

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, March 7, 2023 at 12:00 PM**

AGENDA

1. WELCOME

2. ROLL CALL OF BOARD OF MANAGERS

- John E. Valls, MBA, Chairman
- Vishnu V. Reddy, M.D., Vice Chairman
- Sylvia Tryon Oliver
- Belinda Flores, R.N.
- Judge Mariana Garza
- Efrain Guerrero, Jr.
- Arthur Granado

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

5. PUBLIC COMMENT - Persons attending in-person and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the meeting. Persons attending via audio or video conference and wishing to comment on any item(s) on the agenda or any subject within the Board's responsibilities must verbally notify the presiding officer of their

desire to comment when the officer calls for public comment from those attending via audio and video conference. Commenters shall limit their comments to three (3) minutes, except that Commenters addressing the Board through a translator shall limit their comments to six (6) minutes.

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

A. Approve Board of Managers minutes:

- 1. Regular Meeting of January 24, 2023; and 10
- 2. Special Meeting of February 21, 2023. 20

B. 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, 2022:

- 1. CHRISTUS Spohn Health System Corporation Hospitals: Alice, Beeville, and Kleberg (Consolidated Report); 25
- 2. Corpus Christi Medical Center; and 34
- 3. Driscoll Children's Hospital. 41

C. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2023 year-to-date: 42

- 1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
- 2. Emergency medical services provided in unincorporated areas of Nueces County;
- 3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
- 4. Medical services provided at County correctional facilities:
 - a. Nueces County Jail; and
 - b. Nueces County Juvenile Detention Center;
- 5. Funding for alcohol and drug abuse treatment programs:

- a. Cenikor (Charlie's Place);
 - b. Council on Alcohol and Drug Abuse; and
 - c. Palmer Drug Abuse Program;
- 6. Funding for diabetes prevention and supporting programs;
- 7. Public health grants; and
- 8. Legal and professional fees. (*Finance Committee*)

- 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 January 31, 2023. (*Finance Committee*) 43

- 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*) 44

- 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 January 31, 2023. (*Finance Committee*) 45

- G. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. (*Finance Committee*) 49

- H. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC): 50
 - 1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:
 - a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
 - b. Network Access Improvement Program (NAIP);
 - c. Texas Incentives for Physicians and Professional Services (TIPPS);
 - d. Uniform Hospital Rate Increase Program (UHRIP); and

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

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

3. Phase-Out Programs:

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

I. Receive reports relating to Nueces Aid Program enrollment for the month-ended January 31, 2023:

- 1. Total Persons and Households Enrolled; 51
- 2. Enrollment Summary; 52
- 3. Denials; 54
- 4. Application Processing Summary; and 55
- 5. Enrollment by Zip Code. (*Finance Committee*) 59

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

- 1. Annual update of the HHS Poverty Guidelines from Federal Register, Vol. 88, No. 12, January 19, 2023, pp. 3424-3425; and 62
- 2. Prior HHS Poverty Guidelines and Federal Register References, 1982 - 2023. (**INFORMATION**) 64

K. Receive notice of annual increase adjustments of Nueces Aid Program's Eligibility Guidelines; adjustments effective March 1, 2023 for: 71

- 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 73
- 2. Household Income as required by Program's Handbook Policy No. NA002, Attachment 4, Section I-F-3. (**INFORMATION**) 79

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

A. Administrator's Actions:

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

- a. Professional Services Letter Agreement with CLK Architects and Associates for Conceptual Programming and Building Planning relating to the expansion of Dr. Hector P. Garcia Memorial Family 90

Health Center, including Pharmacy, Urgent Care, Educational Services, & Hospital District Offices. **(ACTION)**

b. Financial Advisory Services Agreement with Specialized Public Finance Inc. for professional services relating to the Hospital District's possible issuance and sale of certain indebtedness or debt obligations for expansion of the Dr. Hector P. Garcia Memorial Family Health Center and related work. **(ACTION)** 94

B. Finance Committee:

1. Annual Financial Report:

a. Discuss and consider acceptance of 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, 2022. **(ACTION)** 114

2. Financial Statements:

a. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended January 31, 2023. **(ACTION)** 174

3. Other Financial Business:

a. Receive and discuss information from Specialized Public Finance Inc. relating to Hospital District's possible issuance and sale of certain indebtedness or debt obligations to finance expansion of the Dr. Hector P. Garcia Memorial Family Health Center. **(INFORMATION)** 181

b. Receive and discuss information from Aransas Terminal Company, LLC relating to establishment of a wind turbine components-related Foreign Trade Zone to be located on Harbor Island at 118 Hwy. 361, Port Aransas, Texas. **(INFORMATION)** 192

C. Legislative Committee:

1. Receive information on 88th Texas Session Legislative Agenda, as amended. **(INFORMATION)** 201

D. Memorial Medical Center Demolition:

1. Receive, view, and discuss information on Memorial Medical Center demolition project being conducted by CHRISTUS Spohn Health System Corporation; demolition project located at 2606 Hospital 207

Boulevard, Corpus Christi, Texas:

- a. Report from CHRISTUS Spohn's Architect and/or Owner's Representative; and
- b. View CHRISTUS Health OxBBlue Construction Time-Lapse Camera video feed. **(INFORMATION)**

E. Dr. Hector P. Garcia Memorial Family Health Center Expansion:

1. Receive, view, and discuss planning information on Dr. Hector P. Garcia Memorial Family Health Center expansion project; project to be located at 2606 Hospital Boulevard, Corpus Christi, Texas:

- a. Report from Architect on conceptual programming and building planning. **(INFORMATION)** 208
2. Discuss and consider establishing an Ad Hoc Committee relating to the planned expansion of the Dr. Hector P. Garcia Memorial Family Health Center. **(ACTION)**

F. Community Mental Health Initiatives:

1. Receive and discuss information presented by Nueces Center for Mental Health and Intellectual Disabilities (NCMHID) relating to mental health deputies and related work performed under agreements between Nueces County, NCMHID, and Hospital District. **(INFORMATION)**

2. Receive and discuss information presented by Nueces County Precinct 2 Constable Jason McCahan relating to mental health deputies and related work performed under the Interlocal Agreement between Nueces County, Nueces Center for Mental Health and Intellectual Disabilities, and Nueces County Hospital District. **(INFORMATION)**

3. Discuss and consider directing the Administrator to identify methods of procurement for future mental health programs that have been provided in the past under Interlocal Agreements between Nueces County, Nueces Center for Mental Health and Intellectual Disabilities, and Nueces County Hospital District. **(ACTION)**

G. FEMA Cost Recovery Applications:

1. Receive update on Federal Emergency Management Agency (FEMA) DR-4485-TX (COVID-19) Public Assistance Project Applications:

- a. Appeal of FEMA Application #674808 denial relating to recovery of Social Determinants of Health Study costs (Hagerty) 222

Project #1); and

- b. Status of payment for FEMA Application #679441 relating to recovery costs associated with community testing contracts, staff personal protective equipment and materials, and other related costs (Hagerty Project #2). **(INFORMATION)** 223

H. Other Business:

1. Discuss and consider reappointing Mr. Govind Nadkarni to CHRISTUS Spohn Health System Corporation's Board of Directors for three-year term commencing January 1, 2023 and ending December 31, 2025; appointment pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Article III, Section 3.01(b). **(ACTION)** 224
2. Receive and discuss information relating to the discontinuation of the Hospital District's participation in Tax Increment Reinvestment Zone No. 2 located on Padre Island. **(INFORMATION)** 226
3. Receive memorial plaques relating to Daniel W. Dain and Dan Winship, deceased Board of Managers members, and consider related ceremonial/installation actions. **(ACTION)**

8. ADMINISTRATOR'S BRIEFING:

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

1. Finance Committee: Tuesday, March 28, 2023 at 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: Tuesday, March 28, 2023 at 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: Tuesday, March 28, 2023 at 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

9. CLOSED MEETING - Public Notice is hereby given that the Board of Managers may 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. *To the extent there has been a past practice of distinguishing items for public deliberation and those for executive session, the public is*

advised that the Board is departing from that practice and reserves the right to discuss any listed agenda items in a closed meeting when authorized by law to do so. When the Board goes 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. The Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act, §551.071 and §551.074, as applicable.

- A. Consult with attorneys on matters relating to Hospital District's possible issuance and sale of indebtedness or debt obligations and related matters.
- B. Consult with attorneys on matters relating to medical aid and hospital care provided to Nueces Aid Program enrollees and related matters.
- C. Consult with attorneys on matters relating to contracting with private legal counsel to represent the Hospital District on legal matters.
- D. Consult with attorneys on matters relating to receipt of American Rescue Plan Act of 2021 funding and associated compliance requirements and related matters.
- E. Consult with attorneys on matters relating to Open Meetings and related matters.
- F. Consult with attorneys on matters relating to Foreign Trade Zones and related matters.
- G. Consult with attorneys on matters relating to Administrator's Employment Agreement and related matters.
- H. Administrator's performance evaluation for Fiscal Year 2023, to date, and related matters.

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

11. Discuss and consider authorizing the Administrator to negotiate and execute an agreement with private legal counsel to represent the Hospital District on legal matters; engagement pursuant to Texas Health and Safety Code, §281.056(b). (**ACTION**)

12. Discuss and consider amending terms of Administrator's Employment Agreement; amendment pursuant to Texas Health and Safety Code, §281.026. (**ACTION**)

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

14. **ADJOURN**

DRAFT

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR MEETING
JANUARY 24, 2023**

The Nueces County Hospital District Board of Managers met at 12:00 p.m., Tuesday, January 24, 2023 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

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

OTHERS PRESENT:

Bert Ramos	Christus Spohn
Craig Desmond	Christus Spohn
Andrea Kovarik	MHID
Mark Hendrix	MHID
Mike Davis	MHID
Govind Nadkarin	MHID
Shawn Barnes	CCPD
John Michael	Hanson
Adam Robinson	King & Spalding / Attorney
Jerry Kramer	CLK Architects & Associates
Jeff Schmidt	Nueces County Attorney's Office
Dr. Xavier Gonzales	Nueces County Director of Mental Health
Hilda Dalfonso	CCMC – via Zoom
Ronica Hutchison	Gjerset & Lorenz – via Zoom
Aaron Diaz	Deputy Director of Mental Health Programs-via Zoom
Richard Schechter	Attorney – via Zoom
13617611400	CCMC phone number – via Zoom

MINUTES
BOARD OF MANAGERS
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JANUARY 24, 2023

1. WELCOME

2. ROLL CALL OF BOARD OF MANAGERS

- John E. Valls, MBA, Chairman
- Vishnu V. Reddy, M.D., Vice Chairman
- Sylvia Tryon Oliver
- Belinda Flores, R.N.
- Judge Mariana Garza
- Efrain Guerrero, Jr.
- Arthur Granada

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

- A. Call to order – Mr. John E. Valls, Chairman
The meeting was called to order by Mr. Valls at 12:09 p.m.

- B. Establish quorum – Mr. Valls
A quorum was present with all members in attendance.

John E. Valls, MBA, Chairman – PRESENT
Vishnu V. Reddy, M.D., Vice Chairman – PRESENT
Sylvia Tryon Oliver, Member – PRESENT
Belinda Flores, R.N., Member – PRESENT – via Zoom
Judge Mariana Garza, Member – PRESENT
Efrain Guerrero, Jr., Member – PRESENT
Arthur Granada, 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.

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

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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 in public comment.

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 Regular Meeting minutes of November 17, 2022 and December 13, 2022.

B. Receive annual listing of vendors as of January 18, 2023; 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 2023 year-to-date:

1. Salaries, benefits, supplies, and intergovernmental transfers at/for City of Corpus Christi/Nueces County Public Health District;
2. Emergency medical services provided in unincorporated areas of Nueces County;
3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;
4. Medical services provided at County correctional facilities:
 - a. Nueces County Jail; and
 - b. Nueces County Juvenile Detention Center;
5. Funding for alcohol and drug abuse treatment programs:
 - a. Cenikor (Charlie's Place);
 - b. Council on Alcohol and Drug Abuse; and

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JANUARY 24, 2023

- 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*)
- 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 periods-ended November 30, 2022 and December 31, 2022. (*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 statements for months-ended November 30, 2022 and December 31, 2022. (*Finance Committee*)
- G. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. (*Finance Committee*)
- H. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC):
- 1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:
 - a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
 - b. Network Access Improvement Program (NAIP);
 - c. Texas Incentives for Physicians and Professional Services (TIPPS);

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- d. Uniform Hospital Rate Increase Program (UHRIP); and
 - 2. Supplemental Payment Programs - HHSC-directed payments made to hospitals for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:
 - a. Disproportionate Share Hospitals (DSH) program;
 - b. Graduate Medical Education (GME);
 - c. Hospital Uncompensated Care (UC) pool; and
 - 3. Phase-Out Programs:
 - a. Delivery System Reform Incentive Payment (DSRIP) pool. (*Finance Committee*)
- I. Receive reports relating to Nueces Aid Program enrollment for the months-ended November 30, 2022 and December 31, 2022:
- 1. Total Persons and Households Enrolled;
 - 2. Enrollment Summary;
 - 3. Denials;
 - 4. Application Processing Summary; and
 - 5. Enrollment by Zip Code. (*Finance Committee*)

Consent Agenda approved. Motion by Mr. Guerrero and seconded by Judge Garza. MOTION CARRIED.

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

A. Finance Committee:

- 1. Financial Statements:
 - a. Receive and approve unaudited financial statements for the months and fiscal year-to-date periods ended October 31, 2022, November 30, 2022, and December 31, 2022. (**ACTION**)

Motion by Ms. Oliver seconded by Mr. Granado. MOTION CARRIED.

Request per Mr. Hipp to reopen item at 1:08 p.m., approved by Mr. Valls, Chairman. Item reopened, Motion remains as above.

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2. Investment Report:

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

3. Receive notice of Commissioners Court's approval of Hospital District budget amendment relating to additional funding of \$67,000 for Nueces County Juvenile Department detainee health care costs during Fiscal Year 2023. (*INFORMATION*)

B. Legislative Committee:

1. Receive information on 88th Texas Session Legislative Agenda. (*INFORMATION*)

Mr. Granado reiterated what was said during the Legislative Meeting regarding Item B. 1.

2. Discuss and consider amending 88th Texas Session Legislative Agenda. (*ACTION*)

No Action taken, Motion by Mr. Valls, Chairman.

C. FEMA Cost Recovery Applications:

1. Receive update on Federal Emergency Management Agency (FEMA) DR-4485-TX (COVID-19) Public Assistance Project Applications:
 - a. Appeal of FEMA Application #674808 denial relating to recovery of Social Determinants of Health Study costs (Hagerty Project #1); and
 - b. Submission of FEMA Application #679441 relating to recovery costs associated with community testing contracts, staff personal protective equipment and materials, and other related costs (Hagerty Project #2). (*INFORMATION*)

D. Memorial Medical Center Demolition:

1. Receive, view, and discuss information on Memorial Medical Center demolition project being conducted by CHRISTUS Spohn Health System Corporation; demolition project located at 2606 Hospital Boulevard, Corpus Christi, Texas:
 - a. Report from Hanson Professional Services, Owner's Representative; and

- b. CHRISTUS Health OxBlue Construction Time-Lapse Camera video feed. *(INFORMATION)*

John Michael updated on Memorial Medical Center demolition and Jerry Kramer discussed on HPG expansion.

E. Community Mental Health Initiatives:

1. Receive and discuss information presented by Nueces County's Director of Mental Health Programs on Hospital District-funded and other mental health programs. *(INFORMATION)*
2. Receive and discuss report and information from Nueces Center for Mental Health and Intellectual Disabilities ("MHID") relating to work performed under agreements between Nueces County, MHID, and Hospital District for the fiscal quarter ended December 31, 2022. *(INFORMATION)*

MHID discussed reports and information.

F. Other Business:

1. Discuss and consider amending Board of Managers and Board Committees 2023 Meeting Schedule. *(ACTION)*

Motion by Mr. Valls, Chairman, to leave alone.

2. Discuss and consider scheduling future Mental Health Workshop to be presented by Nueces County's Director of Mental Health Programs on Hospital District-funded and other mental health programs. *(ACTION)*

**Motion by Dr. Reddy and seconded by Mr. Granado.
MOTION CARRIED.**

G. Administrator's Actions:

1. Ratify Administrator's action(s) performed as part of his duties directing the affairs of the Hospital District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):
 - a. Renewal of Agreement with Texas Medical Foundation Health Quality Institute for Nueces Aid Program-related Quality Assessment, Utilization

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Review, and Coding Review Services; renewal through December 31, 2024.
(ACTION)

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

7. ADMINISTRATOR'S BRIEFING:

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

1. Finance Committee: February 28, 2023, 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: February 28, 2023, 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: February 28, 2023, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

Mr. Valls, Chairman called a five minute break at 2:11 p.m.

Mr. Valls, Chairman called meeting to commence at 2:18 p.m.

Mr. Valls, Chairman called for Close Session at 2:20 p.m.

8. CLOSED MEETING - Public Notice is hereby given that the Board of Managers may 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. *To the extent there has been a past practice of distinguishing items for public deliberation and those for executive session, the public is advised that the Board is departing from that practice and reserves the right to discuss any listed agenda items in a closed meeting when authorized by law to do so.* When the Board goes 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

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notice thereof, as the Board shall determine pursuant to applicable laws. The Board specifically expects to go into a closed session(s) on the matters listed below pursuant to the Act.

A. Consult with attorneys on matters relating to Hospital District litigation against opioid drug manufacturers, promoters, and distributors, including related settlements and other related matters, pursuant to Open Meetings Act, Texas Government Code, §551.071.

B. Consult with attorneys on matters relating to the Amended and Restated Membership Agreement with CHRISTUS Spohn Health System Corporation and the related 1996 Transaction Agreements entered and effective September 30, 1996, including the Master, Lease, and Indigent Care Agreements; and the Memorandum of Understanding dated November 18, 2015, pursuant to Open Meetings Act, Texas Government Code, §551.071.

C. Consult with attorneys and deliberate matters relating to Hospital District-owned real property located at 14202 South Padre Island Drive, Corpus Christi, Texas 78418, pursuant to Open Meetings Act, Texas Government Code, §551.071 and §551.072.

D. Consult with attorneys and deliberate matters relating to Hospital District-leased real property located 555 North Carancahua Street, Corpus Christi, Texas 78401, pursuant to Open Meetings Act, Texas Government Code, §551.071 and §551.072.

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.

Mr. Valls, Chairman called for Open Session at 3:17 p.m.

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

No Action taken

11. **ADJOURN**

Meeting adjourned by Mr. Valls, Chairman at 3:17 p.m.

MINUTES
BOARD OF MANAGERS
REGULAR MEETING
JANUARY 24, 2023

PRESIDING OFFICER

John E. Valls, MBA, Chairman

ATTEST:

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

ABSENT

Wm Dewitt Alsup, General Counsel
Nueces County Hospital District

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
NUECES COUNTY HOSPITAL DISTRICT
FEBRUARY 21, 2023**

The Nueces County Hospital District Board of Managers met at 10:15 a.m., Tuesday, February 21, 2023 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

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

OTHERS PRESENT:

Craig Desmond	Christus Spohn – via Zoom
Dr. Shah Islam	CSHS Board of Trustees, Place 3 - via Zoom

1. WELCOME

2. ROLL CALL OF BOARD OF MANAGERS

John E. Valls, MBA, Chairman
 Vishnu V. Reddy, M.D., Vice Chairman
 Sylvia Tryon Oliver
 Belinda Flores, R.N.
 Judge Mariana Garza
 Efrain Guerrero, Jr.
 Arthur Granado

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
FEBRUARY 21, 2023**

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

A. Call to order – Mr. John E. Valls, Chairman.
The meeting was called to order by Mr. Valls at 10:30 a.m.

B. Establish quorum – Mr. Valls.
A quorum was present with six members in attendance.

John E. Valls, M.D.A., Chairman – PRESENT
Vishnu V. Reddy, M.D., Vice Chairman – PRESENT
Sylvia Tryon Oliver, Member – PRESENT
Belinda Flores, R.N., Member – PRESENT – via Zoom @ 10:34 a.m.
Efrain Guerrero, Jr., Member – PRESENT
Arthur Granado, Member – PRESENT
Judge Mariana Garza, Member – ABSENT

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.

No one to speak in 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

MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
FEBRUARY 21, 2023

Regular Agenda item will be voted upon separately if action is required:

A. Legislative Committee:

1. Receive information on 88th Texas Session Legislative Agenda. (*INFORMATION*)
2. Adopt Board of Managers Resolution requesting and supporting legislation to use a broker for the sale of Hospital District real property. (*ACTION*)

Mr. Granado gave an update on Item 5 (A.1) as it was discussed in the Legislative Meeting as per, the Chairman, Mr. Valls' request. Item motioned by Ms. Oliver and seconded by Mr. Guerrero. MOTION CARRIED.

3. Amend the 88th Texas Session Legislative Agenda to additionally include preservation of the Hospital District's authority to issue Certificates of Obligation. (*ACTION*)

Motion by Ms. Oliver and seconded by Mr. Granado. MOTION CARRIED.

4. Consider actions on introduced legislation HB 1489 relating to the issuance of Certificates of Obligation by local governments. (*ACTION*)

Mr. Guerrero motioned to table Item 5 (A.4.) Motion has been amended by Mr Guerrero and motioned to Delete Item 5 (A.4) seconded by Mr. Granado. MOTION CARRIED.

5. Request use of Nueces County's legislative consultants, as needed, on matters related to HB 1489, preservation of the Hospital District's authority to issue Certificates of Obligation, and any other related proposed legislation which may affect the Hospital District. (*ACTION*)

Motion by Dr. Reddy and seconded by Mr. Granado. MOTION CARRIED.

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
FEBRUARY 21, 2023**

6. ADJOURN

Meeting adjourned by Mr. Valls, Chairman at 11:06 a.m.

**MINUTES
BOARD OF MANAGERS
SPECIAL MEETING
FEBRUARY 21, 2023**

PRESIDING OFFICER

John E. Valls, M.B.A., Chairman

ATTEST:

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

ABSENT

Wm Dewitt Alsup, General Counsel
Nueces County Hospital District

**SUMMARY OF COMMUNITY BENEFITS PROVIDED BY CHRISTUS SPOHN
HOSPITAL ALICE, CHRISTUS SPOHN HOSPITAL BEEVILLE, AND
CHRISTUS SPOHN HOSPITAL KLEBERG
JANUARY 2023**

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, 2022.

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 \$23.5 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 their ongoing contributions of funding to community agencies, providing education services to health professionals and citizens, the ongoing operations of a mobile clinic under its Community Outreach program, and providing free health screenings under their Cardiac Risk and Breast Care programs. During this quarter, the Hospitals offered free blood pressure readings and provided education to participants on blood pressure monitoring.

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 \$9.8 million annually.
- Alice provided nearly \$16.5 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 6,887 patient visits, of which approximately 48% 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 42 healthy babies into the world in the last quarter. Included as **Exhibit B** is information regarding these delivery services, of which approximately 86% 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 \$6.5 million annually.
- Beeville provided over \$11.9 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 4,875 emergency encounters provided by Beeville, approximately 53% 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 5 newborn deliveries Beeville performed during this period, approximately 100% 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 \$7.2 million annually.

- Kleberg provided nearly \$12 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 5,594 patients, of which approximately 49% 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 80 healthy babies into the world during the last quarter. Included as **Exhibit F** is information regarding these delivery services, of which approximately 88% represented charity, uninsured and Medicaid services.

233231

Alice ER Summary
October 2022 - December 2022

Row Labels	Sum of ER visits Cases
CHARITY/UNINSURED/SELF-PAY	1245
INSURED	3572
MEDICAID	2070
Grand Total	6887

Medicaid/Charity/Uninsured/Self-Pay	3315
Insured	3572
<hr/>	
Total	6887

% of Medicaid/Charity/Uninsured/Self-Pay for
October 2022 - December 2022 **48%**

Alice Newborn Summary
October 2022 - December 2022

Row Labels	Sum of Newborns Cases
INSURED	6
MEDICAID	36
Grand Total	42

% of Medicaid/Charity/Uninsured/Self-Pay
for October 2022 - December 2022 **86%**

Beeville ER Summary
October 2022 - December 2022

Row Labels	Sum of ER visits Cases
CHARITY/UNINSURED/SELF-PAY	963
INSURED	2272
MEDICAID	1640
Grand Total	4875

Medicaid/Charity/Uninsured/Self-Pay	2603
Insured	2272
Total	4875

% of Medicaid/Charity/Uninsured/Self-Pay
for October 2022 - December 2022 **53%**

Beeville Newborn Summary
October 2022 - December 2022

Row Labels	Sum of Newborns Cases
MEDICAID	5
Grand Total	5

% of Medicaid/Charity/Uninsured/Self-Pay
for October2022 - December 2022 **100%**

Kleberg ER Summary
October 2022 - December 2022

Row Labels	Sum of ER visits Cases
CHARITY/UNINSURED/SELF-PAY	979
INSURED	2864
MEDICAID	1751
Grand Total	5594

Medicaid/Charity/Uninsured/Self-Pay	2730
Insured	2864
<hr/>	
Total	5594

% of Medicaid/Charity/Uninsured/Self-Pay for
October 2022 - December 2022 **49%**

Kleberg Newborn Summary
October 2022 - December 2022

Row Labels	Sum of Newborn Cases
CHARITY/UNINSURED/SELF-PAY	2
INSURED	10
MEDICAID	68
Grand Total	80

Medicaid/Charity/Uninsured/Self-Pay	70
Insured	10
Total	80

% of Medicaid/Charity/Uninsured/Self-Pay
for October 2022 - December 2022 **88%**



A summary of benefits provided to Nueces County and the Corpus Christi community

Quarter ending Dec. 31, 2022

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

Our Mission

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 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 (CCMC) 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 42nd quarterly report, which provides an overview of the community benefits provided by CCMC during the last quarter:

II. Community Benefits

CCMC provides healthcare services for members of the community at free or reduced cost. These services benefit the Nueces County Hospital District by sharing the burden and responsibility for caring for the poor and needy. CCMC provides a substantial amount of uncompensated care to the residents of Nueces County and surrounding communities. CCMC continually strives to improve the services provided to the community, as well as access to those services.

CCMC is a collaborative healthcare network comprised of two acute care hospitals, three freestanding emergency rooms, a cancer center and behavioral health hospital.

As a leading healthcare provider and employer in the Corpus Christi area, CCMC serves patients with an expansive network of physicians, nurses and healthcare workers who are dedicated to delivering the highest level of medical care in the community.



For this reporting period, CCMC provided approximately \$24 million in uncompensated care, including the unreimbursed costs of treating Medicaid patients. CCMC also invests in the Nueces County community with over 300 colleague volunteer hours, property taxes, and financial support of local charities and other local organizations.

Healthcare Quality

Caring for the health of the community is CCMC's mission; Above all else, we are committed to the care and improvement of human life. CCMC strives to deliver superior care to its patients during every interaction. Its approach is ensuring high-quality care is rooted in the belief of always doing what is right for our patients. CCMC has earned national recognition, accreditation and certifications for providing high quality care.

Certifications/Accreditations

- Advanced Level III Neonatal Intensive Care Unit (NICU)
- Bariatric Center of Excellence, MBSAQIP and The American College of Surgeons
- Chest Pain Center with Resuscitation (Cycle VI), Society of Cardiovascular Patient Care
- Disease Specific Care Certification for Total Knee and Hip Replacement Surgery, The Joint Commission
- Maternal Designation (Level IV), Texas Department of State Health Services
- Stroke Center Designation, The Joint Commission
- Trauma Center Designation
Bay Area (Level II), Doctors Regional and ER 24/7 Northwest (Level IV)

Hospital Quality Awards

Hospital Safety Grade, Leapfrog (Fall 2022)
'A' Corpus Christi Medical Center Bay Area
'A' Corpus Christi Medical Center Doctors Regional

Specialty Clinical Awards

- Best Regional Hospital, U.S. News & World Report, (2022-2023)
Regionally ranked #25 in Texas. High Performing in 8 Procedures/Conditions – Heart Attack, Heart Failure, Diabetes, Hip Replacement, Knee Replacement, Kidney Failure, Stroke, Chronic Obstructive Pulmonary Disease
- America's 100 Best Hospitals for Gastrointestinal Surgery Award™ (2023)
- America's 100 Best Hospitals for Joint Replacement Award™ (2023, 2022, 2021), Healthgrades
- America's 100 Best Hospitals for Orthopedic Surgery Award™ (2023, 2022, 2021) Healthgrades
- America's 50 Best Hospitals for Surgical Excellence Award™ (2023,2022)
- America's 50 Best Hospitals for Vascular Surgery Award™ (2023, 2022, 2021)

Beyond delivering excellent care to its patients and as a leading employer in the region, CCMC offers a variety of benefits to support its employees' health, finances and professional development.

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 52% of all visits to CCMC's emergency rooms are charity, self-pay, or Medicaid patients. This is a significant increase from last year and first quarter at 47% and 45%, respectively.

Newborn Services: CCMC recognizes that the state infant mortality rate exceeds 5% each year and the hospital is focused on reducing this rate. Approximately 65% of all births at CCMC are for charity, self-pay or Medicaid patients.

At CCMC Bay Area, prenatal education is available for expecting mothers to prepare them for motherhood and promote a healthy lifestyle before childbirth. The community has access to a Level III neonatal intensive care unit (NICU) dedicated to providing high-quality care for newborns that is staffed 24/7 with a team of neonatal specialists, nurses and respiratory therapists. Additional family-centered programs are offered to help parents and infants thrive while in our NICU and after they go home including breastfeeding/lactation support, early childhood intervention referral program, Kangaroo Club and scrap therapy.

Psychiatric Services: Corpus Christi Medical Center recognizes that approximately 62% of psychiatric services are provided to charity, self-pay, Medicaid and low income patients. Additionally, 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. As the largest provider of inpatient psychiatric care in Corpus Christi, CCMC Bayview has 68 beds and the capability to treat adolescent, adult and geriatric patients. Several outpatient programs are also available as a next step after inpatient services are provided.

Emergency Trauma Services (Level II, IV): Corpus Christi Medical recognizes that approximately 46% of trauma patients are uninsured or low income. In response to the community's need for more immediate access to a higher level of emergency critical care, CCMC pursued an upgrade in trauma center designation in 2018. Significant capital investment and major operating expenditures have been incurred to ensure a successful program with quality patient outcomes.

In 2022, CCMC Bay Area earned designation as a Level II Mayor Trauma Center from the Texas Department of State Health Services. This upgrade is lifesaving to the community and allows for more immediate access to trauma care for area residents of Corpus Christi, North Padre Island and the Coastal Bend region.

New Equipment/Upgrades: CCMC continues to upgrade its facilities and invest in advanced technology and equipment. Major projects/purchases include; surgical equipment upgrades, cardiovascular service

line enhancements and radiology upgrades. To address the shortfall in emergency room capacity in Corpus Christi and the closing of a local area hospital, CCMC expanded its capacity in the ER at Doctors Regional to include a low acuity fast track unit. This new addition has been essential to accommodating more patients.

Physician Recruitment/Training: As a learning health system, CCMC continues to support its internal medicine residency 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, and Urology.

Donations: Through investment and charitable giving, CCMC strives to make the local economy of the community we serve stronger. In 2022, CCMC donated to the following local nonprofit organizations:

Sponsorships:

- The American Cancer Society
- The American Heart Association
- The Botanical Gardens
- Corpus Christi Metro Ministries
- HALO Flight
- The Purple Door
- Mission of Mercy
- Corpus Christi Museum of Science and History
- Corpus Christi Road Runners
- U.S.S. Lexington
- Ronald McDonald House
- Corpus Christi Downtown Management District
- South Texas Hindu Society
- Gregory Portland High School
- Veterans Memorial High School
- Communities in Schools
- Corpus Christi Hooks
- American Bank Center
- Conquer the Coast
- CASA
- Art Museum of South Texas
- It's Your Life Foundation
- Corpus Christi Symphony Orchestra

- Coastal Bend Food Bank

Education and Outreach: CCMC educates the community about health related topics through social media, news media outlets, in-person speaking engagements and seminars. Our education efforts also include online joint replacement class, educational conferences or seminars, behavioral health community collaborations, childbirth education classes, weight loss support groups and stop the bleed training. A special mobile training simulator ambulance is also available to train first responders and EMS.

Partnerships and Community Support: CCMC supports the community by sponsoring events and through memberships. Community service is a foundational part of who we are as an organization and a reflection of CCMC's commitment to building a healthy community. CCMC colleagues volunteer throughout the year and hold leadership positions of support to the following nonprofit organizations: Leadership Corpus Christi, Ronald McDonald House, The American Heart Association, The Coastal Bend Food Bank, Corpus Christi Regional Economic Development Corporation, City of CC Island Strategic Action Committee, Aransas County Partnership EDC, Coastal Bend Regional Advisory Council and West Oso Advisory Council.

Memberships:

- Coastal Bend Advance Practice Nurses Association
- Portland Chamber of Commerce
- Aransas Pass Chamber of Commerce
- Coastal Bend Regional Advisory Council
- Corpus Christi Rotary Club
- United Corpus Christi Chamber
- Rockport Chamber of Commerce
- Ingleside Chamber of Commerce
- Corpus Christi Regional EDC
- Northwest Business Association
- Westside Business Association
- Padre Island Business Association
- Leadership Corpus Christi
- Corpus Christi Black Chamber of Commerce
- NAACP

COVID-19 Response: At CCMC, we continue to support and care for patients during the COVID-19 pandemic. CCMC has responded to the 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 treated over 3,000 COVID positive patients in 2022 and over 12,000 since the beginning of the pandemic.

Summary of Community Benefits Provided By:

Driscoll Children's Hospital

Quarter Ending December 31st, 2022

- 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 81.90% 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 86.12% 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 71.31% 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 specialists in Radiology, Urology and Maternal Fetal Medicine. Driscoll also credentialed these pediatric physicians to the medical staff of its hospital. These physicians began practicing within the hospital and physician groups during the 4th Quarter of 2022.
- 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 \$75,195.
 - 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 2022 through December 2022, there were 456 transports.

Nueces County Hospital District
 County Health Care Department Expenditures
 Cash Disbursements Relating to
 Fiscal Year 2023

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal 2023 YTD	Budget 2023	Balance
County Healthcare Services															
Health Dept - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	2,000,000.00
Emergency Medical Services	0.00	0.00	0.00	116,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116,100.00	650,000.00	533,900.00
NC MHID - Fund Matching	0.00	0.00	0.00	242,280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	242,280.00	969,129.00	726,849.00
NC MHID - Jail Programs	0.00	176,813.03	237,980.34	276,362.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	691,156.14	3,018,000.00	2,326,843.86
Mental Healthcare Services Dept	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	273,000.00	273,000.00
NC Juvenile Center	19,477.57	20,679.73	58,982.51	39,737.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138,876.86	474,000.00	335,123.14
Nueces County Jail Services	353,224.55	353,224.55	353,224.55	422,223.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,481,897.18	4,478,695.00	2,996,797.82
Cenikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	60,000.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
Diabetes Program - County	0.00	0.00	0.00	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
HALO-Flight Funding	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	15,000.00	15,000.00
County Public Health Grants	0.00	0.00	85,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85,000.00	170,000.00	85,000.00
Totals	372,702.12	550,717.31	735,187.40	1,096,703.35	0.00	2,755,310.18	12,207,824.00	9,452,513.82							

**Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2023
As if Adjudicated January 1, 2023 through January 31, 2023**

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	375	1,902,798	260,854	10,664	250,190
ASU	57	885,205	46,560	1,408	45,152
Clinic	1,251	1,311,287	361,124	15,057	346,067
Obs	1	84,721	21,261	0	21,261
OP	967	3,816,965	920,439	55,347	865,092
Subtotal	2,651	8,000,976	1,610,238	82,476	1,527,762
IP	65	6,898,020	326,861	9,060	317,801
SNF					-
RX	10,330	4,133,430	1,578,354	44,371	1,533,983
Physician	2,497	1,181,531	307,854	10,652	297,202
Total	15,543	20,213,957	3,823,307	146,559	3,676,748

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 2023

Member Revenue % 7.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
<u>Membership Revenue Deposits</u>													
Week 1	432,839.19	611,792.22	634,393.97	392,942.03	511,190.69								2,583,158.10
Week 2	554,299.98	565,185.73	550,363.71	538,528.20	585,771.56								2,794,149.18
Week 3	601,467.77	627,556.90	513,594.51	589,275.06	461,070.05								2,792,964.29
Week 4	528,903.71	439,440.47	642,640.85	525,129.11	514,988.48								2,651,102.62
Week 5				574,994.53									574,994.53
Subtotal	2,117,510.65	2,243,975.32	2,340,993.04	2,620,868.93	2,073,020.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,396,368.72

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

received
02/13/23

TEMP-RETURN SERVICE REQUESTED

MB 01 000859 13432 H 3 A



NUECES COUNTY HOSPITAL DISTRICT
ATTN: JONNY HIPPI
555 NORTH CARANCAHUA ST. SUITE 950
CORPUS CHRISTI TX 78401-0835

Account Number

Statement Period 01/01/2023 through 01/31/2023

Account Title CHRISTUS SPOHN HEALTH SYSTEM CORP /
NUECES COUNTY HOSPITAL DISTRICT
CHRISTUS SPOHN / NUECES CNTY ESCROW

ADMINISTRATIVE OFFICER
13129923272

GCAS CLIENT SERVICE.
GCAS_AMRS_ESCROW_CLIENT_SERVIC
E@BOFA.COM

ALTERNATE CONTACT
13129923272

CLIENT SERVICE.
GCAS_AMRS_ESCROW_CLIENT_SERVIC
E@BOFA.COM

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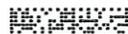
For further information about the compensation provided by the FSCS, refer to the FSCS website at www.FSCS.org.uk

PARTICIPATING PORTFOLIOS

PORTFOLIO NUMBER	PORTFOLIO NAME
	CHRISTUS SPOHN / NUECES CNTY ESCROW

PARTICIPATING PORTFOLIOS

PORTFOLIO NUMBER	PORTFOLIO NAME
------------------	----------------



CASH AND EQUIVALENTS

10,047,761.13	BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012	10,047,761.13	10,047,761.13	368,433.97
TOTAL CASH AND EQUIVALENTS		10,047,761.13	10,047,761.13	368,433.97

TRANSACTION SUMMARY

DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
BEGINNING BALANCE	0.00	0.00	8,675,419.10
DIVIDENDS	0.00	0.00	0.00
INTEREST	0.00	24,092.03	0.00
OTHER INCOME	0.00	0.00	0.00
RECEIPTS & DEPOSITS	0.00	1,350,000.00	0.00
SALES & DISPOSITIONS	0.00	1,750.00	-1,750.00
INTRA ACCOUNT TRANSFERS	0.00	0.00	0.00
DISTRIBUTIONS & WITHDRAWALS	0.00	-1,750.00	0.00
PURCHASES & ACQUISITIONS	0.00	-1,374,092.03	1,374,092.03
FEES & EXPENSES	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00
ENDING BALANCE	0.00	0.00	10,047,761.13

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TRANSACTION DETAIL

DATE	DESCRIPTION	INCOME CASH	PRINCIPAL CASH	COST
	BEGINNING BALANCE	0.00	0.00	8,675,419.10
01/03/23	WIRE RECEIVED FROM CHRISTUS HEALTH CONCENTRATI ABA# 026009593 ACCT REF# 001390024038 111000025/TEXAS-GLOBAL/CHRISTUS HEALTH CONCENTRATION/1819 LABRANCH/H O USTON/77002 US TX/LB-NIB UNPTD CRS-DDA140/DO NOT MAIL/LOC T-03 ROOM 31 1/CHICAGO, IL 00000/ ACC 92-9800/FOR FURTHER/CR A C NO: 434372.1 FORFU RTHER CR A/ C NAME: CHRISTUS SPOHN NUECES CNTY/ESCROW ATTN: T. POPOVIC S, PH: 312-9/		1,350,000.00	
01/03/23	INTEREST PAYMENT PAYABLE 01/01/23 BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012		24,092.03	
01/03/23	SWEEP PURCHASE 1,374,092.03 SHARES TRADE 01/03/23 BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012		-1,374,092.03	1,374,092.03
01/30/23	FEE PAYMENT TO BANK OF AMERICA N.A. ABA# 026009593 ACCT REF# 187016-8898910 INVOICE 27610331		-1,750.00	
01/31/23	SWEEP REDEMPTION 1,750 SHARES TRADE 01/31/23 BLACKROCK TREASURY TRUST - CASH MANAGEMENT 0012		1,750.00	-1,750.00
	ENDING BALANCE	0.00	0.00	10,047,761.13

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Nueces County Hospital District
 Nueces LPPF Activity
 Fiscal Year 2023

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balan	21,552,873.57	42,028,688.29	28,342,155.37	28,679,061.23	28,584,342.66	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	21,552,873.57
<u>Deposits</u>													
Christus Spohn	8,593,003.25	8,593,003.25			8,593,003.25								25,779,009.75
CCMC	5,715,374.00	5,715,374.00			5,715,374.00								17,146,122.00
CC Rehab	261,256.50		261,256.50		261,256.50								783,769.50
Driscoll	4,689,720.50	4,689,720.50			4,689,720.50								14,069,161.50
PAM Specialty	341,892.50	341,892.50			341,892.50								1,025,677.50
PAM Rehab	340,715.25	340,715.25			340,715.25								1,022,145.75
S. TX Surgical	604,730.50	604,730.50			604,730.50								1,814,191.50
Subtotal	20,546,692.50	20,285,436.00	261,256.50	0.00	20,546,692.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,640,077.50
Interest	79,122.22	65,114.16	75,649.36	78,102.36	28,869.96								326,858.06
Transfers In													0.00
Total Deposits	20,625,814.72	20,350,550.16	336,905.86	78,102.36	20,575,562.46	0.00	61,966,935.56						
<u>Inter-Governmental Transfers</u>													
UC					(21,266,536.44)								(21,266,536.44)
DSRIP				(172,820.93)									(172,820.93)
CHIRP		(33,564,840.35)											(33,564,840.35)
TIPPS		(472,242.73)											(472,242.73)
DSH													0.00
UHRIP													0.00
Total IGT's	0.00	(34,037,083.08)	0.00	(172,820.93)	(21,266,536.44)	0.00	(55,476,440.45)						
Transfers Out	(150,000.00)												(150,000.00)
Bank Fees													0.00
Ending Balance	42,028,688.29	28,342,155.37	28,679,061.23	28,584,342.66	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68	27,893,368.68

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

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS	
Christus Spohn - Corpus Christi	393,130,704	512,759,014	232,873,341	55,407,073	120,935,092	54,737,093	3,695,883	1,373,538,199	50%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	190,540,599	0	14,881,126	0	13,316,178	0	267,136,761	10%
Corpus Christi Medical Center	121,850,134	150,371,700	0	47,953,129	0	81,469,339	0	401,644,302	15%
Driscoll Childrens Hospital	314,822,705	21,639,719	0	0	0	257,473,610	479,717	594,415,751	22%
Detar Hospital	24,949,804	47,723,156	0	15,297,365	0	0	0	87,970,325	3%
North Bay General Hospital	0	0	0	503,238	0	0	0	503,238	0%
South Texas Surgical Hospital	0	0	0	902,639	0	0	0	902,639	0%
Corpus Chrisit Rehab Hospital	0	0	0	296,670	0	0	0	296,670	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	1,330	0%
PAM Rehab Hospital	0	0	0	147,501	0	0	0	147,501	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	21,809,410	1%
TOTALS	924,961,614	923,034,188	232,873,341	135,390,071	120,935,092	406,996,220	4,175,601	2,748,366,126	100%

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

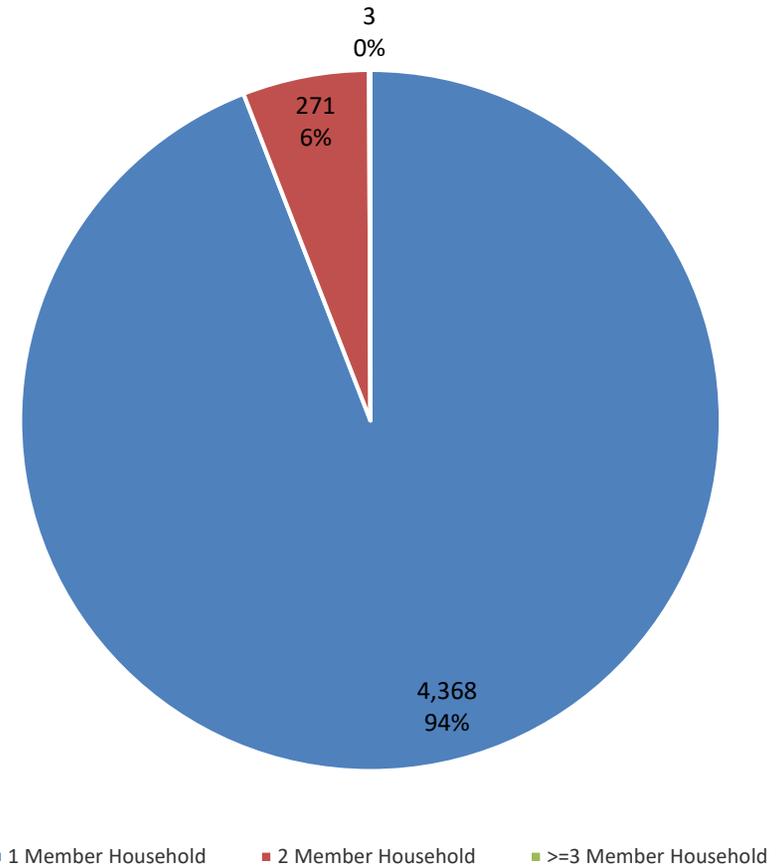
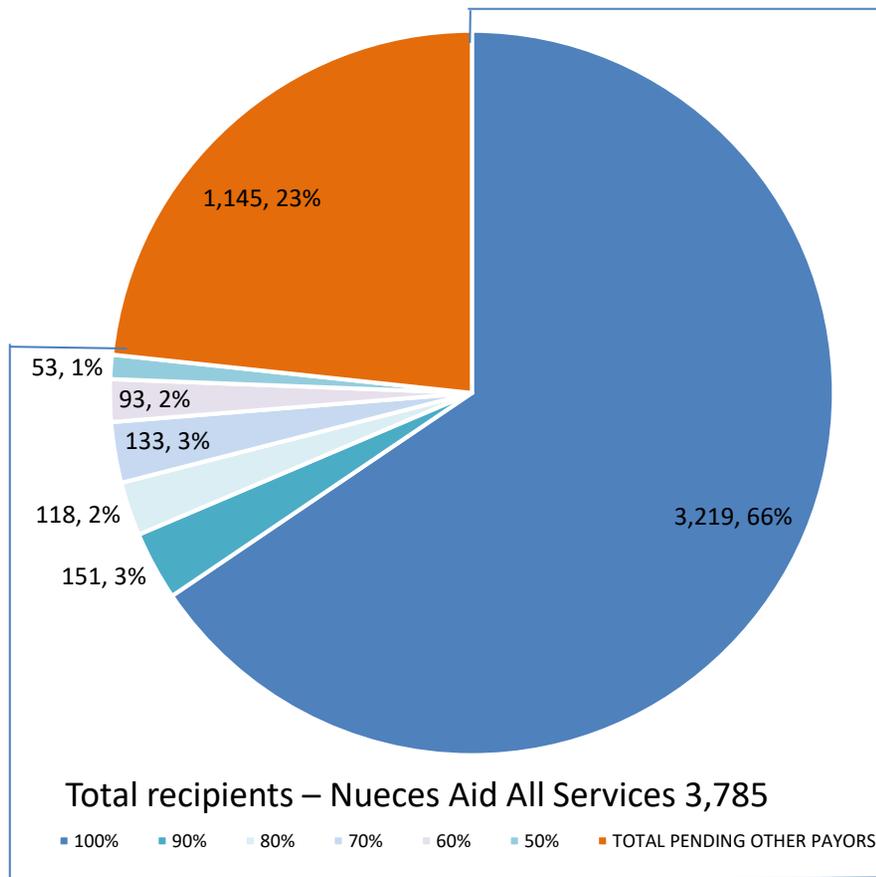
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS
Nueces County Hospital District	338,108,299	302,738,784	82,604,961	59,112,085	47,512,495	0	0	830,076,623
Nueces LPPF	27,902,997	57,532,441	7,478,253	0	0	149,458,340	1,777,123	244,149,154
TOTALS	366,011,295	360,271,224	90,083,214	59,112,085	47,512,495	149,458,340	1,777,123	1,074,225,777

January 2023

Nueces Aid Program Enrollment

Total Enrolled
4,912

Total Households
4,642



Nueces Aid Program Enrollment Summary Calendar Year 2023

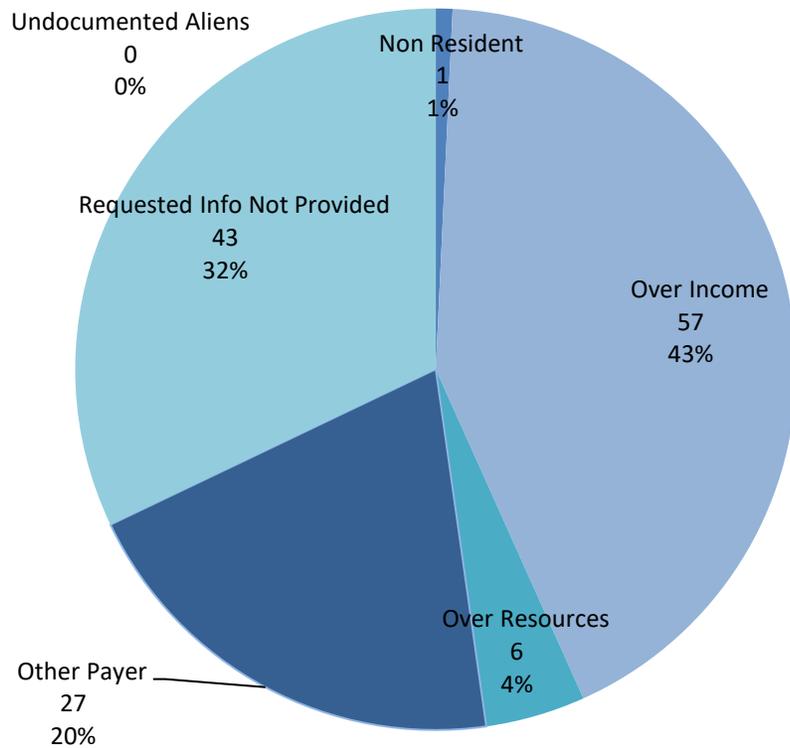
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023 Average	Comments
TOTAL RECIPIENTS	4,912												4,912	
NUECES AID - All Services														The percentage for each plan option is calculated by dividing the number for each option by the number of total recipients.
100%	3,219												3,219	
%	65.5%												65.5%	
90%	151												151	
%	3.1%												3.1%	
80%	118												118	
%	2.4%												2.4%	
70%	133												133	
%	2.7%												2.7%	
60%	93												93	
%	1.9%												1.9%	
50%	53												53	
%	1.1%												1.1%	
TOTAL NUECES AID	3,767												3,767	
	76.7%												76.7%	
PENDING OTHER PAYORS														
TANF	49												49	
%	4.3%												4.3%	
SSI-SSID	685												685	
%	59.8%												59.8%	These individuals are eligible for NCHD assistance if denied assistance by other payer.
Other Payor	411												411	
%	35.9%												35.9%	
TOTAL PENDING OTHER PAYORS	1,145												1,145	
	23.3%												23.3%	

NUECES AID DENIALS

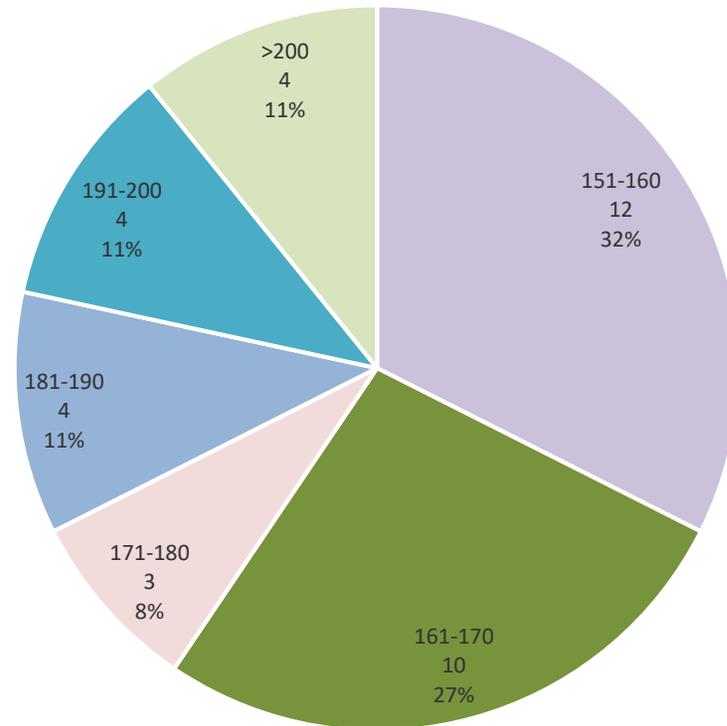
Calendar Year 2023

January

Denial Reasons



Comparison of Over Income Case to 2022 HHS Poverty Guidelines



**Nueces Aid Program
Application Processing Summary Calendar Year 2023**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023	Comments
TOTAL APPLICATIONS	923												923	
- Approved	789												789	
%	85.5%												85.5%	Since FY 1999, the denial rate is based on all denied individuals in the household.
- Denied	134												134	
%	14.5%												14.5%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Services														
100%	551												551	
%	69.8%												69.8%	
90%	27												27	
%	3.4%												3.4%	
80%	20												20	
%	2.5%												2.5%	
70%	17												17	The percentage of approvals by plan option is calculated by dividing the number for each plan option by the total number of approved applications.
%	2.2%												2.2%	
60%	11												11	
%	1.4%												1.4%	
50%	19												19	
%	2.4%												2.4%	
TOTAL	645												645	
%	81.7%												81.7%	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	690												690	The percentage for each size household is calculated by dividing the number of households in the category by the total number of approved households.
%	93.2%												93.2%	
2 Member Household	50												50	
%	6.8%												6.8%	
3 or > Member Household	0												0	Households pending other payors are not included.
%	0.0%												0.0%	
TOTAL HOUSEHOLDS APPROVED	740												740	

**Nueces Aid Program
Application Processing Summary Calendar Year 2023**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	1												1	The percentage for each denial reason is calculated by dividing the number of individuals for each reason by the total number of individuals denied.
%	0.7%												0.7%	
Over Income	57												57	
%	42.5%												42.5%	
Over Resources	6												6	
%	4.5%												4.5%	
Other Payer	27												27	
%	20.1%												20.1%	
Requested Info Not Provided	43												43	
%	32.1%												32.1%	
Undocumented Aliens	0												0	Note: UA code eff 08/01/01
%	0.0%												0.0%	
TOTAL DENIALS	134												134	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	99												99	The denial percentage for each size household is calculated by dividing the number for each household size by the total number of denied households.
%	83.2%												83.2%	
2 Member Household	16												16	
%	13.4%												13.4%	
3 or > Member Household	4												4	Households pending other payors are not included.
%	3.4%												3.4%	
TOTAL HOUSEHOLDS DENIED	119												119	
PENDING APPLICATIONS														
Pending documentation	91												91	The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	8												8	
SSI-SSID	63												63	
Other Payor	73												73	

**NCHD
Eligibility History**

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg
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
% of PY	97%	99%	97%	96%	93%	93%	93%	94%	94%	94%	98%	93%	95%	95%
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
% of PY	92%	90%	90%	90%	91%	92%	93%	93%	94%	95%	90%	94%	92%	92%
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
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%
2021														
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%
2022														
NCHD	3,781	3,711	3,738	3,755	3,805	3,869	3,910	3,945	4,042	3,987	3,884	3,785	46,212	3,851
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%
2023														
NCHD	3,767												3,767	3,767
Pend	1,145												1,145	1,145
Total	4,912												4,912	4,912
% of PY	101%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	98%



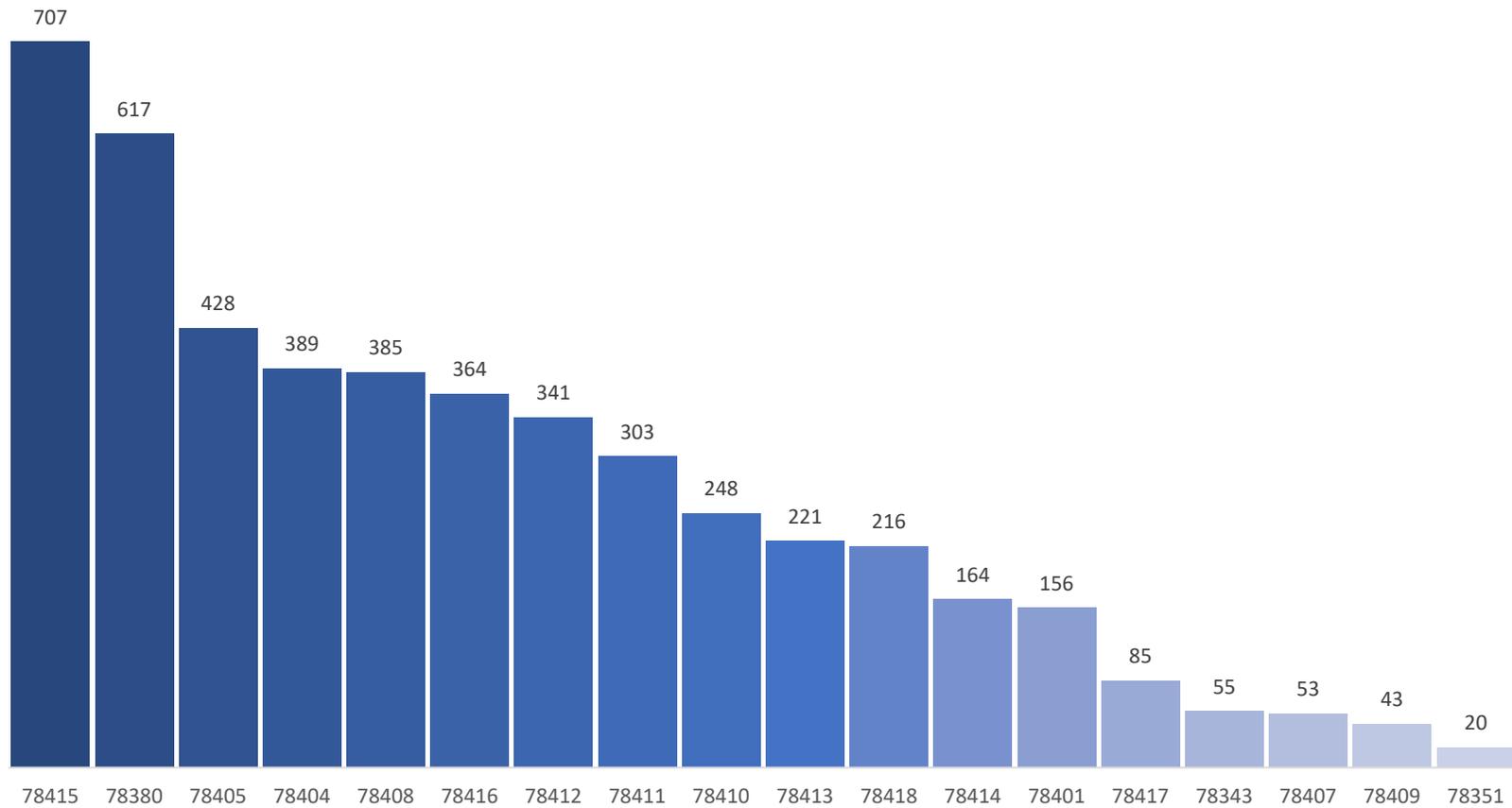
**Annual Comparative Enrollment Report
Calendar Year 2023**

Month	Enrollment		Increase/(Decrease)	
	2023	2022	%	Enrollees
Jan	4,912	4,874	0.78%	38
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				



Nueces County Hospital District

Enrollment by Zipcode as of January 2023

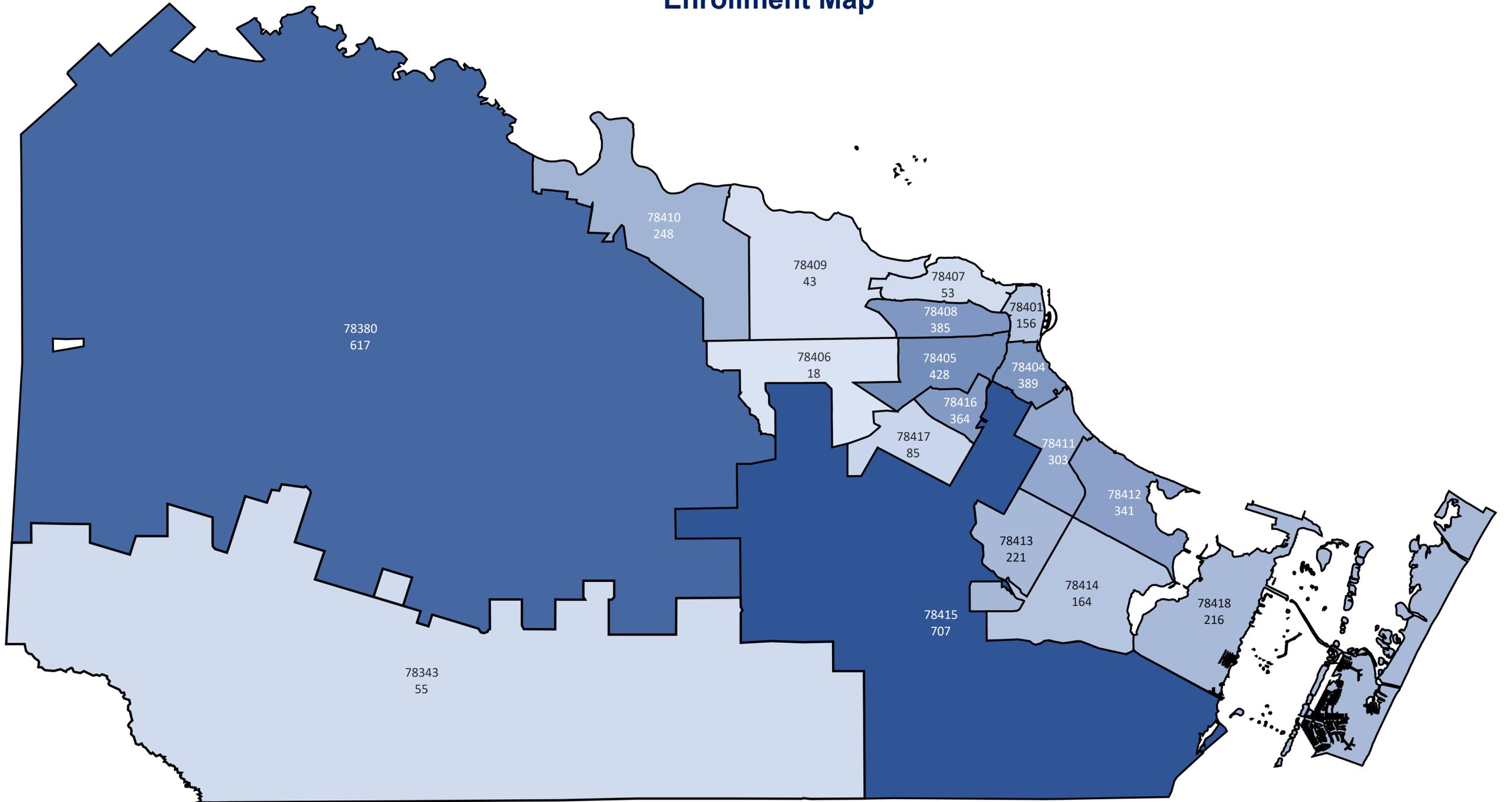


**Nueces County Hospital District
Enrollment by Zip Code
As of 1/31/2023**

Zip Code	Description	Members	% to Total
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	707	14%
78380	Robstown	617	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	428	9%
78404	CC:Six Points	389	8%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	385	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	364	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	341	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	303	6%
78410	CC:Annville and Calallen	248	5%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	221	4%
78418	CC:Flour Bluff	216	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	164	3%
78401	CC:Downtown and Cargo Docks	156	3%
78417	CC:Old Brownsville to Ayers to Saratoga	85	2%
78343	Bishop + FM 665 to CR 107 W to CR 57E	55	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	53	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	43	1%
78351	Driscoll	20	0%
	Subtotal	4,795	98%
	Total	4,912	



Nueces County Hospital District Enrollment Map



Opportunities to present oral comments to the Committee will be provided at a future meeting.

- *Online (preferred method):* Follow the instructions for submitting comments at www.regulations.gov. Comments submitted electronically, including attachments, will be posted to Docket OASH–2022–0021.

- *Mail:* Mail/courier to Janet M. de Jesus, MS, RD, HHS/OASH/ODPHP, 1101 Wootton Parkway, Suite 420, Rockville, MD 20852. For written/paper submissions, ODPHP will post your comment, as well as any attachments, to www.regulations.gov.

Meeting materials for each meeting will be accessible at www.DietaryGuidelines.gov. Materials may be requested by email at dietaryguidelines@hhs.gov.

Paul Reed,

Deputy Assistant Secretary for Health, Office of Disease Prevention and Health Promotion.

[FR Doc. 2023–00921 Filed 1–18–23; 8:45 am]

BILLING CODE 4150–32–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: January 12, 2023 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), 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 2023 notice reflect the 8.0 percent price increase between calendar years 2021 and 2022. 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 2023 guidelines are roughly equal to the poverty thresholds for calendar year 2022 which the Census Bureau expects to publish in final form in September 2023.

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.

2023 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$14,580
2	19,720
3	24,860
4	30,000
5	35,140
6	40,280
7	45,420
8	50,560

For families/households with more than 8 persons, add \$5,140 for each additional person.

2023 POVERTY GUIDELINES FOR ALASKA

Persons in family/household	Poverty guideline
1	\$18,210
2	24,640
3	31,070
4	37,500
5	43,930
6	50,360
7	56,790
8	63,220

For families/households with more than 8 persons, add \$6,430 for each additional person.

2023 POVERTY GUIDELINES FOR HAWAII

Persons in family/household	Poverty guideline
1	\$16,770
2	22,680
3	28,590
4	34,502

2023 POVERTY GUIDELINES FOR HAWAII—Continued

Persons in family/household	Poverty guideline
5	40,410
6	46,320
7	52,230
8	58,140

For families/households with more than 8 persons, add \$5,910 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.

Dated: January 12, 2023.

Xavier Becerra,

Secretary, Department of Health and Human Services.

[FR Doc. 2023–00885 Filed 1–18–23; 8:45 am]

BILLING CODE 4150–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**National Institutes of Health****National Center for Advancing Translational Sciences; Notice of Closed Meeting**

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The contract proposals and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the contract proposals, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Center for Advancing Translational Sciences Special Emphasis Panel; SBIR Phase I Topic 023 Contract Review.

Date: February 15, 2023.

Time: 9 a.m. to 1 p.m.

Agenda: To review and evaluate contract proposals.

Place: National Center for Advancing Translational Sciences, National Institutes of Health, 6701 Democracy Boulevard, Room 1037, Bethesda, MD 20892.

Contact Person: Rahat (Rani) Khan, Ph.D., Scientific Review Officer, Office of Scientific Review, National Center for Advancing Translational Sciences, National Institutes of Health, 6701 Democracy Boulevard, Room 1037, Bethesda, MD 20892, (301) 594–7319, khanr2@csr.nih.gov.

(Catalogue of Federal Domestic Assistance Program Nos. 93.859, Pharmacology, Physiology, and Biological Chemistry Research; 93.350, B—Cooperative Agreements; 93.859, Biomedical Research and Research Training, National Institutes of Health, HHS)

Dated: January 13, 2023.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2023–00993 Filed 1–18–23; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**National Institutes of Health****National Institute of Dental and Craniofacial Research; Notice of Closed Meeting**

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Institute of Dental and Craniofacial Research Special Emphasis Panel; DSR Member Conflict Applications Meeting.

Date: February 17, 2023.

Time: 11 a.m. to 5 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institute of Dental and Craniofacial Research, 6701 Democracy Boulevard, Bethesda, MD 20892 (Virtual Meeting).

Contact Person: Aiwu Cheng, Ph.D., MD, Scientific Review Officer, Scientific Review Branch, Division of Extramural Activities, National Institute of Dental and Craniofacial Research, 6701 Democracy Blvd., Bethesda, MD 20892, 301–594–4859, Aiwu.cheng@nih.gov.

(Catalogue of Federal Domestic Assistance Program No. 93.121, Oral Diseases and Disorders Research, National Institutes of Health, HHS)

Dated: January 13, 2023.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2023–00995 Filed 1–18–23; 8:45 am]

BILLING CODE 4140–01–P

Prior HHS Poverty Guidelines and Federal Register References

[ASPE](#) [Topics](#) [Poverty & Economic Mobility](#) [Poverty Guidelines](#)

Prior HHS Poverty Guidelines and Federal Register References

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.

Visit [Historical Poverty Guidelines](#) for a complete set of poverty guidelines and web links to their *Federal Register* notices.

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
2023	\$14,580	\$5,140	(\$30,000)	Federal Register 2023
2022	\$13,590	\$4,720	(\$27,750)	Federal Register 2022
2021	\$12,880	\$4,540	(\$26,500)	Federal Register 2021
2020	\$12,760	\$4,480	(\$26,200)	Federal Register 2020
2019	\$12,490	\$4,420	(\$25,750)	Federal Register 2019
2018	\$12,140	\$4,320	(\$25,100)	Federal Register 2018
2017	\$12,060	\$4,180	(\$24,600)	Federal Register 2017
2016	\$11,880	Varies	(\$24,300)	Federal Register 2016
2015	\$11,770	\$4,160	(\$24,250)	Federal Register 2015
2014	\$11,670	\$4,060	(\$23,850)	Federal Register 2014
2013	\$11,490	\$4,020	(\$23,550)	Federal Register 2013
2012	\$11,170	\$3,960	(\$23,050)	Federal Register 2012
2011	10,890	3,820	(22,350)	Federal Register 2011
2010	10,830	3,740	(22,050)	Federal Register 2010 (Jan) Federal Register 2010 (Aug)
2009	10,830	3,740	(22,050)	Federal Register 2009
2008	10,400	3,600	(21,200)	Federal Register 2008

Year	First Person	Each Additional Person	(Four-Person Family)	Page with Complete Details
2007	10,210	3,480	(20,650)	Federal Register 2007
2006	9,800	3,400	(20,000)	Federal Register 2006
2005	9,570	3,260	(19,350)	Federal Register 2005
2004	9,310	3,180	(18,850)	Federal Register 2004
2003	8,980	3,140	(18,400)	Federal Register 2003
2002	8,860	3,080	(18,100)	Federal Register 2002
2001	8,590	3,020	(17,650)	Federal Register 2001
2000	8,350	2,900	(17,050)	Federal Register 2000
1999	8,240	2,820	(16,700)	Federal Register 1999
1998	8,050	2,800	(16,450)	Federal Register 1998
1997	7,890	2,720	(16,050)	Federal Register 1997
1996	7,740	2,620	(15,600)	Federal Register 1996
1995	7,470	2,560	(15,150)	Federal Register 1995
1994	7,360	2,480	(14,800)	Federal Register 1994
1993	6,970	2,460	(14,350)	Federal Register 1993
1992	6,810	2,380	(13,950)	Federal Register 1992

Year	First Person	Each Additional Person	(Four-Person Family)	Page with Complete Details
1991	6,620	2,260	(13,400)	Federal Register 1991
1990	6,280	2,140	(12,700)	Federal Register 1990
1989	5,980	2,040	(12,100)	Federal Register 1989
1988	5,770	1,960	(11,650)	Federal Register 1988
1987	5,500	1,900	(11,200)	Federal Register 1987
1986	5,360	1,880	(11,000)	Federal Register 1986
1985	5,250	1,800	(10,650)	Federal Register 1985
1984	4,980	1,740	(10,200)	Federal Register 1984
1983	4,860	1,680	(9,900)	Federal Register 1983
1982*	4,680	1,540	(9,300)	Federal Register 1982
* Figures for nonfarm families only.				

Poverty Guidelines

Prior HHS Poverty Guidelines and Federal Register References

2017 Poverty Guidelines Computations

2018 Poverty Guidelines Computations

2019 Poverty Guidelines Computations Page

2020 Poverty Guidelines Computations

2021 Poverty Guidelines Computations

2023 Poverty Guidelines Computations

Frequently Asked Questions

Further Resources

Mollie Orshansky

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Assistant Secretary for Planning and Evaluation, Room 415F

U.S. Department of Health and Human Services

200 Independence Avenue, SW

Washington, D.C. 20201

+1 202.690.7858

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

Date of Origin: January 1, 1999
Date of Revision: March 1, 2023
Date of Review: March 1, 2023

Authorized and Approved by:
Board of Managers, Nueces County Hospital District

Jonny F. Hipp, ScD, FACHE
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 for 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.

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 **\$5,089.67** on or after the first interview date or the process date for cases processed without an interview.

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.

If a payment or benefit counts as income for a particular month, do not count it as a resource in the same month. If you prorate a payment as income over several months, do not count any portion of the payment as a resource during that time.

If the client combines this money with countable funds, such as a bank account, exempt the prorated amounts for the time you prorate it.

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 **\$2,544.84** 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 all 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 74

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 as unearned income in the month received if the person receives or expects to receive it more than once a year. Lump-sum payments are exempt if only received once a year or less, unless specifically listed as income, and should 75

only be counted as resources. Exception: Contributions, gifts and prizes should be counted as unearned income in the month received, regardless of frequency of receipt.

Countable lump-sum payments include but are not limited to, retroactive lump-sum Retirement, Survivors and Disability Insurance (RSDI), public assistance, retirement benefits, lump-sum insurance settlements, lump-sum payments on child support, and other payments and refunds of security deposits on rental property or utilities. Exception: Federal tax refunds are permanently exempt as income and are excluded from resources for 12 months after receipt.

15. Personal Possessions

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

16. 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.

17. Real property

Count equity value of real property unless otherwise exempt. Real property is land and any improvements on it.

18. 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.

19. 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.

20. Trust Funds

Exempt

21. 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.

22. 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 **\$7,888.99**, regardless of the number of vehicles owned by the household. The fair market value in excess of **\$7,888.99** 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	\$ 424.12	Delay of 1 Month
\$ 424.13	to	\$1,694.86	Delay of 3 Months
\$1,694.87	to	\$5,089.65	Delay of 6 Months
\$5,089.66	to	\$8,482.77	Delay of 9 Months
\$8,482.78		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.
5. **Gross income** is income before deductions.
6. **Net income** is gross income minus allowable deductions.

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.
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 received as unearned income. Exception: Exempt dividends from insurance policies as income.

Count royalties received as unearned income, minus any amount deducted for production expenses and severance taxes.

9. Educational Assistance

Exempt educational assistance including educational loans, regardless of source. Educational assistance also includes college work study.

10. Energy Assistance

Exempt the following types of energy assistance:

- Assistance from federally funded, state or locally administered programs such as HEAP, Weatherization, or Energy Crisis Intervention and one time emergency repairs of heating or cooling device (down payment and final payment).
- Energy assistance-payments from the Department of Housing and Urban Development (HUD), USDA's, Rural Housing Service (RHS), Farmer's Home Administration (FmHA) 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.

11. Foster Care/Adoption Subsidy Payments

Exempt foster care/adoption subsidy payments.

12. Government-Sponsored Programs

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

13. Government Disaster Payments

Exempt federal disaster payments and comparable disaster assistance provided by states, local governments and disaster assistance organizations if the household is subject to legal penalties when the funds are not used as intended.

Examples: Payments by the Individual and Family Grant Program, Small Business Administration and/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, minus pay withheld to fund education under the G.I. Bill.

21. Pensions
Count pensions as unearned income.

22. Mineral Rights
Count payments for mineral rights 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, then 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**.

26. Trust Funds

Count trust fund withdrawals or dividends as unearned income.

27. Unemployment Compensation

Count unemployment compensation as unearned income after subtracting any amount being recouped for an Unemployment Income Benefit (UIB) overpayment. Exception: Count the gross amount if the household agreed to repay a food stamp overpayment through voluntary garnishment.

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 (VA) Benefits as unearned income, minus any amount being recouped for a VA overpayment. 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, minus any amount being recouped for a prior worker's compensation overpayment or paid for attorney's fees. Exempt any reimbursement for a medical bill that the household paid.

32. Unusual Types of Benefits/Payments

Exempt benefits or payments from the following programs:

- Americorp.
- Volunteers in Service to America (VISTA).
- Retired Senior Volunteer Program (RSVP).
- Foster Grandparents.
- Senior Companion Program.
- National Senior Service Corps (Senior Corps)
- Tax exempt portions of payments made under the Alaska Native Claims Settlement Act.
- Food Stamp Program or Supplemental Nutrition Assistance Program (SNAP).
- 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
- Learn and Serve

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 countable 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. Subtract the Deduction for Child Support, Alimony, and Other Payments to Dependents Outside the Home, if applicable. Allow the following deductions from members of the household group, including disqualified members:
 - The actual amount of child support and alimony a household member pays to persons outside the home.
 - The actual amount of a household member's payments to persons outside the home that a household member can claim as tax dependents or is legally obligated to support.

4. Subtract Deduction for Medicaid Individuals, if applicable. This deduction applies when the household has a member who receives Medicaid and, therefore, is disqualified from the household. Using the Deduction chart below, deduct an amount for the support of the Medicaid member(s) as follows: Subtract an amount equal to the deduction for the number (#) of Medicaid-eligible individuals

Deduction for Eligible Individuals		
# of Medicaid-Eligible Individuals	Single Adult or Adult with Children	Minor Children Only
1	\$78	\$64
2	\$163	\$92
3	\$188	\$130
4	\$226	\$154
5	\$251	\$198
6	\$288	\$214
7	\$313	\$267
8	\$356	\$293

5. The Net 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:

FPG%	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.

6. 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.

**NUECES COUNTY HOSPITAL DISTRICT
 INDIGENT HEALTH CARE PROGRAM ELIGIBILITY
 INCOME GUIDELINES FOR FINANCIAL ASSISTANCE
 Approved Scale
 Effective March 1, 2023**

2022 HHS POVERTY GUIDELINES											NCHD pays
14,580	19,720	24,860	30,000	35,140	40,280	45,420	50,560	55,700	60,840		
SIZE OF HOUSEHOLD											
1	2	3	4	5	6	7	8	9	1*		
MONTHLY GROSS FAMILY INCOME	0	1216	1644	2073	2501	2929	3358	3786	4214	Add	100%
	to	429									
	1215	1643	2072	2500	2928	3357	3785	4213	4642		
	1216	1644	2073	2501	2929	3358	3786	4214	4643	Add	90%
	to	471									
	1337	1808	2279	2750	3221	3692	4164	4635	5106		
	1338	1809	2280	2751	3222	3693	4165	4636	5107	Add	80%
	to	514									
	1458	1972	2486	3000	3514	4028	4542	5056	5570		
	1459	1973	2487	3001	3515	4029	4543	5057	5571	Add	70%
	to	557									
	1580	2136	2693	3250	3807	4364	4921	5477	6034		
1581	2137	2694	3251	3808	4365	4922	5478	6035	Add	60%	
to	to	to	to	to	to	to	to	to	592		
1677	2268	2859	3450	4041	4632	5223	5814	6406			
1678	2269	2860	3451	4042	4633	5224	5815	6407	Add	50%	
to	to	to	to	to	to	to	to	to	643		
1823	2465	3108	3750	4393	5035	5678	6320	6963			

GROSS FAMILY INCOME (monthly)

*Add the amounts shown in last column for each additional family member of household if size of household exceeds 9 members.

Revised 02/10/2023



28 February 2023

Mr. Jonny F. Hipp, ScD, FACHE
Nueces County Hospital District
555 North Carancahua Street, Suite 950
Corpus Christi, TX 78401-0835

**RE: Conceptual Programming & Building Planning
HPG Expansion, Pharmacy, Urgent Care, Educational Services, & NCHD Offices
Proposal for Professional Services**

Dear Mr. Hipp:

Thank you for the opportunity to provide you the following proposal for professional services. With the growth of services at Hector P. Garcia (HPG), there is a need to address current and future needs. This can be accomplished with a combination of moving some services out of HPG to new locations/buildings onsite at Memorial and infilling these spaces with additional exam rooms and support spaces to address needs. It is our understanding that the scope of work is to develop a conceptual program of space needs as identified by CHRISTUS Health for HPG, space needs for Nueces County Hospital District (NCHD) administrative & support services to HPG and develop space needs for a potential Urgent Care facility at Memorial site.

THIS LETTER SHALL CONSTITUTE THE CONCEPTUAL DESIGN & INITIAL PLANNING AGREEMENT BETWEEN NUECES COUNTY HOSPITAL DISTRICT and CLK ARCHITECTS:

1. The term of this agreement shall be commencing on March 1 , 2023 and ending on or before June 30, 2023. 2. Services will include development of conceptual programs, review of programs with CHRISTUS Health & Nueces County Hospital District, develop conceptual level floor plans for HPG interior changes & for potentially 2 – 3 new buildings onsite, and site master planning as directed by the Nueces County Hospital District.

Services would also include conceptual level exterior elevations of new buildings, high level project cost estimates, and working with NCHD financial advisors upon the written request of the Nueces County Hospital District.3. **CLK Architects** will provide these initial services as outlined above on an hourly basis using current hourly rates as shown in CLK Architects & Associates rate chart attached herein.

4. The Hospital District agrees to pay CLK Architects for the initial services outlined herein and at current rate chart attached in an amount not to exceed \$25,000.00

5. CLK Architects shall direct all communications pertaining to this project and/or requests for approval to:

Jonny F. Hipp, Administrator/CEO
Nueces County Hospital District
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401
Email: jonny.hipp@nchdcc.org

6. CLK Architects shall be responsible for securing and providing commercial or other similarly performing insurance coverage providing general liability, automobile, worker's compensation and professional liability coverages.

7. This agreement may only be revised, modified or amended by written agreement executed by both parties.

8. This agreement may be terminated at any time by either party without cause, upon fourteen (14) calendar days' notice.

Once Conceptual package has been approved by NCHD, **CLK Architects** will provide a proposal for service taking the project through completion of new buildings and renovations to HPG.

Once conceptual work begins, we anticipate meeting on a bi-weekly basis with stakeholders to move Conceptual planning forward at a fast pace. We anticipate 2 – 3.5 months to complete package.

Mr. Jonny F. Hipp, ScD, FACHE
 Nueces County Hospital District
 28 February 2023
 Page 2

CLK Architects & Associates & team current hourly rates are as follows:

Description	Rate
Principal Architect*	\$245.00
Associate Architect*	\$200.00
Project Manager II*	\$185.00
Senior Interior Designer*	\$175.00
Project Manager I	\$170.00
Architect Level III*	\$160.00
Design Professional III	\$155.00
Construction Manager	\$155.00
Architect Level II*	\$155.00
Design Professional II	\$150.00
Architect Level I*	\$150.00
Interior Designer III*	\$150.00
Design Professional I	\$145.00
Recent Architectural College Graduate	\$140.00
Interior Designer II*	\$140.00
Interior Designer I	\$130.00
Recent Interior Designer College Graduate	\$125.00
CADD Technician	\$105.00
Office Admin	\$100.00
Student Intern	\$95.00
Legal Testimony	\$325.00

*Denotes professional licensed in the State of Texas

Items which are not included in the above proposed fees are reimbursable expenses which may include third party renderings and images, travel expenses, overnight mail, permitting fees, reproductions, and other miscellaneous items that may be requested by NCHD. At your request, we can provide these services at our cost plus 10%. Billing would be monthly based upon the hours worked during that period plus any reimbursable expenses, net due 30 days for date of invoice.

Mr. Jonny F. Hipp, ScD, FACHE
Nueces County Hospital District
28 February 2023
Page 3

Should you have any questions, please contact my office. Thank you for this opportunity to provide you a proposal!

Sincerely,
CLK Architects & Associates, Inc.

Terms agreed to as stated above.

Jerry C. Kramer AIA

Jerry C. Kramer AIA
JCK/jk

Signature

Date

Statement of Jurisdiction: “The Texas Board of Architectural Examiners has jurisdiction over complaints regarding the professional practices of persons registered as architects in Texas”. Texas Board of Architectural Examiners, 333 Guadalupe, Suite 2-350, Austin, Texas 78701-3942. Telephone: 512-305-9000, www.tbae.state.tx.us.

FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement (the "Agreement") is made and entered into by and between the Nueces County Hospital District ("Issuer") and Specialized Public Finance Inc. ("SPFI") effective as of the date executed by the Issuer as set forth on the signature page hereof.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of SPFI to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereafter referred to collectively as "Debt") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, SPFI is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and SPFI, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I DESCRIPTION OF SERVICES

Upon the request of the Issuer, SPFI agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to SPFI the compensation as provided in Section VI hereof.

1. Financial Planning. Provide financial planning services related to Debt plans and programs.
2. Debt Elements. Provide recommendations regarding Debt under consideration, including such elements as timing, structure, security provisions, and such other provisions as may be appropriate.
3. Method of Sale. Make a recommendation as to an appropriate method of sale, including but not limited to competitive sale, negotiated sale or private/limited offering.
4. Price Fairness. Advise the Issuer as to the fairness of the price offered by the underwriters.



5. Offering Documents. Participate in and direct, as appropriate, the preparation of the offering documents and/or assist bond counsel with same.
6. Auditors. Coordinate verification by an independent auditor of any calculation incidents to the Debt, as required.
7. Printing. Coordinate all work incident to printing of the offering documents and other documents required by Issuer.
8. Marketing. Provide and coordinate all necessary information and requirements for the successful marketing of the Debt Instruments.
9. Closing. Provide the Issuer a post-sale/closing booklet or update for the Debt and other outstanding debt, as needed. After the closing of the sale and delivery of the Debt Instruments, SPFI will deliver to the Issuer a schedule of annual debt service requirements on the Debt Instruments. SPFI will assure that the Paying Agent/Registrar has been provided with a copy of the authorizing ordinance, order or resolution.
10. Meeting Attendance. As requested by Issuer, SPFI will attend meetings of the Issuer's governing body, Issuer's staff, representatives, or committees to address the subject of financing. If travel by SPFI is required, expenses for such will be paid by Issuer.

SECTION II OTHER AVAILABLE SERVICES

In addition to the services set forth and described in Section I herein above, SPFI agrees to make available to the Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and SPFI regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this Section II may require further agreement as to the compensation to be received by SPFI for such services:

1. Call Defeasance and Refunding. Evaluate and advise on exercising any call defeasance and/or refunding of any outstanding Debt.
2. Capital Program Modeling. Evaluate and advise on the development of any capital improvements programs.

SECTION III
CONTINUING DISCLOSURE

It is understood and agreed that the Issuer, in connection with the sale and delivery of Debt, will be required to comply with certain continuing disclosure undertakings, including preparation and submission of annual reports (the "annual reports") and reporting of certain specified material events (the "material events") pursuant written undertakings of the Issuer and in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). SPFI shall provide continuing disclosure services on the terms and conditions, for the time period and for the compensation set forth herein.

1. This Agreement shall apply to all Debt delivered subsequent to the effective date of the continuing disclosure undertakings of Issuer and as specified in the Rule, to the extent that any particular issue of Debt does not qualify for exceptions to the continuing disclosure requirements of the Rule.
2. SPFI agrees to perform annual reporting and material event notification duties required by the undertakings of Issuer and the Rule at a flat rate of \$350.00 per material event filing.
3. The fees of SPFI for providing the foregoing continuing disclosure services shall be negotiated annually (not to exceed \$2,500 per similarly-secured type of Debt). The fees of SPFI for providing material event notification services shall be negotiated separately at the time such notifications may be required.

SECTION IV
TERM OF AGREEMENT

This Agreement shall become effective as of the date executed by the Issuer as set forth on the signature page hereof and, unless terminated by either party pursuant to Section V of this Agreement, shall remain in effect thereafter for a period of five (5) years from such date. Unless SPFI or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will automatically renew on the third anniversary of the date hereof for an additional one (1) year period and thereafter will automatically renew on each anniversary date for successive one (1) year periods under the same terms as the initial 5-year period.

SECTION V
TERMINATION

This Agreement may be terminated with or without cause by the Issuer or SPFI upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate. In the event of such termination, it is understood and agreed that only the amounts due SPFI for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.



SECTION VI

NOTICE

Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or sent by certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at the following address or to any other person at any other address as may be designated in writing by the parties:

Hospital District: Jonny F. Hipp, ScD, FACHE
Administrator/Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

SPFI: Victor Quiroga, Jr.
Managing Director
Specialized Public Finance, Inc.
10010 San Pedro Avenue, Suite 301
San Antonio, Texas 78216

Notices shall be effective upon receipt.

SECTION VII

COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to SPFI for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and SPFI, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which SPFI is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt to the purchaser.

[Remainder of this page intentionally left blank]



**SECTION VIII
MISCELLANEOUS**

1. Choice of Law; Form ADV. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas. Proper venue for any legal action arising out of this Agreement shall be Nueces County, Texas. Issuer acknowledges receipt of SPFI Form ADV.
2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and SPFI, their respective heirs, executors, personal representatives, successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
3. Anti-Boycott Verification. Pursuant to Texas Government Code Section 2270.002, the SPFI certifies that it does not boycott Israel and will not boycott Israel during the term of the contract.
4. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

Specialized Public Finance Inc.

By: 
Victor Quiroga, Jr.
Managing Director

Nueces County Hospital District

By: 

Title: Administrator/CEO

Date: 02/07/2023

ATTEST:

By: 
Title: Administrative Asst

APPENDIX A

Fee Schedule:

- Base fee, any issue \$10,000
- Plus \$8 per \$1,000 funds delivered up to \$5,000,000 funds delivered,
- Plus \$6 per \$1,000 funds delivered for the next \$5,000,000, for a total of \$10,000,000 funds delivered,
- Plus \$4 per \$1,000 funds delivered for the next \$5,000,000 for a total of \$15,000,000 funds delivered,
- Plus \$2 per \$1,000 funds delivered thereafter over \$15,000,000.

The fee shall be based on the higher of par amount, project fund deposit or refunded bond amount. The above charges shall be multiplied by 1.25 times for the completion of an application to a federal or state government agency or for the issuance of revenue bonds or refunding bonds, reflecting the additional services required.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specified direction of the Issuer.

The payment of charges for financial advisory services in Section I of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described in Section II of the foregoing Agreement shall be due and payable in accordance with the mutual agreement therefor between SPFI and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable:

- Bond counsel
- Bond ratings
- Computer structuring (pursuant to SPFI internal fee schedule)
- Continuing Disclosure, as per Section III
- Credit enhancement
- Verification agent
- Official statement preparation
- Official statement printing and distribution
- Paying agent/registrar/trustee
- Travel related expenses (mileage, airfare, hotel, etc.) as requested
- Underwriter and underwriters' counsel
- Delivery, copy, conference call charges and other miscellaneous charges

The payment of reimbursable expenses that SPFI has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by SPFI.



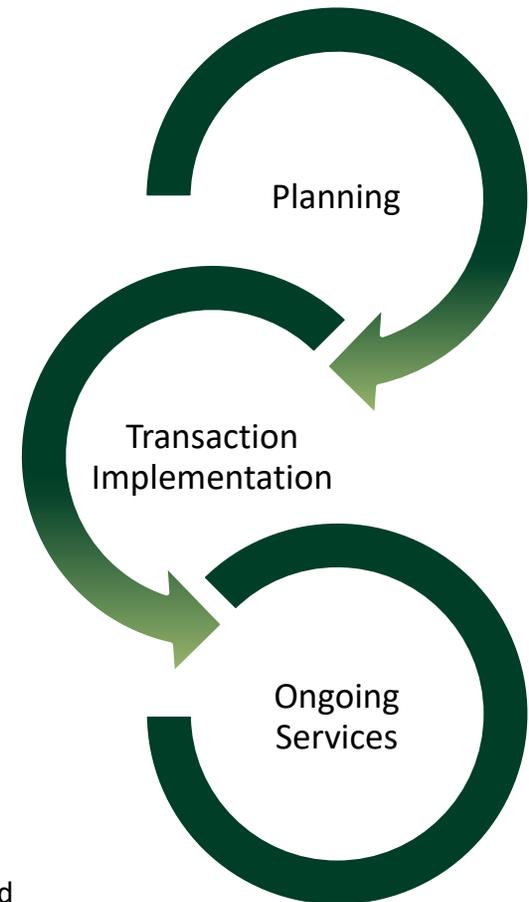
Introduction to Specialized Public Finance, Inc. - Financial Advisory Services

Nueces County Hospital District



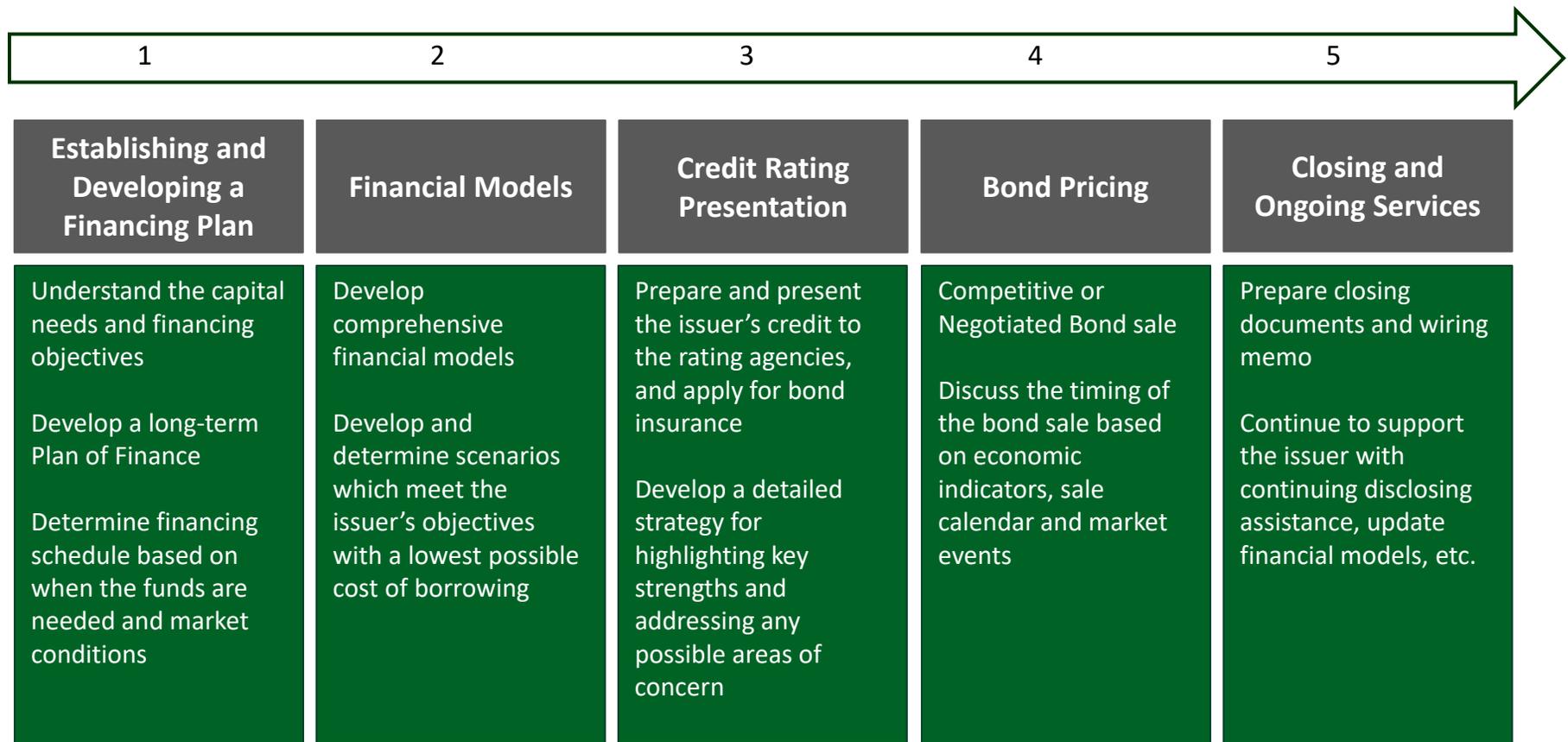
What does a Financial Advisor Do?

- The Financial Advisor has a legal fiduciary responsibility to its client (the issuer).
- Financial Planning and Debt Management:
 - Understanding the issuer’s short and long-term objectives
 - Development/Review of the financial policies
 - Debt Capacity and Affordability Study
 - Debt Modeling
 - Evaluation of Financing Alternatives
 - Update the issuer on market conditions
- Transaction Implementation:
 - Develop timeline and assist with procurement of additional financing team members
 - Coordinate meetings with the issuer
 - Preparation of the bond offering document
 - Document review and comment
 - Coordinate meetings/calls with rating agencies
 - Negotiate interest rates with the underwriter
- Ongoing Services:
 - Update capital improvement program models
 - Prepare continuing disclosure reports
 - Provide clients SPFI’s weekly Municipal Market Review highlighting current bond market conditions, trends and transactions
 - Rating surveillance
 - Monitor refunding opportunities
 - Keep the issuer informed of new regulations and economic matters
 - Evaluate underwriter ideas



Financial Advisory Process

- Long-term capital planning is a key first step to any debt issuance process.
- Developing a capital planning model helps everyone (staff, elected officials, rating agencies) understand if/how the projects can be funded and the resulting financial impact while also ensuring continued compliance with the City’s financial policies.



About *Specialized Public Finance Inc.*

Independent firm dedicated exclusively to providing Financial Advisory Services

NOT controlled by any municipal underwriting or trading firm, assuring the objectivity of our FA practice

Formed on November 6, 2008, in response to unprecedented global credit market events



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Represents 530 government entities and completed over 2,200 transactions in excess of \$32.7 billion since 2008

Texas based with offices in Austin, San Antonio, Dallas and Amarillo

With 17 employees, we are a small firm with a big footprint in Texas and consistently top ranked FA in the State and the Nation

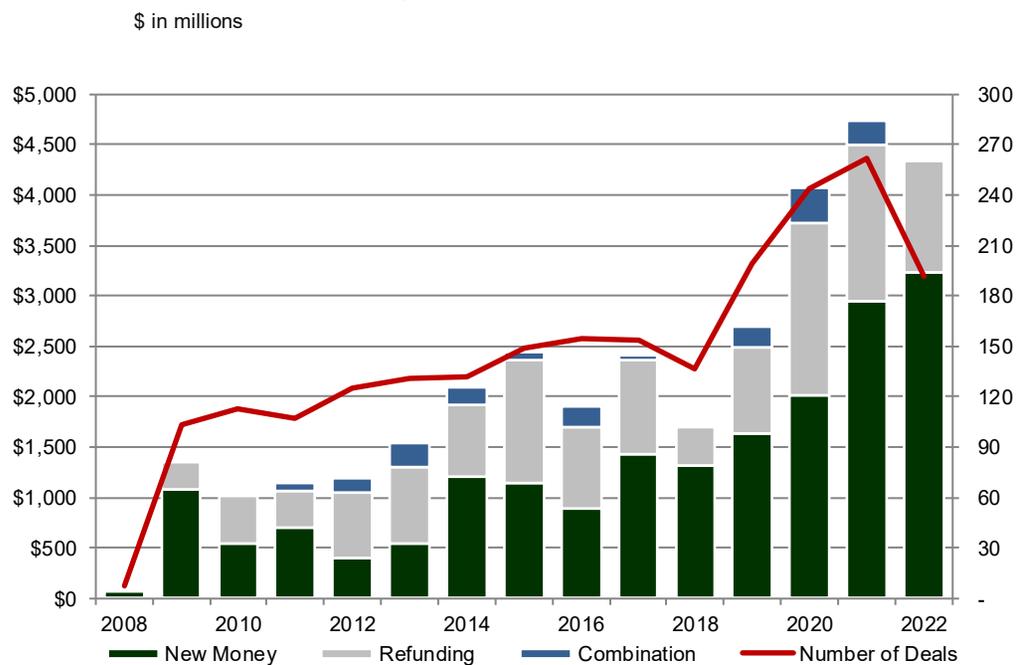
One of the Most Active and Experienced Financial Advisors

- With 17 employees, we are a small firm with a big footprint in Texas
- Our Financial Advisors average over 25-years of Public Finance Experience
- Represent over 530 governmental entities
- Completed over 2,200 transactions in excess of \$32.7 billion (as of 12/31/22)

SPFI Transaction History By Year and November 6, 2008 to December 31, 2022		
Year	# of Issues *	Par Amount *
2008	8	\$ 72,954,990
2009	103	1,346,044,897
2010	113	1,026,030,808
2011	107	1,151,202,443
2012	125	1,189,255,423
2013	131	1,535,618,811
2014	132	2,092,913,144
2015	149	2,448,557,940
2016	155	1,911,253,995
2017	154	2,408,204,850
2018	137	1,703,914,750
2019	199	2,687,067,000
2020	244	4,069,284,370
2021	262	4,737,785,265
2022	192	4,336,933,977
2,211	\$ 32,717,022,662	

* Includes Private Placements and TWDB issues.

SPFI Use of Proceeds History November 6, 2008 to December 31, 2022



Top Ranked Financial Advisor

- Ranked by the number of transactions since 2016, SPFI is the #2 overall financial advisor and #1 independent financial advisor in Texas

Firm	Rank	Deals
Hilltop Securities Inc	1	2,296
Specialized Public Finance Inc	2	864
Masterson Advisors LLC	3	764
Robert W Baird & Co	4	714
SAMCO Capital Markets Inc	5	670
RBC Capital Markets	6	447
Estrada Hinojosa & Co Inc	7	446
Rathmann & Associates LP	8	340
USCA Municipal Advisors LLC	9	294
GMS Group LLC	10	286

Notable SPFI Financial Advisory Experience

 <p>\$1,138,564,057 17 Transactions Since 2008</p> <p>Corpus Christi ISD **</p>	 <p>\$42,290,000 3 Transactions Since 2013</p> <p>Corpus Christi RTA **</p>
--	--

 <p>\$663,057,000 43 Transactions Since 2009</p> <p>Amarillo</p>	 <p>\$296,345,000 17 Transactions Since 2010</p> <p>Bell County</p>	 <p>\$528,649,996 16 Transactions Since 2010</p> <p>Belton ISD</p>	 <p>\$503,730,000 31 Transactions Since 2009</p> <p>Cedar Park</p>	 <p>\$805,064,999 13 Transactions Since 2010</p> <p>Del Valle ISD</p>	 <p>\$441,574,935 8 Transactions Since 2010</p> <p>Dripping Springs ISD</p>
---	--	---	---	--	--

 <p>\$885,851,000 60 Transactions Since 2009</p> <p>Georgetown</p>	 <p>\$380,865,000 24 Transactions Since 2010</p> <p>Guadalupe-Blanco River Auth</p>	 <p>\$883,199,998 25 Transactions Since 2008</p> <p>Hays County</p>	 <p>\$515,350,000 28 Transactions Since 2009</p> <p>Killeen</p>	 <p>\$3,494,240,000 16 Transactions Since 2015</p> <p>Lower Colorado River Auth</p>	 <p>\$648,329,789 18 Transactions Since 2009</p> <p>Lubbock-Cooper ISD</p>
--	---	---	---	---	--

 <p>\$746,095,000 36 Transactions Since 2009</p> <p>Round Rock</p>	 <p>\$735,740,000 42 Transactions Since 2009</p> <p>San Marcos</p>	 <p>\$850,100,000 42 Transactions Since 2009</p> <p>Temple</p>	 <p>\$719,535,000 6 Transactions Since 2009</p> <p>Texas Muni Power Agency</p>	 <p>\$269,884,964 33 Transactions Since 2008</p> <p>Travis County WC&ID No. 17</p>	 <p>\$1,935,085,000 29 Transactions Since 2009</p> <p>Williamson County</p>
---	---	---	---	---	--

Notable SPFI Financial Advisory Experience – Hospital Districts

<p>\$15,275,000</p> <p>Martin County Hospital District</p>	<p>\$28,725,000 2 Transactions since 2013</p> <p>Deaf Smith County Hospital District</p>	<p>\$3,205,000</p> <p>Scurry County Hospital District</p>
<p>\$2,150,000</p> <p>Muleshoe Area Hospital District</p>	<p>\$26,300,000</p> <p>Lubbock County Hospital District</p>	<p>\$16,900,000</p> <p>Kimble County Hospital District</p>

Financial Advisor Team Introduction



Victor Quiroga, Jr.
Title: Managing Director
Role: Lead Advisor



Dan Wegmiller
Title: Managing Director
Role: Support Advisor



Jennifer Ritter
Title: Managing Director
Role: Support Advisor



Jeff Garland
Title: Managing Director
Role: Lead Quantitative Advisor



Kristin Merz
Title: Associate Director
Role: Continuing Disclosure Expertise



Cole Gilmore
Title: Associate
Role: Quantitative Expertise

Victor Quiroga, Jr. – Lead Advisor



Professional Experience:

- 22 Years Experience
- Lead Advisor on more the 600 bond transactions totaling over \$11 billion
- Lead Advisor on 199 bond transactions totaling \$2.3 billion in the Coastal Bend Area
- Advised CCISD on 7 consecutive, successful bond elections for over \$1.1 billion

Education:

- BA in Political Science from the University of Chicago
- Series 50 registered Municipal Advisor with the Securities and Exchange Commission

Representative Financial Advisory Clients:

- | | | |
|--------------------|------------------------|----------------------|
| Corpus Christi ISD | Corpus Christi RTA | City of Cibolo |
| City of Portland | City of Universal City | London ISD |
| Tuloso-Midway ISD | Flour Bluff ISD | Port Aransas ISD |
| Bishop CISD | Ingleside ISD | Coastal Bend College |
| Bee County | City of Beeville | Beeville ISD |

Why Specialized Public Finance Inc. as the District's Financial Advisor?

- ✓ ***The Value of an Independent Financial Advisor***
 - Free from the conflicts of interest inherent in financial advisors who are also broker/dealers pursuing bond underwriting engagements
 - We will provide the City of Corpus Christi unbiased and conflict-free advice

- ✓ ***One of the Top Financial Advisors in Texas and the Nation***
 - Averaged 199 transactions per year over the past five years
 - The #2 firm among all Texas financial advisors for completed transactions
 - The #6 firm among all National financial advisors for completed transactions

- ✓ ***Seasoned Team of Professionals Focused Exclusively on Providing Financial Advisory Services***
 - Senior advisors averaging 25 years of experience
 - Advisory professional have always focused on financial advisory services

- ✓ ***Extensive Experience with Texas Counties and Hospital Districts***
 - Hired by over 47 Counties and 6 County Hospital Districts
 - Completed 7 County Hospital District transactions for over \$92 million

- ✓ ***Superior Credit Knowledge of Corpus Christi and the Coastal Bend Area***
 - Co-Lead Advisor has conducted 199 bond sales for \$2.3 billion for Coastal Bend Issuers
 - 81 successful bond sales for \$1.7 billion for Nueces County Issuers
 - Advised Corpus Christi ISD on 7 consecutive, successful bond elections for over \$1.1 billion

State Attorney General's Tax Rate Limitations for Texas Hospital Districts

- The Texas Constitution (Art. IX, Sec. 4 & 9) imposes a limit of \$0.75 per \$100 assessed valuation for all purposes, including taxes levied for the payment of operation and maintenance (M&O) expenses of the District and to pay any tax-supported bonded indebtedness of the District.

Financing Tools Available to Texas Hospital Districts

Type:	General Obligation Bonds	Certificates of Obligation ⁽¹⁾	Revenue Bonds
Purpose:	General Purpose	General Purpose	Enterprise System
Voter Authorization:	Yes	No ⁽²⁾	No
Amortization Requirements:	Not to exceed 40 years	Not to exceed 40 years	None
Source of Payment:	I&S Taxes ⁽³⁾	I&S Taxes ⁽³⁾ and/or revenues	Revenues
Interest Rate:	Strongest Credit: Lowest Interest Rates	Similar to General Obligation Bonds	Higher than General Obligation Bonds

⁽¹⁾ If a bond election failed, Certificates may not be issued for that purpose within 3 years of the election.

⁽²⁾ Publication of notice required: petition during notice period could require an election.

⁽³⁾ I&S Tax Rate is not subject to rollback.

McCALL, PARKHURST & HORTON L.L.P. – SAN ANTONIO
HOSPITAL DISTRICT FINANCE EXPERIENCE

- Bexar County Hospital District
 - \$290,000,000 Combination Tax and Revenue Certificates of Obligations, Series 2008
 - \$36,240,000 Certificates of Obligations, Series 2009A
 - \$246,395,000 Certificates of Obligations, Taxable Series 2009B (Direct Subsidy – Build America Bonds)
 - \$204,885,000 Certificates of Obligations, Taxable Series 2010B (Direct Subsidy – Build America Bonds)
 - \$293,710,000 Certificates of Obligations, Series 2022 (Disclosure Counsel)
- Culberson County Hospital District
 - May 10, 2008 Bond Election
 - \$700,000 Limited Tax Bonds, Series 2008
 - \$6,800,000 Limited Tax Bonds, Series 2009
 - \$4,379,000 Limited Tax Refunding Bonds, Taxable Series 2020
- Kimble County Hospital District
 - May 9, 2009 Bond Election
 - \$1,000,000 Limited Tax Bonds, Series 2009
 - \$15,900,000 Limited Tax Bonds, Series 2009A
 - \$15,325,000 Limited Tax Refunding Bonds, Taxable Series 2020
- Hutchinson County Hospital District
 - \$9,600,000 Hospital System Revenue Bonds, Taxable Series 2010A (USDA Purchased)
 - \$9,000,000 Hospital System Revenue Bonds, Taxable Series 2010B (USDA Purchased)
 - \$10,000,000 Hospital System Revenue Bonds, Taxable Series 2010C (USDA Guaranteed)
- Schleicher County Hospital District
 - May 14, 2011 Bond Election
 - \$17,370,000 Limited Tax Bonds, Series 2011
- Rice Hospital District
 - \$1,375,000 Hospital System Revenue Bonds, Taxable Series 2013 (USDA Guaranteed)
- Coleman County Hospital District
 - \$9,000,000 Hospital System Revenue Bonds, Taxable Series 2020A (USDA Purchased)
 - \$4,608,000 Hospital System Revenue Bonds, Taxable Series 2020B (USDA Purchased)
 - \$1,640,000 Hospital System Revenue Bonds, Taxable Series 2020C (USDA Guaranteed)

NUECES COUNTY HOSPITAL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2022

NUECES COUNTY HOSPITAL DISTRICT
AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

February 23, 2023

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nueces County Hospital District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nueces County Hospital District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nueces County Hospital District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nueces County Hospital District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 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 23, 2023 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, 2022**

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, 2022 (“Fiscal Year 2022”). 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 decreased \$3.9 million or 3.6% compared to the prior year net position. The net position of the District on September 30, 2022 and 2021 was \$106.4 million and \$110.3 million, respectively. Cash and cash equivalents, restricted cash, and investments amounted to \$121.8 million and \$121.7 million which represent 92.4% of total assets for September 30, 2022 and 92.8% for 2021, respectively.

In Fiscal Year 2022, the District’s General Fund Balance decreased \$2.7 million or 6.1% compared to the prior year balance. At fiscal year ended September 30, 2022, the District’s General Fund balance was \$41.9 million compared to \$44.6 million in 2021.

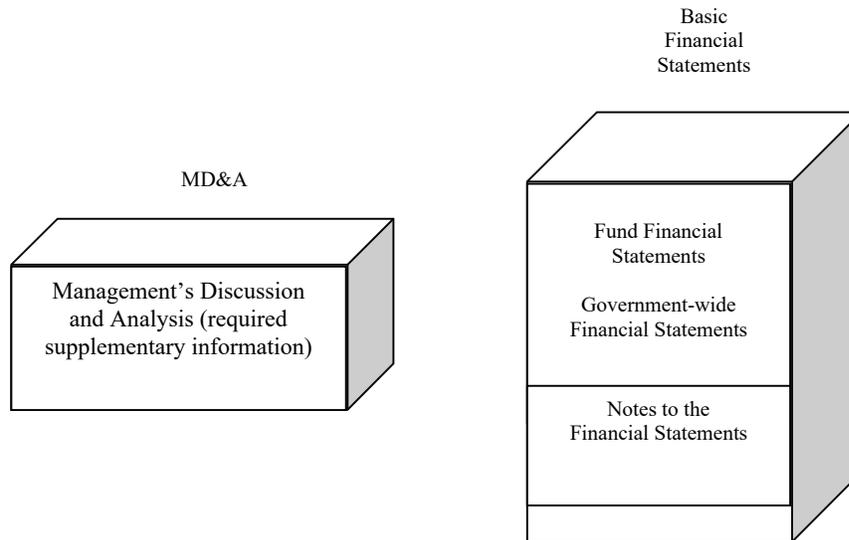
In Fiscal Year 2022, the District’s total revenues increased \$3.0 million or 6.3% compared to the prior year. 23.4% of the District’s total revenues were from non-tax sources. The District’s total expenses decreased \$11.5 million or 17.5% compared to the prior year.

In Fiscal Year 2022, 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 healthcare providers, who provide indigent healthcare consistent with the District’s primary mission, to draw additional Medicaid funds. In addition, the District continued its state- authorized Local Provider Participation Fund Program (“LPPF”) to sustain these payments to the State. The intergovernmental transfers provided funding to maximize the total available resources to providers’ waiver program projects in Nueces County and in the region.

In Fiscal Year 2022, the District’s Board of Managers committed \$8.5 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 11 on intergovernmental transfers and Note 12 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 \$106.4 million and \$110.3 million as of September 30, 2022 and 2021, respectively, a decrease of \$3.9 million or 3.6%. Total assets increased \$516 thousand or 0.4% compared to September 30, 2021. The District's total liabilities increased \$4.4 million or 21.3% compared to September 30, 2021.

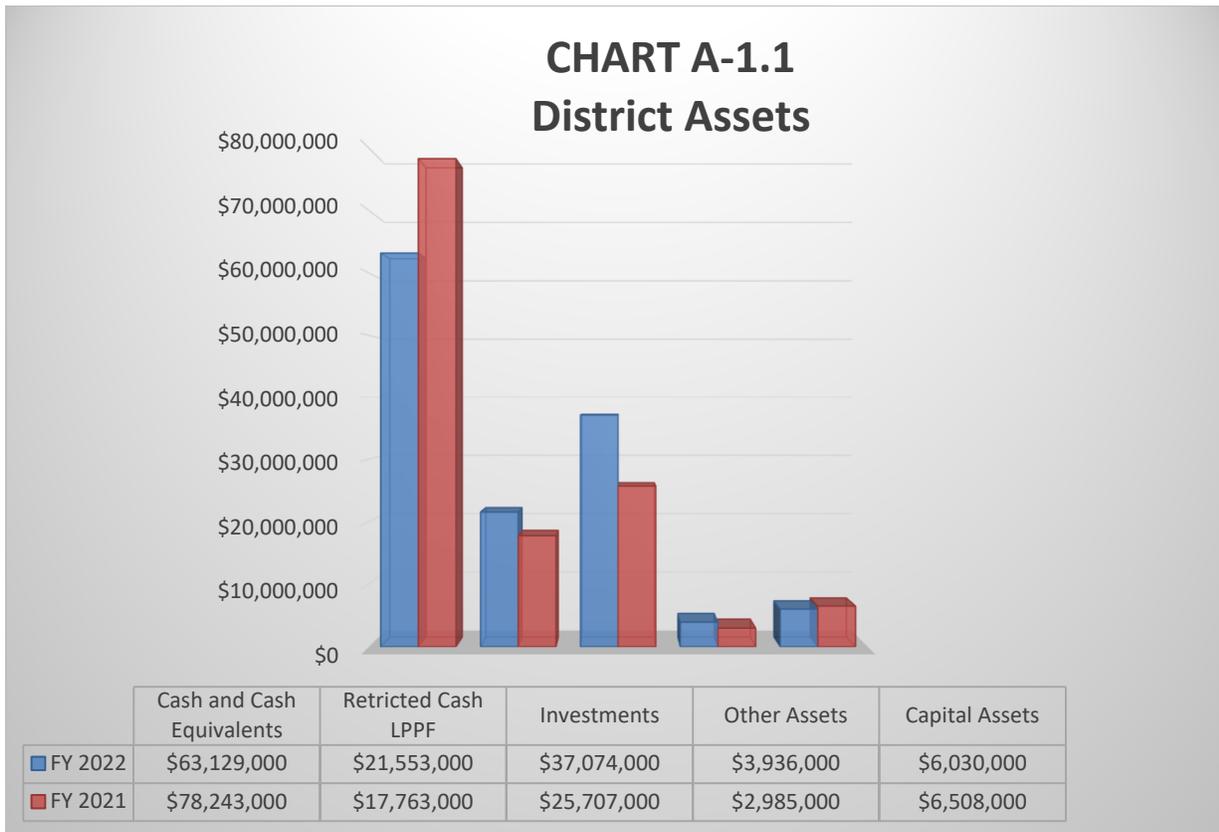
TABLE A-1
Nueces County Hospital District Net Position
September 30, 2022 and 2021
(In Thousands)

Assets:	<u>2022</u>	<u>2021</u>	<u>2022-2021</u> <u>Variance</u>
Cash and Cash Equivalents	\$ 63,129	\$ 78,243	\$ (15,114)
Cash Restricted for Local Provider Participation Fund	21,553	17,763	3,790
Investments	37,074	25,707	11,367
Other Assets	3,936	2,985	951
Capital Assets (Net of Accumulated Depreciation)	<u>6,030</u>	<u>6,508</u>	<u>(478)</u>
Total Assets	<u>131,722</u>	<u>131,206</u>	<u>516</u>
Liabilities:			
Accounts Payable	3,434	2,808	626
Accrued Payroll and Related Liabilities	256	246	10
Long-Term Liabilities:			
Accrued Paid Time Off	66	53	13
Due to Local Provider Participation Fund	<u>21,553</u>	<u>17,763</u>	<u>3,790</u>
Total Liabilities	<u>25,309</u>	<u>20,870</u>	<u>4,439</u>
Net Position:			
Net Investment in Capital Assets	6,030	6,508	(478)
Unrestricted	<u>100,383</u>	<u>103,828</u>	<u>(3,445)</u>
Total Net Position	<u>\$ 106,413</u>	<u>\$ 110,336</u>	<u>\$ (3,923)</u>

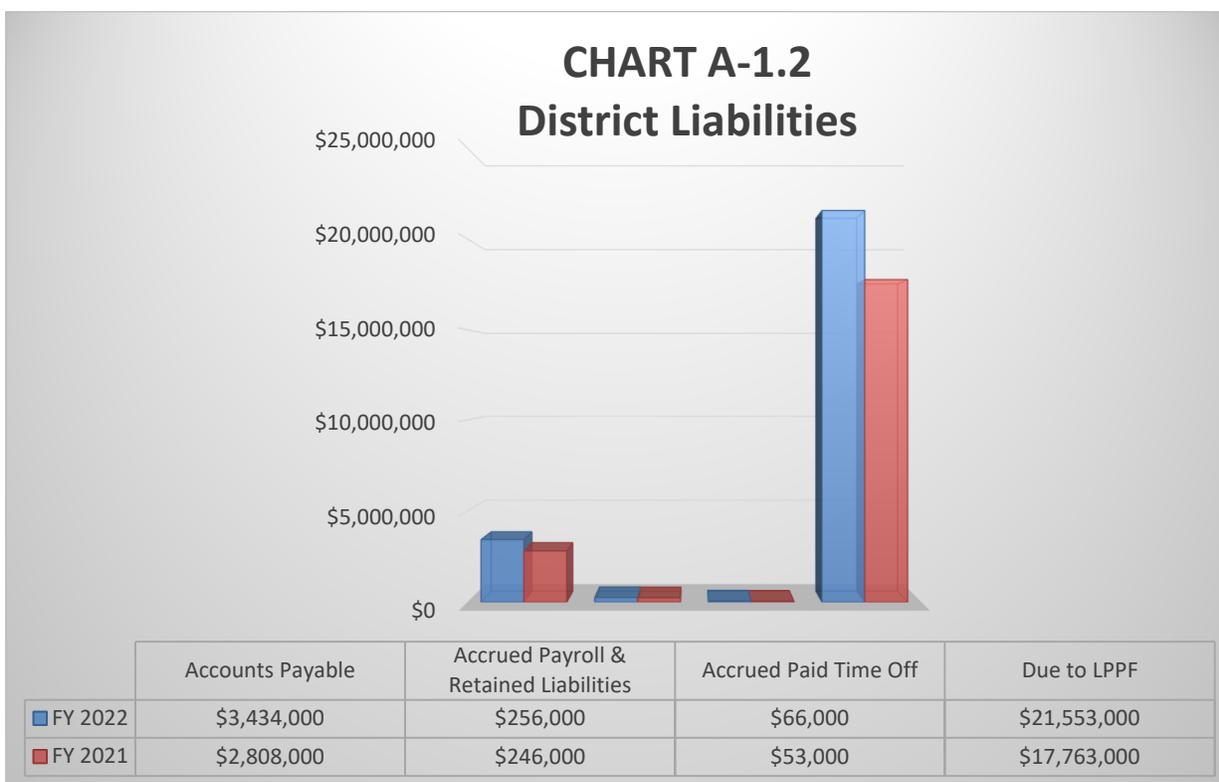
Financial Analysis

In Fiscal Year 2022, cash and cash equivalents and investments combined remained relatively the same compared to the prior year. Other Assets increased \$951 thousand or 31.9% primarily from an increase in property taxes receivable. The \$478 thousand or 7.4% decrease in Capital Assets (Net of Accumulated Depreciation) mainly relates to the write-off of the Memorial Medical Center building and related assets, due to the start of the building's demolition prior to the end of the fiscal year. Accounts Payable and Related Liabilities increased \$4.4 million or 21.3% 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.

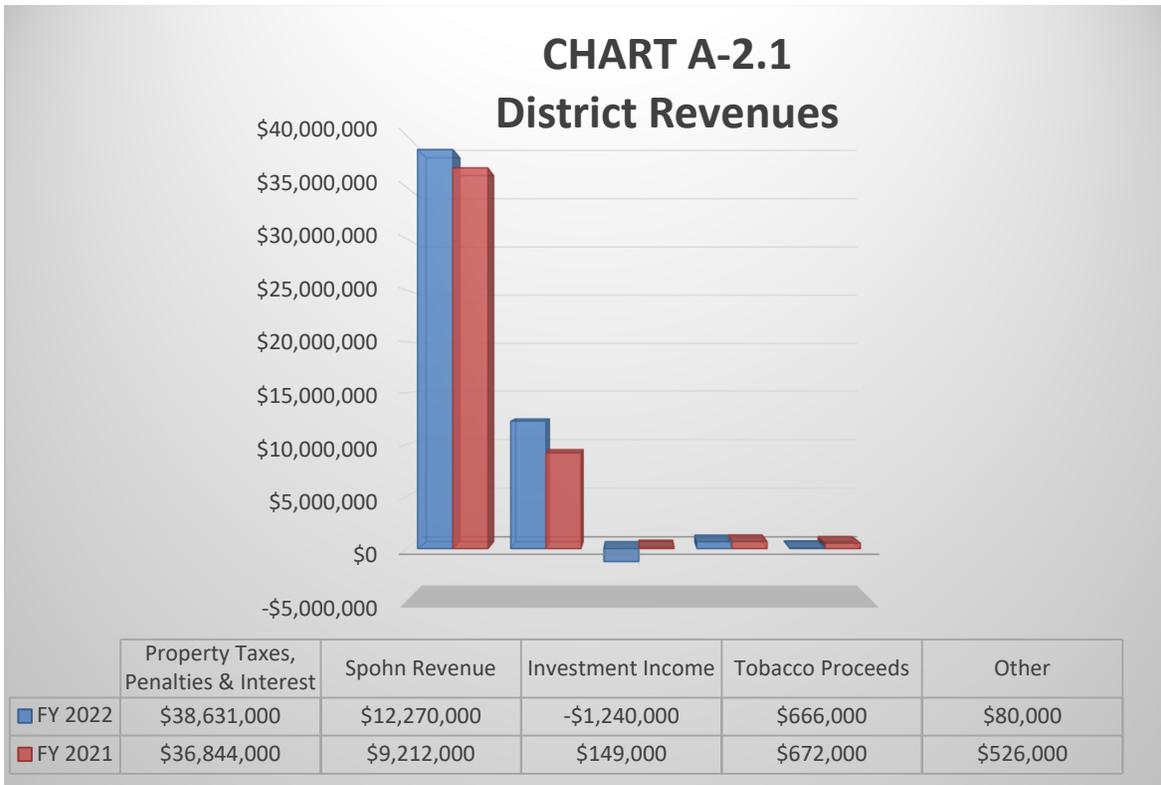


Statement of Activities (Government-Wide)

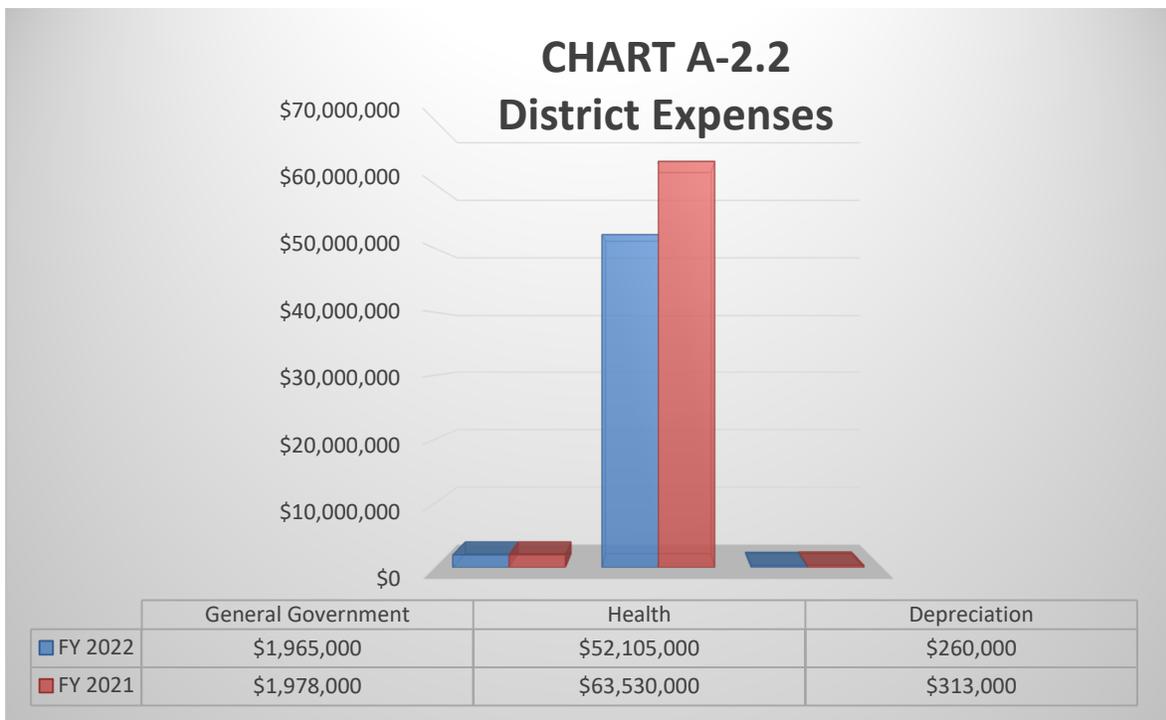
TABLE A-2
Changes in Nueces County Hospital District Net Position
September 30, 2022 and 2021
(In Thousands)

	<u>2022</u>	<u>2021</u>	<u>2022-2021</u> <u>Variance</u>
Revenues			
Property Taxes and Penalties and Interest	\$ 38,631	\$ 36,844	\$ 1,787
Spohn Corporate Membership Revenue	12,270	9,212	3,058
Investment Loss	(1,240)	149	(1,389)
Tobacco Proceeds	666	672	(6)
Other	80	526	(446)
Total Revenues	<u>50,407</u>	<u>47,403</u>	<u>3,004</u>
Expenses:			
General Government	1,965	1,978	(13)
Health	52,105	63,530	(11,425)
Depreciation	260	313	(53)
Total Expenses	<u>54,330</u>	<u>65,821</u>	<u>(11,491)</u>
Net Change in Net Position	(3,923)	(18,418)	14,495
Net Position, Beginning of Year	<u>110,336</u>	<u>128,754</u>	<u>(18,418)</u>
NET POSITION, END OF YEAR	<u>\$ 106,413</u>	<u>\$ 110,336</u>	<u>\$ (3,923)</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

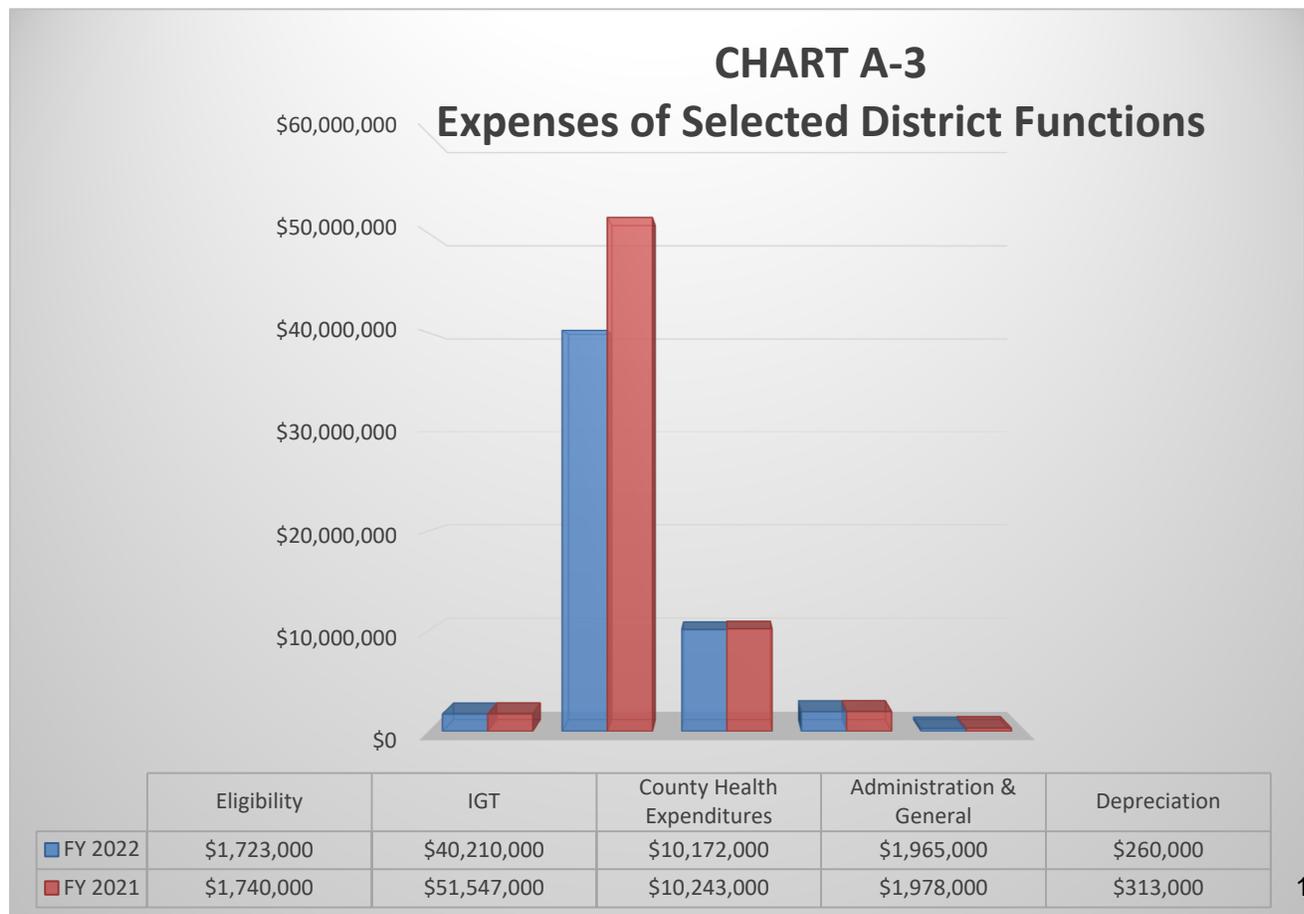
In Fiscal Year 2022, the District's total revenues increased \$3 million or 6.3% compared to the prior fiscal year. There were four principal sources of revenue for the District. The initial source of revenue is from ad valorem taxes levied on Nueces County property owners based on assessed valuations. These tax revenues increased by \$1.8 million or 4.9% and accounted for 76.6% of total revenues compared to 77.7% in the prior fiscal year. The District's tax rate during Fiscal Year 2022 decreased to \$0.111502 per \$100 valuation, which was 5% above the no-new-revenue tax rate. Property valuations increased by \$1.7 billion or 4.9%. The second source is from the Membership Agreement with Spohn which accounted for \$12.3 million and 24.3% of total revenue. This revenue increased \$3.1 million, or 33.2%, resulting from an increased 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 \$1.4 million or 932% due mainly to unrealized net losses in certain funds due to numerous and rapid interest rate hikes during the year. The final source is a Tobacco Settlement distribution from the State of Texas' tobacco litigation which decreased by \$6 thousand or 0.9% compared to prior fiscal year. Additional revenue proceeds decreased \$446 thousand from prior fiscal year or 84.8%. These funds largely include a reimbursement from the State for the District's assistance in operating one of the Medicaid Payment Programs in the region and the receipt of an administrative fee from the LPPF program.

TABLE A-3
Net Cost of Selected District Functions
September 30, 2022 and 2021
(In Thousands)

	<u>2022</u>	<u>2021</u>	<u>2022-2021</u> <u>Variance</u>
Eligibility	\$ 1,723	\$ 1,740	\$ (17)
Intergovernmental Transfers (IGT)	40,210	51,547	(11,337)
County Healthcare Expenditures	10,172	10,243	(71)
Administration and General	1,965	1,978	(13)
Depreciation	260	313	(53)
TOTAL	<u>\$ 54,330</u>	<u>\$ 65,821</u>	<u>\$ (11,491)</u>

Expenses

The expenses of the District’s functions in Fiscal Year 2022 decreased \$11.5 million or 17.5% 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 Medicaid Payment Programs 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 \$40.2 million in Fiscal Year 2022 and represented 74% of all functional expenditures. The second largest amount of cost is \$10.2 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 Health and Intellectual Disabilities and costs associated with operation of the County Jail’s infirmary. This cost decreased \$71 thousand or 0.7% in Fiscal Year 2022 compared to the prior fiscal year. County healthcare expenditure costs represented 18.7% of all the District’s net costs in Fiscal Year 2022 compared to 15.6% in the prior fiscal year. The two other costs of the District were Administrative and General and Eligibility determination costs. Collectively, these costs decreased \$30 thousand or 0.8% during Fiscal Year 2022 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 3.6% of all net costs in Fiscal Year 2022 compared to 3.0% in the prior fiscal year. Eligibility costs represented 3.2% of all net costs in Fiscal Year 2022 compared to 2.6% 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

The District's general fund budget shows a \$209 thousand deficit during Fiscal Year 2022.

Revenues

Revenues exceeded budget by \$3.4 million. The excess is partially attributed to revenue resulting from the Membership Agreement, which surpassed budget by \$2.4 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 2022 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 \$613 thousand. Investment income also exceeded budget by \$337 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, surpassed budget by approximately \$54 thousand.

Expenditures

Expenditures were over budget by \$6.6 million. Of the expenditures more than budget, \$10.1 million was associated with Medicaid Payment Programs-related intergovernmental transfers by the District for the benefit of local and regional healthcare providers. This is the result of the State delaying its request for the prior year's budgeted intergovernmental transfer amount which was transferred during Fiscal Year 2022. Due to the complex nature of the calculations of intergovernmental transfers, the District is only able to approximate the timing and amounts when its budget is adopted. County Services were under budget by \$1.5 million primarily due to overestimated jail diversion program costs. Personal services were less than budget by \$386 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 \$1.4 million mainly due to less utilization of legal fees and consultant fees for one of the Medicaid Payment Programs. The Materials and Supplies category was under budget by \$34 thousand; and finally, the Other category which includes office lease and administrative expenditures ended under budget by approximately \$42 thousand.

CAPITAL ASSETS

The District had \$6 million in net capital assets at the end of September 30, 2022. The breakdown of the capital assets is as follows:

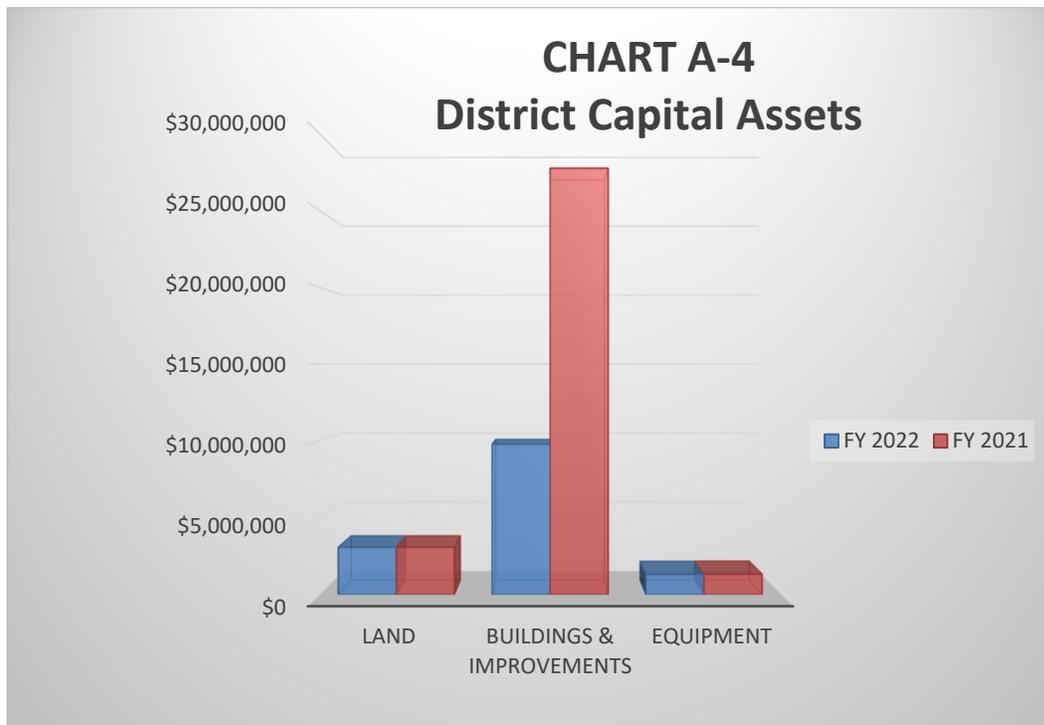
TABLE A-4
Nueces County Hospital District's Capital Assets
September 30, 2022 and 2021
(In Thousands)

	<u>2022</u>	<u>2021</u>	<u>2022-2021</u> <u>Variance</u>
Land	\$ 3,077	\$ 3,077	\$ --
Buildings and Improvements	9,769	27,760	(17,991)
Equipment	1,308	1,319	(11)
Total	<u>14,154</u>	<u>32,156</u>	<u>(18,002)</u>
Less: Accumulated Depreciation	<u>8,124</u>	<u>25,648</u>	<u>(17,524)</u>
NET CAPITAL ASSETS	<u>\$ 6,030</u>	<u>\$ 6,508</u>	<u>\$ (478)</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 2022, Spohn relocated its inpatient psychiatric services and related ancillary support departments to its Shoreline facility and began its demolition of MMC, pursuant to terms of the Membership Agreement. As a result, the hospital building-related assets have been written off, totaling approximately \$18 million. Net Capital Assets shows a decrease of \$478 thousand since those assets were mostly depreciated.

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, expiration of the COVID-19 public health emergency, expiration of the Medicaid waiver program, State budget pressures, and shifting policy 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 healthcare 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 were intended to reduce the number of healthcare uninsured persons and expand Medicaid enrollment 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 2020; during the forthcoming District fiscal year, this action may affect the number of persons enrolled in the District’s indigent health care program. In addition, federal regulations could limit the methods States can use to finance the non-federal share of Medicaid Program Payments, jeopardizing the availability and/or continuation of indigent healthcare services in the community. Finally, expansive changes could occur to the Patient Protection and Affordable Care Act, Health Care and Education Reconciliation Act, and the Medicaid program due to 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, 2023 (“Fiscal Year 2023”), the District’s Board of Managers and County Commissioners Court approved a District operating budget wherein

Budget – Continued

revenues exceed expenditures by \$2.6 million. Revenues are budgeted at \$65.9 million, a 39.4% increase compared to the prior fiscal year. Expenditures are budgeted at \$63.4 million, a 33.4% increase compared to the prior fiscal year.

Tax Rates and Property Valuations

The property valuations for the District's Fiscal Year 2023 are \$40.4 billion, an increase of 14.3% from the prior year. To offset this increase, County Commissioners Court has decreased the District's tax rate for the Fiscal Year 2023 budget to \$0.098846 per \$100 valuation, which is 1.5% above the no-new-revenue tax rate. The Fiscal Year 2023 budget estimates include tax revenues of \$37.3 million, an increase of \$150 thousand or 0.4% over Fiscal Year 2022. Certain prior year local refinery related property value lawsuits are still pending and potential refunds have been prospectively 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 the provision of indigent health care. However, the District expects to continue receiving de minimis reimbursement annually for administering the LPPF program. The District expects that the Membership Agreement's revenue sharing allocation percentage between the District and Spohn will be inadequate 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. In addition, during Fiscal Year 2023, either party has the option to terminate the Membership Agreement and the revenue resulting to the District from the Agreement could end and impact Fiscal Year 2024. Federal regulations governing certain provisions of the Membership Agreement and past State actions relating to certain Medicaid Payment Programs disallowances may potentially affect the future performance of the Agreement; it is possible that the current permitted use of a combination of tax, LPPF, 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
https://www.nchdcc.org/about_us/contact_us.php

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 https://www.nchdcc.org/public_notices/finance.php

Basic Financial Statements

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

ASSETS	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Cash and Cash Equivalents (Note 4)	45,403,361	17,724,727	747
Cash Restricted for Local Provider Participation Fund (Note 4 and 15)	21,552,874	--	--
Investments (Note 4 and Note 5)	--	37,073,947	--
Accrued Interest	2,037	81,950	--
Taxes Receivable Net of Allowance for Uncollectible (Note 7 and 9):	3,651,320	--	--
Other Receivables	21,031	--	--
Prepaid Expenditures	179,690	--	--
Land (Note 8)	--	--	--
Other Capital Assets, net of Accumulated Depreciation (Note 8)	--	--	--
TOTAL ASSETS	<u>70,810,313</u>	<u>54,880,624</u>	<u>747</u>

Exhibit 1

GOVERNMENTAL FUNDS TOTAL	ADJUSTMENTS EXHIBIT 2	STATEMENT OF NET POSITION
63,128,835	--	63,128,835
21,552,874	--	21,552,874
37,073,947	--	37,073,947
83,987	--	83,987
3,651,320	--	3,651,320
21,031	--	21,031
179,690	--	179,690
--	3,076,926	3,076,926
--	2,953,019	2,953,019
125,691,684	6,029,945	131,721,629

(Continued)

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

LIABILITIES	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Accounts Payable	3,434,340	--	--
Accrued Payroll and Related Liabilities	256,070	--	--
Unearned Revenue (Note 9)	3,651,320	--	--
Long-term Liabilities-			
Accrued Paid Time Off (Note 10)	--	--	--
Due to Local Provider Participation Fund			
Fund (Note 15)	21,552,874	--	--
TOTAL LIABILITIES	28,894,604	--	--
 FUND EQUITY/NET POSITION			
Fund Balances:			
Nonspendable	179,690	--	--
Committed to: (Note 12)			
Intergovernmental Transfers	8,537,101	--	--
Indigent Care	--	54,880,624	--
Assigned to County Health Care	--	--	747
Unassigned	33,198,918	--	--
Total Fund Equity	41,915,709	54,880,624	747
 TOTAL LIABILITIES AND FUND EQUITY			
	70,810,313	54,880,624	747

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
3,434,340	--	3,434,340
256,070	--	256,070
3,651,320	(3,651,320)	--
--	65,503	65,503
21,552,874	--	21,552,874
<u>28,894,604</u>	<u>(3,585,817)</u>	<u>25,308,787</u>
179,690	(179,690)	--
8,537,101	(8,537,101)	--
54,880,624	(54,880,624)	--
747	(747)	--
33,198,918	(33,198,918)	--
<u>96,797,080</u>	<u>(96,797,080)</u>	--
<u><u>125,691,684</u></u>		
	6,029,945	6,029,945
	<u>100,382,897</u>	<u>100,382,897</u>
	<u><u>106,412,842</u></u>	<u><u>106,412,842</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	96,797,080
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 \$14,153,705 and the accumulated depreciation is \$8,123,760 (Note 8)	6,029,945
Taxes receivable, net of allowance is not available to pay for current period expenditures and is, therefore, deferred in the governmental funds. (Note 7)	3,651,320
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>(65,503)</u>
NET POSITION	<u><u>106,412,842</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, 2022

	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Revenues:			
Taxes	37,418,113	--	--
Penalties and Interest - Taxes	343,600	--	--
Spohn Corporate Membership Revenue	12,270,012	--	--
Investment Income	341,147	(1,581,170)	419
Tobacco Settlement	--	--	666,491
Other (Note 8 and 15)	304,064	--	--
Total Revenue	<u>50,676,936</u>	<u>(1,581,170)</u>	<u>666,910</u>
Expenditures/Expenses:			
General Government	1,952,934	--	--
Health	52,104,790	--	--
Depreciation	--	--	--
Capital Outlay	6,701	--	--
Total Expenditures/Expenses	<u>54,064,425</u>	<u>--</u>	<u>--</u>
Excess of Revenues Over Expenditures/Expenses	(3,387,489)	(1,581,170)	666,910
Other Financing Sources (Uses):			
Transfers In (Note 13)	667,000	--	--
Transfers Out (Note 13)	--	--	(667,000)
Total Other Financing Sources (Uses)	<u>667,000</u>	<u>--</u>	<u>(667,000)</u>
Net Change in Fund Balance/Net Position	(2,720,489)	(1,581,170)	(90)
Fund Balance/Net Position, Beginning of Year	<u>44,636,198</u>	<u>56,461,794</u>	<u>837</u>
FUND BALANCE/NET POSITION, END OF YEAR	<u><u>41,915,709</u></u>	<u><u>54,880,624</u></u>	<u><u>747</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
37,418,113	868,697	38,286,810
343,600	--	343,600
12,270,012	--	12,270,012
(1,239,604)	--	(1,239,604)
666,491	--	666,491
304,064	(224,513)	79,551
<u>49,762,676</u>	<u>644,184</u>	<u>50,406,860</u>
1,952,934	12,018	1,964,952
52,104,790	--	52,104,790
--	260,084	260,084
6,701	(6,701)	--
<u>54,064,425</u>	<u>265,401</u>	<u>54,329,826</u>
(4,301,749)	378,783	(3,922,966)
667,000	(667,000)	--
(667,000)	667,000	--
<u>--</u>	<u>--</u>	<u>--</u>
(4,301,749)	378,783	(3,922,966)
<u>101,098,829</u>	<u>9,236,979</u>	<u>110,335,808</u>
<u>96,797,080</u>	<u>9,615,762</u>	<u>106,412,842</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	(4,301,749)
--	-------------

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 \$260,084 was more than capital outlays of \$6,701 and loss on disposal of Memorial Hospital buildings of \$224,513 in the current period. (Note 8)	(477,896)
---	-----------

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.	868,697
---	---------

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>(12,018)</u>
---	-----------------

CHANGE IN NET POSITION	<u><u>(3,922,966)</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, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL GAAP BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	36,780,945	37,418,113	637,168
Penalties and Interest - Taxes	367,809	343,600	(24,209)
Spohn Corporate Membership Revenue	9,883,929	12,270,012	2,386,083
Investment Income	3,868	341,147	337,279
Other	250,000	304,064	54,064
Total Revenues	47,286,551	50,676,936	3,390,385
Expenditures:			
Current:			
General Government			
Administration:			
Personal Services	742,211	635,320	106,891
Materials and Supplies	67,700	43,697	24,003
Contractual Services	2,015,960	1,091,714	924,246
Other	218,510	181,605	36,905
Total Administration	3,044,381	1,952,336	1,092,045
Facilities Management -			
Materials and Supplies	1,300	598	702
Total General Government	3,045,681	1,952,934	1,092,747
Health:			
Personal Services	1,483,380	1,204,131	279,249
Materials and Supplies	43,100	33,551	9,549
Contractual Services	942,950	480,533	462,417
Intergovernmental Transfers (Note 11)	30,120,513	40,210,253	(10,089,740)
County Services	11,687,925	10,172,067	1,515,858
Other	9,500	4,255	5,245
Total Health	44,287,368	52,104,790	(7,817,422)
Capital Outlay	163,000	6,701	156,299
Total Current Expenditures	47,496,049	54,064,425	(6,568,376)
Excess Expenditures over Revenues	(209,498)	(3,387,489)	(3,177,991)
Other Financing Sources-			
Transfers In	550,000	667,000	117,000
Total Other Financing Sources	550,000	667,000	117,000
Net Change in Fund Balance	340,502	(2,720,489)	(3,060,991)
Fund Balance, Beginning of Year		44,636,198	
FUND BALANCE, END OF YEAR		41,915,709	

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, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues -			
Investment Income	56,456	(1,581,170)	(1,637,626)
	<u>56,456</u>	<u>(1,581,170)</u>	<u>(1,637,626)</u>
Net Change in Fund Balance			
	<u>56,456</u>	<u>(1,581,170)</u>	<u>(1,637,626)</u>
Fund Balance, Beginning of Year		<u>56,461,794</u>	
		<u>54,880,624</u>	
FUND BALANCE, END OF YEAR		<u>54,880,624</u>	

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

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Tobacco Settlement	550,000	666,491	116,491
Investment Income	--	419	419
Total Revenues	<u>550,000</u>	<u>666,910</u>	<u>116,910</u>
Other Financing Uses -			
Transfers Out	<u>(550,000)</u>	<u>(667,000)</u>	<u>(117,000)</u>
Total Other Financing Uses	<u>(550,000)</u>	<u>(667,000)</u>	<u>(117,000)</u>
Net Change in Fund Balance	<u> --</u>	<u> (90)</u>	<u> (90)</u>
Fund Balance, Beginning of Year		<u> 837</u>	
FUND BALANCE, END OF YEAR		<u> 747</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, 2022

	HEALTH BENEFIT PLAN AND TRUST FUND
ASSETS	
Cash and Cash Equivalents (Note 4)	68,172
Accrued Interest	159
Total Assets	68,331
LIABILITIES	
Due to General Fund	4,025
NET POSITION	
Held in Trust for Employee Health Benefits	64,306

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, 2022

	HEALTH BENEFIT PLAN AND TRUST FUND
ADDITIONS	
Interest	595
DEDUCTIONS	
Administration and General	1,455
Employee Benefits	22,103
Total Deductions	23,558
Net Decrease	(22,963)
Net Position, Beginning of Year	87,269
NET POSITION, END OF YEAR	64,306

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, 2022

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 appoints 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 Commissioner’s 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 – (Continuation)

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 – (Continuation)

- 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. By 2023, either party has the option to terminate the amended and restated Membership Agreement.

Note 1 – REPORTING ENTITY – (Continuation)

Memorial Campus

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 lower of carrying value or fair value. The Memorial Hospital building was still being utilized to provide psychiatric services and office spaces for Spohn until it was vacated on September 15, 2022. Spohn began demolition of the building in late 2022. Because the building is no longer in use, management determined that the building was impaired and wrote off the remaining net book value of \$224,513 as of the year ended September 30, 2022, in the statement of activities. See Note 8 and 15 for additional information.

The District is considering various health care related options for future use of the Memorial campus following demolition; Spohn is not obligated to complete its demolition of Memorial Hospital until September 30, 2023. Although the Memorial Hospital building was deemed impaired and written off, portions of the property are still in use. Management is considering alternative expansion plans for the Family Health Center on the property in the near future.

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.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

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.

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.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

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.

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.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

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:

ASSETS	LIFE IN YEARS
Building and Improvements	20-40
Furniture and Equipment	10
Computer Equipment	5

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 14. 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 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

L. Codification of Accounting and Financial Reporting Guidance

The District complies with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates into GASB's authoritative literature certain accounting and financial reporting guidance issued by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

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. By 2023, either party has the option to terminate the amended and restated Membership Agreement.

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 \$9,883,929 and received \$12,270,012 in member revenues for the year ended September 30, 2022.

Note 3 - SPOHN MEMBERSHIP AGREEMENT – (Continuation)

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, 2022, 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	644,672	644,672	--
Money Market Mutual Funds -			
Fiduciary Funds	68,172	68,172	--
Petty Cash	150	150	--
AAA-Rate Local Government			
Investment Pools:			
Texpool	47,060,511	47,060,511	--
Logic	10,602,100	10,602,100	--
TexStar	4,821,402	4,821,402	--
Total Cash and Equivalents	63,197,007	63,197,007	--
Investments At Fair Value:			
Federal Home Loan			
Bank	18,713,935	--	18,713,935
Federal Home Loan Mortgage			
Corporation	2,971,317	--	2,971,317
Federal Farm Credit Banks	3,811,664	--	3,811,664
Federal National Mortgage			
Association	7,722,668	7,722,668	--
Municipal Bond	3,854,363	1,620,875	2,233,488
Total Investments	37,073,947	9,343,543	27,730,404
TOTAL VALUE	100,270,954	72,540,550	27,730,404
% of Total Portfolio	100%	72.34%	27.66%

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.

Note 4 – CASH AND INVESTMENTS – (Continuation)

Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act (PFIA), chapter 2256.016 of the Texas Government Code.

In addition to others provision of the PFIA designed to promote liquidity and safety of principal, the PFIA requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

All investments pools funds held by the District are rated AAAM by Standard & Poor's and comply with the PFIA. Investment pools are included in Cash and Cash Equivalents. A more detailed description of investment pools held by the District at September 30, 2022 is as follows:

TexPool Investment Fund

Texas Local government Investment Pool ("TexPool") operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

LOGIC Investment Pool

Local Government Investment Cooperative (LOGIC) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 79, of the Texas Government Code and the PFIA. The pool was created in April 1994 through a contract among its participating governmental units, and is governed by a board of directors (the board) to provide for the joint investments of participant's public funds and funds under their control. J.P. Morgan Investment Management Inc. (JPMIM) has served as the investment adviser. JPMIM is an SEC registered investment adviser and an affiliate of J.P. Morgan Asset Management (JPMAM). Hilltop Securities Inc. (Hilltop) and JPMIN serve as co-administrators to LOGIC, and Hilltop provides administrative, participant support and marketing services. Hilltop Securities is a registered broker dealer, member of FINRA/SIPC, which provides financial advisory and investment banking services to governmental entities. JPMorgan Chase Bank N.A. provides custodial services. LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. S&P Global monitors pertinent pool information on a weekly basis to ensure the pool's compliance with its rating requirements.

TexSTAR Investment Pool

Texas Short Term Assets Reserve Program (“TexSTAR”) is administered by First Southwest Company and JP Morgan Chase. TexSTAR is overseen by a five member governing board made up by three participants and one of each of the program’s professional administrators. The responsibility of the board includes the ability to influence operations, designation of management and accountability for fiscal matters.

In addition, TexSTAR has a Participant Advisory Board which provides input and feedback on the operations and direction of the program and Standard and Poor’s reviews the pool on a weekly basis to ensure the pool’s compliance with its rating requirements. TexSTAR’s investment policy stipulates that it must invest in accordance with the Texas PFIA.

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, U.S. government agency bonds, repurchase agreements, commercial paper, municipal obligations and money market mutual funds. All investments are rated AA, AA+ 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. 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.

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, 2022, the cash and investments contained:

- FDIC insured or fully collateralized bank deposits representing .64% of the total portfolio;
- Investment in three local government investment pools representing 62.32% of the total portfolio;
- AAA-rated money market funds striving to maintain a \$1 net asset value represented 0.07% of the total portfolio;
- US Government agency securities representing 33.13% of the total portfolio; and.
- Municipal Bonds representing 3.84% of the total portfolio.

Note 4 – CASH AND INVESTMENTS – (Continuation)

Credit Risk – (Continuation)

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, 2022 the portfolio met its diversification requirements.

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 one year. 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, 2022, holdings in the portfolio with stated maturity dates beyond one year representing 27.66% 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, 2022, the portfolio contained no certificates of deposit and no repurchase agreements. The portfolio contained .64% 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.

Restricted Cash

At September 30, 2022, the District held \$21,552,874 in cash, for the benefit of the Local Provider Participation Fund (LPPF). See Note 15 for a description of the program.

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.

The fair market prices used for these fair market valuations of the Districts portfolio are all Level 2 and represent other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The investments held by the District as of September 30, 2022 are U.S. Government Agency Bonds and Municipal Bonds.

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, 2021 upon which the levy for the 2022 fiscal year was based was \$35,352,713,874.

The tax rate assessed for the year ended September 30, 2022 to finance general fund operations and the limited tax refunding bonds was \$0.111502 per \$100 valuation. Current tax collections for the year ended September 30, 2022 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, 2021	CURRENT YEAR LEVY	TOTAL COLLECTIONS	ADJUSTMENTS	BALANCE SEPTEMBER 30, 2022
Delinquent Taxes					
Receivable	3,914,521	39,463,164	37,933,597	(608,871)	4,835,217
Allowance for Uncollectible Taxes	(1,131,898)	--	--	(51,999)	(1,183,897)
NET DELINQUENT TAXES RECEIVABLE	2,782,623	39,463,164	37,933,597	(660,870)	3,651,320

Note 8 – CAPITAL ASSETS

A summary of changes in the capital assets follows:

	BALANCE OCTOBER 1, 2021	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2022
Capital Assets, Not Being Depreciated-				
Land	3,076,926	--	--	3,076,926
Capital Assets, Being Depreciated-				
Equipment	1,319,110	6,701	17,484	1,308,327
Buildings	27,759,534	--	17,991,082	9,768,452
Total Capital Assets, Being Depreciated	29,078,644	6,701	18,008,566	11,076,779
Less Accumulated Depreciation for				
Equipment	1,188,487	35,473	17,484	1,206,476
Buildings	24,459,242	224,611	17,766,569	6,917,284
Total Accumulated Depreciation	25,647,729	260,084	17,784,053	8,123,760
Total Capital Assets, Being Depreciated Net	3,430,915	(253,383)	224,513	2,953,019
TOTAL CAPITAL ASSETS, NET	6,507,841	(253,383)	224,513	6,029,945

As more fully described in Note 1 on page 35, at September 30, 2022, management determined that the unoccupied building and related equipment constituting the Memorial Hospital were an impaired asset. The assets carrying value comprised of cost less accumulated depreciation of \$224,513 was written off and included as a loss on the statement of activities.

Note 9 – UNEARNED REVENUES

Unearned Revenue balances at September 30, 2022 consist of property taxes of \$3,651,320.

Note 10 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the District for the year ended September 30, 2022:

	BALANCE OCTOBER 1, 2021	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2022
Other Liabilities-				
Accrued Paid Time Off	53,485	134,366	122,348	65,503
TOTAL	53,485	134,366	122,348	65,503

Note 11- 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 \$30,120,513 for IGT's, the District paid \$40,210,253 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 12- COMMITTED FUND BALANCE

As shown in the fund financial statements the Board of Managers committed an amount not to exceed \$8,537,101 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, 2022.

Funds included in the Indigent Care Fund of \$54,880,624 are committed to be used for indigent health care.

Note 13 – INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers during the year ended September 30, 2022 were as follows:

	TRANSFERS OUT		TOTAL
	GENERAL FUND	TOBACCO SETTLEMENT FUND	
<u>TRANSFERS IN</u>			
General Fund	667,000	(667,000)	--
TOTAL	667,000	(667,000)	--

Note 14 – 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, 2022, nineteen 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, 2022, the District had retirement plan expense of \$68,490.

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.

Note 15 – LOCAL PROVIDER PARTICIPATION FUND

During 2020, a Local Provider Participation Fund (“LPPF”) in Nueces County was created by the Texas Legislature. Nueces County Hospital District acts as the administrator of the LPPF by assessment and collection of mandatory payments by hospitals in Nueces County. These payments are to be used to fund the local share of supplemental Medicaid funding programs.

Note 15 – LOCAL PROVIDER PARTICIPATION FUND – (Continuation)

During the year ended September 30, 2022, Nueces County Hospital District collected \$137,613,358 in mandatory payments from participating hospitals and made intergovernmental transfers of \$133,688,459. As of September 30, 2022, the District held \$21,552,874 in mandatory payments that will be used for future funding of eligible supplemental payment programs.

The District serves as the administrator of the LPPF. Accordingly, the District is authorized a fee for their administrative services. During the year ended September 30, 2022 the district received \$150,000 fees for serving as administrator.

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 23, 2023

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, 2022, 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 23, 2023.

Report on 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.

Report on 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

February 23, 2023

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

We have audited the financial statements of the Nueces County Hospital District (the District) for the year ended September 30, 2022 and have issued our report thereon dated February 23, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 28, 2022. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies has not changed during the year ended September 30, 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was accrual of expenses.

Management's estimate of the expenses to be accrued is based on management's evaluation of the expected billings from the County and other recipients for services rendered through September 30, 2022, and discussions with key personnel from the recipient's organization. We evaluated the key factors and assumptions used to develop the accruals in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule Exhibit 1, summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. All of the uncorrected or waived journal entries related to the new lease standard. As shown in Exhibit 1, the net effect of waiving the proposed entries to the financial is that both Assets and Liabilities would be understated by \$75,840 and Net Assets and Expenditures would decrease by \$239.

The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. It is anticipated that with the expiration and renewal of current leases in fiscal 2023, the lease standard will need to be review and may result in the need for material adjustments in the future.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 23, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. We discussed with management the application of *GASB 87* and determined it need to be addressed in fiscal year 2023 if the building and copier leases are renewed.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit RSI and do not express an opinion or provide any assurance on the RSI. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financials statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Board of Managers and management of the District Nueces County Hospital District and is not intended to be, and should not be, used by anyone other than these specified parties.

Collier, Johnson & Woods

WAIVED ADJUSTING JOURNAL ENTRIES
SEPTEMBER 30, 2022

EXHIBIT 1

Client: 57000 - Nueces County Hospital District
Engagement: 2022 - Nueces County Hospital District
Period Ending: 9/30/2022
Trial Balance: 2101 - Trial Balance Database
Workpaper: 2503 - PJE Report

EFFECT ON FINANCIAL STATEMENTS

Account	Description	W/P Ref	Debit	Credit	Assets	Liabilities	Net Assets	Net Income
Passed Adjusting Entries								
Passed Adjusting Entries JE # 3		3820						
Implementation of GASB 87-Copier								
99996	Right of Use Asset		26,150.56		26,150.56			
99997	Lease Liability			26,150.56		26,150.56		
Total			26,150.56	26,150.56				
Passed Adjusting Entries JE # 4								
Passed Adjusting Entries JE # 4		3820						
Record activity on leases-Copier								
99995	Interest-Lease		778.96				778.96	(778.96)
99997	Lease Liability		12,313.04			(12,313.04)		
99994	Rent Expense-Leases			13,092.00			13,092.00	13,092.00
Total			13,092.00	13,092.00				
Passed Adjusting Entries JE # 5								
Passed Adjusting Entries JE # 5		3820						
Amortization Expense on Activity-Copier								
99998	Amortization Expense		12,552.27				(12,552.27)	(12,552.27)
99993	Accumulated Amortization			12,552.27	(12,552.27)			
Total			12,552.27	12,552.27				
Passed Adjusting Entries JE # 6								
Passed Adjusting Entries JE # 6		3821						
Implementation of GASB 87-Operating Lease								
99996	Right of Use Asset		178,443.98		178,443.98			
99997	Lease Liability			178,443.98		178,443.98		
Total			178,443.98	178,443.98				
Passed Adjusting Entries JE # 7								
Passed Adjusting Entries JE # 7		3821						
Record activity on leases-Operating Lease								
99997	Lease Liability		116,441.80			(116,441.80)		
99996	Right of Use Asset			116,441.80	(116,441.80)			
Total			116,441.80	116,441.80				
Total Passed Adjusting Entries			346,680.61	346,680.61	75,600.47	75,839.70	239.23	(239.23)

**Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
As of 01/31/2023
(In Whole Numbers)**

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	72,873,035 *	18,054,318	68,826	0	0	90,996,179
Investments	0	37,044,348	0	0	0	37,044,348
Accrued Interest	0	138,439	249	0	0	138,688
Taxes Receivable, Net of Allowance	15,764,920	0	0	0	0	15,764,920
Other Receivables	591,171	0	0	0	0	591,171
Due from Other Funds	10,546	0	0	0	0	10,546
Prepaid Expenditures	113,315	0	0	0	0	113,315
Restricted Cash & Cash Equivalents - LPPF	28,584,343	0	0	0	0	28,584,343
Fixed Assets	0	0	0	14,156,549	0	14,156,549
Amt to be Provided for Retirement of LT Debt	0	0	0	0	65,503	65,503
Total Assets	117,937,330	55,237,104	69,075	14,156,549	65,503	187,465,561
Liabilities						
Accounts Payable	2,802,172	0	0	0	0	2,802,172
Accrued Payroll & Related Liabilities	285,930	0	0	0	0	285,930
Intergovernmental Transfer Obligations	28,584,343	0	0	0	0	28,584,343
Due to Other Funds	0	0	10,546	0	0	10,546
Deferred Revenue	15,764,920	0	0	0	0	15,764,920
Long Term Paid Time Off	0	0	0	0	65,503	65,503
Total Liabilities	47,437,364	0	10,546	0	65,503	47,513,413
Fund Equity						
Fund Balance	55,771,740	0	58,529	14,156,549	0	69,986,819
Committed to:						
Intergovernmental Transfers	14,728,225	0	0	0	0	14,728,225
Indigent Care	0	55,236,347	0	0	0	55,236,347
Assigned to County Health Care	0	757	0	0	0	757
Total Fund Equity	70,499,966	55,237,104	58,529	14,156,549	0	139,952,148
Total Liabilities & Fund Equity	117,937,330	55,237,104	69,075	14,156,549	65,503	187,465,561

* General Fund Cash & Equivalents balance includes \$14,728,225 in committed funds.

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 1/1/2023 Through 1/31/2023
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Taxes	12,022,956	27,120,535
Penalties & Interest - Taxes	17,488	64,879
Spohn Corporate Member Revenue	2,620,869	9,323,348
Investment Income	231,381	710,307
Other Income	510	151,270
Total Revenues	<u>14,893,205</u>	<u>37,370,339</u>
Current Expenditures		
Intergovernmental Transfers	245,416	3,310,855
County Healthcare Funding	1,415,600	3,967,710
Salaries	118,256	459,903
Benefits	52,616	239,972
Legal & Professional Fees	29,327	198,625
Purchased Services	123,506	508,683
Supplies & Materials	1,202	6,315
Rent & Leases	14,909	51,150
Repairs & Maintenance	0	112
Utilities	2,768	11,097
Insurance	1,985	7,941
Administrative & General	3,683	20,874
Capital Outlay	0	2,845
Total Current Expenditures	<u>2,009,268</u>	<u>8,786,082</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>12,883,937</u>	<u>28,584,257</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>12,883,937</u>	<u>28,584,257</u>
Fund Balance, Beginning of Year		41,915,709
FUND BALANCE, END OF YEAR		<u><u>70,499,966</u></u>

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 1/1/2023 Through 1/31/2023
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	98,464	355,733
Total Revenues	<u>98,464</u>	<u>355,733</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>98,464</u>	<u>355,733</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>98,464</u>	<u>355,733</u>
Fund Balance, Beginning of Year		54,881,371
FUND BALANCE, END OF YEAR		<u><u>55,237,104</u></u>

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 1/1/2023 Through 1/31/2023
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	<u>249</u>	<u>863</u>
Total Revenues	<u>249</u>	<u>863</u>
Current Expenditures		
Benefits	<u>3,115</u>	<u>6,521</u>
Administrative & General	<u>29</u>	<u>119</u>
Total Current Expenditures	<u>3,144</u>	<u>6,640</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(2,894)</u>	<u>(5,777)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(2,894)</u>	<u>(5,777)</u>
Fund Balance, Beginning of Year		64,306
FUND BALANCE, END OF YEAR		<u>58,529</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 1/1/2023 Through 1/31/2023
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	12,022,956	11,929,834	93,122	27,120,535	26,465,984	654,551
Penalties & Interest - Taxes	17,488	50,085	(32,597)	64,879	130,882	(66,003)
Spohn Corporate Member Revenue	2,620,869	2,333,333	287,536	9,323,348	9,333,332	(9,984)
Investment Income	231,381	28,893	202,488	710,307	101,964	608,343
Other Income	510	0	510	151,270	150,000	1,270
Total Revenues	<u>14,893,205</u>	<u>14,342,145</u>	<u>551,060</u>	<u>37,370,339</u>	<u>36,182,162</u>	<u>1,188,177</u>
Current Expenditures						
Intergovernmental Transfers	245,416	1,723,786	1,478,370	3,310,855	7,149,502	3,838,647
County Healthcare Funding	1,415,600	1,001,904	(413,696)	3,967,710	4,192,616	224,906
Salaries	118,256	134,872	16,616	459,903	544,863	84,960
Benefits	52,616	58,898	6,282	239,972	256,647	16,675
Legal & Professional Fees	29,327	129,667	100,340	198,625	518,672	320,047
Purchased Services	123,506	141,910	18,404	508,683	582,020	73,337
Supplies & Materials	1,202	1,791	589	6,315	7,172	857
Rent & Leases	14,909	13,875	(1,034)	51,150	55,504	4,354
Repairs & Maintenance	0	834	834	112	3,336	3,224
Utilities	2,768	4,000	1,232	11,097	16,000	4,903
Insurance	1,985	2,566	581	7,941	10,272	2,331
Administrative & General	3,683	36,534	32,851	20,874	146,152	125,278
Capital Outlay	0	44,000	44,000	2,845	215,400	212,555
Extraordinary	0	417	417	0	1,668	1,668
Total Current Expenditures	<u>2,009,268</u>	<u>3,295,054</u>	<u>1,285,786</u>	<u>8,786,082</u>	<u>13,699,824</u>	<u>4,913,742</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>12,883,937</u>	<u>11,047,091</u>	<u>1,836,846</u>	<u>28,584,257</u>	<u>22,482,338</u>	<u>6,101,919</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>12,883,937</u>	<u>11,047,091</u>	<u>1,836,846</u>	<u>28,584,257</u>	<u>22,482,338</u>	<u>6,101,919</u>
Fund Balance, Beginning of Year				41,915,709	0	41,915,709
FUND BALANCE, END OF YEAR				<u>70,499,966</u>	<u>22,482,338</u>	<u>48,017,628</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 1/1/2023 Through 1/31/2023
(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	3	0	3	10	0	10
Total Revenues	3	0	3	10	0	10
Excess of Revenues Over Expenditures Before Sources/Uses	3	0	3	10	0	10
Excess of Revenues Over Expenditures After Sources & Uses	3	0	3	10	0	10
Fund Balance, Beginning of Year				747	0	747
FUND BALANCE, END OF YEAR				757	0	757

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 1/1/2023 Through 1/31/2023
(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	98,461	30,787	67,674	355,724	123,047	232,677
Total Revenues	98,461	30,787	67,674	355,724	123,047	232,677
Excess of Revenues Over Expenditures Before Sources/Uses	98,461	30,787	67,674	355,724	123,047	232,677
Excess of Revenues Over Expenditures After Sources & Uses	98,461	30,787	67,674	355,724	123,047	232,677
Fund Balance, Beginning of Year				54,880,624	0	54,880,624
FUND BALANCE, END OF YEAR				55,236,347	123,047	55,113,300

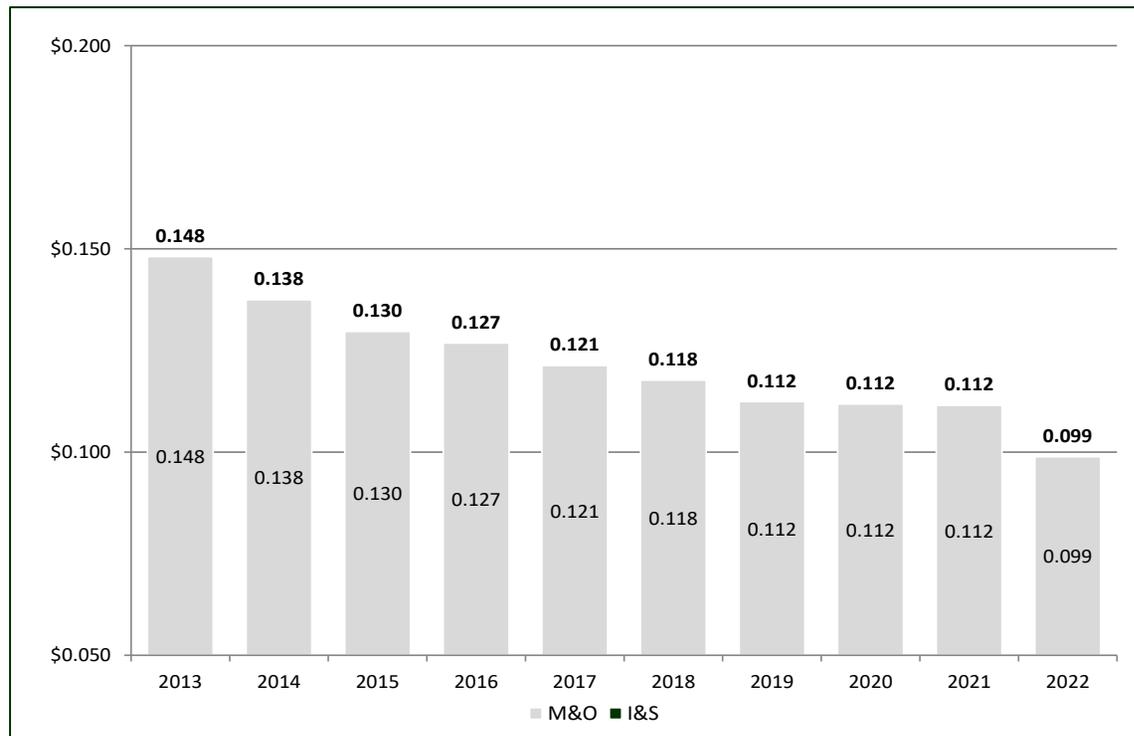
Information on Capital Improvement Financing

Nueces County Hospital District



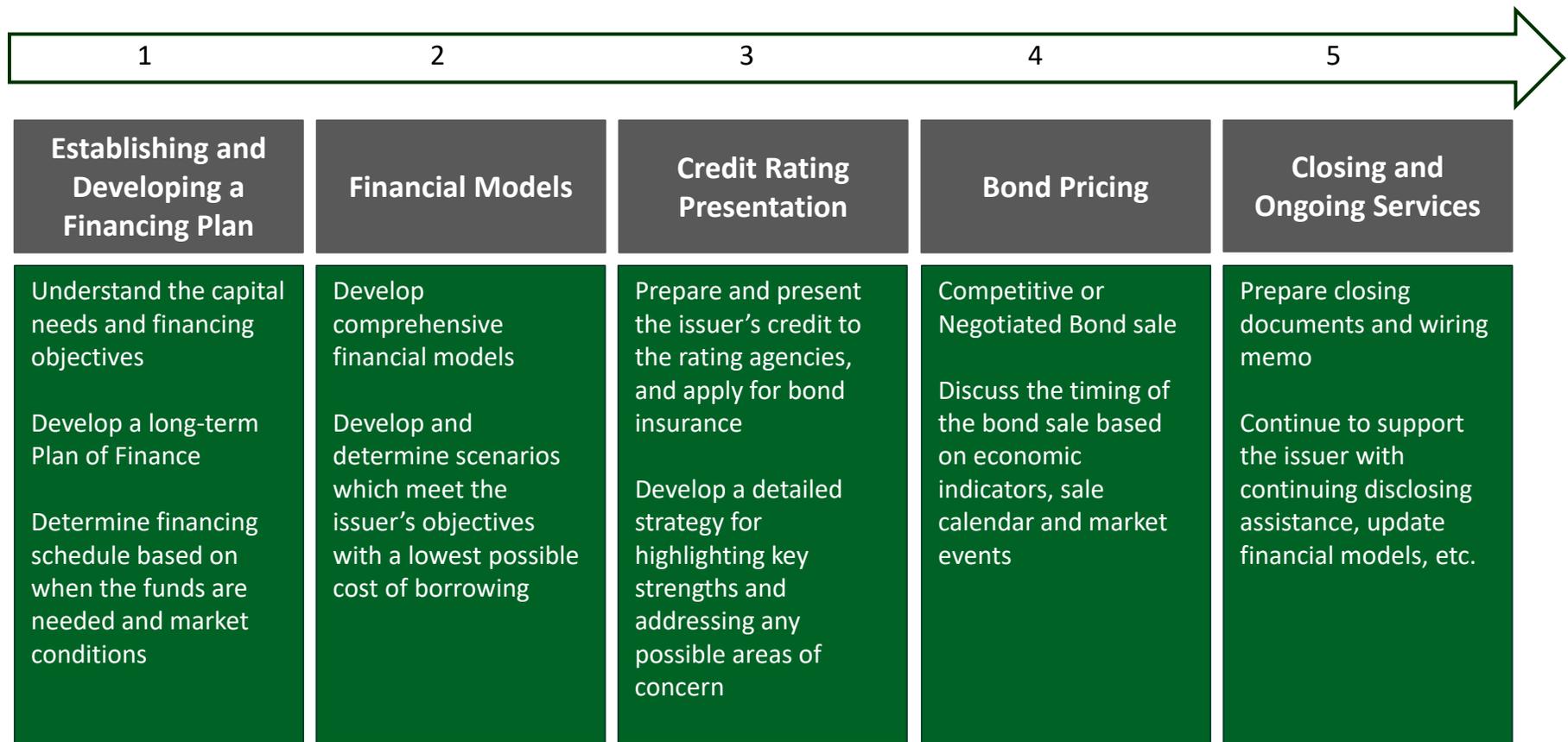
State Attorney General’s Tax Rate Limitations for Texas Hospital Districts

- The Texas Constitution (Art. IX, Sec. 4 & 9) imposes a limit of \$0.75 per \$100 assessed valuation for all purposes, including taxes levied for the payment of operation and maintenance (M&O) expenses of the District and to pay any tax-supported bonded indebtedness of the District.
- Current tax rate for NCHD is \$0.099 and it is only for M&O
- NCHD Tax Rate History:



Major Steps in the Bond Issuance Process

- Long-term capital planning is a key first step to any debt issuance process.
- Developing a capital planning model helps everyone (staff, elected officials, rating agencies) understand if/how the projects can be funded and the resulting financial impact while also ensuring continued compliance with the District’s financial policies.



Nueces County Hospital District's Financing History

- The NCHD currently has no debt outstanding, but has utilized debt in the past for capital improvement projects and refinancings

Date:	Amount:	Title:
9/1/1975	\$4,000,000	Revenue Bonds
7/1/1986	\$26,990,000	Revenue Refunding & Improvement Bonds
5/15/1993	\$27,405,000	Combination Tax & Subordinate Lien Revenue Refunding Bonds
2/15/2003	\$18,490,000	Limited Tax Refunding Bonds

Financing Tools Available to Texas Hospital Districts

Type:	General Obligation Bonds	Certificates of Obligation ⁽¹⁾	Revenue Bonds
Purpose:	General Purpose	General Purpose	Enterprise System
Voter Authorization:	Yes	No ⁽²⁾	No
Amortization Requirements:	Not to exceed 40 years	Not to exceed 40 years	None
Source of Payment:	I&S Taxes ⁽³⁾	I&S Taxes ⁽³⁾ and/or revenues	Revenues
Interest Rate:	Strongest Credit: Lowest Interest Rates	Similar to General Obligation Bonds	Higher than General Obligation Bonds

⁽¹⁾ If a bond election failed, Certificates may not be issued for that purpose within 3 years of the election.

⁽²⁾ Publication of notice required: petition during notice period could require an election.

⁽³⁾ I&S Tax Rate is not subject to rollback.

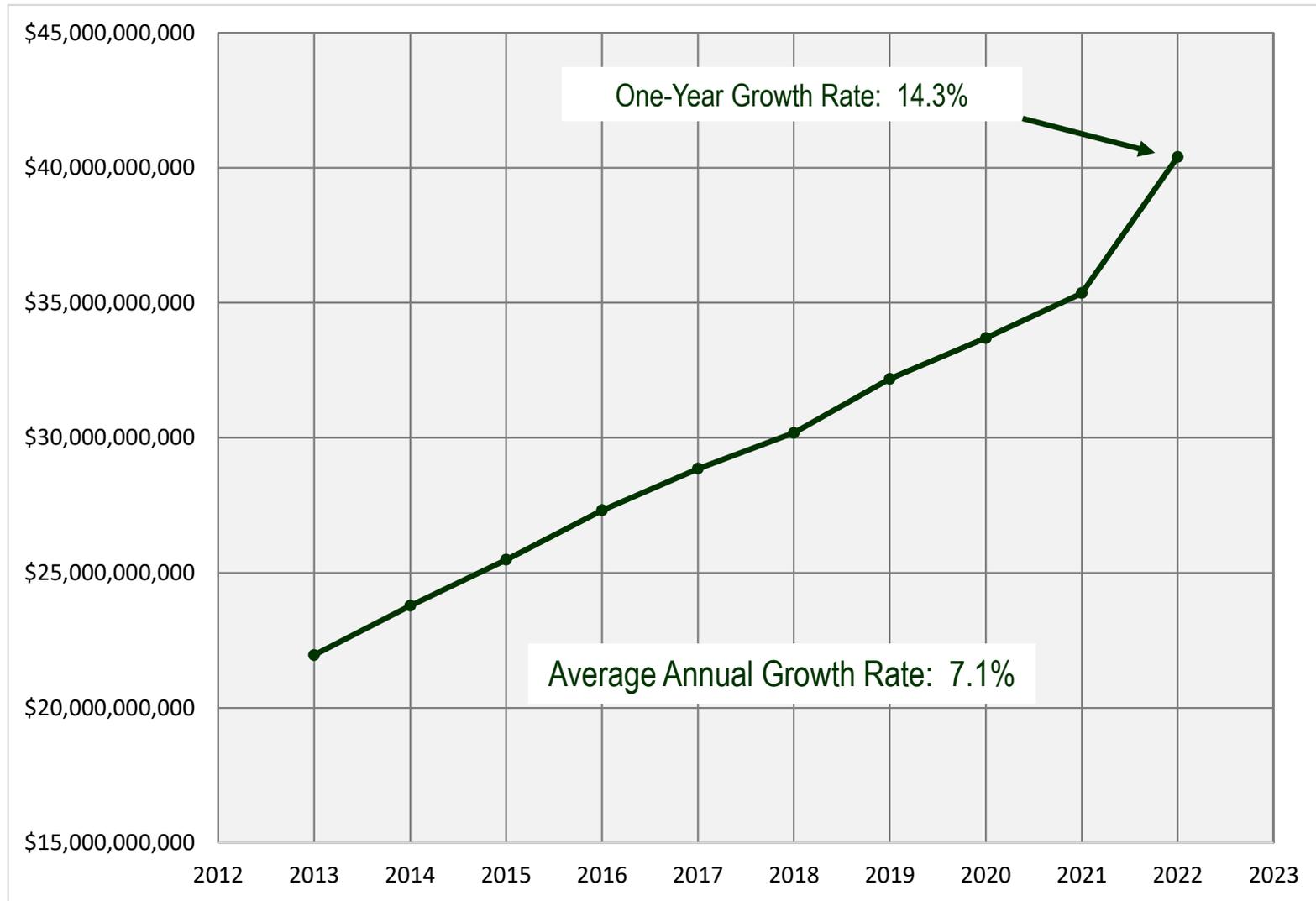
Steps Required for the Issuance of Certificates of Obligation

- Board approves a Financing Plan for the issuance of Certificates of Obligation (“CO’s”); Requests the County to consider the approval of a “Notice of Intent Resolution” to issue the CO’s
- Commissioners Court approves Notice of Intent Resolution
- 1st publication of the Notice of Intent appears in the Caller Times (45-day clock begins)
- 2nd publication of the Notice of Intent appears in the Caller Times (must occur 1-week after 1st publication)
- Enter the bond market for the sale of the Certificates of Obligation (i.e., lock-in interest rate; may not occur earlier than 45-days from the 1st publication)
 - Board approves the sale of the CO’s at a special-called meeting
 - Commissioners Court approves the sale of the CO’s at a regular meeting
- Closing; proceeds delivered to the District’s construction fund (30-days after sale of CO’s)

***** From start to finish, issuing Certificates of Obligation is a 90-day process *****

Taxable Assessed Valuation Trend

- For a tax-supported financing tool such as CO's, the NCHD's property tax base is the main determining factor for bond affordability



Scenario 1: I&S Tax Rate Impact Model for a \$30,000,000 Borrowing = \$0.0047 Impact

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
FYE 9/30	Net Taxable Assessed Valuation	Est. Growth	Existing D/S	\$30,000,000 Series 2023 7/12 4.58%	Projected Total D/S	Less: Available D/S Funds	Less: Frozen Tax Revenues	Projected Total Net D/S	Projected I&S Tax Rate	Change
2023	\$ 39,260,911,676		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	41,223,957,260	5.00%	-	1,901,465	1,901,465	-	-	1,901,465	0.0047	0.0047
2025	43,285,155,123	5.00%	-	1,897,500	1,897,500	-	-	1,897,500	0.0045	
2026	45,449,412,879	5.00%	-	1,899,500	1,899,500	-	-	1,899,500	0.0043	
2027	46,812,895,265	3.00%	-	1,900,250	1,900,250	-	-	1,900,250	0.0041	
2028	48,217,282,123	3.00%	-	1,899,750	1,899,750	-	-	1,899,750	0.0040	
2029	49,181,627,766	2.00%	-	1,898,000	1,898,000	-	-	1,898,000	0.0039	
2030	50,165,260,321	2.00%	-	1,900,000	1,900,000	-	-	1,900,000	0.0039	
2031	51,168,565,527	2.00%	-	1,900,500	1,900,500	-	-	1,900,500	0.0038	
2032	52,191,936,838	2.00%	-	1,899,500	1,899,500	-	-	1,899,500	0.0037	
2033	53,235,775,575	2.00%	-	1,897,000	1,897,000	-	-	1,897,000	0.0036	
2034	54,300,491,086	2.00%	-	1,898,000	1,898,000	-	-	1,898,000	0.0036	
2035	55,386,500,908	2.00%	-	1,897,250	1,897,250	-	-	1,897,250	0.0035	
2036	56,494,230,926	2.00%	-	1,899,750	1,899,750	-	-	1,899,750	0.0034	
2037	57,624,115,545	2.00%	-	1,900,250	1,900,250	-	-	1,900,250	0.0034	
2038	58,776,597,856	2.00%	-	1,898,750	1,898,750	-	-	1,898,750	0.0033	
2039	59,952,129,813	2.00%	-	1,900,250	1,900,250	-	-	1,900,250	0.0032	
2040	61,151,172,409	2.00%	-	1,899,500	1,899,500	-	-	1,899,500	0.0032	
2041	62,374,195,857	2.00%	-	1,896,500	1,896,500	-	-	1,896,500	0.0031	
2042	63,621,679,774	2.00%	-	1,896,250	1,896,250	-	-	1,896,250	0.0030	
2043	64,894,113,370	2.00%	-	1,898,500	1,898,500	-	-	1,898,500	0.0030	
2044	66,191,995,637	2.00%	-	1,898,000	1,898,000	-	-	1,898,000	0.0029	
2045	67,515,835,550	2.00%	-	1,899,750	1,899,750	-	-	1,899,750	0.0029	
2046	68,866,152,261	2.00%	-	1,898,500	1,898,500	-	-	1,898,500	0.0028	
2047	70,243,475,306	2.00%	-	1,899,250	1,899,250	-	-	1,899,250	0.0028	
2048	71,648,344,812	2.00%	-	1,896,750	1,896,750	-	-	1,896,750	0.0027	
2049	73,081,311,708	2.00%	-	1,901,000	1,901,000	-	-	1,901,000	0.0027	
2050	74,542,937,943	2.00%	-	1,896,500	1,896,500	-	-	1,896,500	0.0026	
2051	76,033,796,701	2.00%	-	1,898,500	1,898,500	-	-	1,898,500	0.0025	
2052	77,554,472,636	2.00%	-	1,896,500	1,896,500	-	-	1,896,500	0.0025	
2053	79,105,562,088	2.00%	-	1,900,500	1,900,500	-	-	1,900,500	0.0025	
Totals			\$ -	\$ 56,963,715	\$ 56,963,715	\$ -	\$ -	\$ 56,963,715		\$ 0.0047

Assumptions:

- (1) FY 2023 Net Taxable AV provided by the Nueces County Appraisal District ("NCAD") as of August 8, 2022 and includes 60% of the under review amount of \$1,435,442,044. Additionally, the AV excludes the TIF incremental value of \$560,749,003. Projected AV growth, if any, shown for purposes of illustration only.
- (2) All assumptions are as of February 15, 2023 for purposes of illustration only. Preliminary Series 2023 assumes a July 2023 delivery and current market rates + 0.50%.
- (3) Est. tax collections rate: 98.00%

Scenario 2: I&S Tax Rate Impact Model for a \$45,000,000 Borrowing = \$0.0070 Impact

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
FYE 9/30	Net Taxable Assessed Valuation	Est. Growth	Existing D/S	\$45,000,000 Series 2023 7/12 4.58%		Projected Total D/S	Less: Available D/S Funds	Less: Frozen Tax Revenues	Projected Total Net D/S	Projected I&S Tax Rate	Change
2023	\$ 39,260,911,676		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	41,223,957,260	5.00%	-	2,846,285	2,846,285	-	-	2,846,285	0.0070	0.0070	
2025	43,285,155,123	5.00%	-	2,843,250	2,843,250	-	-	2,843,250	0.0067		
2026	45,449,412,879	5.00%	-	2,843,750	2,843,750	-	-	2,843,750	0.0064		
2027	46,812,895,265	3.00%	-	2,842,500	2,842,500	-	-	2,842,500	0.0062		
2028	48,217,282,123	3.00%	-	2,844,500	2,844,500	-	-	2,844,500	0.0060		
2029	49,181,627,766	2.00%	-	2,844,500	2,844,500	-	-	2,844,500	0.0059		
2030	50,165,260,321	2.00%	-	2,842,500	2,842,500	-	-	2,842,500	0.0058		
2031	51,168,565,527	2.00%	-	2,843,500	2,843,500	-	-	2,843,500	0.0057		
2032	52,191,936,838	2.00%	-	2,847,250	2,847,250	-	-	2,847,250	0.0056		
2033	53,235,775,575	2.00%	-	2,843,500	2,843,500	-	-	2,843,500	0.0055		
2034	54,300,491,086	2.00%	-	2,842,500	2,842,500	-	-	2,842,500	0.0053		
2035	55,386,500,908	2.00%	-	2,844,000	2,844,000	-	-	2,844,000	0.0052		
2036	56,494,230,926	2.00%	-	2,842,750	2,842,750	-	-	2,842,750	0.0051		
2037	57,624,115,545	2.00%	-	2,843,750	2,843,750	-	-	2,843,750	0.0050		
2038	58,776,597,856	2.00%	-	2,846,750	2,846,750	-	-	2,846,750	0.0049		
2039	59,952,129,813	2.00%	-	2,846,500	2,846,500	-	-	2,846,500	0.0048		
2040	61,151,172,409	2.00%	-	2,843,000	2,843,000	-	-	2,843,000	0.0047		
2041	62,374,195,857	2.00%	-	2,846,250	2,846,250	-	-	2,846,250	0.0047		
2042	63,621,679,774	2.00%	-	2,845,750	2,845,750	-	-	2,845,750	0.0046		
2043	64,894,113,370	2.00%	-	2,846,500	2,846,500	-	-	2,846,500	0.0045		
2044	66,191,995,637	2.00%	-	2,843,250	2,843,250	-	-	2,843,250	0.0044		
2045	67,515,835,550	2.00%	-	2,846,000	2,846,000	-	-	2,846,000	0.0043		
2046	68,866,152,261	2.00%	-	2,844,250	2,844,250	-	-	2,844,250	0.0042		
2047	70,243,475,306	2.00%	-	2,843,000	2,843,000	-	-	2,843,000	0.0041		
2048	71,648,344,812	2.00%	-	2,847,000	2,847,000	-	-	2,847,000	0.0041		
2049	73,081,311,708	2.00%	-	2,845,750	2,845,750	-	-	2,845,750	0.0040		
2050	74,542,937,943	2.00%	-	2,844,250	2,844,250	-	-	2,844,250	0.0039		
2051	76,033,796,701	2.00%	-	2,842,250	2,842,250	-	-	2,842,250	0.0038		
2052	77,554,472,636	2.00%	-	2,844,500	2,844,500	-	-	2,844,500	0.0037		
2053	79,105,562,088	2.00%	-	2,845,500	2,845,500	-	-	2,845,500	0.0037		
Totals			\$ -	\$ 85,335,035	\$ 85,335,035	\$ -	\$ -	\$ 85,335,035		\$ 0.0070	

Assumptions:

- (1) FY 2023 Net Taxable AV provided by the Nueces County Appraisal District ("NCAD") as of August 8, 2022 and includes 60% of the under review amount of \$1,435,442,044. Additionally, the AV excludes the TIF incremental value of \$560,749,003. Projected AV growth, if any, shown for purposes of illustration only.
- (2) All assumptions are as of February 15, 2023 for purposes of illustration only. Preliminary Series 2023 assumes a July 2023 delivery and current market rates + 0.50%.
- (3) Est. tax collections rate: 98.00%

Summary of Financing Scenarios:

Borrowing Amount*:	I&S Tax Rate Impact:	Monthly Impact to \$250,000 Home
\$30,000,000	\$0.0047	\$0.98
\$45,000,000	\$0.0070	\$1.46

(Assumes a 30-year repayment term with a fixed interest rate of 4.58% for planning purposes.*

Next Steps for a Successful Financing

- ❖ Prioritize capital improvement projects
- ❖ Develop a conservative project cost budget
- ❖ Determine when financing proceeds are needed

Jonny F. Hipp (NCHD)

From: Burt Moorhouse <burt@aransasterminal.com>
Sent: Friday, February 17, 2023 9:54 AM
To: Jonny F. Hipp (NCHD)
Subject: Foreign Trade Zone on Harbor Island
Attachments: FTZ letter 1.docx; PILOT Draft Hospital District 02.16.23.docx

CAUTION: This email originated from outside the NCHD network. DO NOT OPEN LINKS or ATTACHMENTS in this email unless you recognize the sender and know the content is safe.

Good morning, sir.

For the past several years I have managed Aransas Terminal, the ship docks next to the ferry on Harbor Island. I am working to establish a Foreign Trade Zone here, again. For this to go forward, the FTZ Board requires letters of non-objection from all the taxing entities with jurisdiction here, including Nueces County Hospital District.

My guess is that you have been through this before with other FTZ applicants, but every case is a little different. In this case, some taxing entities have requested a PILOT (payment in lieu of taxes) agreement, and as far as I know, this will be the first one in this region. It is an extra step, but my thinking is that if we offer it to one, we should offer it to all. That is addressed in the attachments.

The first attachment is a sort of generic letter of explanation of the FTZ, the non-objection letter and the PILOT agreement. The second is the proposed PILOT agreement and includes a sample letter of non-objection. I call the PILOT doc a draft because I need feedback on some FTZ terminology from Jennifer Norrell (customs broker) before I finalize on my end, as I want the document to be clear that while the whole facility might be an FTZ site, only certain parts of it would be activated at any given time, and only the cargo that goes into activated areas is subject to FTZ Wharfage, tax exemption, and the PILOT agreement.

I am hopeful this meets with your approval, and we can move forward soon. Please look it over and let me know next steps with you and the hospital district.

Thank you.

Burt Moorhouse
Phone 361-877-0412
www.aransasterminal.com





February 16, 2023

Foreign Trade Zone on Harbor Island

Aransas Terminal Company, LLC is the operator of the large privately owned marine terminal next to the ferry landing on Harbor Island. One of our customers has (again) requested that we secure a Foreign Trade Zone ("FTZ") for storing wind turbine components. To do so, we must gather letters of non-objection from all entities with taxing authority on Harbor Island. The purpose of this letter, therefore, is to communicate what a FTZ is, the benefits associated with it, and to begin to determine the next steps required to secure the letter from the hospital district. I will be as brief as possible.

The FTZ program was created in 1934 by the Department of Commerce to help foster job creation and competitiveness within the U.S. by allowing cargo to remain duty-free while it is stored or processed within the boundaries of an activated FTZ (usually a relatively small portion of the overall terminal or facility). There are multiple FTZs in this region, mostly within the inner harbor of the Port of Corpus Christi. There are currently none in Port Aransas.

Benefits of a FTZ in your community:

1. Jobs. The addition of an FTZ creates more economic activity, hence more jobs.
2. Tax revenue. The increased economic activity helps keep this facility alive allowing this property to be a vital port facility vs. the abandoned industrial land that existed several years ago. This is a privately owned and operated port, and therefore unlike public ports, the land and improvements are subject to ad valorem tax. *To my knowledge this is (still) the largest single taxable property in Port Aransas.*

Before an application can go forward, the non-objection letters referenced above must be gathered. The reason for these letters is that the entities need to acknowledge that there is a potential loss of ad valorem tax revenue. *There would never actually be a loss, for if cargo needs to be placed in a FTZ and one is not available here, it will divert to either the Port of Corpus Christi or a distant port and so would never be taxable anyway.*

In my opinion, the incremental economic activity and resultant gains to the tax base should be sufficient cause for "non objection", if not *celebration*, but not everyone might agree (and all entities must provide a letter in order for it to be presented to the Department of Commerce), so I have attached a proposed PILOT agreement which offers to share a full 10% of the wharfage collected on FTZ cargo among the taxing entities on a pro rata basis, according to their relative share of our overall tax rate (*current tax rate (numerator) as compared to the total rate (denominator)*) at Harbor Island.

I am sure you will have questions, and I need your thoughts and advice on next steps. My cell number is below, or email is fine, too. Thank you.

Burt Moorhouse
President
361-877-0412
burt@aransasterminal.com

Aransas Terminal Company is a private, deep-water multi-use marine terminal on the Corpus Christi Ship Channel less than 3 miles from the open Gulf of Mexico. With 3000 feet of docks and over 100 improved acres, the facility hosts both project cargo operations and offshore oil and gas berthing and logistics.

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**PAYMENT IN LIEU OF TAXES (“PILOT”) AGREEMENT
FOREIGN-TRADE ZONE SITE**

THIS AGREEMENT (“Agreement”) is entered into by and between Aransas Terminal Company, LLC (“the Operator”) and Nueces County Hospital District (“Hospital District”), a political subdivision of the State of Texas.

A. RECITALS

- Port of Corpus Christi Authority (POCCA) is Grantee of Foreign-Trade Zone (“FTZ”) No. 122.
- The Operator desires participation in the FTZ program through the expansion of Foreign-Trade Zone #122 to include space located at 118 HWY 361, Port Aransas, TX 78373 in Nueces County, Texas, as shown in Exhibit B (the “FTZ Site”), for which the Operator seeks designation by the Foreign-Trade Zones Board (the “Board”) of the United States Department of Commerce, and/or activation by the Bureau of Customs and Border Protection of the United States Department of Homeland Security (“Customs”).
- The Operator of the subject FTZ Site is Aransas Terminal Company, LLC.
- The Operator seeks an executed Letter of Non-Objection (“Letter”) from the Hospital District which is required to achieve designation and/or activation.
- 19 U.S.C. §81o(e) may provide a federal exemption from state and local ad valorem taxes for tangible personal property imported from outside the U.S. and held in a FTZ for purpose of storage, sale, exhibition, repacking, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing; and tangible personal property produced within the United States and held in a FTZ for exportation, either in its original form or as altered by any of the above processes.
- Inventory qualifying under 19 U.S.C. §81o(e) and held in any activated FTZ may be exempt from state and local ad valorem taxes.
- The Operator and the Hospital District desire that designation and activation of any part of the FTZ Site cause no financial harm to the Hospital District.

In consideration of the mutual commitments expressed in this Agreement, the parties agree to the following:

B. DEFINITIONS

When used herein, the listed words have the following meanings:

“Board” means Foreign-Trade Zones Board within U.S. Department of Commerce.

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“Customs” means Bureau of Customs and Border Protection within U.S. Department of Homeland Security.

“FTZ” means Foreign Trade Zone.

“FTZ Exemption” means 19 U.S.C. §810(e) federal exemption for certain inventory and any other potential exemptions from taxation for inventory in a FTZ.

“FTZ Inventory” means any inventory held in the FTZ Site that may qualify for the FTZ Exemption.

“FTZ Site” means the tract(s) described in Exhibit B.

“FTZ Wharfage” means the charges collected by the Operator on each ton or cubic meter (whichever is greater) of cargo that cross the wharf and is designated for and inventoried into the FTZ.

“Interest” means interest payments on delinquency amounts owed to the County.

“Letter” means executed Letter of Non-Objection from the Hospital District issued on behalf of the Operator.

“PILOT Payment” means the amount of money due the Hospital District as agreed herein, which is a portion of the wharfage collected by the Operator on FTZ Inventory.

C. OBLIGATIONS

The Operator agrees to the following:

- a) The Operator agrees to make PILOT payment(s) to the Hospital District in the amount of 0.64% of the FTZ Wharfage. Said payments are to be made in the form of a check within 30 days of collection of same.
- b) For any FTZ Inventory that does not receive the FTZ Exemption, PILOT Payment(s) shall not be owed to the Hospital District.
- c) No later than April 15 of each year, and for as long as this Agreement is in effect, the Operator agrees to furnish to the Hospital District business manager a notarized affidavit detailing all inventories that entered the subject FTZ, the related FTZ Wharfage charges, and an accounting of the amounts due, paid, and payable for the previous calendar year.
- d) Any additional information that may be requested by the Hospital District business manager must be furnished by the Operator within 15 business days thereafter.
- e) Upon execution of this Agreement, the Hospital District shall furnish its Letter of Support, in the form shown in Exhibit A.
- f) The Operator agrees to pay Interest on Delinquent Amounts. Interest will be calculated as described in “**D. MISCELLANEOUS PROVISIONS.**”

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- g) The Operator agrees that any violation of this Agreement by the Operator would justify a reversal of the FTZ Site designation and/or activation by the Board and/or Customs. Furthermore, the Operator acknowledges that default under its PILOT Agreement with the Hospital District for such subject Site shall, upon notice of such default by the Hospital District to POCCA, also be a default under the Operators Agreement, and result in the initiation of Deactivation and/or Deauthorization (as applicable) proceedings for such subject FTZ Site.
- h) The amounts payable by the Operator to the Hospital District under this Agreement shall in no event exceed the amounts of ad valorem taxes that would have been payable to Hospital District pursuant to the Texas Property Tax Code on FTZ Inventory in the FTZ Site had the Operator and/or any other party owning FTZ Inventory in the FTZ Site not received the FTZ Exemption under 19 U.S.C. §81o(e).

D. MISCELLANEOUS PROVISIONS

1. Governing Law. This Agreement will be interpreted under the laws of the State of Texas.
2. Interest. Interest shall accrue on any Delinquent Amount under this Agreement at the rate provided for in the Texas Property Tax Code as though the Delinquent Amount is a tax payment.
3. Binding Effect. This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, and future occupants of the 19 U.S.C. §81o(e) Site.
4. Entire Agreement. This Agreement supersedes any prior understanding or agreement between the parties with respect to the subject matter hereof and constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, representations or warranties among the parties with respect to the subject matter hereof other than those set forth herein or provided for herein.
5. This Agreement Does Not Affect Other Rights, Obligations or Agreements. This Agreement does not supersede, modify, or affect any other agreement that has been or may be entered into between the Operator and any other taxing jurisdiction or any other entity, except as otherwise expressly stated in this Agreement
6. Modification of Agreement. This Agreement may be modified only by written consent of all parties.
7. Further Assurances. The parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement.
8. Severability. To the extent permitted by law, a holding by any court that any part or any provision in this Agreement is invalid, illegal, or unenforceable in any respect, shall not affect

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any other provision and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been a part of the Agreement.

- 9. Termination of Agreement. This Agreement shall terminate upon the revocation of 19 U.S.C. §81o(e) Site status by the Board, but such termination shall not relieve the Operator from its obligation to pay damages as provided in this Agreement.
- 10. Counterparts. This Agreement may be executed in multiple identical counterparts and when taken together shall constitute one and the same instrument. A facsimile or similar transmission of a counterpart signed by a party hereto or a copy of a counterpart signed by a party hereto will be regarded as an original signed by such party for purposes hereof.
- 11. Affidavit. This Agreement shall terminate upon the determination by the Hospital District of any misrepresentation in the Affidavit and/or this Agreement which should constitute grounds for the immediate initiation of proceedings for Deactivation and/or Deauthorization for the subject 19 U.S.C. §81o(e) Site, as applicable.
- 12. Notices. Any notice permitted or required to be given must be in writing delivered in person or by certified U.S. Mail, return receipt requested, to the applicable party addressed as follows:

Operator: Aransas Terminal Company, LLC
 Attn: Burt Moorhouse, President
 P.O. Box 2740
 Port Aransas, TX 78373

Hospital District: Nueces County Hospital District
 Attn: Jonny F. Hipp, CEO
 555 N. Carancahua
 Corpus Christi, TX 78401

EXECUTED on the dates set forth below, but effective as of the last date executed by all the Parties.

Nueces County Hospital District

By: _____
 Attorney for the Hospital District

By: _____
 Jonny F. Hipp, Chief Executive Officer

Date: _____

Date: _____

Aransas Terminal Company, Operator

By: _____

Burt Moorhouse, president

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List of Exhibits

EXHIBIT A: Letter of Support

EXHIBIT B: Aransas Terminal Foreign Trade Zone Site

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EXHIBIT A “Letter of Non-Objection Form”

[Use letterhead appropriate for entity submitting this letter]

Date:

FTZ Manager

Port of Corpus Christi Authority

222 Power Street

Corpus Christi, Texas 78401

Re: Aransas Terminal Company, LLC

118 Hwy 361

Port Aransas, TX 78373

Dear [NAME]:

The purpose of this letter is to document the support of {tax entity} for Aransas Terminal Company's application to establish and operate under Foreign Trade Zone designation under the auspices of the Port of Corpus Christi Authority, Grantee of Foreign-Trade Zone #122.

We feel the economic benefits this company brings to our area make it a valuable asset and will have a positive impact upon the local economy, local employment, and economic development in the region.

This entity has determined that the FTZ designation for the Aransas Terminal Company site will not negatively impact our tax revenues and will benefit the local economy.

Port Aransas Independent School District is fully supportive of the proposed FTZ designation for Aransas Terminal Company and recommends the application's expedited review and approval.

Sincerely,

Name:

Title:

cc: Nueces County Appraisal District

Nueces County Hospital District

88th Texas Legislative Priorities

February 21, 2023

Local Priorities

L1. Establishment of Authority for Individual Commissioners to Appoint Board of Managers Members

Under current statutes, the full local Commissioners Court appoints members to the Nueces County Hospital District's Board of Managers; Commissioners do not have the authority to make individual appointments to the Board.

NCHD Supports:

- [Option 1] Adoption of local statutes allowing for each of the five Commissioners Court members to make an appointment to the Board of Managers and for the full court to make the remaining two appointments.
- [Option 2] Adoption of local statutes allowing Commissioners Court members to rotate making appointments to the Board of Managers.

L2. Establishment of Qualifications for Board of Managers Appointments

There are no statutes governing the qualifications of office for individuals to be appointed by Commissioners Court to the Nueces County Hospital District's Board of Managers.

NCHD Supports:

- Adoption of local statutes establishing qualifications for appointment to the Board of Managers. The statutes should provide that Commissioners Court may not appoint a person to the Board if the person is: (1) not a County resident; (2) an employee of the Hospital District; (3) an employee of Nueces County; (4) an employee of any town, municipality, or City located within the District's boundaries; (5) employee of any institutional health care provider located in the District, as such provider is defined in Chapter 298C, Texas Health and Safety Code; and (6) related within the third degree of consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, to a member of the Commissioners Court or to a person described in (1), (2), or (3) above.

L3. Issuance of Certificates of Appointment for Board of Managers

Currently, when persons are appointed by Commissioners Court to the Nueces County Hospital District's Board of Managers they receive an appointment letter from the County Judge. Conclusive evidence of an appointment to the Board of Managers should be established.

NCHD Supports:

- Adoption of local statutes providing for conclusive evidence of Commissioners Court's appointment of a person to the Board of Managers. Conclusive evidence of the appointment of a Board of Managers member should state on a Certificate of Appointment the appointee's (1) legal name; (2) physical address; (3) effective date of appointment; (4) term of appointment; (5) ending date of appointment; (6) conditions of the appointment or removal; and (7) Commissioners Court's place number. The Certificate of Appointment should be signed by the entire Commissioners Court, sealed to authenticate the Court's act, and filed with the County Clerk

L4. Establishment of Conditions for Board of Manager's Member Removal

There are no statutes governing the removal of individuals appointed to the Nueces County Hospital District's Board of Managers.

NCHD Supports:

- Adoption of local statutes establishing conditions for removal of existing Board of Managers members. The statutes should provide that members of the Board are considered to have resigned the member's position if the member: (1) is absent from all the regularly scheduled Board and Committee meetings that the member is eligible to attend during a 90-day period; (2) is absent from more than half of the regularly scheduled Board and Committee meetings that the member is eligible to attend during a 12-month period; or (3) fails to pay County ad valorem taxes.

L5. Authority to Sell Hospital District-Owned Real Property Using a Broker

Currently, the Hospital District is required to sell real property using the sealed bid procedures of Section 272.001, Local Government Code.

NCHD Supports:

- Legislation that allows for sale of Hospital District-owned real property through use of a broker without complying with the requirements of Section 272.001, Local Government Code.

L6. Support Identification of State Resources or Local Methods for Mental Health Services Funded by Hospital District

The Hospital District provides funding for non-indigent health care expenses, including mental health services.

NCHD Supports:

- Identification of state resources or local methods which may require voter approval that provide funding for non-indigent health care expenses, including mental health services.

L7. No Support of Unfunded or Underfunded Mandates and Policies Contrary to Hospital District and Local Hospital Provider's Interests

Occasionally, unfunded, and underfunded mandates and policies contrary to the Hospital District's interests are passed down from higher levels of government to lower levels.

NCHD Does Not Support:

- Unfunded or underfunded mandates.
- Policies contrary to the Hospital District and local hospital provider's interests.

Statewide Priorities

S1. Support Access to Behavioral Health Services

While the 87th Legislature appropriated additional funding for behavioral health services and facilities, timely access to these services continues to be a barrier for some individuals, including children and adolescents.

NCHD Supports:

- Continuing investments in the state’s mental health workforce.
- Ongoing initiatives to increase psychiatric beds, including additional community, forensic, and state hospital beds.
- Maintaining funding to ensure access to inpatient and outpatient behavioral health services.
- Creating proof of concept funding for adult behavioral healthcare resources like the Child Psychiatry Access Network and Texas Child Health Access Telemedicine.

S2. Safeguard Local Health Care Systems and Public Health Response

Safeguard the ability of hospital districts to meet current, known healthcare needs and to plan for and invest in responsiveness to unexpected needs.

NCHD Supports:

- Upholding the Special Taxing Unit exemption for hospital districts at the current eight percent rollback rate.
- Preserving hospital districts’ current bond and certificate of obligation authority.
- Preserving hospital district’s eminent domain authority.

S3. Safeguard Ability to Use Local Provider Participation Funds (LPPFs)

Safeguard the ability of hospital districts to generate Local Provider Participation Funds (LPPFs) for support of Health and Human Service Commission-sponsored Medicaid supplemental and directed payment programs.

NCHD Supports:

- Preserving the authority of local hospital districts to require Local Provider Participation Funds for intergovernmental transfers from inpatient hospital providers in their jurisdictions to provide matching funds for state-sponsored Medicaid supplemental and directed payment programs.
- Initiatives to increase transparency of sources for funds used for intergovernmental transfers.

S4. Safeguard Trauma Center Funding and Emergency Preparedness

The Texas trauma system provides critical infrastructure to respond to mass casualty events, significant weather events, and pandemics as well as heart attacks, strokes, and other individual accidents and injuries, such as motor vehicle crashes. Level I-designated trauma centers provide the highest level of trauma care, have 24/7 responsiveness and are central to a coordinated, statewide trauma response. Additionally, Level-II-designated trauma centers provide decisive care for all injured patients and offers immediate coverage by many specialists including general surgeons, orthopedic surgeons, neurosurgeons, and critical care.

NCHD Supports:

- Maintaining Texas trauma center funding at last biennium's level, at a minimum, including the trauma, rural, and safety-net hospital add-ons.

S5. Stabilize and Strengthen Care Delivery and Innovation

Ensuring the recovery and long-term stability of local hospital and health system's services, patient care, and community investments. Following three years of COVID-19 response and two years of uncertainty stemming from ongoing negotiations between the state and federal governments and changes in Texas' 1115 waiver and directed payment programs, Texas' hospitals and health systems are restabilizing and operating in a changed healthcare environment. Financing changes, increasing costs, inflationary pressures, ongoing workforce disruptions and shortages, along with the anticipated end of the public health emergency and continuous Medicaid enrollment will shift more Texans into indigent health care systems.

NCHD Supports:

- Preserving state general revenue to ensure stability for the Medicaid program.
- Continuing transparency in Medicaid hospital payments and policies.
- Investing in Medicaid funding to achieve funding parity among hospital types and to target funding for critical safety net system priorities and services.
- Continuing provider-enabled innovation and value-based adaptations to improve access and outcomes, including telehealth/telemedicine, audio only for non-behavioral health services, and the hospital at home program.
- Supporting equity in local financing solutions, such as local provider participation funds to support Medicaid payments.
- Protecting 340B participating hospitals from differential contracting and reimbursement practices by third-party payers.

S6. Preserve Hospital Districts' Authority to Issue Certificates of Obligation

With the approval of their commissioners courts, hospital districts may issue certificates of obligation in accordance with Subchapter C, Chapter 271, Local Government Code, for district purposes as authorized by the governing statute (Texas Health and Safety Code, §281.106). The Nueces County Hospital District plans to expand the Dr. Hector P. Garcia Memorial Family Health Center in the future and certificates of obligation are an option for financing the expansion.

NCHD Supports:

- Preservation of Hospital Districts' authority to issue certificates of obligation.

#

CHRISTUS Health OxBlue Construction Time-Lapse Camera

OxBlue Login

URL: <https://app.oxblue.com/login>

USERNAME: jonny.hipp@nchdcc.org

PASSWORD: NCHD



24 January 2023

NUECES COUNTY HOSPITAL DISTRICT
CONCEPTUAL PROGRAMMING & DOCUMENT PACKAGE

PROJECT SCHEDULE

24 January - 10 February 2023

Program Information Gathering

11 February - 17 March 2023

Meetings with CHRISTUS & NCHD
To review, adjust, & confirm
programmatic spaces.

18 March - 30 April 2023

Master Planning

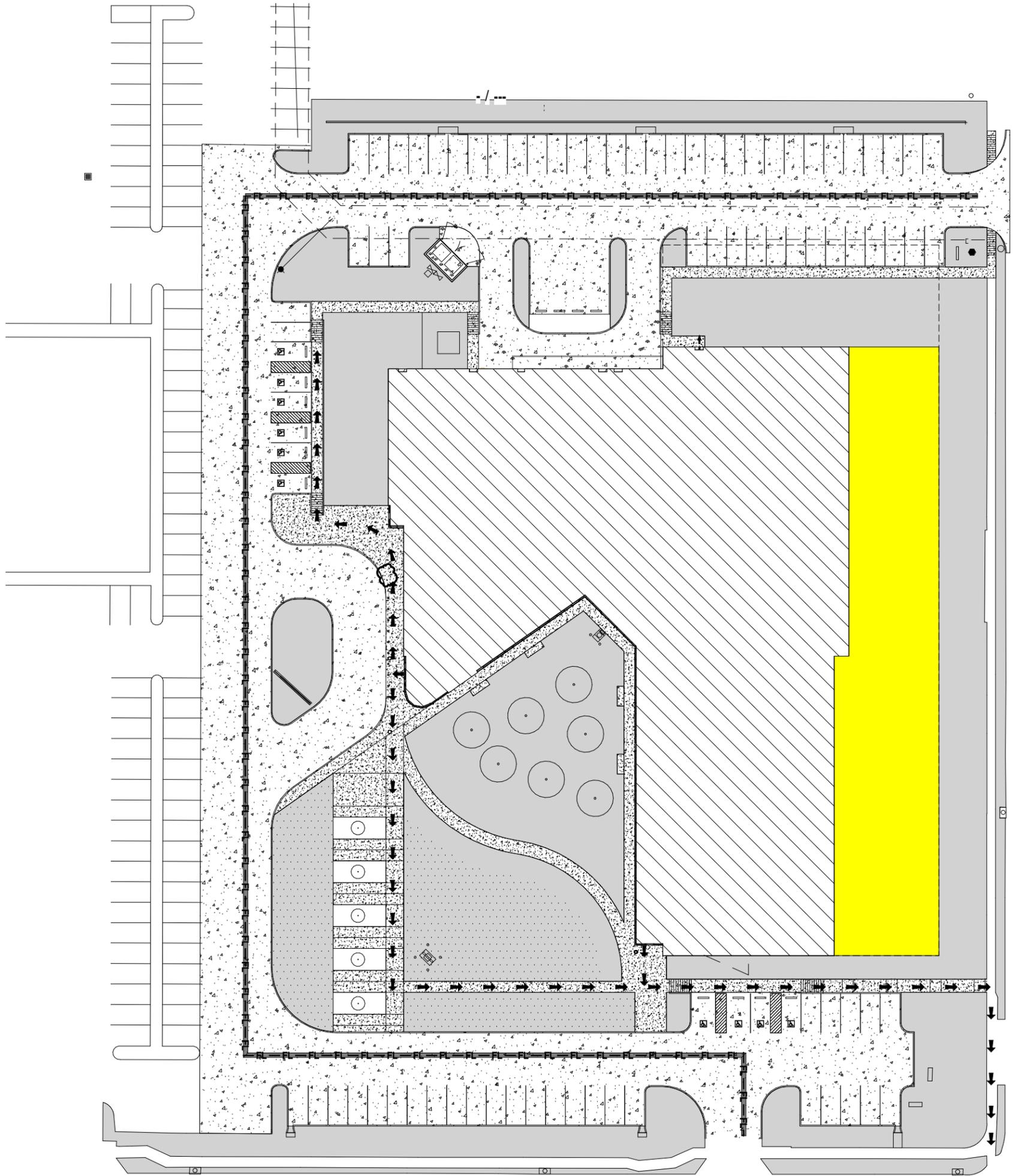
2 May - 30 June 2023

Conceptual Floor Plan
Development with Exterior
Elevations.

1 July - 30 July 2023

Prepare Conceptual Presentation
Materials.

- Meetings are being held with stakeholders on a weekly/ bi-weekly basis to review documents and adjust package information and deliverables.



A



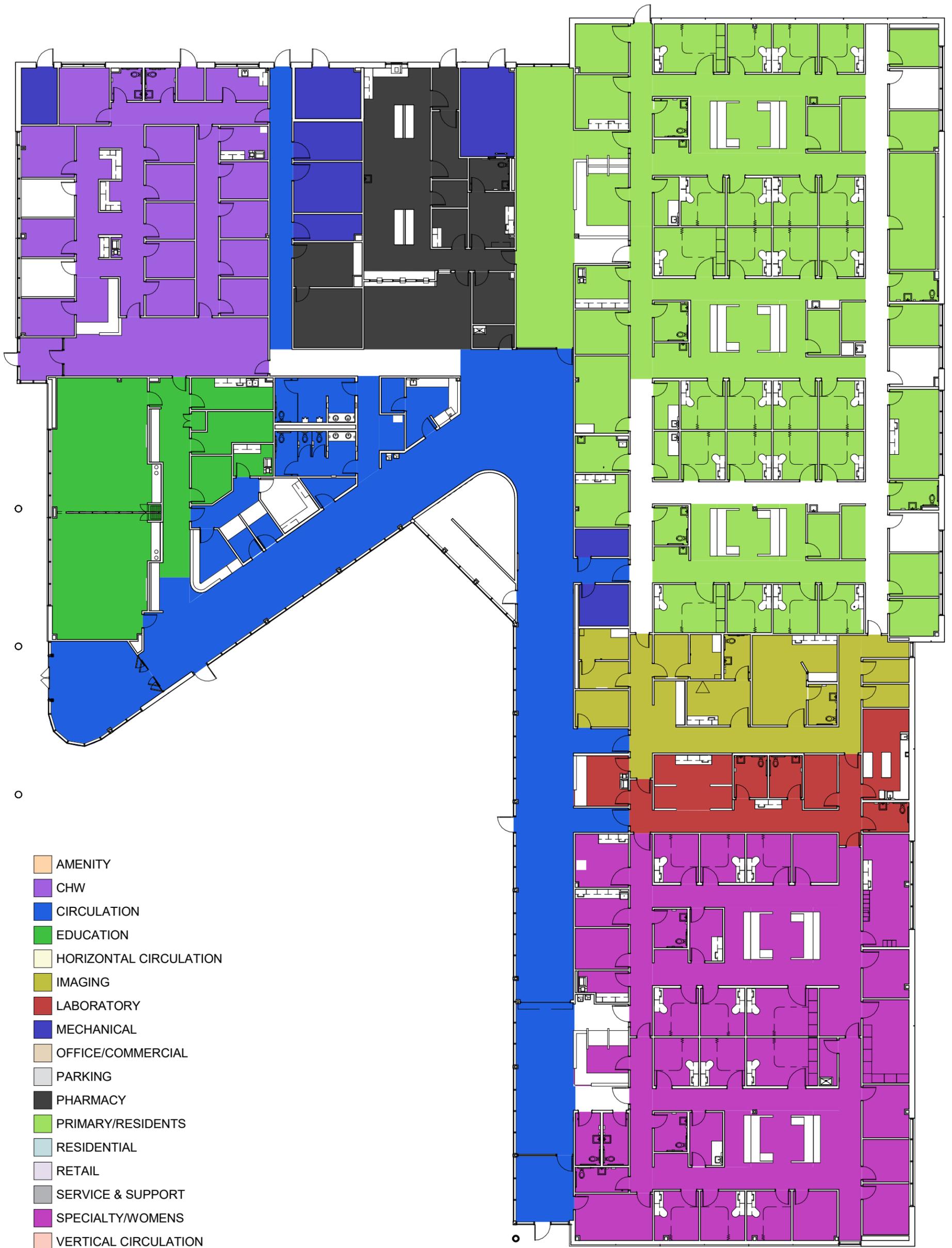
615 N. Upper Broadway
Suite 1250
Corpus Christi, TX 78401-0750
T: 361.884.3295
F: 361.884.3298
www.clkarch.com

CHRISTUS Health
DR. HECTOR P. GARCIA MEMORIAL
FAMILY HEALTH CENTER
2606 HOSPITAL BLVD. CORPUS
CHRISTI, TX 78405

SITE PLAN

JOB NO. 142973.000
ISSUE DATE: 9/20/2022
DRN. BY: Author
REF. DWG:

SHEET NUMBER
209
0.1



- AMENITY
- CHW
- CIRCULATION
- EDUCATION
- HORIZONTAL CIRCULATION
- IMAGING
- LABORATORY
- MECHANICAL
- OFFICE/COMMERCIAL
- PARKING
- PHARMACY
- PRIMARY/RESIDENTS
- RESIDENTIAL
- RETAIL
- SERVICE & SUPPORT
- SPECIALTY/WOMENS
- VERTICAL CIRCULATION

CHRISTUS Health
DR. HECTOR P. GARCIA MEMORIAL
FAMILY HEALTH CENTER
 2606 HOSPITAL BLVD. CORPUS
 CHRISTI, TX 78405

OVERALL FLOOR PLAN

JOB NO. 142973.000	SHEET NUMBER 210
ISSUE DATE: 9/20/2022	0.2
DRN. BY: Author	
REF. DWG:	



615 N. Upper Broadway
 Suite 1250
 Corpus Christi, TX 78401-0750
 T: 361.884.3295
 F: 361.884.3298
 www.clkarch.com

**NUECES COUNTY HOSPITAL DISTRICT
INITIAL PROGRAMMING NEEDS - EXPANSION OF HPG
CORPUS CHRISTI, TEXAS**

February 15, 2023

REVISED 2/18/2023



INITIAL PROGRAM OF NEEDS - PRIMARY CARE

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	TOTAL SF
A	Exam	8	120	130	1,040.0
B	Isolation Rooms	2	120	130	260.0
C	Ante Room	1	-	80	80.0
D	Medication Room	1	-	100	100.0
E	Provider Offices	2	130	130	260.0
F	Point of Care - Lab Draw Stations	1	120	120	120.0
G	Vitals / Pre Assessment	2	96	110	220.0
H	Tele-Health Room	1	130	130	130.0
I	Patient Restroom	1	72	80	80.0
J	Central Nurse Station	1	40	400	400.0
K	Staff Toilet	1	72	120	120.0
L	Equipment Alcove	1	60	60	60.0
	SUB TOTAL				2,870.0
	Circulation				430.5
	ESTIMATED SQUARE FOOTAGE REQUIRED				3,300.5

**NUECES COUNTY HOSPITAL DISTRICT
 INITIAL PROGRAMMING NEEDS - EXPANSION OF HPG
 CORPUS CHRISTI, TEXAS**

February 15, 2023

Revised 02/18/2023



INITIAL PROGRAM OF NEEDS - COMMON AREAS

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	TOTAL SF
A	Expand Public Restrooms	2	-	230	460.0
B	Cubicles for Backpacks	1	-	32	32.0
C	Computer Training Room	1	-	200	200.0
D	Behavioral Counselor Offices	2	-	130	260.0
E	Lactation/Nursing Room	1	-	100	100.0
	SUB TOTAL				1,052.0
	Circulation				157.8
	ESTIMATED SQUARE FOOTAGE REQUIRED				1,209.8

**NUECES COUNTY HOSPITAL DISTRICT
INITIAL PROGRAMMING NEEDS - EXPANSION OF HPG
CORPUS CHRISTI, TEXAS**

February 15, 2023

Revised 02/18/2023



INITIAL PROGRAM OF NEEDS - SPECIALTY CLINIC

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	TOTAL SF
A	Exam	2	-	130	260.0
B	Cast Room	1	-	160	160.0
C	Pre-Assessment	1	-	110	110.0
D	Medication Room	1	-	100	100.0
E	Nurse Coordinator Office	1	-	130	130.0
F	Physician Offices	3	-	130	390.0
G	Central Registration	1	-	300	300.0
H	General Supply	1	-	200	200.0
I	DME Supply	1	-	200	200.0
J	Billing Office	1	-	130	130.0
K	Referral Office	1	-	130	130.0
L	Patient Toilet	2	-	80	160.0
M	Staff Toilet	1	-	120	120.0
N	Equipment Alcove	1	-	60	60.0
SUB TOTAL					2,450.0
Circulation					490.0
ESTIMATED SQUARE FOOTAGE REQUIRED					2,940.0

**NUECES COUNTY HOSPITAL DISTRICT
INITIAL PROGRAMMING NEEDS - EXPANSION OF HPG
CORPUS CHRISTI, TEXAS**

February 15, 2023

Revised 02/18/2023



INITIAL PROGRAM OF NEEDS - FAMILY MEDICINE & RESIDENCY PRACTICE

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	TOTAL SF
A	Increase Waiting Area Capacity to 75	1	840	825	825.0
B	Billing Office	1	-	130	130.0
C	Call Room/Center - 15 People	1	-	785	785.0
D	Referral Team - 10 People	1	-	450	450.0
E	Procedure Rooms	5	-	180	900.0
F	Storage Spaces	2	-	150	300.0
G	Locker Rooms	2	-	160	320.0
H	Lab Areas	2	-	180	360.0
I	Office (Faculty)	6	-	130	780.0
J	Offices (ACGME)	2	-	130	260.0
K	Conference Room	1	-	400	400.0
L	Preceptor Rooms(Increase Existing Size)	3	-	48	144.0
M	Breakroom	1	230	230	230.0
N	Nutritionist	1	-	130	130.0
O	Pharmacist	1	-	130	130.0
P	Medication Room	4	-	100	400.0
Q	Alcoves	4	-	60	240.0
R	Pre-Assessment Room	1	0	130	130.0
S	Exams	24	130	130	3,120.0
T	Ultrasound	1	160	160	160.0
U	Patient Toilet - Ultrasound	1	80	80	80.0
V	Patient Toilets	4	80	80	320.0
W	Staff Toilets	2	80	80	160.0
X	Nurse Work Station	4	400	400	1,600.0
Y	Housekeeping	2	50	50	100.0
Z	Soiled Workroom	1	110	110	110.0
AA	Clean Supply	1	160	160	160.0
BB	Consult	1	120	120	120.0

CC	Treadmill	1		-		180		180.0
DD	Observation	1		-		200		200.0
EE	Lactation Room	1		-		100		100.0
FF	Wellness Room	1		-		130		130.0
SUB TOTAL								13,454.0
Circulation								2,690.8
ESTIMATED SQUARE FOOTAGE REQUIRED								16,144.8

TOTAL AREA OF PROPOSED RENOVATION-EXPANSION TO HPG

PROJECT	High	Estimated Cost
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I	Primary Care	3,300.0
II	Common Area	1,210.0
III	Specialty Clinic	2,940.0
IV	Family Medicine	16,144.8
TOTAL AREA		23,594.8

**NUECES COUNTY HOSPITAL DISTRICT
 INITIAL PROGRAMMING NEEDS - RELOCATION ON MEMORIAL SITE
 CORPUS CHRISTI, TEXAS**

February 15, 2023



INITIAL PROGRAM OF NEEDS - PHARMACY RELOCATION

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	TOTAL SF
A	Waiting - 25 People	1	400	500	500.0
B	Waiting Area - Public Toilets	2	-	80	160.0
C	Reception	1	120	160	160.0
D	General Pharmacy	1	655	1300	1,300.0
E	Drive Through Window Stations	2	60	60	120.0
F	File/Copy Room	1	75	150	150.0
G	Office	1	-	130	130.0
H	Control Storage	1	50	100	100.0
I	Bulk Storage	1	100	200	200.0
J	Hskp.	2	-	50	100.0
K	Electrical Room	1	-	80	80.0
L	IT - MDF	1	-	120	120.0
M	Mechanical	1	-	150	150.0
N	Breakroom	1	120	250	250.0
O	Staff Toilet	2	-	80	160.0
	SUB TOTAL				3,680.0
	Circulation				1,104.0
	ESTIMATED SQUARE FOOTAGE REQUIRED				4,784.0

**NUECES COUNTY HOSPITAL DISTRICT
INITIAL PROGRAMMING NEEDS - RELOCATION ON MEMORIAL SITE
CORPUS CHRISTI, TEXAS**

February 15, 2023



INITIAL PROGRAM OF NEEDS - PROPOSED URGENT CARE

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	ESTIMATED SF
A	Airlock Entry	1	-	250	250.0
B	Lobby - Capacity 50 People	1	-	1000	1,000.0
C	Public Restrooms - Lobby	2	-	210	420.0
D	Reception/Registration	1	-	220	220.0
E	Alcoves	3	-	60	180.0
F	Triage	2	-	100	200.0
G	Control Station	2	-	200	400.0
H	Storage - General	1	-	200	200.0
I	Clean Supply	1	-	160	160.0
J	Soiled Utility	1	-	110	110.0
K	X-Ray - General Rad Room	1	-	520	520.0
L	CT Scan Room with Control	1	-	540	540.0
M	Patient Toilet - CT	1	-	80	80.0
N	Patient Toilets - Exam- Treatment Area	4	-	80	320.0
O	Lab	1	-	160	160.0
P	Blood Draw	1	-	60	60.0
Q	HSKP	2	-	50	100.0
R	Medical Waste	1	-	70	70.0
S	Supply/Storage	1	-	120	120.0
T	Clean Supply	1	-	160	160.0
U	Medication Room	2	-	100	200.0
V	Exam Rooms	14	-	130	1,820.0
W	Isolation Exam Rooms	2	-	130	260.0
X	Ante Room	1	-	80	80.0
Y	Treatment Rooms	2	-	180	360.0
Z	Crash Cart	1	-	40	40.0
AA	Noursihment	1	-	96	96.0
BB	Consult	1	-	120	120.0

CC	Equipment Storage	1	-	200	200.0
DD	Soiled Linen	1	-	100	100.0
EE	Wheelchair Alcove - Ambulance	1	-	60	60.0
FF	Staff Break	1	-	240	240.0
GG	Staff Toilets	2	-	80	160.0
HH	Staff Lockers	1	-	140	140.0
II	Offices	2	-	130	260.0
JJ	Business Offices	1	-	240	240.0
KK	File Storage	1	-	100	100.0
LL	Ambulance Airlock	1	-	250	250.0
MM	IT - MDF Room	1	-	160	160.0
NN	Electrical Room	1	-	160	160.0
OO	Mechanical Room	1	-	400	400.0
SUB TOTAL					10,716.0
Circulation					3,214.8
ESTIMATED SQUARE FOOTAGE REQUIRED					13,930.8

Pharmacy Relocation 4,600.00

TOTAL AREA OF PROPOSED RENOVATION-EXPANSION TO HPG

PROJECT	ESTIMATED SF
I Primary Care	3,565.0
II Common Area	1,658.3
III Specialty Clinic	3,876.0
IV Family Medicine & Residency Practice	15,940.0
TOTAL AREA	25,039.3

**NUECES COUNTY HOSPITAL DISTRICT
INITIAL PROGRAMMING NEEDS - NEW BUILDING ON MEMORIAL SITE
CORPUS CHRISTI, TEXAS**

February 18, 2023



INITIAL PROGRAM OF NEEDS - NCHD PROGRAM

I	SPACE	NUMBER REQUIRED	EXISTING SF	PROPOSED SF	TOTAL SF
	ADMINISTRATION				
A	Waiting	1		150	150.0
B	Reception/ Support Space	1	-	250	250.0
C	Office - Small	6	-	150	900.0
D	Office - Large	4	-	200	800.0
E	Office - CEO	1	-	250	250.0
F	Workroom	1	-	200	200.0
G	Storage	1	-	250	250.0
H	File Room	1	-	150	150.0
I	Breakroom	1	-	300	300.0
	CONFERENCE CENTER				
J	Conference	1	-	800	800.0
K	Storage	1	-	100	100.0
L	Entry Lobby	1	-	100	100.0
M	Snack	1	-	150	150.0
	FUTURE EXPANSION				
N	Shell Space	1	-	2000	2,000.0
	HPG SUPPORT				
O	Waiting	1	-	600	600.0
P	Reception	1	-	150	150.0
Q	Interview	9	-	110	990.0
R	AC Interview	1	-	140	140.0
S	Director	1	-	150	150.0
T	Toilets	2	-	72.5	145.0
U	Breakroom	1	-	160	160.0
V	CHW	4	-	110	440.0
W	File	1	-	110	110.0
X	Workspace	2	-	50	100.0

Y	Alcove	1		-		60		60.0
	EDUCATION							
Z	Meeting Rooms- Connected	2		-		700		1,400.0
AA	Test Kitchen w/ Observation Space	1		-		700		700.0
BB	Pantry	1		-		250		250.0
CC	Offices	5		-		130		650.0
DD	Workspace	1		-		120		120.0
	DISPLAY							
EE	Memorial Remembrance Display	1		-		3,000		3,000.0
	CORE SPACE							
FF	Airlock	2		-		200		400.0
GG	Lobby	1		-		2800		2,800.0
HH	Reception/Control	1		-		200		200.0
II	Vending	1		-		100		100.0
JJ	Womens Toilet	1		-		380		380.0
KK	Mens Toilet	1		-		380		380.0
LL	Housekeeping	1		-		100		100.0
MM	Electrical Room	1		-		225		225.0
NN	Sub-Electrical	2		-		80		160.0
OO	Communications Room	2				120		240.0
PP	Fire Riser Room	1				100		100.0
QQ	Mechanical	1				400		400.0
RR	Staging/Receiving	1				250		250.0
SS	Bulk Equipement	1				250		250.0
TT	Technology	1				150		150.0
UU	IDF Room	1		-		225		225.0
	SUB TOTAL							21,925.0
	Circulation							4,385.0
	ESTIMATED SQUARE FOOTAGE REQUIRED							26,310.0

	PHARMACY RELOCATION							4,600.0
	URGENT CARE FACILITY							13,930.00

TOTAL AREA OF PROPOSED RENOVATION-EXPANSION TO HPG	
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	PROJECT	ESTIMATED SF
I	Primary Care	3,300.0
II	Common Area	1,210.0
III	Specialty Clinic	2,940.0
IV	Family Medicine	16,145.0
	TOTAL AREA	23,595.0

MICHAEL CLOUD
27th DISTRICT, TEXAS

COMMITTEE ON APPROPRIATIONS

SELECT SUBCOMMITTEE ON
THE CORONAVIRUS PANDEMIC

CLOUD.HOUSE.GOV

Congress of the United States
House of Representatives
Washington, DC 20515

555 N. CARANCAHUA ST.
TOWER II, SUITE 980
CORPUS CHRISTI, TX 78401
(361) 884-2222

111 N. GLASS ST., SUITE 102
VICTORIA, TX 77901
(361) 894-6446

171 CANNON HOB
WASHINGTON, DC 20515
(202) 225-7742

February 23, 2023

Tony Robinson
Administrator, Region 6
Federal Emergency Management Agency
800 North Loop 288
Denton, TX 76209

Dear Administrator Robinson,

As the Representative for the 27th Congressional District of Texas, I write in urge of your consideration of Nueces County Hospital District's first appeal of the ineligibility determination for Public Assistance project number 674808, under major disaster declaration DR-4485-TX.

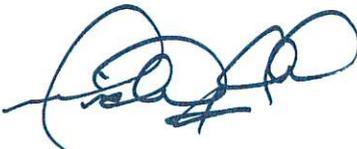
Since the onset of the COVID-19 pandemic, the Nueces County Hospital District has been a strong community leader and partner in the treatment and management of the county's response. In its role as a special government district, the hospital district is responsible for the preventive care, medical, hospital, and emergency care to the indigent and vulnerable constituents of Nueces County.

It is apparent that the Nueces County Hospital District incurred this project and associated costs in their efforts to align themselves, Nueces County, and the Corpus Christi-Nueces County Public Health District's pandemic response efforts, with the administration's misled vision.

Please note that to ensure this correspondence is not construed as off-the-record communication, the House Committee on Ethics advised a consultation with FEMA Congressional Affairs, whereby FEMA stated letters of support of a first or second appeal, and addressing the letter to the Regional Administrator, is acceptable.

I urge you to please give the Nueces County Hospital District your full and fair consideration of their first appeal. I thank you for your time in the matter, and for the work FEMA has done, and continues to do in my district.

Sincerely,



Michael Cloud
Member of Congress
27th Congressional District of Texas

Jonny F. Hipp (NCHD)

From: Hafsa Noman <Hafsa.Noman@horne.com>
Sent: Monday, February 6, 2023 3:25 PM
To: Jonny F. Hipp (NCHD)
Cc: Tho Do; juan.alaniz@tdem.texas.gov; TDEMCOVID19PA
Subject: DR 4485 FEMA PA - Nueces County Hospital District - Request for Small Project Closeout - PW 850
Attachments: PW 850 - DOB.pdf; PW 850 - P4 Report.pdf; Project Certification and Completion and Duplication of Benefits Forms Guidance_7.29.22.pdf

CAUTION: This email originated from outside the NCHD network. DO NOT OPEN LINKS or ATTACHMENTS in this email unless you recognize the sender and know the content is safe.

Good afternoon,

I'm reaching out regarding the Nueces County Hospital District's of FEMA DR-4485 small project closeout process in TDEM's Texas Grants Management System (GMS). This is for the closeout of Project Worksheet #850.

Please complete and upload the attached forms listed below to GMS or you may attach and send back to me and I'll upload them to GMS.

- Duplication of Benefits (Question #4 requires a number in each blank; if not applicable place a 0 in the box)
- Project Completion & Certification report (P.4.)

The instructions are attached to assist with completion of the P4 and DOB forms. Please do not hesitate to contact me if you need assistance or have questions.

Sincerely,

Hafsa Noman

Senior Grant Coordinator, Government Services | [HORNE](#)

Phone: 346-292-5507

2100 Space Park Drive #104, Houston, TX 77058

[horne.com](#) [LinkedIn](#) [Twitter](#) [Blog](#)



CONNIE SCOTT
NUECES COUNTY JUDGE

February 22, 2023

Mr. Jonny Hipp
Nueces County Hospital District
555 N. Carancahua St., Ste. 950
Corpus Christi, Texas 78401

Re: Nueces nominee for reappointment to Christus Spohn Health System Board of Trustees, Place 2

Dear Mr. Hipp:

Mr. Govind Nadkarni was nominated for reappointment to the Christus Spohn Board of Trustees at the Nueces County Commissioners Court meeting on February 8, 2023.

Enclosed please find a copy of the letter sent to Mr. Nadkarni notifying him of his nomination.

We look forward to continuing to work with you and your board members.

Respectfully,

A handwritten signature in black ink that reads "Connie Scott".

Connie Scott
Nueces County Judge

CS.tcc

Enc.



CONNIE SCOTT
NUECES COUNTY JUDGE

February 22, 2023

Mr. Govind Nadkarni
8105 Valdemorillo
Corpus Christi, TX 78414

Dear Mr. Nardkarni:

On Wednesday, February 8, 2023, the Nueces County Commissioners Court approved your nomination to be reappointed to the Christus Spohn Health System Board of Trustees, Place 2. This would be for a three-year term that will expire December 31, 2025.

Your nomination has been forwarded to the Nueces County Hospital District for further consideration.

Thank you for your interest in serving Nueces County. You will be notified about your appointment upon approval by the Hospital District Board of Managers.

Best wishes,

A handwritten signature in black ink that reads "Connie Scott".

Connie Scott
Nueces County Judge

CS.tcc

cc: Mr. Jonny Hipp, Nueces County Hospital District



City of
Corpus
Christi

February 1, 2023, 2023

Johnny F. Hipp, CEO
Nueces County Hospital District
555 N. Carancahua, Ste. 950
Corpus Christi, TX. 78478

SUBJECT: **Reinvestment Zone No. 2 (Island) Board of Directors**

OFFICE OF THE
CITY SECRETARY

Rebecca L. Huerta

PO Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-826-3105
Fax 361-826-3113
www.cctexas.com

Dear Mr. Hipp:

Under Section 311.009(a), the respective governing bodies of each taxing unit other than the City that levies taxes within the Reinvestment Zone No. 2 each may appoint one member of the board if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone.

On December 6, 2022, the Corpus Christi City Council approved Ordinance No. 032929, which extended the Reinvestment Zone No. 2 until December 31, 2042. Per Section 4 of the ordinance, effective January 1, 2023, any existing board members appointed by taxing entities that do not or no longer contribute to the Zone are removed from the Board in compliance with Section 311.009(a) of the Tax Code. I am writing to notify you that since the Nueces County Hospital District no longer contributes to the Zone, the district's board member has been removed from the Board.

If you have any questions, please let me know.

Sincerely,

Rebecca Huerta
City Secretary

Cc: Heather Hurlbert, Director of Finance
Constance Sanchez, Chief Financial Officer
Aimee Alcorn-Reed, Assistant City Attorney