

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Board of Managers - Public Hearing
Monday, July 24, 2023 at 12:00 PM**

AGENDA

1. WELCOME

2. ROLL CALL OF MEMBERS

- ___ 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, AND MEETING POSTING CONFIRMATION

A. Call to order.

B. Establish quorum.

C. Confirm posting of Public Hearing's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551. 2

4. PUBLIC HEARING - The Nueces County Hospital District ("District") Board of Managers ("Board") will conduct a Public Hearing on the matter of:

A. Mandatory Health Care Provider Participation Program ("Program") payment rate of six percent (6%) of net patient revenue that the Board intends to require of each institutional health care provider located within the District's boundaries during District Fiscal Year 2024 (October 1, 2023 - September 30, 2024) and use of revenue derived from the payments; Program authorized by Texas Health & Safety Code ("Health Code"), Chapter 298C, as amended; mandatory payment authorized by Health Code, §298C.051 and public hearing conducted pursuant to Health Code, §298C.101. 7

5. CLOSE PUBLIC HEARING

6. ADJOURN



Kara Sands

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

Main: (361)888-0580

Receipt: 20230720000125

Date: 07/20/2023

Time: 02:47PM

By: Margarita S

Station: CLERK08

Status: ORIGINAL COPY

<u>Seq</u>	<u>Item</u>	<u>Document Description</u>	<u>Number</u>	<u>Number Of</u>	<u>Amount</u>	<u>Serial Number</u>
1	Public Notice	PBN	2023000335	4	\$0.00	
				Order Total	(1)	\$0.00

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

NUECES COUNTY HOSPITAL DISTRICT

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



VG-12-2023-2023000335

Nueces County
Kara Sands
Nueces County Clerk

Instrument Number: 2023000335

Public Notice

PUBLIC NOTICES

Recorded On: July 20, 2023 02:47 PM

Number of Pages: 4

" Examined and Charged as Follows: "

Total Recording: \$0.00



STATE OF TEXAS

Nueces County

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

Kara Sands
Nueces County Clerk
Nueces County, TX

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

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

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JUL 20 2023

KARA SANDS
CLERK OF THE COUNTY COURT
NUECES COUNTY, TEXAS

NOTICE OF PUBLIC MEETING

NUECES COUNTY HOSPITAL DISTRICT

BOARD OF MANAGERS

**Board of Managers - Public Hearing
Monday, July 24, 2023 at 12:00 PM**

Location:

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

MEETING IN-PERSON AND VIA VIDEOCONFERENCE CALL

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

On September 1, 2021, Governor Abbott rescinded the suspension of certain Rules of the Texas Open Meetings Act ("Act") which had allowed meetings to be conducted entirely virtually. The specified NCHD Board of Managers meeting will be held both in-person and via videoconference call. Public participation will be available in-person as well as via videoconference call as allowed under the Act. It is the intent that a quorum of the Board of Managers as required for the specified meeting will be physically present at the location posted in this meeting notice. It is also the intent that the Board member presiding over the meeting be physically present for the specified meeting at the location posted in this meeting notice. Any member of the Board of Managers participating by videoconference call shall be visible and audible to the public whenever the member is speaking; Board member participation by audio-only is no longer permitted. Although the meeting will be open to the public during the open portions of the meeting, any member of the public wishing to observe the meeting may do so via videoconference call and as well as participate via videoconference call in public comment, may do so through the videoconference call Zoom meeting link shown on this meeting notice below, as well as shown on NCHD's website.

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

Meeting agendas and supporting materials are available via NCHD's BoardBook meeting management system at: <https://meetings.boardbook.org/Public/Organization/1886>.

Attend Meeting via Videoconference, Join Zoom Meeting:

<https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFBoZGJYdHYyQmp1VUdZeUc3Zz09>

Meeting ID: 574 676 5992

Passcode: 195957

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Board of Managers - Public Hearing
Monday, July 24, 2023 at 12:00 PM**

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

A. Call to order.

B. Establish quorum.

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

4. PUBLIC HEARING - The Nueces County Hospital District ("District") Board of Managers ("Board") will conduct a Public Hearing on the matter of:

A. Mandatory Health Care Provider Participation Program ("Program") payment rate of six percent (6%) of net patient revenue that the Board intends to require of each institutional health care provider located within the District's boundaries during District Fiscal Year 2024 (October 1, 2023 - September 30, 2024) and use of revenue derived from the payments; Program authorized by Texas Health & Safety Code ("Health Code"), Chapter 298C, as amended; mandatory payment authorized by Health Code, §298C.051 and public hearing conducted pursuant to Health Code, §298C.101.

5. CLOSE PUBLIC HEARING

6. ADJOURN



Administrative Offices

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

Office: (361) 808-3300

Fax: (361) 808-3274

www.nchdcc.org

BOARD OF MANAGERS ORDER
JULY 24, 2023

**Order Setting the Fiscal Year 2024 Mandatory Payment Rate for the
Nueces County Hospital District Health Care Provider Participation Program**

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

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

WHEREAS, pursuant to Section 298C.003 of the Health and Safety Code the Board authorized the District to participate in the Program for Fiscal Year 2021, Fiscal Year 2022, and Fiscal Year 2023 on September 29, 2020, August 3, 2021, and September 20, 2022, respectively;

WHEREAS, the Board desires to proceed with establishing the amount of the mandatory payments under the Program for Fiscal Year 2024 (October 1, 2023 – September 30, 2024) and to satisfy the related preliminary requirements of Chapter 298C, Health and Safety Code;

WHEREAS, pursuant to Section 298C.101(a), Health and Safety Code in each fiscal year that the Board authorizes the Program, the Board is required to hold a public hearing on the amounts of any mandatory payments that the Board intends to require during the applicable fiscal year and how the revenue derived from those mandatory payments is to be spent, and the District held said public hearing on July 24, 2023;

WHEREAS, pursuant to Section 298C.101(b), Health and Safety Code not later than the fifth day before the date of the public hearing, the Board is required to publish notice of the public hearing in a newspaper of general circulation in the District, and the District published said notice on July 18, 2023;

WHEREAS, pursuant to Section 298C.101(b), Health and Safety Code not later than the fifth day before the date of the public hearing, the Board is required to provide written notice of the hearing to each institutional health care provider located in the District, and the District provided said notice on July 17, 2023; and

WHEREAS, in consideration of the foregoing, the Board now desires to establish the amount of the mandatory payments under the Program for Fiscal Year 2024 and to direct that the mandatory payments to be used for one or more of the authorized uses of the mandatory payments as set forth in §298C.103, Health and Safety Code.

NOW THEREFORE, BE IT ORDERED that the Board sets the amount of the mandatory payments under the Program for Fiscal Year 2024 at six percent (6%) of the net patient revenue of each institutional health care provider located in the District and directs the mandatory payments to be used for one or more of the authorized uses of the mandatory payments as set forth in §298C.103, Health and Safety Code.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

John E. Valls, MBA
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Belinda Flores, R.N.
Member

Judge Mariana Garza
Member

Efrain Guerrero, Jr.
Member

Arthur Granado
Member

BOM_HCPPP_Order_FY24_Rate (Final).docx

Nueces County Hospital District
Board of Managers Order
Set Fiscal Year 2024 Mandatory Payment Rate
For Health Care Provider Participation Program
July 24, 2023

PRESENT NOT VOTING: ()
ABSENT: ()

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

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

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of the Hospital District on this the 24th day of July 2023.

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

{HOSPITAL DISTRICT SEAL}

Caller Times

PART OF THE USA TODAY NETWORK

Certificate of
Publication

NUECES COUNTY HOSPITAL DIST.
555 N CARANCAHUA STE 950

CORPUS CHRISTI, TX 78401-0835

STATE OF WISCONSIN)
))
COUNTY OF BROWN)

I, being first duly sworn, upon oath depose and say that I am a legal clerk and employee of the publisher, namely, the Corpus Christi Caller-Times, a daily newspaper published at Corpus Christi in said City and State, generally circulated in Aransas, Bee, Brooks, Duval, Jim Hogg, Jim Wells, Kleberg, Live Oak, Nueces, Refugio, and San Patricio, Counties, and that the publication of which the annexed is a true copy, was inserted in the Corpus Christi Caller- Times in the following issue(s) dated:

07/18/2023

On this July 18, 2023, I certify that the attached document is a true and exact copy made by the publisher:



Legal Notice Clerk



Notary Public, State of Wisconsin, County of Brown



Notary Expires

Publication Cost: \$490.00
Ad No: 0005759343
Customer No: 1243913
PO #: 07/25 meeting
of Affidavits 1

KAITLYN FELTY
Notary Public
State of Wisconsin

This is not an invoice

**NOTICE OF PUBLIC
HEARING OF THE
NUECES COUNTY HOSPITAL
DISTRICT
TO CONSIDER HEALTH
CARE PROVIDER PAR-
TICIPATION PROGRAM
MANDATORY PAYMENT
AMOUNTS FOR FISCAL
YEAR 2024**

Public Notice is hereby given that the Nueces County Hospital District ("NCHD") Board of Managers ("Board") will hold a public hearing at 12:00 Noon on Monday, July 24, 2023 in the NCHD Board of Managers Meeting Room at 555 N. Carancahua (Tower II), Room 950-A, Corpus Christi, Texas, to receive comments regarding the amounts of Health Care Provider Participation Program mandatory payments that the Board intends to require of all institutional health care providers located within NCHD's boundaries for NCHD's Fiscal Year 2024 (October 1, 2023 – September 30, 2024) and how the revenue derived from those payments will be spent. The term "institutional health care provider" means a hospital that is not owned and operated by a federal or state government and provides inpatient hospital services. NCHD's boundaries are coterminous with Nueces County.

Texas Health and Safety Code ("Health Code"), Chapter 298C, as amended, authorizes NCHD to participate in a Health Care Provider Participation Program, create a local provider participation fund, and require mandatory payments by institutional health care providers. The public hearing that is the subject of this notice is required by Health Code, §298C.101.

The public and representatives of institutional health care providers wishing to be heard on these matters may attend this public hearing in-person or by audio or video conference via Zoom as shown below.

Zoom is an Internet-based cloud platform for audio and video conferencing.

Attend In-Person: Hospital District Board of Managers Meeting Room, 555 N. Carancahua, Room 950-A, Corpus Christi, Texas 78401.

Attend via Audio or Video Conference, Join Zoom

Meeting:

<https://bit.ly/3hRETPB>

Meeting ID: 574 676 5992

Passcode: 195957 One tap

mobile

+13462487799,,5746765992#

US (Houston)

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 574 676 5992

Find your local number: <https://nchdcc-org.zoom.us/j/aejsSB9vcl>

Questions regarding the public hearing should be sent by electronic mail to Belinda Espinoza, Assistant Administrator at belinda.espinoza@nchdcc.org.

Jonny F. Hipp (NCHD)

From: Jonny F. Hipp (NCHD)
Sent: Monday, July 17, 2023 1:28 PM
To: Eric Evans (Eric.Evans@HCAhealthcare.com); Hilda Dalfonso (hilda.dalfonso@hcahealthcare.com); Becky Rios (becky.rios@christushealth.org); Craig Desmond (craig.desmond@christushealth.org); Dominic Dominguez (dom.dominguez@christushealth.org); Jaclynn Harrison (jaclynn.harrison@christushealth.org); Joel Vigil (joel.vigil@christushealth.org); Kristina Alldredge (kristina.allredge@christushealth.org); Randy Safady (randy.safady@christushealth.org); Richard R. Ford (richard.ford2@christushealth.org); Angie Jones (angelajones@ernesthealth.com); Crystal West (crystalwest@ernesthealth.com); Michael Pearce (MichaelPierce@ernesthealth.com); Eric Hamon (eric.hamon@dchstx.org); Steven E. King (steve.king@dchstx.org); Kevin A. Snook (ksnook@pamhealth.com)
Subject: Legal Notice - Health Care Provider Participation Program - Mandatory Payment Rate for FY 2024

Good Afternoon Administrators of Hospitals Located in Nueces County,

Public Notice is hereby given that the Nueces County Hospital District (“NCHD”) Board of Managers (“Board”) will hold a public hearing at **12:00 Noon** on **Monday, July 24, 2023** in the NCHD Board of Managers Meeting Room at 555 N. Carancahua (Tower II), Room 950-A, Corpus Christi, Texas, to receive comments regarding the amounts of Health Care Provider Participation Program mandatory payments that the Board intends to require of all institutional health care providers located within NCHD’s boundaries for NCHD’s Fiscal Year 2024 (October 1, 2023 – September 30, 2024) and how the revenue derived from those payments will be spent. The term “institutional health care provider” means a hospital that is not owned and operated by a federal or state government and provides inpatient hospital services. NCHD’s boundaries are coterminous with Nueces County.

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Attend via Audio or Video Conference, Join Zoom Meeting:

<https://bit.ly/3hRETPB>

Meeting ID: 574 676 5992

Passcode: 195957 One tap mobile

+13462487799,,5746765992# US (Houston)

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 574 676 5992

Find your local number: <https://nchdcc-org.zoom.us/j/aejsSB9vcl>

Questions regarding the public hearing should be sent by electronic mail to Belinda Espinoza, Assistant Administrator at belinda.espinoza@nchdcc.org.

Publish: Corpus Christi Caller-Times on Tuesday July 18, 2023.

Jonny F. Hipp, ScD, FACHE | Administrator/Chief Executive Officer

Nueces County Hospital District

555 N. Carancahua St., Suite 950 | Corpus Christi, TX 78401-0835

Office: (361) 808-3300 | Fax: (361) 808-3274 | Cell: (361) 877-7290

jonny.hipp@nchdcc.org | www.nchdcc.org



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HEALTH AND SAFETY CODE

TITLE 4. HEALTH FACILITIES

SUBTITLE D. HOSPITAL DISTRICTS

CHAPTER 298C. NUECES COUNTY HOSPITAL DISTRICT HEALTH CARE PROVIDER
PARTICIPATION PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 298C.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of hospital managers of the district.
- (2) "District" means the Nueces County Hospital District.
- (3) "Institutional health care provider" means a hospital that is not owned and operated by a federal or state government and provides inpatient hospital services.
- (4) "Paying provider" means an institutional health care provider required to make a mandatory payment under this chapter.
- (5) "Program" means the health care provider participation program authorized by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. [2315](#)), Sec. 1, eff. June 10, 2019.

Sec. 298C.002. APPLICABILITY. This chapter applies only to the Nueces County Hospital District.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. [2315](#)), Sec. 1, eff. June 10, 2019.

Sec. 298C.003. HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM. The board may authorize the district to participate in a health care provider participation program on the affirmative vote of a majority of the board, subject to the provisions of this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. [2315](#)), Sec. 1, eff. June 10, 2019.

Sec. 298C.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY PAYMENT. The board may require a mandatory payment authorized under this chapter by an institutional health care provider located in the district only in the manner provided by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

Sec. 298C.052. RULES AND PROCEDURES. The board may adopt rules relating to the administration of the program, including collection of the mandatory payments, expenditures, audits, and any other administrative aspects of the program.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

Sec. 298C.053. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING. If the board authorizes the district to participate in a program under this chapter, the board shall require each institutional health care provider located in the district to submit to the district a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 298C.101. HEARING. (a) In each fiscal year that the board authorizes a program under this chapter, the board shall hold a public hearing on the amounts of any mandatory payments that the board intends to require during the year and how the revenue derived from those payments is to be spent.

(b) Not later than the fifth day before the date of the hearing required under Subsection (a), the board shall publish notice of the hearing in a newspaper of general circulation in the district and provide written notice of the hearing to each institutional health care provider located in the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

Sec. 298C.102. DEPOSITORY. (a) If the board requires a mandatory payment authorized under this chapter, the board shall designate one or more banks as a depository for the district's local provider participation fund.

(b) All funds collected under this chapter shall be secured in the manner provided for securing other district funds.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

Sec. 298C.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) If the district requires a mandatory payment authorized under this chapter, the district shall create a local provider participation fund.

(b) The local provider participation fund consists of:

(1) all revenue received by the district attributable to mandatory payments authorized under this chapter;

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

(3) the earnings of the fund.

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

(1) fund intergovernmental transfers from the district to the state to provide the nonfederal share of Medicaid payments for:

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

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

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

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

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

(2) subject to Section 298C.151(d), pay the administrative expenses of the district in administering the program, including collateralization of deposits;

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

(4) refund to paying providers a proportionate share of the money that the district:

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

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

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

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

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

(e) Notwithstanding any other provision of this chapter, with respect to an intergovernmental transfer of funds described by Subsection (c)(1) made by the district, any funds received by the state, district, or other entity as a result of that transfer may not be used by the state, district, or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

SUBCHAPTER D. MANDATORY PAYMENTS

Sec. 298C.151. MANDATORY PAYMENTS BASED ON PAYING PROVIDER NET PATIENT REVENUE. (a) Except as provided by Subsection (e), if the board authorizes a health care provider participation program under this chapter, the board may require a mandatory payment to be assessed, either annually or periodically throughout the fiscal year at the discretion of the board, on the net patient revenue of each institutional health care provider located in the district. The board shall provide an institutional health care provider written notice of each assessment under this subsection, and the provider has 30 calendar days following the date of receipt of the notice to pay the assessment. In the first fiscal year in which the mandatory payment is required, the mandatory payment is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections [311.032](#) and [311.033](#) in the most recent fiscal year for which that data was reported. If the institutional health care provider did not report any data under those sections, the provider's net patient revenue is the amount of that revenue as contained in the provider's Medicare cost report submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. If the mandatory payment is required, the district shall update the amount of the mandatory payment on an annual basis.

(b) The amount of a mandatory payment assessed under this chapter by the board must be uniformly proportionate with the amount of net patient revenue generated by each paying provider in the district as permitted under federal law. A health care provider participation program authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) If the board requires a mandatory payment authorized under this chapter, the board shall set the amount of the mandatory payment, subject to the limitations of this chapter. The aggregate amount of the mandatory payments required of all paying providers in the district may not exceed six percent of the aggregate net patient revenue from hospital services provided by all paying providers in the district.

(d) Subject to Subsection (c), if the board requires a mandatory payment authorized under this chapter, the board shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the district for activities under¹⁹

this chapter and to fund an intergovernmental transfer described by Section 298C.103(c)(1). The annual amount of revenue from mandatory payments that shall be paid for administrative expenses by the district is \$150,000, plus the cost of collateralization of deposits, regardless of actual expenses.

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

(f) A mandatory payment assessed under this chapter is not a tax for hospital purposes for purposes of Section 4, Article IX, Texas Constitution, or Section 281.045 of this code.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

Sec. 298C.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. (a) The district may designate an official of the district or contract with another person to assess and collect the mandatory payments authorized under this chapter.

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

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

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. 2315), Sec. 1, eff. June 10, 2019.

Sec. 298C.153. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE; LIMITATION OF AUTHORITY. (a) The purpose of this chapter is to authorize the district to establish a program to enable the district to collect mandatory payments from institutional health care providers to fund the nonfederal share of a Medicaid supplemental payment program or the Medicaid managed care rate enhancements for hospitals to support the provision of health care by institutional health care providers located in the district.

(b) This chapter does not authorize the district to collect mandatory payments for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary to fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate

enhancements for hospitals and to cover the administrative expenses of the district associated with activities under this chapter.

(c) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the board may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services. A rule adopted under this section may not create, impose, or materially expand the legal or financial liability or responsibility of the district or an institutional health care provider in the district beyond the provisions of this chapter. This section does not require the board to adopt a rule.

(d) The district may only assess and collect a mandatory payment authorized under this chapter if a waiver program, uniform rate enhancement, or reimbursement described by Section [298C.103\(c\)\(1\)](#) is available to at least one institutional health care provider located in the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 694 (S.B. [2315](#)), Sec. 1, eff. June 10, 2019.