County in 1967. Pursuant to Chapter 281 of the Texas Health and Safety Code, the District assumed full responsibility for furnishing medical and hospital care for indigent and needy persons residing in the District beginning on the date on which taxes were collected for the District. The Commissioners Court is authorized to levy hospital district taxes on property located within the District whose boundaries are coterminous with the County. Chapter 281 allows the District to use funds from any source to fund indigent health care and intergovernmental transfers from the District to the state for use as the nonfederal share of Medicaid supplemental payment programs or waiver program payments.

The District is governed by a Board of Managers, whose members are appointed by the Commissioners Court. The Commissioners Court has final approval of the District’s operating budget and tax rate. The Commissioners Court has the authority to levy on all property subject to District taxation a tax not to exceed seventy-five cents (\$.75) on each \$100 valuation of all taxable property within the District.

Note 1 – REPORTING ENTITY

1996 Transaction

Historically, the Nueces County Hospital District (the “District”) owned and operated Memorial Medical Center (“Memorial”). Memorial served as the safety-net hospital in Nueces County providing indigent care services to the needy, consistent with the District’s role as a Chapter 281 hospital district. In 1996, through a series of agreements (the “1996 Transaction”) which include a Master Agreement, Lease Agreement, and Indigent Care Agreement, (collectively, the “1996 Transaction Agreements”), the District leased Memorial to Spohn and Spohn assumed the responsibility to operate Memorial in Nueces County, with obligations for Spohn to provide indigent care and for the District to utilize its ad valorem tax revenues to fund the provision of indigent care by Spohn in Nueces County.

Renegotiation of 1996 Transaction

During the 2011 – 2012 timeframe, Spohn started facing significant capital costs due to the deteriorating condition of its hospital facilities in Corpus Christi, particularly the Memorial hospital facility. Spohn’s options to address these capital needs were somewhat limited by the 1996 Transaction Agreements, through which Spohn assumed a 30-year responsibility for the maintenance and operations of the Memorial facility. In addition to the lease rate for the Memorial facility and the District’s other assets and Spohn’s obligation to maintain the facilities in a commercially reasonable manner, Spohn had also agreed to invest at least \$6 million per year in capital improvements and equipment at the Memorial campus, the neighborhood clinics, and the physician office buildings. In 2011, Spohn began the process of evaluating a transformative capital project in the Nueces County market, with the goal to shift the delivery of care towards a focus on more appropriate outpatient care venues and better coordination across the care continuum, rather than simply retrofitting the existing hospital inpatient infrastructure. In order for the parties to make significant changes to the infrastructure, Spohn desired more flexibility than what was available under the 1996 Transaction documents; in particular, it desired to align the interests of the District and Spohn more closely and to relax or remove its contractual commitment to maintain the existing facilities, including the Memorial facility owned by the District. CHRISTUS Health, Spohn’s parent organization, ultimately approved a \$325 million capital investment in 2013 in the Corpus Christi market, after Spohn’s transition to the co-membership/ownership role with the District discussed below.

Recognizing the constraints placed on their strategic planning efforts due to the historical structure, the parties invoked the process outlined in the 1996 Transaction that allowed for the District and Spohn to renegotiate the agreements between the parties in the event there was an adverse material change in government reimbursement. The parties therefore included in the 1996 Transaction documents a right to renegotiate changes in their relationship in the event there was a substantial reduction in government program funding for Spohn. On invoking this process to assess the risk of adverse material change in government reimbursement to Spohn, the parties also identified opportunities to improve the delivery of care in the Coastal Bend communities.

2012 Spohn Membership Agreement

The parties structured the Spohn Membership Agreement (“2012 Membership Agreement”) in 2012 to further support their efforts to more closely and comprehensively collaborate and align the operations of the District and Spohn as a governmental and public provider. Effective September 30, 2012, the parties entered into a Memorandum of Understanding (“MOU”) to effectuate termination of the 1996 Transaction Agreements. Pursuant to the terms of the MOU, the parties agreed to terminate the 1996 Transaction Agreements. The parties also agreed in the MOU to the reinstatement of the 1996 Transaction Agreements to be effective upon the termination of the 2012 Membership Agreement, subject to certain amendments to the 1996 Transaction Agreements (including to the Lease Agreement) which are attached to the MOU. At the same time, the parties entered into the 2012 Membership Agreement, effective October 1, 2012, pursuant to which the District became a co-member in Spohn along with CHRISTUS Health, with the rights, privileges, obligations, and duties attendant to such role. The parties intended that Spohn would continue to serve as the public safety-net hospital in Corpus Christi. In order to reflect the District as a co-member in Spohn, the parties revised Spohn’s corporate documents, and submitted the appropriate enrollment change documents to the Medicare fiscal intermediary and the State related to its Medicare and Medicaid provider agreements.

The District also provided Spohn the right to continue to use and operate the Memorial facilities and granted Spohn the right to make material alterations to the Memorial facilities upon reasonable review of the District. Spohn continues to have the right to use Memorial, the Memorial campus, and other facilities without a rental obligation. The Agreement carries over most of the other duties and responsibilities from the Lease. The District also agreed to reduce Spohn’s obligation to make \$6 million in capital expenditures per year for Memorial and the District’s other facilities in the event such material alterations were made.

The parties agreed that each co-member of Spohn was entitled to an allocated portion of the funds as part of their co-membership/ownership role, commensurate with their liability for Spohn’s operating losses. Specifically, under the 2012 Membership Agreement, the co-members agreed to remit to Spohn their pro rata share of any operating loss deficits within a specified timeframe. Upon implementation of the 2012 Membership Agreement, CHRISTUS Health and the District were co-members in the Spohn corporate entity. CHRISTUS Health continued to receive its management fees and other revenue from Spohn’s operations in return for the support services it furnished to Spohn. In exchange for the District’s support of Spohn and its assumption of economic risk and the various tangible and intangible economic and other benefits the District granted to Spohn, the District was entitled to an allocated portion of the funds Spohn had available for distribution to its co-members—i.e., a share of the Spohn nonfederal net patient revenue negotiated annually based on Spohn’s operating budget and projected operating margin for the upcoming year.

2015 Transaction

In September 2012, Spohn issued a Notice of Material Alteration to the District in accordance with the Membership Agreement requesting to, among other things, demolish the MMC hospital building, construct a 40,000 square foot outpatient clinic on the MMC campus to be known as the Dr. Hector P. Garcia—Memorial Family Health Center (“Family Health Center”), and relocation of Memorial’s inpatient beds and trauma services to Spohn’s Shoreline hospital following the redesign of Shoreline. The parties then entered into a binding Letter of Intent. Under the Letter of Intent, the District approved Spohn’s material alteration plans as described in the Notice. The parties also agreed to amend the Membership Agreement and MOU to make the following changes:

Note 1 – REPORTING ENTITY

- Authorize Spohn to construct the Family Health Center on the MMC campus, transition MMC inpatient beds, emergency room, and trauma services to Spohn’s Shoreline hospital, and subsequently demolish the MMC hospital facility.
- Require Spohn to continue to (1) provide inpatient and outpatient indigent care services to Nueces Aid enrollees at the same levels as during prior periods through 2036; (2) make certain outpatient services available to Nueces Aid enrollees at the Family Health Center; (3) ensure appropriate availability of inpatient and outpatient psychiatric and behavioral health services to indigents at a location in Corpus Christi, Texas and analyze the most appropriate facility for such services in conjunction with House Bill 3793, 83rd Legislature, Regular Session, 2013 Plan for the Appropriate and Timely Provision of Mental Health Services, (4) ensure the community has constant access to an emergency department equipped to provide Level II trauma services at Shoreline prior to the demolition of the MMC hospital facility; (5) maintain at least two graduate medical education programs with comprehensive resident training available in both programs; and (6) make adequate and appropriately furnished and equipped space available at the Family Health Center for the District’s enrollment officers and receptionist.
- Require Spohn to renovate Spohn’s Shoreline hospital to enable it to have a sufficient number of inpatient beds, achieve Level II Trauma Center designation, and address emergency department capacity issues prior to the demolition of the MMC hospital facility.
- Following the termination of the Membership Agreement, (1) obligate Spohn to continue to provide lease payments to the District as previously required prior to the termination of the Lease and to pay \$1 million per year in lease payments from 2026 through 2036 and (2) reduce the District’s payments to Spohn for providing indigent care services to Nueces Aid enrollees with no inflator.
- Gradually reset Spohn’s obligations to make capital expenditures related to the MMC campus but requires Spohn to place in escrow the difference between the amounts it would have been obligated to make for capital expenditures and the reduced capital expenditure obligations until Spohn completes various of its obligations under the Letter of Intent.

Following the parties’ entry into the Letter of Intent, the District’s Board of Managers issued a resolution formally authorizing the closure and demolition of the MMC hospital facility.

Effective November 2015, the Parties entered into an Amended and Restated Membership Agreement and Amended and Restated MOU (which include amendments to the suspended Master Agreement, Lease, and Revised and Restated Indigent Care Agreement) to memorialize the parties’ various agreements under the Letter of Intent. The parties also entered into an Escrow Agreement with Bank of America serving as the escrow agent to maintain the funds that Spohn will deposit into escrow to secure its commitments under the Amended and Restated Membership Agreement and Amended and Restated MOU.

Memorial Campus

The District is considering various health care related options for future use of the Memorial campus following demolition. The Memorial Hospital Building continues to be utilized to provide inpatient psychiatric services for Spohn. Governmental Accounting Standards Board No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets* requires that assets no longer used by the government be reported at the lower of carrying value or fair value. Management has determined that the carrying value of \$259,170 is lower than fair value. Therefore, an impairment adjustment is not required.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

The District is a special purpose government engaged in a single governmental program, GASB allows the District to combine the required fund financial statements and government-wide statements.

A. Basic Financial Statements

The Basic financial statements include combined government-wide (based on the District as a whole) and fund financial statements.

The Government-wide statements are included in the combined statements of Exhibit 1 and 3 as the Statement of Net Position and Statement of Activities Column. The government-wide statements focus more on the substantiality of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements emphasis is on the major funds which for the District are the general fund and the indigent care fund. There is one non-major fund: The Tobacco Settlement Fund.

The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (1) demonstrate legal and covenant compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements a reconciliation is presented in Exhibit 2 and 4 which briefly explains the adjustment necessary to transform the fund based financial statements columns into the government-wide presentation called the statement of net position and statement of activities column.

The District's fiduciary fund is presented in the basic financial statement as separate statements. Since by definition these assets are being held for the benefit of a third party (employees and former employees) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

B. Basis of Presentation

The financial transactions of the District are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The criteria used to determine if a governmental fund should be reported as a major fund are as follows: the total assets, liabilities, revenues or expenditures of that governmental fund are at least 10% of the corresponding element total for all governmental funds. The special revenue Tobacco Settlement Fund is reported as a major fund because it is the only other fund. The District reports the following major funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

Indigent Care Fund – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally or contractually committed to expenditures for specific purposes. They also are used to account for funds that are committed by the Board to be spent for specific purposes.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

Tobacco Settlement Fund – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or contractually committed to expenditures for specific purposes.

Additionally, the District reports the following fund type:

Fiduciary Funds – Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for individuals, private organizations, other governments or funds. These assets are held under the terms of a formal trust agreement. The District has the following fiduciary fund type:

Expendable Trust Fund – An expendable trust fund is used to account for the Health Benefit Plan and Trust. Funds are used to offset employee health insurance premiums, employee reimbursements for out-of-pocket health care costs. The District is not under an obligation to maintain the trust principal.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of measurements made, regardless of the measurement focus applied. The government-wide financial statements and the fiduciary fund statements are presented on an accrual basis of accounting. The governmental funds in the funds financial statements are presented on a modified accrual basis.

Accrual

Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District considers property tax revenues available if they are collected within sixty days after year-end. Penalties, interest, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Spohn corporate membership revenue and interest income are accrued, when their receipt occurs soon enough after the end of the accounting period to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, except interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to accumulated unpaid paid time off benefits which are recognized when paid.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

D. Budgets and Budgetary Accounting

The Board adopts an annual budget for all funds. The annual budget and revisions must be approved by the Board of Managers and then the County Commissioners Court.

E. Cash and Cash Equivalents

Cash and Cash Equivalents include currency on hand, demand deposits with banks and amounts included in pooled cash or liquid investments with a maturity of three months or less when purchased.

F. Investments

Statutes give the District the authority to invest its funds in obligations of the United States; direct obligations of the state of Texas; other obligations guaranteed or insured by the state of Texas or the United States; obligations of states, agencies, counties, or cities of any state that have been rated not less than one or its equivalent by a nationally recognized investment firm; certificates of deposit guaranteed insured or secured by approved obligations; certain commercial paper; fully collateralized repurchase agreements, and Securities & Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved obligations. Investments are recorded at fair value, except for investments pools which are reported at amortized costs and included in cash and cash equivalents. See Note 5 for discussion on fair value measurement.

G. Receivables and Payables

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net assets column of the combined financial statements. Tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 3% of the annual tax levy. IGTs are not accrued because they cannot be reasonably estimated and are not legal obligations of the District.

H. Capital Assets

All fixed assets are valued at historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>ASSETS</u>	<u>LIFE IN YEARS</u>
Building and Improvements	20-40
Furniture and Equipment	10
Computer Equipment	5

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

I. Compensated Absences

District employees earn paid time off and sick leave. Paid time off accumulates from year to year up to a maximum of two years accrual. Semi-annually, employees can elect to be paid in lieu of utilizing paid time off and sick leave at a rate of 80% of time earned. Sick leave accumulates up to a maximum of 1,440 hours. Upon termination of employment, employees may receive pay for their unused paid time off. The cost of paid time off and sick leave is recognized when earned by employees.

J. Employee Benefit Plans

The District has a 403(b) tax sheltered annuity retirement plan and a deferred compensation plan as described in Note 15. The assets, liabilities, fund equity and operations of this plan are not presented on the District's financial statements as both plans are independently administrated.

K. Fund Balance Classifications

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. For the District, resources not in spendable form include prepaid items.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by a formal vote of the Board of Managers no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the District's intent to use funds for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the Board of Managers to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Board action. The residual fund balance that is not committed in governmental funds; except the General Fund, is assigned.

The *unassigned* fund balance represents the spendable net resources that have not been restricted, committed, or assigned to specific purposes.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Note 3 - SPOHN MEMBERSHIP AGREEMENT

The District and Spohn entered into a Spohn Membership Agreement to establish a structure for the joint membership of Spohn with the District effective October 1, 2012, as stated in Note 1. The Agreement includes (1) provisions stipulating the parameters for the healthcare services that Spohn will continue to provide to the Nueces County indigent residents during the term of the Agreement, without payment by the District to Spohn for such services, (2) operative provisions and parameters for Spohn's continued use of the District's Memorial Medical Center (MMC) facilities and satellite clinics during the term of the Agreement in a manner consistent with the substantive and maintenance provisions in the former Lease Agreement, without payment of rent by Spohn to the District for such use, and (3) a Spohn net patient revenue allocation and sharing arrangement between Spohn and the District, the amount of which is determined each year prior to October 1.

The Spohn Membership Agreement serves multiple purposes including to facilitate (1) continued provision of indigent health care services in Nueces County, (2) Spohn's and other Region 4 healthcare providers' ability to participate in Medicaid supplemental funding under the Waiver based on the providers' achievement of Waiver-related project metrics and milestones and their provision of uncompensated care, to the benefit of the Nueces County indigent residents served by the District and (3) the District's ability to serve as the Region 4 Anchor under the Waiver.

The Spohn Membership Agreement was amended and restated effective November 18, 2015 permitting Spohn to renovate and transform the MMC campus and improve facilities at its Christus Spohn Hospital Shoreline campus. Spohn has constructed a new Family Health Center on an unoccupied portion of the MMC campus, expanded its Shoreline campus Emergency Department, relocated the MMC trauma center to the Shoreline campus, and added in-patient bed capacity to that campus. With the addition, relocation, and expansions completed, the community has access to the health care services previously available at MMC and Spohn will be allowed to cease operation of and demolish MMC.

Annual Member Revenue Allocation

Each year under the Spohn Membership Agreement, Spohn and the District confer regarding the support necessary for the operations of Spohn over the ensuing fiscal year starting October 1. Spohn prepares a budget that contemplates any modifications or additions in cost to provide healthcare services at MMC and the Satellite Clinics. Upon review of the Spohn budget, economic resources of Spohn and the Members and other factors, Spohn and the District agree on a "Specified Annual Percentage", (as defined in the agreement), of Spohn's net patient revenue that the District will receive. Based on this year's estimate the District budgeted \$84,500,000 and received \$86,727,740 in member revenues for the year ended September 30, 2020.

According to management, estimating the Specified Annual Percentage for membership revenue sharing is difficult due to the number of changing factors in the health care system that affect costs, as well as, revenues. Management intends to adjust the membership revenue sharing "Specified Annual Percentage" annually according to the Spohn Membership Agreement.

Note 4 – CASH AND INVESTMENTS

The District’s investment policies and types of investments are governed by the Texas Public Funds Investment Act (“PFIA”). The District’s management believes that it has complied with the requirements of the PFIA and the District’s investment policies. At September 30, 2020, the District segmented time distribution analysis of the portfolio by market sector is as follows, including the Health Benefit Trust:

	TOTAL	INVESTMENT MATURITIES IN YEARS	
		LESS THAN ONE YEAR	ONE TO THREE YEARS
Cash and Equivalents:			
Collateralized Bank Accounts	1,147,218	1,147,218	--
Money Market Mutual Funds - Fiduciary Funds	117,584	117,584	--
Petty Cash	150	150	--
AAA-Rate Local Government Investment Pools:			
Texpool	72,927,315	72,927,315	--
Logic	23,736,581	23,736,581	--
TexStar	11,729,878	11,729,878	--
Total Cash and Equivalents	109,658,726	109,658,726	--
Investments At Fair Value:			
Federal National Mortgage Association	11,996,132	--	11,996,132
Municipal Bond	1,000,500	--	1,000,500
Total Investments	12,996,632	--	12,996,632
TOTAL VALUE	122,655,358	109,658,726	12,996,632
% of Total Portfolio	100%	89.40%	10.60%

The District’s policy is to report money market investments and investment pools at amortized cost. U.S. Government Agency Securities are reported at fair value based on quoted market values. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

Credit Risk

The primary stated objectives of the District’s adopted Investment Policy are the safety of principal, liquidity, diversification and yield. Credit risk within the District's portfolio among the authorized investments approved by the District's adopted Investment Policy is present only in time and demand deposits, repurchase agreements, commercial paper, municipal obligations and money market mutual funds. All investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. State law and the District's adopted Investment Policy require inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. State law and the District’s adopted Investment Policy also require a procedure to verify continued FDIC insurance weekly.

Note 4 – CASH AND INVESTMENTS – (Continuation)

State law and the District's adopted Investment Policy restrict both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these depositories (banks and savings banks). Depository certificates of deposit are limited to a stated maturity of three years. Collateral, with a 102% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are priced at market on a daily basis as a contractual responsibility of the bank.

Brokered CD's must be FDIC insured and delivered versus payment to the District's depository. Maximum maturity is one year and FDIC insurance must be verified before purchase. By Policy any change in FDIC status of the banks requires a review to assure FDIC status has not changed and immediate liquidation in the case of a merger or acquisition.

By policy and state law repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed one year to stated maturity. Reverse repurchase agreements may not exceed 90 days and must be matched with reinvestment maturities.

By policy and state law commercial paper must be rated not less than A1/P1 or equivalent by at least two Nationally Recognized Statistical Rating Organizations (NRSRO) or by one NRSRO if fully secured by an irrevocable letter of credit issued by a bank organized and existing under US law or the law of a state of the US. Commercial paper is restricted to a stated maturity of 270 days or less. The District's adopted Investment Policy restricts investment in money market mutual funds to those rated AAA and registered with the SEC. Each fund must strive to maintain a \$1 net asset value.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The Policy further restricts investments to AAA-rated local government investment pools which strive to maintain a \$1 net asset value.

As of September 30, 2020, the cash and investments contained:

- FDIC insured or fully collateralized bank deposits representing 0.94% of the total portfolio,
- Investment in three local government investment pools representing 88.37% of the total portfolio,
- AAA-rated money market funds striving to maintain a \$1 net asset value represented 0.10% of the total portfolio, and
- US Government agency securities representing 9.78% of the total portfolio.
- Municipal Bonds representing .81% of the total portfolio.

Concentration of Credit Risk

The District recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The District's adopted Investment Policy establishes diversification as a major objective of the investment program and at least 33% of the District's investments are designed to be in obligations of the US Government. As of September 30, 2020 the portfolio met its diversification requirements.

Note 4 – CASH AND INVESTMENTS – (Continuation)

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum stated maturity date of three years and at least 33% of the District's investments shall be obligations of the U.S. Government. To ensure liquidity a minimum of 10% shall be liquid. The maximum weighted average maturity (WAM) is six (6) months. At the time any investment is placed, the overall compliance with the Investment Policy is verified. A segmented time distribution analysis of the portfolio is shown on page 42. As of September 30, 2020, holdings in the portfolio with stated maturity dates beyond one year representing 10.60% of the total portfolio all of which were US agencies and a municipal bond.

Custodial Credit Risk

To control custody and safekeeping risk State law and the District's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements. All pledged securities are to be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name by an independent custodian. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% of market value and collateral terms to be detailed in executed written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2020, the portfolio contained no certificates of deposit and no repurchase agreements. The portfolio contained 0.94% in fully insured and collateralized demand deposit accounts. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

Note 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

GASB 72, *Fair Value Measurement and Application*, for financial reporting purposes categorizes financial instruments within three different levels of risk dependent upon the measure of their fair value and pricing as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Because the investments are restricted by Policy and state law to active secondary market, the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

Note 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS – (Continuation)

The fair market prices used for these fair market valuations of the Districts portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

The investments held by the District as of September 30, 2020 are U.S. Government Agency Bonds and a Municipal Bond.

Note 6 – PROPERTY TAXES

The Commissioners’ Court of Nueces County levies for the District, an ad valorem tax as provided under state law on properties within the District. These taxes are collected by the Nueces County Tax Assessor-Collector and are remitted to the District when received. The Nueces County Appraisal District establishes appraised values.

Property taxes are considered available when collected within the current year. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid before February 1 of the year following the October 1 levy date. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges as well as attorney costs. The assessed value of the roll-on January 1, 2019 upon which the levy for the 2020 fiscal year was based was \$32,185,218,280.

The tax rate assessed for the year ended September 30, 2020 to finance general fund operations and the limited tax refunding bonds was \$0.112421 per \$100 valuation. Current tax collections for the year ended September 30, 2020 were 95% of the year-end adjusted tax.

Note 7 – DELINQUENT TAXES RECEIVABLE

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the District.

	BALANCE OCTOBER 1, 2019	CURRENT YEAR LEVY	TOTAL COLLECTIONS	ADJUSTMENTS	BALANCE SEPTEMBER 30, 2020
Delinquent Taxes					
Receivable	2,119,558	36,214,798	34,998,211	(490,151)	2,845,994
Allowance for Uncollectible Taxes	(1,066,807)	--	--	(19,637)	(1,086,444)
NET DELINQUENT TAXES RECEIVABLE	1,052,751	36,214,798	34,998,211	(509,788)	1,759,550

Note 8 – CAPITAL ASSETS

A summary of changes in the capital assets follows:

	BALANCE OCTOBER 1, 2019	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30 2020
Capital Assets, Not Being Depreciated-				
Land	3,076,926	--	--	3,076,926
Capital Assets, Being Depreciated-				
Equipment	1,329,240	51,522	24,746	1,356,016
Buildings	27,710,427	49,107	--	27,759,534
Total Capital Assets, Being Depreciated	29,039,667	100,629	24,746	29,115,550
Less Accumulated Depreciation for				
Equipment	1,214,060	32,530	24,746	1,221,844
Buildings	23,874,769	308,039	--	24,182,808
Total Accumulated Depreciation	25,088,829	340,569	24,746	25,404,652
 Total Capital Assets, Being Depreciated Net	 3,950,838	 (239,940)	 --	 3,710,898
 TOTAL CAPITAL ASSETS, NET	 7,027,764	 (239,940)	 --	 6,787,824

Note 9 – UNEARNED REVENUES

Unearned Revenue balances at September 30, 2020 consist of property taxes of \$1,759,550.

Note 10 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the District for the year ended September 30, 2020:

	BALANCE OCTOBER 1, 2019	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30 2020
Other Liabilities-				
Accrued Paid Time Off	31,634	149,842	140,122	41,354
 TOTAL	 31,634	 149,842	 140,122	 41,354

Note 11 - OPERATING LEASES

The District leases office space for its administrative offices under an operating lease expiring in May 31, 2023. Rental payments under all operating leases amounted to \$115,627 during the year ended September 30, 2020. As of September 30, 2020, the District had the following minimum commitments under a non-cancelable lease for the next five years:

Year Ended September 30, :	
2021	114,602
2022	116,442
2023	<u>78,446</u>
TOTAL	<u><u>309,490</u></u>

Note 12- INTERGOVERNMENTAL TRANSFERS (IGTs)

The District participates in the State sponsored Medicaid payment program serving as the Region 4 Anchor. The District provides IGT's for certain healthcare providers in Region 4 so they can participate in Medicaid payment programs. The District budgets IGTs based on provider's cost estimates. HHSC determines the amount of available State funds available to providers under the various Medicaid payment programs. After these complicated calculations are made by HHSC for all providers in the entire State, then HHSC calculates the amount of IGT needed by each provider and determines timing of the payments to providers. Therefore, of the District's budgeted \$114,835,114 for IGT's, the District paid \$92,581,241 in IGT's in the current fiscal year.

Additionally, IGTs are not accrued as liabilities by the District on the government-wide financial statements because of the following factors:

- There is no legal obligation for the District to remit IGTs to HHSC;
- The amount to pay cannot be reasonably estimated

Note 13- COMMITTED FUND BALANCE

As shown in the fund financial statements the Board of Managers committed an amount not to exceed \$39,918,934 in the District's general fund balance to anticipated additional expenditures for IGTs arising from the District's participation in the Waiver during the year ended September 30, 2020.

Funds included in the Indigent Care Fund of \$56,344,692 are committed to be used for indigent health care.

Note 14 – INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers during the year ended September 30, 2020 were as follows:

	TRANSFERS OUT		TOTAL
	GENERAL FUND	TOBACCO SETTLEMENT FUND	
<u>TRANSFERS IN</u>			
General Fund	661,000	(661,000)	--
TOTAL	661,000	(661,000)	--

Note 15 – EMPLOYEE BENEFIT PLANS

Retirement Plan

The District maintains a single-employer, defined contribution retirement plan available to all employees. The Plan is a tax-qualified plan pursuant to section 403(b) of the Internal Revenue Code. All full-time employees are eligible for participation in the plan. As of September 30, 2020, twenty employees were enrolled in the plan.

The Plan is administrated by an outside party. Employees can contribute a percentage of their compensation as permitted by the Internal Revenue Code Section 403(b). The District can make a discretionary matching contribution ranging from 5% to 7% of the employee’s earnings, based on tenure. The vesting schedule provides for employees to be 100% vested in their contributions. The District’s contributions are vested at a rate of 20% per year of employment. The plan permits employees to borrow from the plan and the related administration cost thereof shall be borne by the employee participant. The normal retirement age has been designated as 65 years of age. During the year ended September 30, 2020, the District had retirement plan expense of \$72,244.

Deferred Compensation Plan

The District has a deferred compensation agreement with a key employee which allows the employee to defer a percentage of his annual compensation to future periods as permitted by the Internal Revenue Code. The Plan is administrated by an outside party.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

February 16, 2021

The Board of Managers
Nueces County Hospital District
Corpus Christi, Texas

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the governmental activities and each major fund of the Nueces County Hospital District, a component unit of Nueces County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated February 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nueces County Hospital District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nueces County Hospital District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Collier, Johnson & Woods

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
 As of 01/31/2021
 (In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	76,041,104 *	37,613,809	117,394	0	0	113,772,307
Investments	0	18,731,893	0	0	0	18,731,893
Accrued Interest	0	37,537	1	0	0	37,538
Taxes Receivable, Net of Allowance	14,092,535	0	0	0	0	14,092,535
Other Receivables	0	0	0	0	0	0
Due from Other Funds	9,168	0	0	0	0	9,168
Prepaid Expenditures	111,199	0	0	0	0	111,199
Restricted Cash & Cash Equivalents - LPPF	16,601,593	0	0	0	0	16,601,593
Fixed Assets	0	0	0	32,130,947	0	32,130,947
Am't to be Provided for Retirement of LT Debt	0	0	0	0	41,354	41,354
Total Assets	<u>106,855,599</u>	<u>56,383,239</u>	<u>117,395</u>	<u>32,130,947</u>	<u>41,354</u>	<u>195,528,533</u>
Liabilities						
Accounts Payable	2,610,637	0	0	0	0	2,610,637
Accrued Payroll & Related Liabilities	205,486	0	0	0	0	205,486
Intergovernmental Transfer Obligations	16,602,694	0	0	0	0	16,602,694
Due to Other Funds	0	0	9,168	0	0	9,168
Deferred Revenue	14,092,535	0	0	0	0	14,092,535
Long Term Paid Time Off	0	0	0	0	41,354	41,354
Total Liabilities	<u>33,511,351</u>	<u>0</u>	<u>9,168</u>	<u>0</u>	<u>41,354</u>	<u>33,561,873</u>
Fund Equity						
Fund Balance	44,558,444	0	108,226	32,130,947	0	76,797,618
Committed to:						
Intergovernmental Transfers	28,785,804	0	0	0	0	28,785,804
Indigent Care	0	56,382,401	0	0	0	56,382,401
Assigned to County Health Care	0	838	0	0	0	838
Total Fund Equity	<u>73,344,248</u>	<u>56,383,239</u>	<u>108,226</u>	<u>32,130,947</u>	<u>0</u>	<u>161,966,660</u>
Total Liabilities & Fund Equity	<u>106,855,599</u>	<u>56,383,239</u>	<u>117,395</u>	<u>32,130,947</u>	<u>41,354</u>	<u>195,528,533</u>

* General Fund Cash & Equivalents balance includes \$28,785,804 in committed funds.

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Taxes	10,549,695	24,631,750
Penalties & Interest - Taxes	12,849	54,712
Spohn Corporate Member Revenue	664,911	3,939,678
Investment Income	4,665	23,771
Other Income	480	226,744
Total Revenues	11,232,598	28,876,655
Current Expenditures		
Intergovernmental Transfers	2,560,191	15,245,147
County Healthcare Funding	694,607	2,768,635
Salaries	65,013	382,089
Benefits	50,155	218,851
Legal & Professional Fees	88,785	222,311
Purchased Services	130,936	510,163
Supplies & Materials	1,469	5,217
Rent & Leases	11,117	45,155
Repairs & Maintenance	0	100
Utilities	3,215	10,750
Insurance	1,823	7,297
Administrative & General	4,189	19,180
Total Current Expenditures	3,611,501	19,434,894
Excess of Revenues Over Expenditures Before Sources/Uses	7,621,097	9,441,761
Excess of Revenues Over Expenditures After Sources & Uses	7,621,097	9,441,761
Fund Balance, Beginning of Year		63,902,487
FUND BALANCE, END OF YEAR		73,344,248

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	9,140	37,708
Total Revenues	9,140	37,708
Excess of Revenues Over Expenditures Before Sources/Uses	9,140	37,708
Excess of Revenues Over Expenditures After Sources & Uses	9,140	37,708
Fund Balance, Beginning of Year		56,345,530
FUND BALANCE, END OF YEAR		56,383,239

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	1	4
Total Revenues	1	4
Current Expenditures		
Benefits	3,719	6,674
Administrative & General	49	196
Total Current Expenditures	3,768	6,869
Excess of Revenues Over Expenditures Before Sources/Uses	(3,767)	(6,865)
Excess of Revenues Over Expenditures After Sources & Uses	(3,767)	(6,865)
Fund Balance, Beginning of Year		115,092
FUND BALANCE, END OF YEAR		108,226

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	10,549,695	11,002,842	(453,147)	24,631,750	24,130,653	501,097
Penalties & Interest - Taxes	12,849	46,592	(33,743)	54,712	121,324	(66,612)
Spohn Corporate Member Revenue	664,911	541,667	123,244	3,939,678	2,166,668	1,773,010
Investment Income	4,665	1,596	3,069	23,771	7,185	16,586
Other Income	480	0	480	226,744	0	226,744
Total Revenues	<u>11,232,598</u>	<u>11,592,697</u>	<u>(360,099)</u>	<u>28,876,655</u>	<u>26,425,830</u>	<u>2,450,825</u>
Current Expenditures						
Intergovernmental Transfers	2,560,191	14,292,625	11,732,434	15,245,147	36,221,198	20,976,051
County Healthcare Funding	694,607	1,136,913	442,306	2,768,635	7,368,449	4,599,814
Salaries	65,013	119,535	54,522	382,089	480,585	98,496
Benefits	50,155	55,886	5,731	218,851	235,230	16,379
Legal & Professional Fees	88,785	121,833	33,048	222,311	607,840	385,529
Purchased Services	130,936	135,906	4,970	510,163	526,057	15,894
Supplies & Materials	1,469	1,750	281	5,217	7,000	1,783
Rent & Leases	11,117	12,209	1,092	45,155	48,836	3,681
Repairs & Maintenance	0	751	751	100	3,004	2,904
Utilities	3,215	4,708	1,493	10,750	23,840	13,090
Insurance	1,823	2,166	343	7,297	8,672	1,375
Administrative & General	4,189	13,999	9,810	19,180	56,018	36,838
Capital Outlay	0	0	0	0	127,000	127,000
Extraordinary	0	417	417	0	1,668	1,668
Total Current Expenditures	<u>3,611,501</u>	<u>15,898,698</u>	<u>12,287,197</u>	<u>19,434,894</u>	<u>45,715,397</u>	<u>26,280,503</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>7,621,097</u>	<u>(4,306,001)</u>	<u>11,927,098</u>	<u>9,441,761</u>	<u>(19,289,567)</u>	<u>28,731,328</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>7,621,097</u>	<u>(4,306,001)</u>	<u>11,927,098</u>	<u>9,441,761</u>	<u>(19,289,567)</u>	<u>28,731,328</u>
Fund Balance, Beginning of Year				63,902,487	0	63,902,487
FUND BALANCE, END OF YEAR				<u>73,344,248</u>	<u>(19,289,567)</u>	<u>92,633,815</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Excess of Revenues Over Expenditures Before Sources/Uses	0	0	0	0	0	0
Excess of Revenues Over Expenditures After Sources & Uses	0	0	0	0	0	0
Fund Balance, Beginning of Year				838	0	838
FUND BALANCE, END OF YEAR				<u>838</u>	<u>0</u>	<u>838</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

UNAUDITED

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>Current Year Actual</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>
Revenues						
Investment Income	9,140	7,025	2,115	37,708	28,093	9,615
Total Revenues	<u>9,140</u>	<u>7,025</u>	<u>2,115</u>	<u>37,708</u>	<u>28,093</u>	<u>9,615</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>9,140</u>	<u>7,025</u>	<u>2,115</u>	<u>37,708</u>	<u>28,093</u>	<u>9,615</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>9,140</u>	<u>7,025</u>	<u>2,115</u>	<u>37,708</u>	<u>28,093</u>	<u>9,615</u>
Fund Balance, Beginning of Year				56,344,692	0	56,344,692
FUND BALANCE, END OF YEAR				<u>56,382,401</u>	<u>28,093</u>	<u>56,354,308</u>

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
 As of 02/28/2021
 (In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	75,642,873 *	37,656,237	117,346	0	0	113,416,455
Investments	0	18,728,138	0	0	0	18,728,138
Accrued Interest	0	7,263	1	0	0	7,264
Taxes Receivable, Net of Allowance	5,041,797	0	0	0	0	5,041,797
Other Receivables	0	0	0	0	0	0
Due from Other Funds	9,724	0	0	0	0	9,724
Prepaid Expenditures	66,533	0	0	0	0	66,533
Restricted Cash & Cash Equivalents - LPPF	31,864,162	0	0	0	0	31,864,162
Fixed Assets	0	0	0	32,130,947	0	32,130,947
Amt to be Provided for Retirement of LT Debt	0	0	0	0	41,354	41,354
Total Assets	112,625,089	56,391,638	117,347	32,130,947	41,354	201,306,374
Liabilities						
Accounts Payable	2,548,671	0	0	0	0	2,548,671
Accrued Payroll & Related Liabilities	218,571	0	0	0	0	218,571
Intergovernmental Transfer Obligations	31,866,277	0	0	0	0	31,866,277
Due to Other Funds	0	0	9,724	0	0	9,724
Deferred Revenue	5,041,797	0	0	0	0	5,041,797
Long Term Paid Time Off	0	0	0	0	41,354	41,354
Total Liabilities	39,675,316	0	9,724	0	41,354	39,726,394
Fund Equity						
Fund Balance	52,724,643	0	107,622	32,130,947	0	84,963,213
Committed to:						
Intergovernmental Transfers	20,225,130	0	0	0	0	20,225,130
Indigent Care	0	56,390,800	0	0	0	56,390,800
Assigned to County Health Care	0	838	0	0	0	838
Total Fund Equity	72,949,773	56,391,638	107,622	32,130,947	0	161,579,980
Total Liabilities & Fund Equity	112,625,089	56,391,638	117,347	32,130,947	41,354	201,306,374

* General Fund Cash & Equivalents balance includes \$20,225,130 in committed funds.

Nueces County Hospital District
 Statement of Revenues and Expenditures - All Governmental and Trust Funds
 General Fund
 From 2/1/2021 Through 2/28/2021
 (In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Taxes	8,949,641	33,581,391
Penalties & Interest - Taxes	33,259	87,971
Spohn Corporate Member Revenue	555,990	4,495,668
Investment Income	2,548	26,319
Other Income	147,042	373,786
Total Revenues	9,688,480	38,565,134
Current Expenditures		
Intergovernmental Transfers	9,117,373	24,362,521
County Healthcare Funding	671,836	3,440,471
Salaries	94,703	476,793
Benefits	46,558	265,409
Legal & Professional Fees	31,443	253,753
Purchased Services	99,109	609,271
Supplies & Materials	1,351	6,568
Rent & Leases	11,117	56,272
Repairs & Maintenance	15	115
Utilities	3,341	14,091
Insurance	1,822	9,119
Administrative & General	4,286	23,466
Total Current Expenditures	10,082,955	29,517,849
Excess of Revenues Over Expenditures Before Sources/Uses	(394,475)	9,047,286
Excess of Revenues Over Expenditures After Sources & Uses	(394,475)	9,047,286
Fund Balance, Beginning of Year		63,902,487
FUND BALANCE, END OF YEAR		72,949,773

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 2/1/2021 Through 2/28/2021
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	<u>8,399</u>	<u>46,107</u>
Total Revenues	<u>8,399</u>	<u>46,107</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>8,399</u>	<u>46,107</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>8,399</u>	<u>46,107</u>
Fund Balance, Beginning of Year		56,345,530
FUND BALANCE, END OF YEAR		<u><u>56,391,638</u></u>

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 2/1/2021 Through 2/28/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	1	5
Total Revenues	1	5
Current Expenditures		
Benefits	556	7,229
Administrative & General	49	245
Total Current Expenditures	605	7,474
Excess of Revenues Over Expenditures Before Sources/Uses	(604)	(7,469)
Excess of Revenues Over Expenditures After Sources & Uses	(604)	(7,469)
Fund Balance, Beginning of Year		115,092
FUND BALANCE, END OF YEAR		107,622

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 2/1/2021 Through 2/28/2021
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	8,949,641	9,004,582	(54,941)	33,581,391	33,135,235	446,156
Penalties & Interest - Taxes	33,259	22,451	10,808	87,971	143,775	(55,804)
Spohn Corporate Member Revenue	555,990	541,667	14,323	4,495,668	2,708,335	1,787,333
Investment Income	2,548	1,419	1,129	26,319	8,604	17,715
Other Income	147,042	120,000	27,042	373,786	120,000	253,786
Total Revenues	<u>9,688,480</u>	<u>9,690,119</u>	<u>(1,639)</u>	<u>38,565,134</u>	<u>36,115,949</u>	<u>2,449,185</u>
Current Expenditures						
Intergovernmental Transfers	9,117,373	612,663	(8,504,710)	24,362,521	36,833,861	12,471,340
County Healthcare Funding	671,836	1,136,913	465,077	3,440,471	8,505,362	5,064,891
Salaries	94,703	205,937	111,234	476,793	686,522	209,729
Benefits	46,558	61,471	14,913	265,409	296,701	31,292
Legal & Professional Fees	31,443	121,833	90,390	253,753	729,673	475,920
Purchased Services	99,109	121,431	22,322	609,271	647,488	38,217
Supplies & Materials	1,351	1,750	399	6,568	8,750	2,182
Rent & Leases	11,117	12,209	1,092	56,272	61,045	4,773
Repairs & Maintenance	15	751	736	115	3,755	3,640
Utilities	3,341	4,708	1,367	14,091	28,548	14,457
Insurance	1,822	2,166	344	9,119	10,838	1,719
Administrative & General	4,286	13,999	9,713	23,466	70,017	46,551
Capital Outlay	0	0	0	0	127,000	127,000
Extraordinary	0	417	417	0	2,085	2,085
Total Current Expenditures	<u>10,082,955</u>	<u>2,296,248</u>	<u>(7,786,707)</u>	<u>29,517,849</u>	<u>48,011,645</u>	<u>18,493,796</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(394,475)</u>	<u>7,393,871</u>	<u>(7,788,346)</u>	<u>9,047,286</u>	<u>(11,895,696)</u>	<u>20,942,982</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(394,475)</u>	<u>7,393,871</u>	<u>(7,788,346)</u>	<u>9,047,286</u>	<u>(11,895,696)</u>	<u>20,942,982</u>
Fund Balance, Beginning of Year				63,902,487	0	63,902,487
FUND BALANCE, END OF YEAR				<u>72,949,773</u>	<u>(11,895,696)</u>	<u>84,845,469</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 2/1/2021 Through 2/28/2021
(In Whole Numbers)

UNAUDITED

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>Current Year Actual</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>
Excess of Revenues Over Expenditures Before Sources/Uses	0	0	0	0	0	0
Excess of Revenues Over Expenditures After Sources & Uses	0	0	0	0	0	0
Fund Balance, Beginning of Year				838	0	838
FUND BALANCE, END OF YEAR				<u>838</u>	<u>0</u>	<u>838</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 2/1/2021 Through 2/28/2021
(In Whole Numbers)

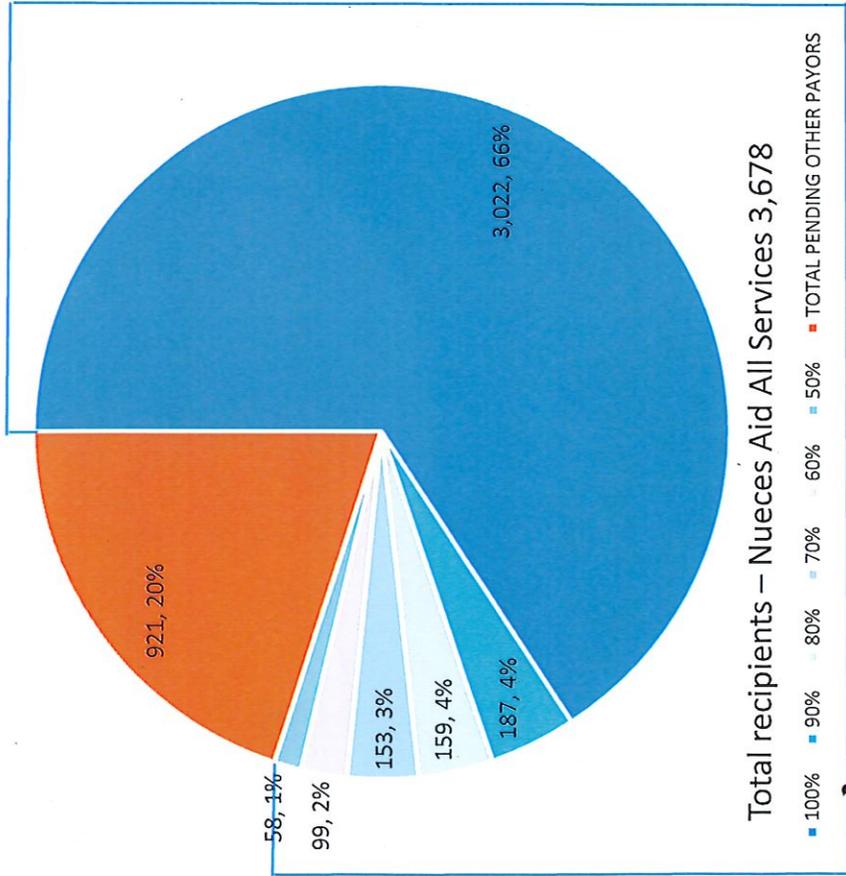
UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	8,399	7,025	1,374	46,107	35,118	10,989
Total Revenues	<u>8,399</u>	<u>7,025</u>	<u>1,374</u>	<u>46,107</u>	<u>35,118</u>	<u>10,989</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>8,399</u>	<u>7,025</u>	<u>1,374</u>	<u>46,107</u>	<u>35,118</u>	<u>10,989</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>8,399</u>	<u>7,025</u>	<u>1,374</u>	<u>46,107</u>	<u>35,118</u>	<u>10,989</u>
Fund Balance, Beginning of Year				56,344,692	0	56,344,692
FUND BALANCE, END OF YEAR				<u><u>56,390,800</u></u>	<u><u>35,118</u></u>	<u><u>56,355,682</u></u>

February 2021

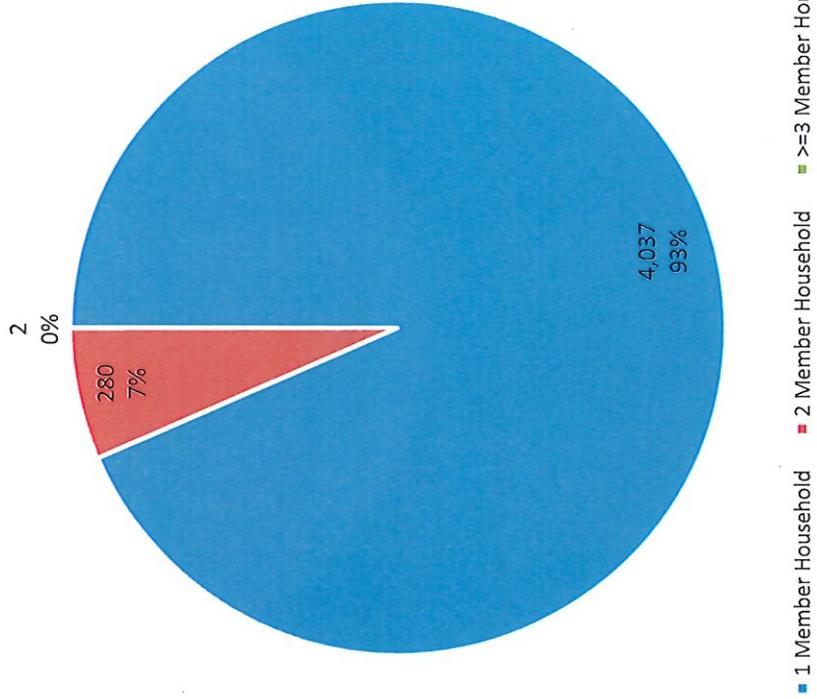
Nueces Aid Program Enrollment

Total Enrolled
4,599



Total recipients – Nueces Aid All Services 3,678

Total Households
4,319



1 Member Household 2 Member Household >=3 Member Household

**Nueces Aid Program
Enrollment Summary Calendar Year 2021**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2021 Average	Comments
TOTAL RECIPIENTS	4,738	4,599											4,669	
NUECES AID - All Services														
100%	3,123	3,022											3,073	The percentage for each plan
%	65.9%	65.7%											65.8%	option is calculated by dividing
90%	194	187											191	the number for each option
%	4.1%	4.1%											4.1%	by the number of total
80%	171	159											165	recipients.
%	3.6%	3.5%											3.5%	
70%	166	153											160	
%	3.5%	3.3%											3.4%	
60%	96	99											98	
%	2.0%	2.2%											2.1%	
50%	56	58											57	
%	1.2%	1.3%											1.2%	
TOTAL NUECES AID	3,806	3,678											3,742	
	80.3%	80.0%											80.2%	

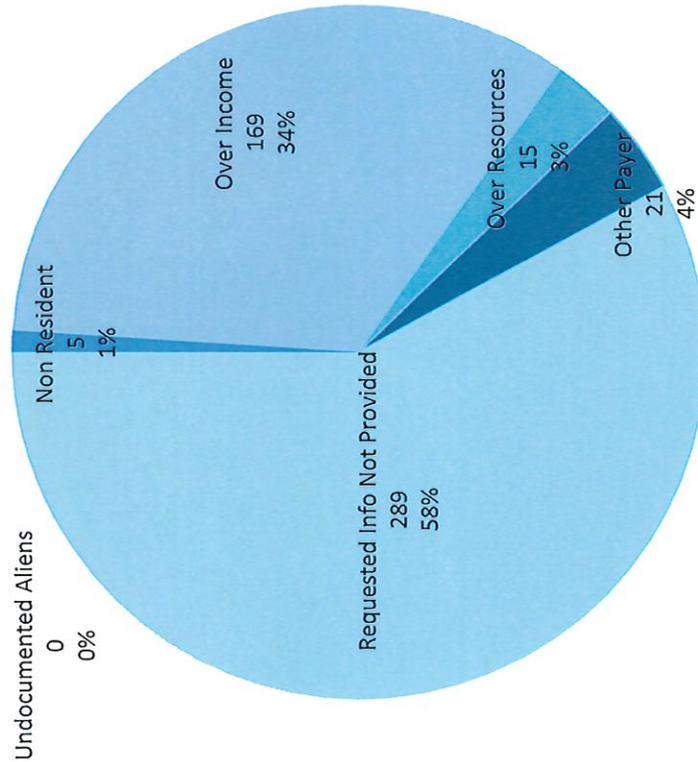
**Nueces Aid Program
Enrollment Summary Calendar Year 2021**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2021 Average	Comments
PENDING OTHER PAYORS														
TANF %	52 5.6%	47 5.1%											50 5.3%	
SS/SSID %	596 63.9%	598 64.9%											597 64.4%	These individuals are eligible for NCHD assistance if denied assistance by other payer.
Other Payer %	284 30.5%	276 30.0%											280 30.2%	
TOTAL PENDING OTHER PAYORS	932 19.7%	921 20.0%											927 19.8%	
HOUSEHOLDS BY SIZE														
1 Member Household %	4,151 93.4%	4,037 93.5%											4,084 93.4%	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
2 Member Household %	293 6.6%	280 6.5%											287 6.5%	
>=3 Member Household %	2 0.0%	2 0.0%											2 0.0%	
TOTAL HOUSEHOLDS	4,446	4,319											4,383	

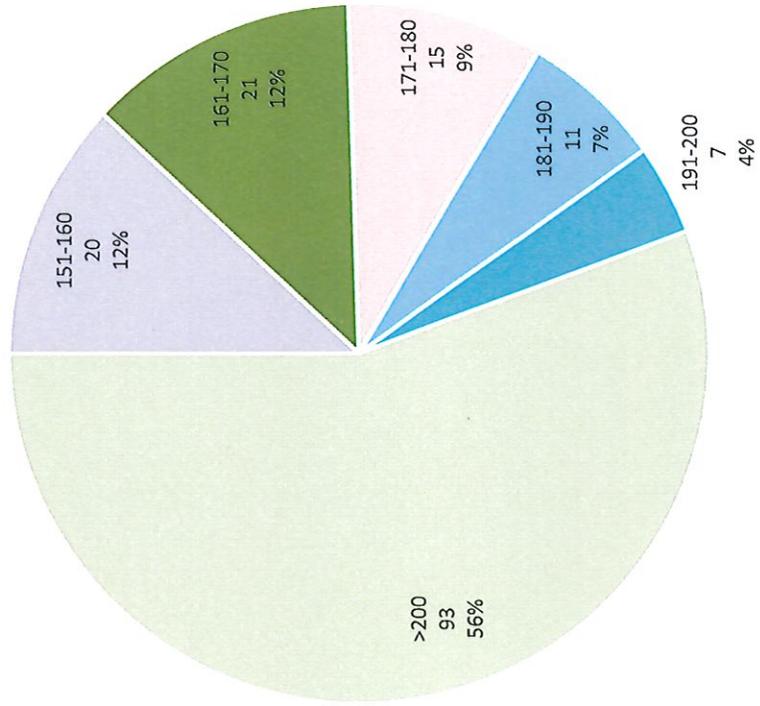
NUECES AID DENIALS

Calendar Year 2021 January-February

Denial Reasons



Comparison of Over Income Case
to 2020 HHS Poverty Guidelines



Nueces Aid Program
Application Processing Summary Calendar Year 2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2021	Comments
TOTAL APPLICATIONS	807	687											1,494	
- Approved	534	461											995	
%	66.2%	67.1%											66.6%	Since FY 1999, the denial rate is based on all denied
- Denied	273	226											499	individuals in the household.
%	33.8%	32.9%											33.4%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Services														
100%	358	333											691	
%	67.0%	72.2%											69.4%	
90%	21	15											36	
%	3.9%	3.3%											3.6%	
80%	12	13											25	
%	2.2%	2.8%											2.5%	
70%	25	15											40	The percentage of approvals
%	4.7%	3.3%											4.0%	by plan option is calculated
60%	10	12											22	by dividing the number for
%	1.9%	2.6%											2.2%	each plan option by the
50%	13	10											23	total number of approved
%	2.4%	2.2%											2.3%	applications.
TOTAL	439	398											837	
%	82.2%	86.3%											84.1%	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	720	389											1,109	The percentage for each size
%	95.7%	91.1%											94.1%	household is calculated by
2 Member Household	32	35											67	dividing the number of house-
%	4.3%	8.2%											5.7%	holds in the category by the
3 or > Member Household	0	3											3	total number of approved
%	0.0%	0.7%											0.3%	households.
TOTAL HOUSEHOLDS APPROVED	752	427											1,179	Households pending other
														payors are not included.

Nueces Aid Program
Application Processing Summary Calendar Year 2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2021	Comments
INCHD DENIALS - Reasons for Denials														
Non Resident %	4 1.5%	1 0.4%												5 The percentage for each denial reason is calculated by dividing the number of individuals for each reason by the total number of individuals denied.
Over Income %	102 37.4%	67 29.6%												169
Over Resources %	9 3.3%	6 2.7%												15 3.0%
Other Payer %	18 6.6%	3 1.3%												21 4.2%
Requested Info Not Provided %	140 51.3%	149 65.9%												289 57.9%
Undocumented Aliens %	0 0.0%	0 0.0%												0 Note: UA code eff 08/01/01 0.0%
TOTAL DENIALS	273	226											499	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household %	223 89.9%	180 88.2%												403 The denial percentage for each size household is calculated by dividing the number for each household size by the total number of denied households.
2 Member Household %	25 10.1%	22 10.8%												47 10.4%
3 or > Member Household %	0 0.0%	2 1.0%												2 Households pending other payors are not included.
TOTAL HOUSEHOLDS DENIED	248	204											452	
PENDING APPLICATIONS														
Pending documentation	311	267												The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	13	9												9
SSI-SSID	49	30												30
Other Payor	33	24												24

**NCHD
Eligibility History**

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg
2011														
NCHD	8,871	8,825	8,804	8,746	8,736	8,926	8,785	8,775	8,865	8,708	8,626	8,453	105,120	8,760
Pend	2,072	2,020	2,061	2,032	2,034	2,049	2,056	2,036	2,055	2,033	2,004	1,990	24,442	2,037
Total	10,943	10,845	10,865	10,778	10,770	10,975	10,841	10,811	10,920	10,741	10,630	10,443	129,562	10,797
2012														
NCHD	8,293	8,373	8,246	8,182	8,255	8,080	8,152	8,245	8,218	8,173	8,054	7,865	98,136	8,178
Pend	1,990	1,962	1,958	1,961	1,974	1,972	1,892	1,867	1,830	1,836	1,829	1,814	22,885	1,907
Total	10,283	10,335	10,204	10,143	10,229	10,052	10,044	10,112	10,048	10,009	9,883	9,679	121,021	10,085
2013														
NCHD	7,982	7,849	7,680	7,655	7,681	7,702	7,875	7,714	7,747	7,809	7,615	7,391	92,700	7,725
Pend	1,780	1,738	1,718	1,755	1,763	1,765	1,765	1,761	1,730	1,718	1,675	1,654	20,822	1,735
Total	9,762	9,587	9,398	9,410	9,444	9,467	9,640	9,475	9,477	9,527	9,290	9,045	113,522	9,460
2014														
NCHD	7,393	7,179	7,114	6,844	6,736	6,804	6,829	6,734	6,757	6,664	6,445	6,320	81,819	6,818
Pend	1,677	1,632	1,648	1,642	1,606	1,586	1,595	1,591	1,631	1,619	1,589	1,588	19,404	1,617
Total	9,070	8,811	8,762	8,486	8,342	8,390	8,424	8,325	8,388	8,283	8,034	7,908	101,223	8,435
2015														
NCHD	6,303	6,253	6,231	6,257	6,189	6,288	6,360	6,221	6,192	6,237	6,137	6,094	74,762	6,230
Pend	1,515	1,493	1,484	1,447	1,438	1,408	1,394	1,401	1,418	1,420	1,423	1,394	17,235	1,436
Total	7,818	7,746	7,715	7,704	7,627	7,696	7,754	7,622	7,610	7,657	7,560	7,488	91,997	7,666
2016														
NCHD	6,210	6,223	6,220	6,281	6,308	6,358	6,400	6,317	6,271	6,224	6,078	5,925	74,815	6,235
Pend	1,378	1,394	1,386	1,390	1,344	1,325	1,315	1,350	1,329	1,293	1,289	1,290	16,083	1,340
Total	7,588	7,617	7,606	7,671	7,652	7,683	7,715	7,667	7,600	7,517	7,367	7,215	90,898	7,575
2017														
NCHD	6,018	5,963	5,969	5,961	5,966	5,951	5,905	5,798	5,769	5,789	5,696	5,593	70,378	5,865
Pend	1,333	1,332	1,303	1,327	1,357	1,382	1,397	1,386	1,404	1,443	1,450	1,431	16,545	1,379
Total	7,351	7,295	7,272	7,288	7,323	7,333	7,302	7,184	7,173	7,232	7,146	7,024	86,923	7,244
2018														
NCHD	5,630	5,708	5,674	5,613	5,471	5,481	5,492	5,438	5,396	5,467	5,673	5,235	66,278	5,523
Pend	1,488	1,483	1,398	1,386	1,349	1,336	1,324	1,317	1,337	1,327	1,313	1,270	16,328	1,361
Total	7,118	7,191	7,072	6,999	6,820	6,817	6,816	6,755	6,733	6,794	6,986	6,505	82,606	6,884
2019														
NCHD	5,277	5,181	5,075	5,024	4,957	4,961	4,996	4,943	4,970	5,064	4,944	4,821	60,213	5,018
Pend	1,294	1,260	1,289	1,305	1,274	1,281	1,330	1,356	1,339	1,357	1,330	1,277	15,692	1,308
Total	6,571	6,441	6,364	6,329	6,231	6,242	6,326	6,299	6,309	6,421	6,274	6,098	75,905	6,325
2020														
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377
2021														
NCHD	3,806	3,678											7,484	3,742
Pend	932	921											1,853	927
Total	4,738	4,599	-	-	-	-	-	-	-	-	-	-	9,337	4,669

NUECES COUNTY HOSPITAL DISTRICT
87th Texas Legislative Session
Legislation Update
March 16, 2021

Legislation List	Bills Filed/Actions
<p>1. Texas Health and Safety Code, Chapter 281, Hospital Districts in Counties of at Least 190,000:</p> <p style="padding-left: 20px;">a. Amend Subchapter E, District Finance, §281.094(a) to read as follows: Use of Certain Funds by the Nueces County Hospital District. “With the approval of the Nueces County Commissioners Court, If the board of the Nueces County Hospital District determines the district will have funds available after funding indigent health care as described by Subsection (b)(1), the board of the Nueces County Hospital District, <u>with the approval of Nueces County Commissioners Court</u>, may use funds made available to the district from <u>any</u> sources other than a tax levy to fund health care services <u>for residents of the district</u>, including public health services, mental health and mental retardation <u>intellectual disability</u> services, emergency medical services, health services provided to persons confined in jail facilities, and for other health related purposes.”</p>	

Legislation List	Bills Filed/Actions
<p>2. Texas Health and Safety Code, Chapter 298C, Nueces County Hospital District Health Care Provider Participation Program:</p> <p>a. Amend Subchapter A, General Provisions, §298C.004(a), Expiration, to read as follows: “Subject to Section 298C.153(d), the authority of the district to administer and operate a program under this chapter expires December 31, 2021 <u>2023</u>.”</p> <p>b. Amend Subchapter A, General Provisions, §298C.004(b) to read as follows: “This chapter expires December 31, 2021 <u>2023</u>.”</p>	<p>S.B. No. 273 by Sen. Hinojosa (Repeals Sunset)</p> <ul style="list-style-type: none"> • 3/3/21: Referred to Local Government Committee <p>H.B. 1456 by Rep. Herrero (Repeals Sunset)</p> <ul style="list-style-type: none"> • 3/5/21: Referred to County Affairs Committee

NOTE: Senator Hinojosa’s office has proposed combining the two legislative items above into a single bill.

DBITS

(Deliverables-Based Information Technology Services)

PROVIDED UNDER TEXAS DEPARTMENT OF INFORMATION RESOURCES-CONTRACT DIR-TSO-4005

STATEMENT OF WORK (SOW)

Accenture, LLP

Nueces County COVID-19 Response Services

IT Assessments/Planning & Program Management

Nueces County Hospital District

March 2021

Contact:

Rob Cohan
Managing Director
Accenture, LLP
323 Congress Ave
Austin, TX 78701
(512)-680-0560
robert.cohan@accenture.com

1. Introduction

At the request of the Head of Emergency Management for the Nueces County Region, the Nueces County Hospital District is seeking COVID-19 Project Management Office (PMO) Response Services to assist with addressing COVID-19 response planning. Accenture proposes to provide services in a command center model to triage, assess, plan, and advise on critical COVID-19 response capabilities.

2. Scope

Accenture will provide project management services to support Nueces County Hospital District in its efforts to provide health care services to respond to COVID-19. The Accenture COVID-19 PMO Response Team will work with Nueces County Hospital District and its designee(s), including Nueces County and/or Corpus Christi-Nueces County Public Health District to define COVID-19 support services needed and to advise Nueces County Hospital District and its designee(s) on related strategies across people, process, and technology factors (costs, roles, priorities timing, etc.).

The specific defined services which Accenture will provide to Nueces County Hospital District every two weeks will be outlined in writing at the start of each two-week period in the Public Health Work Report deliverable and mutually agreed upon between either Rob Cohan or Ryan Callison, the Accenture Program Managers, and Nueces County Hospital District CEO/Administrator Jonny Hipp, and/or its designee(s). At the start of each two-week period, Accenture will provide the Nueces County Hospital District a copy of the agreed upon Public Health Work Report deliverable executed by Nueces County Hospital District and/or its designee(s).

The agreed-to plan ("Work Plan") in the Public Health Work Report (every two weeks) deliverable shall herein by reference become an exhibit hereto and shall be governed by this SOW.

Should Nueces County Hospital District and/or its designee(s) and Accenture not be able to mutually agree upon a Work Plan for any two-week period, Nueces County Hospital District in its sole discretion may immediately suspend or terminate this agreement by written notice to Accenture.

An initial Work Plan for the first two weeks will be developed and agreed to upon execution of this Statement of Work. The Work Plan, by reference, will also become an exhibit hereto.

COVID-19 Support Service Identification, Planning, Advisory, and Monitoring

- Accenture will provide planning, advisory and monitoring services to assist the Nueces County Hospital District in identifying, procuring, and implementing needed COVID-19 support services. Accenture's proposed services will include:
 - o High-level service proposal review
 - o Targeted data support, analysis, and recommendations

- Potential services to be addressed may include those found in the list below. Services to be addressed can be adjusted or added to based upon discovery and memorialized in Work Plans in the Public Health Work Reports.
 - o Strategy and Planning for COVID-19 Vaccine 2nd Dose Scheduling
 - o Emergency Operations Organization Reviews
 - o Digital Portal/Test Data Management - Testing and Assessment Services
 - o Public Health Messaging
 - o COVID-19 Data Analytics and Reporting

- Once services have been identified and prioritized, Accenture and the Nueces County Hospital District and/or its designee(s) will agree upon an Accenture Work Plan for each following two-week period, which will be documented in the bi-weekly Public Health Work Reports. The Work Plan will involve planning and advisory services for selected prioritized response services.

Unless otherwise agreed to in writing by Nueces County District Hospital District the above describes the complete scope of Services for this SOW. NO ADDITIONAL WORK SHALL BE PERFORMED OR BILLED WITHOUT THE PRIOR WRITTEN APPROVAL BY NUECES COUNTY HOSPITAL DISTRICT.

3. Assumptions

The following are the key assumptions and principles upon which Accenture's scope of Services and pricing are based:

- Accenture will perform all Services on a remote basis and will attend Program meetings by telephone or video conference.

- The Accenture Team will perform Services during Nueces County Hospital District's and/or its designee(s) regular business hours, unless otherwise requested by Nueces County Hospital District and/or its designee(s) on an as needed basis.

- The Nueces County Hospital District and/or its designee(s) shall commit to their fullest ability the necessary resources and management involvement to support Accenture's services, recognizing that Nueces County Hospital District neither possesses, owns, or controls the data necessary for Accenture's performance, and if the data cannot or is not made available, Nueces County Hospital District has sole discretion to immediately suspend or terminate this agreement by written notice to Accenture.

The Nueces County Hospital District and/or its designee(s) shall set overall direction for the engagement and make choices on direction, options, and priorities. Decisions to be made by Nueces County Hospital District and/or its designee(s) will be made promptly and without delay.

- The Nueces County Hospital District shall be responsible for obtaining, at no cost to Accenture, consents for Accenture's use of any third-party products provided strictly by Nueces County Hospital District to Accenture under this SOW.
- The Nueces County Hospital District shall be responsible for the performance of any third parties strictly engaged by Nueces County Hospital District in connection with this SOW and ensuring that they cooperate with Accenture.
- The Nueces County Hospital District and/or its designee(s) shall be responsible for the operation and use of Accenture's services and deliverables, subject to applicable warranties and indemnities, and for determining whether the services and deliverables provided by Accenture under this SOW, including any revised business processes, meet Nueces County Hospital District's and/or its designee(s) business requirements and applicable internal guidelines.
- Accenture shall have no access to the Nueces County Hospital District's and/or its designee(s) personal data.
- Accenture and its personnel do not provide and will not be required to provide any legal, regulatory, audit, medical, insurance or tax advice. The Nueces County Hospital District and/or its designee(s) will be responsible for obtaining such advice from their own legal counsel or other licensed professionals.
- By its performance of these Services, Accenture shall not be precluded from performing any related or follow-on services for Nueces County Hospital District and/or its designee(s), either as a prime contractor or a subcontractor to another vendor.
- By performing the services described by this document, Accenture shall not be responsible to individuals for bodily injury or death resulting from COVID-19.

4. Deliverables

a. Public Health Work Report

At the end of every two weeks, Accenture will provide a Public Health Work Report to Nueces County Hospital District and its designee(s) that:

- Provides an overview of work completed and advice provided pursuant to the work set out in the initial Work Plan or in previous Public Health Work Report
- Provides an agreed upon Work Plan for the following two weeks

Indicative services for Accenture planning and advisory may include, but are not limited to, the following (Note: these will be refined based on discovery):

- Strategy and Planning for COVID-19 Vaccine 2nd Dose Scheduling
- Emergency Operations Organization Reviews
- Digital Portal/Test Data Management - Testing and Assessment Services
- Public Health Messaging
- COVID-19 Data Analytics and Reporting

5. Team Structure

The program management services will be provided by the following Accenture Team members:

<u>Resource</u>	<u>Role</u>	<u>Dedication</u>
Rob Cohan	Engagement Executive	Part Time
Ryan Callison	Project Lead	Part Time
James Callison	Project Consultant	Part Time

6. Program Fees and Expenses

The fixed-fee pricing for services and deliverables is described in in the COVID-19 Response Services table below.

The price includes applicable taxes. Accenture will invoice Nueces County Hospital District via mail or email in accordance with the invoicing schedules below.

COVID-19 RESPONSE SERVICES

<u>Deliverable Number</u>	<u>Deliverable Description</u>	<u>Deliverable Date</u>	<u>Invoicing Amount</u>
1	Public Health Work Report	End of Week 2	\$32,500
2	Public Health Work Report	End of Week 4	\$32,500
3	Public Health Work Report	End of Week 6	\$32,500
4	Public Health Work Report	End of Week 8	\$32,500

The Nueces County Hospital District reserves the right to withhold payment pending verification of satisfactory work, to be determined in the reasonable discretion of the District.

The Nueces County Hospital District shall review the invoice against the required service/deliverable provided under this Agreement. Upon approval of invoice by Nueces County Hospital District and its designee(s), payment shall be remitted by District. Nueces County Hospital District shall pay Accenture undisputed amount of invoice within thirty (30) calendar days of invoice date with payment sent via the United States Postal Service to the address provided by Accenture on the invoice. If the Nueces County Hospital District determines that payment for specific fees and/or services are disputed, the undisputed portion of the invoice shall be approved for payment. The Nueces County Hospital District

and Accenture shall attempt to resolve the disputed portion of the invoice with ten (10) calendar days.

7. Notice:

Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing.

8. Amendment:

This agreement may be changed or amended at any time by written mutual consent of the Nueces County Hospital District and Accenture.

9. Confidentiality.

Accenture agrees that all information obtained under the terms of this Agreement will not be publicly disclosed or used other than for the activities contemplated hereunder except as required by law or by the rules and regulations of any regulatory authority or with prior written consent of the Nueces County Hospital District, such consent not to be unreasonably withheld. Accenture agrees further to enter into a mutually acceptable Business Associate Agreement pursuant to HIPAA upon Nueces County Hospital District's request.

10. Period of Performance

The period of performance for the services in this SOW shall be (eight) 8 weeks, commencing on March 8, 2021 and expiring on April 30, 2021. The Nueces County Hospital District may terminate this agreement without cause and for reasons of its own upon providing fifteen (15) days' notice to Accenture or as otherwise provided herein. The Nueces County Hospital District may direct suspension of work during pendency of termination notice. The Nueces County Hospital District will only be responsive for payment of work performed through date of termination. This contract is being entered into pursuant to the terms and conditions of the State of Texas Department of Information Resources Deliverables Based IT Services Contract DIR-TSO-4005 located here:

<https://dir.texas.gov/View-Search/Contracts-Detail.aspx?contractnumber=DIRTSO-400S&keyword=4005>.

11. Entire Agreement:

This Agreement sets forth the entire understanding and agreement of the Nueces County Hospital District and Accenture and supersedes any and all oral or written agreements or understandings as to the subject matter of this Agreement. Neither the Nueces County Hospital District nor Accenture is relying upon any warranties, representations, assurances, or inducements not expressly set forth herein.

The undersigned have had the opportunity to review the above Agreement, understand all of its terms, and accept and agree to be bound by the Agreement.

In Concurrence with the Terms Above:

Barbara Canales, Nueces County Judge
Head of Emergency Management for
Nueces County Region

Date:

Accepted and Agreed:



Accenture LLP
Rob Cohan
Managing Director
319 Congress Ave., Suite 200
Austin, Texas 78701
(512)-680-0560
robert.cohan@accenture.com

2/12/21
Date

Nueces County Hospital District
Jonny F. Hipp, ScD, FACHE
Administrator/Chief Executive Officer
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401
(361)-808-3300
jonny.hipp@nchdcc.org

March 5, 2021
Date