

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
Board of Managers - Regular Meeting  
Tuesday, August 22, 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.

8

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. Public Hearing of July 24, 2023; 19
- 2. Regular Meeting of July 24, 2023; and 22
- 3. Special Meeting of August 16, 2023. 34

B. Receive listing of new vendors as of August 17, 2023; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176. 42

C. Receive hospital providers' quarterly reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver for calendar quarter-ended June 30, 2023:

- 1. CHRISTUS Spohn Health System Corporation Hospitals: Alice, Beeville, and Kleberg (Consolidated Report); 43
- 2. Corpus Christi Medical Center; and 52
- 3. Driscoll Children's Hospital. 59

D. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2023 year-to-date: 60

- 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.
- 
- E. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended July 31, 2023. 61
  - F. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. 62
  - G. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statements for months-ended: April 30, May 31, June 30, and July 31, 2023. 63
  - H. Receive statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. 87
  - I. Receive summary report of cumulative estimated provider payments and actual intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental and directed payment programs sponsored by the Texas Health and Human Services Commission (HHSC): 88

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.

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

1. Total Persons and Households Enrolled;	89
2. Enrollment Summary;	90
3. Denials;	92
4. Application Processing Summary; and	93
5. Enrollment by Zip Code.	97

**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. Fiscal Year 2024 Budget:**

- |   |     |
|---|-----|
| 1. Adopt Board of Managers Resolution committing an amount of the September 30, 2023 fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 2023. <b>(ACTION)</b> | 100 |
| 2. Adopt Board of Managers Resolution relating to approval of the Member Revenue Allocation Percentage for the period October 1, 2023 - September 30, 2024 pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. <b>(ACTION)</b>   | 105 |
| 3. Adopt Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2024 Annual Budget (October 1, 2023 - September 30, 2024) for:  |     |

- a. County Healthcare Expenditures; and 112
- b. Nueces Center for Mental Health and Intellectual Disabilities 119  
matching funds. (*ACTION*)
  
- 4. Adopt Board of Managers Resolution approving Fiscal Year 2024 127  
Annual Budget (October 1, 2023 - September 30, 2024), approval  
pursuant to Texas Health and Safety Code, §281.091(b); Annual Budget  
includes:
  - a. General Fund;
  - b. Tobacco Fund;
  - c. Indigent Care Fund; and
  - d. Capital Budget. (*ACTION*)
  
- 5. Authorize Administrator to negotiate and execute Interlocal Cooperation  
Agreement(s) with Nueces County relating to Hospital District's provision of  
funding for and/or payment of County Healthcare Expenditures during Fiscal Year  
2024 and related matters. (*ACTION*)

**B. Bank Depository:**

- 1. Designate Frost Bank as depository for Hospital District funds for the four-year  
term October 1, 2023 - September 30, 2027; designation initializes award of Request  
for Application No. 2023-01 with finalization of award subject to Board of  
Managers approval of supplemental agreements to be negotiated; designation  
pursuant to Chapter 116, Texas Local Government Code:
  - a. Adopt Order designating Frost Bank as depository for Hospital District funds 149  
designation pursuant to Subchapter B, Texas Local Government  
Code, §116.025; and
  
  - b. Authorize Administrator to negotiate depository-related matters, including  
supplemental agreements with Frost Bank, to include, but not be limited to:
    - 1. Bank Depository Agreement;
    - 2. Security Agreement;
    - 3. Pledgee Agreement;
    - 4. Safekeeping agreements with associated entities; and
    - 5. Other depository-related agreements. (*ACTION*)

**C. Finance:**

- 1. Financial Statements:
  - a. Receive and approve unaudited financial statements for the 153  
month and fiscal year-to-date period ended July 31, 2023.  
(*ACTION*)
  
- 2. Quarterly Investment Report:

- a. Receive Quarterly Investment Report for fiscal quarter-ended June 30, 2023. *(INFORMATION)* 160

**D. FEMA COVID-19 Pandemic Cost Recovery Application:**

- 1. Receive update on the matter of pending Arbitration Agreement between the Federal Emergency Management Agency ("FEMA"), Texas Division of Emergency Management, and Nueces County Hospital District relating to Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District. (INFORMATION)* 182

**E. Board of Managers Business:**

- 1. Adopt Calendar Year 2024 Board of Managers meeting dates and times. *(ACTION)* 184

**F. Other Business:**

- 1. Receive supporting documentation relating to Administrator's achievement of Employment Agreement-related performance goals during the fiscal year ended September 30, 2022 and approve related payment. *(ACTION)* 185

**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. Board of Managers: Tuesday, September 26, 2023 at 12:00 Noon 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.

A. Consult with attorneys on matters relating to Nueces County and Hospital District's property valuations, tax assessments, and related matters.

B. Consult with attorneys on matters relating to Fiscal Year 2024 Budget and related matters.

C. Consult with attorneys on matters relating to Interlocal Cooperation Agreement(s) with Nueces County and related matters.

D. Consult with attorneys on matters relating to CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage and related matters.

E. Consult with attorneys on matters relating to the Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District* 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 the Closed Meeting or adjourning the meeting.

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

11. **ADJOURN** (In Memory of William DeWitt Alsup)



**Kara Sands**

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

**Main:** (361)888-0580

**Receipt:** 20230818000042  
**Date:** 08/18/2023  
**Time:** 09:53AM  
**By:** Lisa C  
**Station:** CLERK04.nuecescc.local  
**Status:** ORIGINAL COPY

---

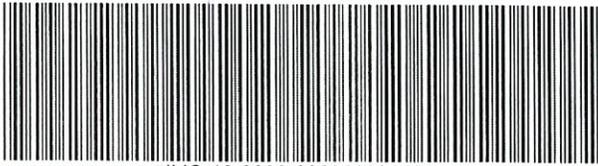
<u>Seq</u>	<u>Item</u>	<u>Document Description</u>	<u>Number</u>	<u>Number Of</u>	<u>Amount</u>	<u>Serial Number</u>
1	Public Notice	PBN	2023000381	10	\$0.00	
				<b>Order Total</b>	(1)	\$0.00

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

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-12-2023-2023000381\*

Nueces County  
Kara Sands  
Nueces County Clerk

Instrument Number: 2023000381

Public Notice

PUBLIC NOTICES

Recorded On: August 18, 2023 09:53 AM

Number of Pages: 10

" 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

*Kara Sands*

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

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

File Information:

Document Number: 2023000381  
Receipt Number: 20230818000042  
Recorded Date/Time: August 18, 2023 09:53 AM  
User: Lisa C  
Station: CLERK04.nuecescc.local

Record and Return To:

HOSPITAL DISTRICT

RECEIVED

AUG 18 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 - Regular Meeting  
Tuesday, August 22, 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=T2RVWFBPZGJYdHYyQmp1VUdZeUc3Zz09>

Meeting ID: 574 676 5992

Passcode: 195957

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
Board of Managers - Regular Meeting  
Tuesday, August 22, 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. Public Hearing of July 24, 2023;
2. Regular Meeting of July 24, 2023; and
3. Special Meeting of August 16, 2023.

B. Receive listing of new vendors as of August 17, 2023; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

C. Receive hospital providers' quarterly reports relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver for calendar quarter-ended June 30, 2023:

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

D. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 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
  - c. Palmer Drug Abuse Program;
6. Funding for diabetes prevention and supporting programs;
7. Public health grants; and
8. Legal and professional fees.

E. Receive summary imputed claims information on medical and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement for fiscal year-to-date period-ended July 31, 2023.

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

G. Receive monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Schedule 1 to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement; receive statements for months-ended: April 30, May 31, June 30, and July 31, 2023.

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

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

1. Directed Payment Programs - Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:
  - a. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
  - b. Network Access Improvement Program (NAIP);
  - c. Texas Incentives for Physicians and Professional Services (TIPPS);

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.

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

1. Total Persons and Households Enrolled;
2. Enrollment Summary;
3. Denials;
4. Application Processing Summary; and
5. Enrollment by Zip Code.

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. Fiscal Year 2024 Budget:**

1. Adopt Board of Managers Resolution committing an amount of the September 30, 2023 fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 2023. **(ACTION)**

2. Adopt Board of Managers Resolution relating to approval of the Member Revenue Allocation Percentage for the period October 1, 2023 - September 30, 2024 pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. **(ACTION)**

3. Adopt Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2024 Annual Budget (October 1, 2023 - September 30, 2024) for:

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

4. Adopt Board of Managers Resolution approving Fiscal Year 2024 Annual Budget (October 1, 2023 - September 30, 2024), approval pursuant to Texas Health and Safety Code, §281.091(b); Annual Budget includes:

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

5. Authorize Administrator to negotiate and execute Interlocal Cooperation Agreement(s) with Nueces County relating to Hospital District's provision of funding for and/or payment of County Healthcare Expenditures during Fiscal Year 2024 and related matters. *(ACTION)*

**B. Bank Depository:**

1. Designate Frost Bank as depository for Hospital District funds for the four-year term October 1, 2023 - September 30, 2027; designation initializes award of Request for Application No. 2023-01 with finalization of award subject to Board of Managers approval of supplemental agreements to be negotiated; designation pursuant to Chapter 116, Texas Local Government Code:

- a. Adopt Order designating Frost Bank as depository for Hospital District funds; designation pursuant to Subchapter B, Texas Local Government Code, §116.025; and
- b. Authorize Administrator to negotiate depository-related matters, including supplemental agreements with Frost Bank, to include, but not be limited to:
  - 1. Bank Depository Agreement;
  - 2. Security Agreement;
  - 3. Pledgee Agreement;
  - 4. Safekeeping agreements with associated entities; and
  - 5. Other depository-related agreements. *(ACTION)*

**C. Finance:**

- 1. Financial Statements:
  - a. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended July 31, 2023. *(ACTION)*
- 2. Quarterly Investment Report:
  - a. Receive Quarterly Investment Report for fiscal quarter-ended June 30, 2023. *(INFORMATION)*

**D. FEMA COVID-19 Pandemic Cost Recovery Application:**

1. Receive update on the matter of pending Arbitration Agreement between the Federal Emergency Management Agency ("FEMA"), Texas Division of Emergency Management, and Nueces County Hospital District relating to Hospital District's arbitration request before the United States Civilian Board of Contract Appeals

("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District. (INFORMATION)*

**E. Board of Managers Business:**

1. Adopt Calendar Year 2024 Board of Managers meeting dates and times. *(ACTION)*

**F. Other Business:**

1. Receive supporting documentation relating to Administrator's achievement of Employment Agreement-related performance goals during the fiscal year ended September 30, 2022 and approve related payment. *(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. Board of Managers: Tuesday, September 26, 2023 at 12:00 Noon 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.

A. Consult with attorneys on matters relating to Nueces County and Hospital District's property valuations, tax assessments, and related matters.

B. Consult with attorneys on matters relating to Fiscal Year 2024 Budget and related matters.

C. Consult with attorneys on matters relating to Interlocal Cooperation Agreement(s) with Nueces County and related matters.

D. Consult with attorneys on matters relating to CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage and related matters.

E. Consult with attorneys on matters relating to the Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District* 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 the Closed Meeting or adjourning the meeting.

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

11. **ADJOURN** (In Memory of William DeWitt Alsup)

**DRAFT**

**MINUTES  
BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
PUBLIC HEARING  
JULY 24, 2023**

---

The Nueces County Hospital District Board of Managers met at 12:00 p.m., Monday, July 24, 2023, 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:**

John Martinez	County Government Officer
Kevin Kieschnick	Tax Assessor
Robin Oldham	Adelanto Healthcare Ventures
John Michael	Hanson – via Zoom
Becky Rios	Corpus Christi Spohn Hospital – via Zoom
Craig Desmond	Corpus Christi Spohn Hospital – via Zoom
Ronica Hutchinson	Gjerset & Lorenz – via Zoom
Melanie McCammon	Adelanto Healthcare Ventures – via Zoom
Stephen King	Driscoll Hospital – via Zoom
Richard Ford	- via Zoom
13616945934	- via Zoom

**BOARD OF MANAGERS  
PUBLIC HEARING  
MEETING  
JULY 24, 2023**

**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 – Mr. John E. Valls, Chairman.  
The meeting was called to order by Mr. Valls at 12:00 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  
Judge Mariana Garza, Member – PRESENT  
Efrain Guerrero, Jr., Member – PRESENT  
Arthur Granado, Member – PRESENT**

- 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

**BOARD OF MANAGERS  
PUBLIC HEARING  
MEETING  
JULY 24, 2023**

Code”), Chapter 298C, as amended; mandatory payment authorized by Health Code, §298C.051 and public hearing conducted pursuant to Health Code, §298C.101.

**No one to speak in Public Hearing.**

**5. CLOSE PUBLIC HEARING**

**Mr. Valls, Chairman called for Public Hearing Closed at 12:07 p.m.**

**6. ADJOURN**

**Motion adjourned by Mr. Valls, Chairman at 12:07 p.m.**

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

---

---

The Nueces County Hospital District Board of Managers met at 12:15 p.m., Monday, July 24, 2023, 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:**

John Martinez	County Government Officer
Kevin Kieschnick	Tax Assessor
Robin Oldham	Adelanto Healthcare Ventures
John Michael	Hanson – via Zoom
Jerry Kramer	CLK- via Zoom
Becky Rios	Corpus Christi Spohn Hospital – via Zoom
Craig Desmond	Corpus Christi Spohn Hospital – via Zoom
Ronica Hutchinson	Gjerset & Lorenz – via Zoom
Melanie McCammon	Adelanto Healthcare Ventures – via Zoom
Stephen King	Attorney – via Zoom
Colt Sullivan	Adelanto Healthcare Ventures – via Zoom
James Ragan	Attorney – via Zoom
Joel Vigil	- via Zoom
Alex Russell	- via Zoom
Richard Ford	- via Zoom

---

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 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 12:00 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  
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. 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

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

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.

**No one to speak in Public Comment.**

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

- A. Approve Board of Managers Regular Meeting minutes of June 27, 2023.
- B. Receive listing of new vendors as of July 20, 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;

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

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.

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 June 30, 2023.

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.

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 June 30, 2023.

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.

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);

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

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.

I. Receive reports relating to Nueces Aid Program enrollment for the month-ended June 30, 2023:

1. Total Persons and Households Enrolled;
2. Enrollment Summary;
3. Denials;
4. Application Processing Summary; and
5. Enrollment by Zip Code.

J. Adopt Board of Managers Resolution amending listing of approved investment training sources to be effective August 1, 2023, pursuant to Chapter 2256, Government Code.

K. Receive notice of Administrator's reappointment by the Texas Conference of Urban Counties to the Department of State Health Service's Tobacco Settlement Permanent Trust Account Administration Advisory Committee for six-year term ending August 31, 2029.

**Consent Agemda approved. Motion by Ms. Flores and seconded by Ms. Garza. MOTION CARRIED.**

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

A. **Property Valuations**:

1. Receive and discuss information relating to 2023 Nueces County property valuations and discuss related matters; receive and discuss information from the

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

Chief Appraiser of the Nueces County Appraisal District, or his designee.  
*(INFORMATION)*

2. Receive and discuss information relating to 2023 Nueces County property valuations, tax assessments, and related matters; receive and discuss information from the Nueces County Tax Assessor-Collector, or his designee.  
*(INFORMATION)*

**Kevin Kieschnick presented.**

**B. Finance Matters:**

1. Financial Statements:

a. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended June 30, 2023. *(ACTION)*

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

2. Fiscal Year 2024 Budget:

a. Discuss and consider a Nueces County request to commit Fiscal Year 2024 funding for reimbursement of County's funding of the Corpus Christi-Nueces County Public Health District during that period, and related matters. *(ACTION)*

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

b. Receive and review Nueces County's Fiscal Year 2024 budget planning calendar. *(INFORMATION)*

c. Discuss and consider Workshop Session on the Hospital District's Fiscal Year 2024 Budget (October 1, 2023 - September 30, 2024) and related matters; establish date and time. *(ACTION)*

**Mr. Valls, Chairman motioned that Mr. Hipp is instructed to establish a workshop meeting with date and time. Motion by Ms. Flores and seconded by Mr. Guerrero. MOTION CARRIED.**

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

**C. Depository:**

1. Receive, open, and enter into the Board of Managers meeting minutes applications received for the Hospital District's depository for the period October 1, 2023 - September 30, 2027, pursuant to Chapter 116, Texas Local Government Code. *(ACTION)*

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

2. Establish an evaluation committee to review and evaluate the applications received for the Hospital District's depository and provide a selection recommendation to the Board of Managers at its next regular meeting. *(ACTION)*

**Mr. Valls, motioned to establish a committee  
comprise with, Mr. Hipp, Belinda, Donna and  
outside consultant, Linda Patterson.  
Motion by Mr. Guerrero and seconded by Ms. Garza.  
MOTION CARRIED.**

**D. Health Care Provider Participation Program (Program):**

1. Receive and discuss Chapter 298C, Texas Health and Safety Code relating to creation and operation of the Program, and related matters. *(INFORMATION)*

2. Confirm posting of public notice of public hearing on the rate of mandatory Program payments that the Board of Managers intends to require of each institutional health care provider located within the Hospital District's boundaries during Hospital District Fiscal Year 2024 (October 1, 2023 - September 30, 2024) and how the revenue derived from the payments will be spent. *(ACTION)*

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

3. Confirm provision to each institutional health care provider within the Hospital District's boundaries of the public notice of public hearing on the rate of mandatory Program payments that the Board of Managers intends to require of each provider during District Fiscal Year 2024 and how the revenue derived from the payments will be spent. *(ACTION)*

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

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

4. Adopt Board of Managers Order setting the rate of mandatory Program payments during Hospital District Fiscal Year 2024 at six percent (6%) of the net patient revenue of each institutional health care provider located within the Hospital District boundaries. *(ACTION)*

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

5. Adopt Board of Managers Order amending Program rules and procedures to be effective August 1, 2023. *(ACTION)*

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

**E. 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 CHRISTUS Spohn's Architect and/or Owner's Representative; and

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

**John Michael from Hanson and  
Jerry Kramer from CLK updated.**

**F. Automated External Defibrillators:**

1. Receive and discuss information on automated external defibrillators recently installed in certain Hospital District offices and discuss related matters, including identification, locations, and training. *(INFORMATION)*

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

**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. Execution of Medicaid supplemental payment-related Network Access Improvement Program Intergovernmental Transfer Responsibility Contract (NAIP-IGT) with the Texas Health and Human Services Commission for benefit of CHRISTUS Spohn Health System; execution of NAIP-IGT HHSC Contract No. HHS001339400008 for the term September 1, 2023 - August 31, 2024. (***ACTION***)

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

**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. Board of Managers Workshop(s) on FY 2024 Budget: Date and time to be announced, in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. (***INFORMATION***)

2. Board of Managers Meeting: Tuesday, August 22, 2023, 12 Noon in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. (***INFORMATION***)

3. Board of Managers Meeting to Adopt FY 2024 Budget: Date and time to be announced, 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*

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

*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 session(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.

- A. Consult with attorneys on matters relating to 2023 Nueces County property valuations, tax assessments, and related matters.
  
- B. Consult with attorneys on matters relating to CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation Percentage for the period October 1, 2023 - September 30, 2024, and related matters.
  
- C. Consult with attorneys on matters relating to the Hospital District's FEMA reimbursement-related arbitration case *CBCA 7792-FEMA; In the Matter of Nueces County Hospital District* pending before the United States Civilian Board of Contract Appeals, and related matters.
  
- D. Consult with attorneys on matters relating to *Nueces County Hospital District, et. al. v. Purdue Pharma, Inc., et al.*, MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas, and related matters.
  
- E. Consult with attorneys on matters relating to *Sundial Owner's Association, Inc. v. Nueces County, et. al.*, No. 13-21-00069-CV in the 13th Court of Appeals, and related matters.

**Mr. Valls, Chairman called for Close Session at 1:22 p.m.**

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

**Mr. Valls, Chairman called for Open Session at 1:52 p.m.**

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

A. Consider final action, decision, or vote on matters considered in the Closed Meeting:

1. Adopt Board of Managers Resolution authorizing approval of proposed Texas Statewide Opioid Settlement Agreements regarding settlement offers in the matter of Texas opioid multi-district litigation, *Nueces County Hospital District et al. v. Purdue Pharma, Inc., et al.*, Multi-District Litigation (MDL) Pretrial Cause No. 2018-63587, in the 152nd District Court of Harris County, Texas; authorize the Administrator to execute Settlement participation and release forms regarding settlement offers from Walgreens, CVS, and Walmart in the matter of Texas opioid multi-district litigation in the 152d District Court of Harris County, Texas.

***(ACTION)***

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

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

**No Action taken.**

**11. ADJOURN**

**Motion adjourned by Mr. Valls, Chairman at 1:54 p.m.**

**BOARD OF MANAGERS  
REGULAR MINUTES  
MEETING  
JULY 24, 2023**

**PRESIDING OFFICERS:**

---

John E. Valls, MBA, Chairman

**ATTEST:**

---

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

**DRAFT**

**MINUTES  
BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
SPECIAL MEETING  
AUGUST 16, 2023**

---

---

The Nueces County Hospital District Board of Managers met at 12:00 p.m. Wednesday, August 16, 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
John B. Martinez	General Counsel
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

**OTHERS PRESENT:**

John Michael	Hanson
Jerry Kramer	CLK
Connie Scott	Nueces County Judge
Adam Roberson	Attorney
Joe A. Gonzalez	Nueces County Commissioner
Becky Rios	Corpus Christi Spohn Hospital – via Zoom
Craig Desmond	Corpus Christi Spohn Hospital – via Zoom
Dr. Shah Islam, MD	CSHS Board of Trustees Pl 3 – via Zoom
Hilda Dalfonso	Corpus Christi Medical Center – via Zoom
Emily Clower	Asst to Commissioner Chesney – via Zoom
Ronica Hutchinson	Gjerset & Lorenz – via Zoom
Lisa Davis	Nueces County Auditor - via Zoom

---

**MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 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 Granado

**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 12:17 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 @1:26 p.m.**  
**Sylvia Tryon Oliver, Member – PRESENT**  
**Belinda Flores, R.N., Member – PRESENT – via Zoom**  
**Judge Mariana Garza, Member – PRESENT**  
**Efrain Guerrero, Jr., Member – PRESENT**  
**Arthur Granado, 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. 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

**MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 2023**

refrain from discussion on such items. Conflicts discovered later in the meeting shall be disclosed at that time.

**5. WORKSHOP SESSION** - Workshop Session is an open meeting for the purposes of information gathering and discussion between the Board of Managers and staff on the Workshop's listed agenda item(s) without taking action on the listed item(s) during the Workshop. Public comment will not be accepted during the Workshop Session.

A. Fiscal Year 2024 Budget (October 1, 2023 - September 30, 2024) and related matters.

B. Proposed Interlocal Cooperation Agreements with Nueces County relating to Hospital District's provision of funding during Fiscal Year 2024 and related matters.

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

A. **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.**

B. **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:

**1. Memorial Medical Center Demolition:**

a. 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:

MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 2023

1. Report from CHRISTUS Spohn's Architect;
2. Report from Hospital District's Owner's Representative; and
3. View CHRISTUS Health OxBlue Construction Time-Lapse Camera video feed. *(INFORMATION)*

b. Receive notice from CHRISTUS Spohn Health System Corporation of completion or near completion of the demolition of the Memorial Buildings and Infrastructure pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the parties. *(INFORMATION)*

c. Receive inspection report of Hanson Professional Services, Hospital District's Owner's Representative relating to the completion or near completion of the demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans, pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the CHRISTUS Spohn Health System Corporation and the Hospital District. *(INFORMATION)*

**John Michael from Hanson and  
Jerry Kramer from CLK updated information.**

**2. Escrow Disbursement:**

a. Discuss and consider adoption of findings-of-fact relating to completion or near completion of demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans as described in the Amended and Restated Membership Agreement; discuss and consider: (1) written notice from CHRISTUS Spohn Health System Corporation; and (2) inspection report of Hanson Professional Services, Hospital District's Owner's Representative; and accept the preceding as facts and adopt them as findings-of-fact relating to CHRISTUS Spohn's completion or near completion of the demolition of the Memorial Buildings and Infrastructure in accordance with the Demolition Plans, pursuant to Section 3.5.4 of Amended and Restated Schedule 1 of the Amended and Restated Membership Agreement between the parties. *(ACTION)*

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

MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 2023

b. Discuss and consider escrow disbursement request from CHRISTUS Spohn Health System Corporation relating to achievement of the fifth (5th) milestone relating to the demolition of the Memorial Buildings and Infrastructure; 5th milestone achievements and escrow amount disbursements pursuant to the Escrow Agreement among Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and TMI Trust Company and Amended and Restated Schedule 1, Section 3.9.7(e) of Amended and Restated Membership Agreement between Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as amended; and authorize Administrator to execute related documents. **(ACTION)**

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

7. **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.

A. Consult with attorneys on matters relating to Nueces County and Hospital District's property valuations, tax assessments, and related matters.

B. Consult with attorneys on matters relating to Fiscal Year 2024 Budget and related matters.

C. Consult with attorneys on matters relating to Proposed Interlocal Cooperation Agreements with Nueces County during Fiscal Year 2024 and related matters.

D. Consult with attorneys on matters relating to CHRISTUS Spohn Health System Corporation Membership Agreement-related annual Member Revenue Allocation

MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 2023

Percentage and related matters.

E. Consult with attorneys on matters relating to completion or near completion of demolition of the Memorial Buildings and Infrastructure.

F. Consult with attorneys on matters relating to escrow disbursement request from CHRISTUS Spohn Health System Corporation pursuant to the Escrow Agreement among Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and TMI Trust Company and Amended and Restated Membership Agreement between Nueces County Hospital District and CHRISTUS Spohn Health System Corporation, as amended.

G. Consult with attorneys on matters relating to the Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District* and related matters.

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

9. Consider final action, decision, or vote on matters considered in the Closed Meeting:

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

1. Execution of Arbitration Agreement between the Federal Emergency Management Agency ("FEMA"), Texas Division of Emergency Management, and Nueces County Hospital District relating to Hospital District's arbitration request before the United States Civilian Board of Contract Appeals ("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District*. (**ACTION**)

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

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

**MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 2023**

10. **ADJOURN** (In Memory of William DeWitt Alsup)

**Motion adjourned by Mr. Valls, Chairman at 1:47 p.m.**

**MINUTES  
BOARD OF MANAGERS  
SPECIAL MEETING  
AUGUST 16, 2023**

**PRESIDING OFFICERS:**

---

John E. Valls, MBA, Chairman

**ATTEST:**

---

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

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

<u>Vendor ID</u>	<u>Vendor Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>
2103	Texas Tim's Network Services	930 McDonald Street Unit 2	Corpus Christi	Texas	78418

---

**SUMMARY OF COMMUNITY BENEFITS PROVIDED BY CHRISTUS SPOHN  
HOSPITAL ALICE, CHRISTUS SPOHN HOSPITAL BEEVILLE, AND  
CHRISTUS SPOHN HOSPITAL KLEBERG  
JULY 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 June 30, 2023.

**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 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 6,907 patient visits, of which approximately 46% 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 23 healthy babies into the world in the last quarter. Included as **Exhibit B** is information regarding these delivery services, of which approximately 78% 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 nearly \$11 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 4,471 emergency encounters provided by Beeville, approximately 48% 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 9 newborn deliveries Beeville performed during this period, 22% 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 \$11.6 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 5,223 patients, of which approximately 45% 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 74 healthy babies into the world during the last quarter. Included as **Exhibit F** is information regarding these delivery services, of which approximately 26% represented charity, uninsured and Medicaid services.

241083



Alice Newborn Summary  
April 2023 - June 2023

<b>Payor Status</b>	<b>Sum of Newborns Cases</b>
CHARITY/UNINSURED/SELF-PAY	3
INSURED	5
MEDICAID	15
<b>Grand Total</b>	<b>23</b>

Medicaid/Charity/Uninsured/Self-Pay	18
Insured	5
<hr/>	
Total Cases	23

**% of Medicaid/Charity/Uninsured/Self-Pay** **78%**  
**April 2023 - June 2023**

Beeville ER Summary  
April 2023 - June 2023

<b>Payor Status</b>	<b>Sum of ER visits Cases</b>
CHARITY/UNINSURED/SELF-PAY	845
INSURED	2315
MEDICAID	1311
<b>Grand Total</b>	<b>4471</b>

Medicaid/Charity/Uninsured/Self-Pay	2156
Insured	2315
<b>Total Cases</b>	<b>4471</b>

**% of Medicaid/Charity/Uninsured/Self-Pay** **48%**  
**April 2023 - June 2023**

Beeville Newborn Cases  
April 2023 - June 2023

<b>Payor Status</b>	<b>Sum of NB Cases</b>
INSURED	7
MEDICAID	2
<b>Grand Total</b>	<b>9</b>

**% of Medicaid/Charity/Uninsured/Self-Pay** **22%**  
**April 2023 - June 2023**



Kleberg Newborn Cases  
April 2023 - June 2023

<b>Payor Status</b>	<b>Sum of NB Cases</b>
CHARITY/UNINSURED/SELF-PAY	5
INSURED	55
MEDICAID	14
<b>Grand Total</b>	<b>74</b>

Medicaid/Charity/Uninsured/Self-Pay	19
Insured	55
<hr/> Total Cases	74

**% of Medicaid/Charity/Uninsured/Self-Pay** **26%**  
**April 2023 - June 2023**



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

## **Quarter ending June 30, 2023**

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 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 44th 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 many uninsured and underinsured members of the community at no 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 access and quality of services provided to the community.

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.

## Who are we?

---



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 to 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

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

## 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 regardless of their ability to pay. Approximately 48% of all visits to CCMC’s emergency rooms are charity, self-pay or Medicaid patients. This is an increase from last year second quarter 2022 at 45%.

**Newborn Services:** CCMC recognizes that the state’s infant mortality rate exceeds 5% each year, and the hospital is focused on reducing this rate. Approximately 68% 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, 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 53% of psychiatric services are provided to charity, self-pay, or Medicaid insured 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 23% 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 Major 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 life-saving 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.

#### **IV. Community Engagement**

**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.

**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 classes, educational conferences or seminars, behavioral health 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 professionals.

**Partnerships and Community Support:** CCMC continues to develop longstanding community partnerships and supports numerous nonprofit organizations through memberships, donations and volunteerism.

Memberships:

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

**Donations:** Through investment and charitable giving, CCMC strives to make the local economy of the community we serve stronger. In 2023, CCMC donated to the following local nonprofit organizations:

- American Cancer Society
- American Heart Association
- The Botanical Gardens
- Coastal Bend Food Bank
- Communities in Schools
- Corpus Christi Police Foundation
- Corpus Christi Road Runners
- Corpus Christi Symphony Orchestra
- Fish for Life
- Gregory Portland High School
- Mission of Mercy
- The Purple Door/The Women's Shelter

- Texas A & M University
- Veterans Memorial High School

Volunteerism: 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. During the first quarter, CCMC colleagues provided first aid stations at community events and volunteered for the following organizations:

- The Botanical Gardens
- CASA
- Coastal Bend Blood Bank
- Corpus Christi Independent School District, Wellness Fairs

CCMC colleagues also serve in leadership positions on boards and committees for the following nonprofit organizations:

- Aransas County Partnership EDC
- City of Corpus Christi Padre Island Strategic Action Committee
- Coastal Bend Emergency Management
- Coastal Bend Food Bank
- Coastal Bend Regional Advisory Council
- Corpus Christi Regional Economic Development
- Leadership Corpus Christi
- West Oso ISD Advisory Council

---

**Summary of Community Benefits Provided By:**

**Driscoll Children's Hospital**

**Quarter Ending June 30th, 2023**

---

- 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 80.42% of all visits to Driscoll's Emergency Department 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 77.45% of neonatal intensive care services are to charity, self-pay, or Medicaid patients.
- Patients requiring psychiatric services are often one of the most under-served populations in a community, and Driscoll strives to ensure that these patients receive appropriate care. Approximately 73.79% 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 Cardiology, Anesthesiology, Endocrinology and Maternal Fetal Medicine. Driscoll also added two Hospitalists to the medical staff of its hospital. These physicians began practicing within the hospital and physician groups during the 2nd Quarter of 2023.
- 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 \$26,989.
  - The Driscoll transport program provides emergency transport services via ambulance and air transport. Most of the children transported would not otherwise have had the means to access the service. From April 2023 through June 2023, there were 489 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
<b>County Healthcare Services</b>															
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	120,000.00	0.00	0.00	130,500.00	0.00	366,600.00	650,000.00	283,400.00
NC MHID - Fund Matching	0.00	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	726,840.00	969,129.00	242,289.00
NC MHID - Jail Programs	0.00	176,813.03	237,980.34	276,362.77	258,650.19	282,603.06	227,446.06	252,547.50	181,315.79	38,729.11	0.00	0.00	1,932,447.85	3,018,000.00	1,085,552.15
Mental Healthcare Services Dept	6,767.47	223.93	104,143.47	0.00	0.00	25.09	0.00	0.00	79,310.36	0.00	0.00	0.00	190,470.32	273,000.00	82,529.68
NC Juvenile Center	19,477.57	20,679.73	58,982.51	39,737.05	89,111.88	60,047.64	52,844.11	72,219.51	31,251.16	7,294.45	0.00	0.00	451,645.61	474,000.00	22,354.39
Nueces County Jail Services	353,224.55	353,224.55	353,224.55	422,223.53	376,454.17	376,542.38	403,860.59	353,224.55	375,753.52	371,190.44	353,224.55	0.00	4,092,147.38	4,478,695.00	386,547.62
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	15,000.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00	0.00
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
<b>Totals</b>	<b>379,469.59</b>	<b>550,941.24</b>	<b>839,330.87</b>	<b>1,096,703.35</b>	<b>724,216.24</b>	<b>719,218.17</b>	<b>926,430.76</b>	<b>812,991.56</b>	<b>667,630.83</b>	<b>659,494.00</b>	<b>483,724.55</b>	<b>0.00</b>	<b>7,860,151.16</b>	<b>12,207,824.00</b>	<b>4,347,672.84</b>

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

<b>Service</b>	<b>Claims</b>	<b>Billed</b>	<b>Contract Amt.</b>	<b>Co Insurance</b>	<b>Net</b>
ER	2,333	12,994,430	1,769,723	60,229	1,709,494
ASU	388	8,094,692	754,896	22,665	732,231
Clinic	7,270	8,266,840	2,274,620	98,045	2,176,575
Obs	64	2,180,774	468,391	14,184	454,207
OP	7,271	26,132,627	6,470,707	367,763	6,102,944
Subtotal	17,326	57,669,363	11,738,337	562,886	11,175,451
IP	287	25,833,326	1,256,772	30,055	1,226,717
SNF					-
RX	68,988	28,224,764	10,841,498	305,003	10,536,496
Physician	17,255	7,471,139	2,266,096	84,801	2,181,295
<b>Total</b>	<b>103,856</b>	<b>119,198,592</b>	<b>26,102,703</b>	<b>982,745</b>	<b>25,119,959</b>

**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	765,202.67	452,054.94	746,936.88	398,005.84	584,054.59	623,248.36		6,152,661.38
Week 2	554,299.98	565,185.73	550,363.71	538,528.20	585,771.56	597,840.20	600,965.15	525,260.61	483,770.54	692,286.36	645,936.91		6,340,208.95
Week 3	601,467.77	627,556.90	513,594.51	589,275.06	461,070.05	512,405.44	529,949.58	668,150.86	607,264.03	493,854.36			5,604,588.56
Week 4	528,903.71	439,440.47	642,640.85	525,129.11	514,988.48	630,243.69	608,842.81	709,108.18	622,806.27	622,256.37			5,844,359.94
Week 5				574,994.53		556,964.35			703,665.13				1,835,624.01
Subtotal	2,117,510.65	2,243,975.32	2,340,993.04	2,620,868.93	2,073,020.78	3,062,656.35	2,191,812.48	2,649,456.53	2,815,511.81	2,392,451.68	1,269,185.27	0.00	25,777,442.84



# Monthly Report

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

04/01/2023 to 04/30/2023

**Your Account Administrator is**

**ALICE WOLAN 678-221-5948**

**Other Interested Party**

**Your Relationship Manager**

**Prepared by:** TMI TRUST COMPANY  
5901 PEACHTREE DUNWOODY RD  
SUITE C495  
ATLANTA, GA 30328

(800) 241-5568



**Summary of Activity**

<b>Portfolio Value on 03/31/2023</b>	<b>10,107,465.51</b>
Additions	0.00
Distributions	0.00
Expenses	0.00
Unrealized Gains since Market Value of 03/31/2023	0.00
Dividends Received	34,185.93
Interest Received	0.00
Other Income Received	0.00
Management Fees	0.00
<b>Portfolio Value on 04/30/2023</b>	<b>10,141,651.44</b>

**Portfolio Allocation**

Asset Class	Market Value	Book Value	Est. Annual Income	Current Yield
CASH & EQUIVALENTS	10,141,651.44	10,141,651.44	458,789.04	4.52%
<b>Total</b>	<b>10,141,651.44</b>	<b>10,141,651.44</b>	<b>458,789.04</b>	<b>4.52%</b>



**REPORT OF ASSETS**  
 CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT  
 ACCOUNT 4343721 AS OF 04/30/2023

	Units	Price	Market Value
<b>BANK ACCOUNTS</b>			
<b>MONEY MARKET FUNDS</b>			
1. BLACKROCK LIQUIDITY FUNDS (BTCXX)	10,141,651.4400	1.0000	10,141,651.44
<b>TOTAL BANK ACCOUNTS</b>			<b>10,141,651.44</b>
<b>TOTAL INVESTMENTS</b>			10,141,651.44
*INCOME CASH ON HAND			0.00
*PRINCIPAL CASH ON HAND			0.00
<b>TOTAL ASSETS</b>			<b>10,141,651.44</b>

TOTAL CASH: 0.00

\* Income and principal cash are held in  
TMI BANK DEPOSIT SERIES IV



**REPORT OF INCOME CASH**

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 04/01/2023 TO 04/30/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**INCOME CASH BALANCE** **0.00**



REPORT OF PRINCIPAL CASH  
CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT  
ACCOUNT 4343721 FOR DATES 04/01/2023 TO 04/30/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**PRINCIPAL CASH BALANCE** 0.00



# REPORT OF NON-CASH ENTRIES

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 04/01/2023 TO 04/30/2023

	Market Value	Book Value
<b>NON-CASH INCREASES</b>		
<b>1. DIVIDEND REINVESTMENT</b>		
Dividend Reinvestment		
BLACKROCK LIQUIDITY FUNDS		
04/01/2023 34,185.93 shares at 1.00	34,185.93	34,185.93
	34,185.93	34,185.93
Total Dividend Reinvestment	34,185.93	34,185.93
<b>TOTAL DIVIDEND REINVESTMENT</b>	34,185.93	34,185.93
	34,185.93	34,185.93
<b>TOTAL NON-CASH INCREASES</b>	34,185.93	34,185.93



# Monthly Report

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

05/01/2023 to 05/31/2023

**Your Account Administrator is**

**ALICE WOLAN 678-221-5948**

**Other Interested Party**

**Your Relationship Manager**

**Prepared by:** TMI TRUST COMPANY  
5901 PEACHTREE DUNWOODY RD  
SUITE C495  
ATLANTA, GA 30328

(800) 241-5568



**Summary of Activity**

<b>Portfolio Value on 04/30/2023</b>	<b>10,141,651.44</b>
Additions	0.00
Distributions	0.00
Expenses	0.00
Unrealized Gains since Market Value of 04/30/2023	0.00
Dividends Received	33,475.21
Interest Received	0.00
Other Income Received	0.00
Management Fees	0.00
<b>Portfolio Value on 05/31/2023</b>	<b>10,175,126.65</b>

**Portfolio Allocation**

Asset Class	Market Value	Book Value	Est. Annual Income	Current Yield
CASH & EQUIVALENTS	10,175,126.65	10,175,126.65	460,303.40	4.52%
<b>Total</b>	<b>10,175,126.65</b>	<b>10,175,126.65</b>	<b>460,303.40</b>	<b>4.52%</b>



**REPORT OF ASSETS**  
 CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT  
 ACCOUNT 4343721 AS OF 05/31/2023

	Units	Price	Market Value
<b>BANK ACCOUNTS</b>			
<b>MONEY MARKET FUNDS</b>			
1. BLACKROCK LIQUIDITY FUNDS (BTCXX)	10,175,126.6500	1.0000	10,175,126.65
<b>TOTAL BANK ACCOUNTS</b>			<b>10,175,126.65</b>
<b>TOTAL INVESTMENTS</b>			10,175,126.65
*INCOME CASH ON HAND			0.00
*PRINCIPAL CASH ON HAND			0.00
<b>TOTAL ASSETS</b>			<b>10,175,126.65</b>

TOTAL CASH: 0.00

\* Income and principal cash are held in  
TMI BANK DEPOSIT SERIES IV



**REPORT OF INCOME CASH**

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 05/01/2023 TO 05/31/2023

**BEGINNING BALANCE**

**0.00**

NO TRANSACTIONS DURING THIS PERIOD

**INCOME CASH BALANCE**

**0.00**



REPORT OF PRINCIPAL CASH  
CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT  
ACCOUNT 4343721 FOR DATES 05/01/2023 TO 05/31/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**PRINCIPAL CASH BALANCE** 0.00



# REPORT OF NON-CASH ENTRIES

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 05/01/2023 TO 05/31/2023

	Market Value	Book Value
<b>NON-CASH INCREASES</b>		
<b>1. DIVIDEND REINVESTMENT</b>		
Dividend Reinvestment		
BLACKROCK LIQUIDITY FUNDS		
05/01/2023 33,475.21 shares at 1.00	33,475.21	33,475.21
	<u>33,475.21</u>	<u>33,475.21</u>
Total Dividend Reinvestment	33,475.21	33,475.21
TOTAL DIVIDEND REINVESTMENT	33,475.21	33,475.21
	<u>33,475.21</u>	<u>33,475.21</u>
<b>TOTAL NON-CASH INCREASES</b>	<u>33,475.21</u>	<u>33,475.21</u>



# PERIODIC REPORT

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

06/01/2023 to 06/30/2023

**Your Account Administrator is**

**ALICE WOLAN 678-221-5948**

**Other Interested Party**

**Your Relationship Manager**

**Prepared by:** TMI TRUST COMPANY  
5901 PEACHTREE DUNWOODY RD  
SUITE C495  
ATLANTA, GA 30328

(800) 241-5568

**Prepared for Internal Use**



**Summary of Activity**

<b>Portfolio Value on 05/31/2023</b>	<b>10,175,126.65</b>
Additions	0.00
Distributions	0.00
Expenses	0.00
Unrealized Gains since Market Value of 05/31/2023	0.00
Dividends Received	36,385.52
Interest Received	0.00
Other Income Received	0.00
Management Fees	0.00
<b>Portfolio Value on 06/30/2023</b>	<b><u>10,211,512.17</u></b>

**Portfolio Allocation**

Asset Class	Market Value	Book Value	Est. Annual Income	Current Yield
CASH & EQUIVALENTS	10,211,512.17	10,211,512.17	468,009.84	4.58%
<b>Total</b>	<b>10,211,512.17</b>	<b>10,211,512.17</b>	<b>468,009.84</b>	<b>4.58%</b>



**REPORT OF ASSETS**  
 CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT  
 ACCOUNT 4343721 AS OF 06/30/2023

	Units	Price	Market Value
<b>BANK ACCOUNTS</b>			
<b>MONEY MARKET FUNDS</b>			
1. BLACKROCK LIQUIDITY FUNDS (BTCXX)	10,211,512.1700	1.0000	10,211,512.17
<b>TOTAL BANK ACCOUNTS</b>			<b>10,211,512.17</b>
<b>TOTAL INVESTMENTS</b>			10,211,512.17
*INCOME CASH ON HAND			0.00
*PRINCIPAL CASH ON HAND			0.00
<b>TOTAL ASSETS</b>			<b>10,211,512.17</b>

TOTAL CASH: 0.00

\* Income and principal cash are held in  
TMI BANK DEPOSIT SERIES IV



## REPORT OF INCOME CASH

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 06/01/2023 TO 06/30/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**INCOME CASH BALANCE** 0.00



REPORT OF PRINCIPAL CASH  
CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT  
ACCOUNT 4343721 FOR DATES 06/01/2023 TO 06/30/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**PRINCIPAL CASH BALANCE** **0.00**



**REPORT OF NON-CASH ENTRIES**

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 06/01/2023 TO 06/30/2023

	Market Value	Book Value
<b>NON-CASH INCREASES</b>		
<b>1. DIVIDEND REINVESTMENT</b>		
Dividend Reinvestment		
BLACKROCK LIQUIDITY FUNDS		
06/01/2023 36,385.52 shares at 1.00	36,385.52	36,385.52
	<u>36,385.52</u>	<u>36,385.52</u>
Total Dividend Reinvestment	36,385.52	36,385.52
<b>TOTAL DIVIDEND REINVESTMENT</b>	36,385.52	36,385.52
	<u>36,385.52</u>	<u>36,385.52</u>
<b>TOTAL NON-CASH INCREASES</b>	<u>36,385.52</u>	<u>36,385.52</u>



# Monthly Report

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

07/01/2023 to 07/31/2023

**Your Account Administrator is**

**ALICE WOLAN 678-221-5948**

**Other Interested Party**

**Your Relationship Manager**

**Prepared by:** TMI TRUST COMPANY  
5901 PEACHTREE DUNWOODY RD  
SUITE C495  
ATLANTA, GA 30328

(800) 241-5568



**Summary of Activity**

<b>Portfolio Value on 06/30/2023</b>	<b>10,211,572.17</b>
Additions	0.00
Distributions	0.00
Expenses	0.00
Unrealized Gains since Market Value of 06/30/2023	0.00
Dividends Received	38,260.50
Interest Received	0.00
Other Income Received	0.00
Management Fees	0.00
<b>Portfolio Value on 07/31/2023</b>	<b><u>10,249,832.67</u></b>

**Portfolio Allocation**

<b>Asset Class</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Est. Annual Income</b>	<b>Current Yield</b>
CASH & EQUIVALENTS	10,249,832.67	10,249,832.67	463,682.96	4.52%
<b>Total</b>	<b>10,249,832.67</b>	<b>10,249,832.67</b>	<b>463,682.96</b>	<b>4.52%</b>



**REPORT OF ASSETS**  
 CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT  
 ACCOUNT 4343721 AS OF 07/31/2023

	Units	Price	Market Value
<b>BANK ACCOUNTS</b>			
<b>MONEY MARKET FUNDS</b>			
1. BLACKROCK LIQUIDITY FUNDS (BTCXX)	10,249,832.6700	1.0000	10,249,832.67
<b>TOTAL BANK ACCOUNTS</b>			<b>10,249,832.67</b>
<b>TOTAL INVESTMENTS</b>			10,249,832.67
*INCOME CASH ON HAND			0.00
*PRINCIPAL CASH ON HAND			0.00
<b>TOTAL ASSETS</b>			<b>10,249,832.67</b>

TOTAL CASH: 0.00

\* Income and principal cash are held in  
TMI BANK DEPOSIT SERIES IV



**REPORT OF INCOME CASH**

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 07/01/2023 TO 07/31/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**INCOME CASH BALANCE** **0.00**



REPORT OF PRINCIPAL CASH  
CHRISTUS SPOHN HEALTH SYSTEM CORP /  
NUECES COUNTY HOSPITAL DISTRICT  
ACCOUNT 4343721 FOR DATES 07/01/2023 TO 07/31/2023

**BEGINNING BALANCE** **0.00**

NO TRANSACTIONS DURING THIS PERIOD

**PRINCIPAL CASH BALANCE** **0.00**



# REPORT OF NON-CASH ENTRIES

CHRISTUS SPOHN HEALTH SYSTEM CORP /  
 NUECES COUNTY HOSPITAL DISTRICT

ACCOUNT 4343721 FOR DATES 07/01/2023 TO 07/31/2023

	Market Value	Book Value
<b>NON-CASH INCREASES</b>		
<b>1. DIVIDEND REINVESTMENT</b>		
Dividend Reinvestment		
BLACKROCK LIQUIDITY FUNDS		
07/01/2023 38,260.5 shares at 1.00	38,260.50	38,260.50
	<u>38,260.50</u>	<u>38,260.50</u>
Total Dividend Reinvestment	38,260.50	38,260.50
TOTAL DIVIDEND REINVESTMENT	38,260.50	38,260.50
	<u>38,260.50</u>	<u>38,260.50</u>
<b>TOTAL NON-CASH INCREASES</b>	<u><b>38,260.50</b></u>	<u><b>38,260.50</b></u>

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	27,729,787.30	27,812,165.28	48,465,838.54	333,766.35	10,953,315.14	9,209,249.65	21,552,873.57
<u>Deposits</u>													
Christus Spohn	8,593,003.25	8,593,003.25			8,593,003.25			8,593,003.25	8,593,003.25	3,619,535.34			46,584,551.59
CCMC	5,715,374.00	5,715,374.00			5,715,374.00			5,715,374.00	5,715,374.00	2,739,699.90			31,316,569.90
CC Rehab	261,256.50		261,256.50		261,256.50			261,256.50		85,106.94			1,130,132.94
Driscoll	4,689,720.50	4,689,720.50			4,689,720.50			4,689,720.50	4,689,720.50	3,748,517.82			27,197,120.32
PAM Specialty	341,892.50	341,892.50			341,892.50			341,892.50		0.00			1,367,570.00
PAM Rehab	340,715.25	340,715.25			340,715.25			340,715.25		92,123.28			1,454,984.28
S. TX Surgical	604,730.50	604,730.50			604,730.50			604,730.50	604,730.50	329,508.84			3,353,161.34
Subtotal	20,546,692.50	20,285,436.00	261,256.50	0.00	20,546,692.50	0.00	0.00	20,546,692.50	19,602,828.25	10,614,492.12	0.00	0.00	112,404,090.37
Interest	79,122.22	65,114.16	75,649.36	78,102.36	28,869.96	84,069.36	82,377.98	106,980.76	175,022.30	5,056.67			780,365.13
Transfers In													0.00
<b>Total Deposits</b>	<b>20,625,814.72</b>	<b>20,350,550.16</b>	<b>336,905.86</b>	<b>78,102.36</b>	<b>20,575,562.46</b>	<b>84,069.36</b>	<b>82,377.98</b>	<b>20,653,673.26</b>	<b>19,777,850.55</b>	<b>10,619,548.79</b>	<b>0.00</b>	<b>0.00</b>	<b>113,184,455.50</b>
<u>Inter-Governmental Transfers</u>													
UC					(21,266,536.44)	(247,650.74)							(21,514,187.18)
DSRIP				(172,820.93)									(172,820.93)
CHIRP		(33,564,840.35)							(67,759,922.74)		(1,665,565.58)		(102,990,328.67)
TIPPS		(472,242.73)									(78,499.91)		(550,742.64)
DSH													0.00
UHRIP													0.00
<b>Total IGT's</b>	<b>0.00</b>	<b>(34,037,083.08)</b>	<b>0.00</b>	<b>(172,820.93)</b>	<b>(21,266,536.44)</b>	<b>(247,650.74)</b>	<b>0.00</b>	<b>0.00</b>	<b>(67,759,922.74)</b>	<b>0.00</b>	<b>(1,744,065.49)</b>	<b>0.00</b>	<b>(125,228,079.42)</b>
Transfers Out	(150,000.00)								(150,000.00)				(300,000.00)
Bank Fees													0.00
<b>Ending Balance</b>	<b>42,028,688.29</b>	<b>28,342,155.37</b>	<b>28,679,061.23</b>	<b>28,584,342.66</b>	<b>27,893,368.68</b>	<b>27,729,787.30</b>	<b>27,812,165.28</b>	<b>48,465,838.54</b>	<b>333,766.35</b>	<b>10,953,315.14</b>	<b>9,209,249.65</b>	<b>9,209,249.65</b>	<b>9,209,249.65</b>

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	393,023,597	513,477,784	266,619,703	55,407,073	130,560,593	78,308,148	3,876,301	1,441,273,198	48%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	190,540,599	0	14,881,126	0	14,025,865	0	267,846,448	9%
Corpus Christi Medical Center	121,850,134	150,371,700	0	47,953,129	0	114,116,706	0	434,291,669	14%
Driscoll Childrens Hospital	314,822,705	21,671,406	0	0	0	415,701,638	479,717	752,675,466	25%
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	646,941	0	0	0	646,941	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	21,809,410	1%
<b>TOTALS</b>	<b>924,854,508</b>	<b>923,784,645</b>	<b>266,619,703</b>	<b>135,889,510</b>	<b>130,560,593</b>	<b>622,152,356</b>	<b>4,356,019</b>	<b>3,008,217,334</b>	<b>100%</b>

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

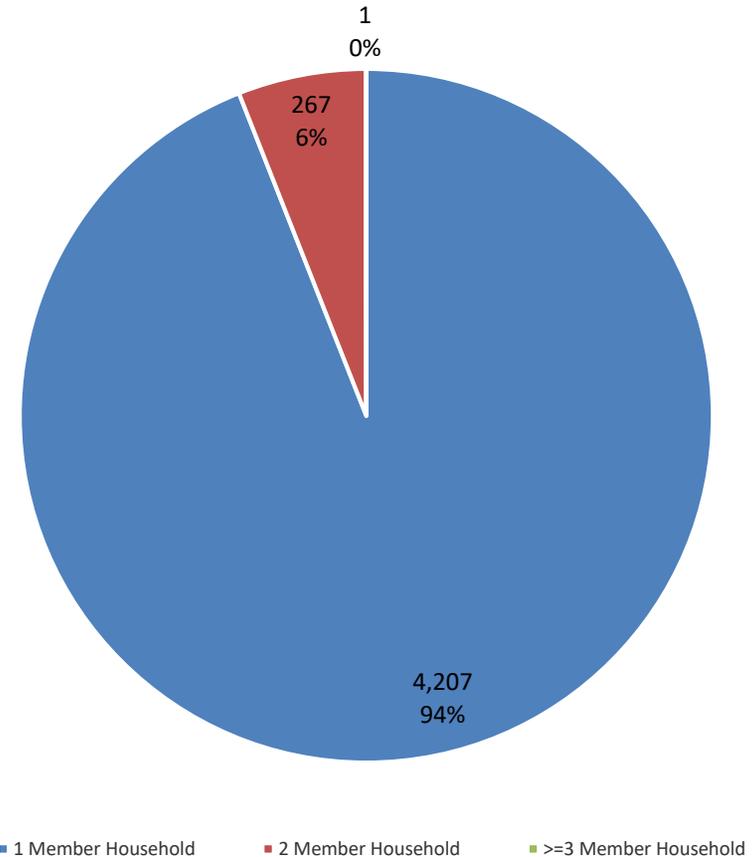
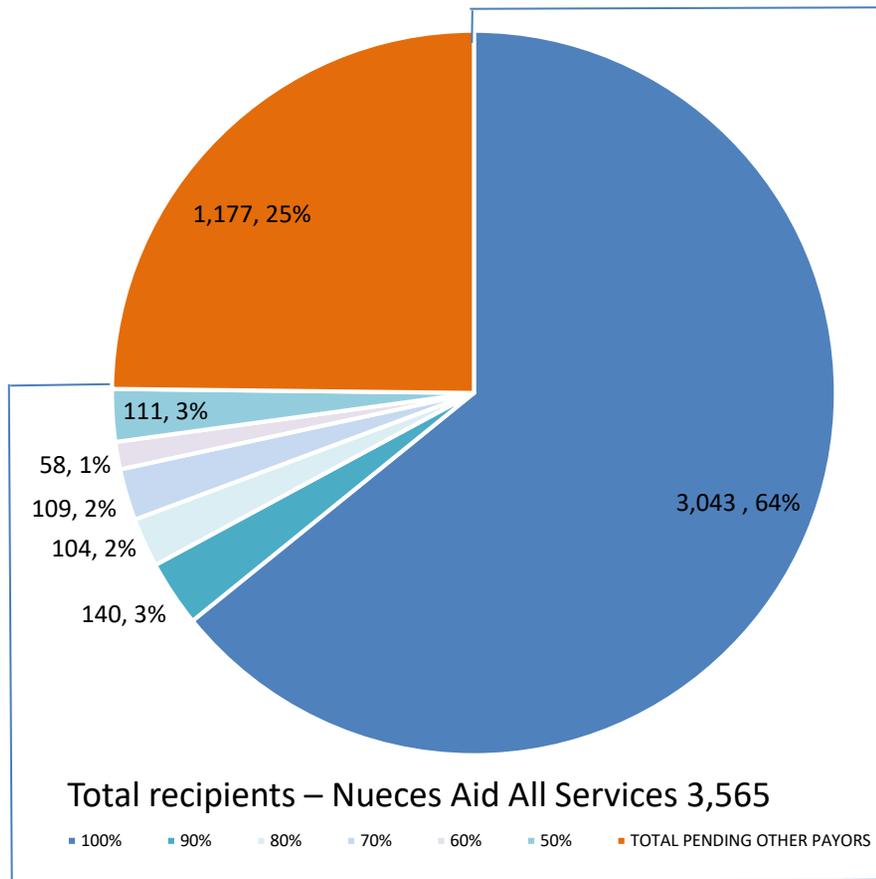
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	TOTALS
Nueces County Hospital District	338,074,018	302,738,784	94,329,100	59,112,085	51,318,418	14,665,081	0	860,237,486
Nueces LPPF	27,902,997	57,780,091	7,478,253	0	0	218,883,828	1,855,623	313,900,793
<b>TOTALS</b>	<b>365,977,014</b>	<b>360,518,875</b>	<b>101,807,354</b>	<b>59,112,085</b>	<b>51,318,418</b>	<b>233,548,910</b>	<b>1,855,623</b>	<b>1,174,138,279</b>

# July 2023

## Nueces Aid Program Enrollment

Total Enrolled  
4,742

Total Households  
4,475



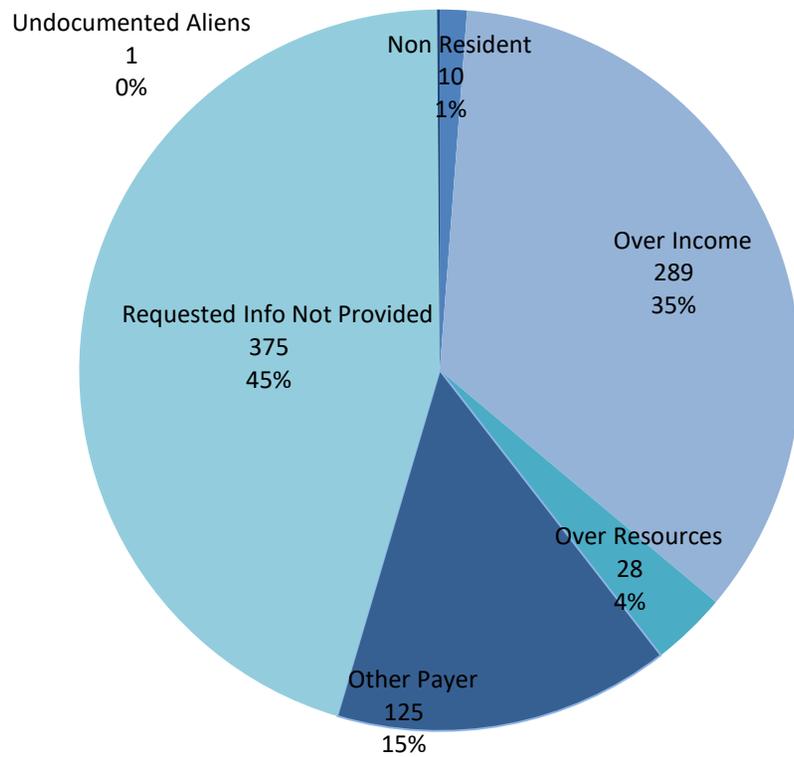




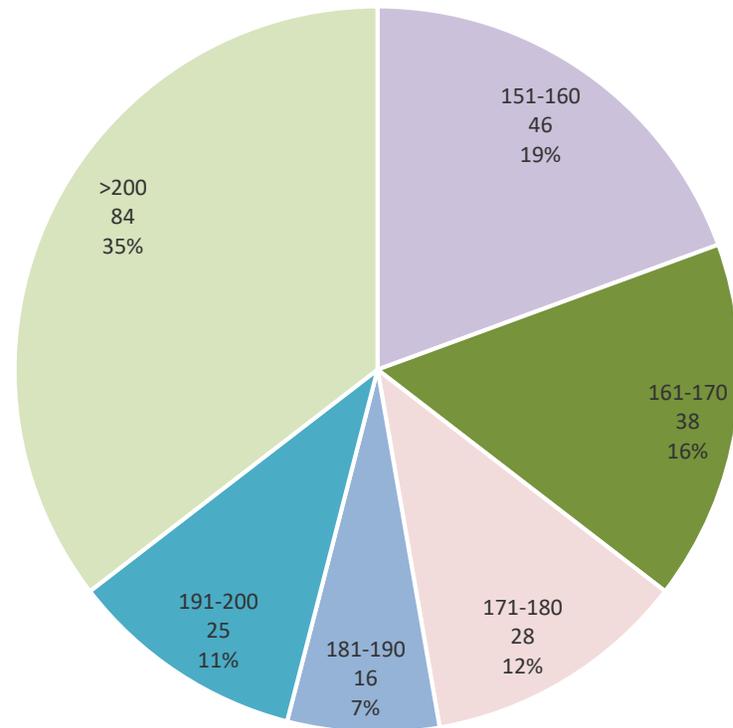
# NUECES AID DENIALS

Calendar Year 2023  
January-July

### Denial Reasons



### Comparison of Over Income Case to 2023 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
<b>TOTAL APPLICATIONS</b>	923	759	958	821	874	799	854						5,988	
- Approved	789	653	844	696	750	695	733						5,160	
%	85.5%	86.0%	88.1%	84.8%	85.8%	87.0%	85.8%						86.2%	Since FY 1999, the denial rate is based on all denied individuals in the household.
- Denied	134	106	114	125	124	104	121						828	
%	14.5%	14.0%	11.9%	15.2%	14.2%	13.0%	14.2%						13.8%	
<b>APPROVALS BY PLAN TYPE</b>														
<b>NUECES AID - All Services</b>														
100%	551	446	596	463	531	489	502						3,578	
%	69.8%	68.3%	70.6%	66.5%	70.8%	70.4%	68.5%						69.3%	
90%	27	24	24	27	23	17	18						160	
%	3.4%	3.7%	2.8%	3.9%	3.1%	2.4%	2.5%						3.1%	
80%	20	21	20	16	13	23	11						124	
%	2.5%	3.2%	2.4%	2.3%	1.7%	3.3%	1.5%						2.4%	
70%	17	15	17	16	15	14	23						117	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%	2.3%	2.0%	2.3%	2.0%	2.0%	3.1%						2.3%	
60%	11	18	7	11	12	6	8						73	
%	1.4%	2.8%	0.8%	1.6%	1.6%	0.9%	1.1%						1.4%	
50%	19	11	21	22	15	15	14						117	
%	2.4%	1.7%	2.5%	3.2%	2.0%	2.2%	1.9%						2.3%	
<b>TOTAL</b>	645	535	685	555	609	564	576						4,169	
%	81.7%	81.9%	81.2%	79.7%	81.2%	81.2%	78.6%						80.8%	
<b>HOUSEHOLDS BY SIZE - APPROVED</b>														
1 Member Household	690	599	732	622	675	600	628						4,546	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%	95.7%	92.8%	94.4%	94.7%	92.6%	92.2%						93.6%	
2 Member Household	50	27	56	37	38	48	53						309	
%	6.8%	4.3%	7.1%	5.6%	5.3%	7.4%	7.8%						6.4%	
3 or > Member Household	0	0	1	0	0	0	0						1	Households pending other payors are not included.
%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%						0.0%	
<b>TOTAL HOUSEHOLDS APPROVED</b>	740	626	789	659	713	648	681						4,856	

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023	Comments
<b>NCHD DENIALS - Reasons for Denials</b>														
Non Resident	1	0	2	4	2	1	0						10	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%	0.0%	1.8%	3.2%	1.6%	1.0%	0.0%						1.2%	
Over Income	57	49	34	34	34	37	44						289	
%	42.5%	46.2%	29.8%	27.2%	27.4%	35.6%	36.4%						34.9%	
Over Resources	6	2	6	7	2	2	3						28	
%	4.5%	1.9%	5.3%	5.6%	1.6%	1.9%	2.5%						3.4%	
Other Payer	27	13	12	17	19	20	17						125	
%	20.1%	12.3%	10.5%	13.6%	15.3%	19.2%	14.0%						15.1%	
Requested Info Not Provided	43	42	60	63	66	44	57						375	
%	32.1%	39.6%	52.6%	50.4%	53.2%	42.3%	47.1%						45.3%	
Undocumented Aliens	0	0	0	0	1	0	0						1	Note: UA code eff 08/01/01
%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%						0.1%	
<b>TOTAL DENIALS</b>	<b>134</b>	<b>106</b>	<b>114</b>	<b>125</b>	<b>124</b>	<b>104</b>	<b>121</b>						<b>828</b>	
<b>HOUSEHOLDS BY SIZE - DENIED</b>														
1 Member Household	99	86	88	98	100	82	98						651	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%	89.6%	87.1%	87.5%	89.3%	88.2%	89.1%						87.6%	
2 Member Household	16	10	13	14	12	11	12						88	
%	13.4%	10.4%	12.9%	12.5%	10.7%	11.8%	10.9%						11.8%	
3 or > Member Household	4	0	0	0	0	0	0						4	Households pending other payors are not included.
%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						0.5%	
<b>TOTAL HOUSEHOLDS DENIED</b>	<b>119</b>	<b>96</b>	<b>101</b>	<b>112</b>	<b>112</b>	<b>93</b>	<b>110</b>						<b>743</b>	
<b>PENDING APPLICATIONS</b>														
Pending documentation	91	93	102	85	79	98	79						90	The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	8	5	18	16	11	10	15						15	
SSI-SSID	63	58	75	66	58	59	83						83	
Other Payor	73	55	66	59	72	62	59						59	

**NCHD  
Eligibility History**

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg
<b>2018</b>														
NCHD	5,630	5,708	5,674	5,613	5,471	5,481	5,492	5,438	5,396	5,467	5,673	5,235	66,278	5,523
Pend	1,488	1,483	1,398	1,386	1,349	1,336	1,324	1,317	1,337	1,327	1,313	1,270	16,328	1,361
Total	7,118	7,191	7,072	6,999	6,820	6,817	6,816	6,755	6,733	6,794	6,986	6,505	82,606	6,884
% of PY	97%	99%	97%	96%	93%	93%	93%	94%	94%	94%	98%	93%	95%	95%
<b>2019</b>														
NCHD	5,277	5,181	5,075	5,024	4,957	4,961	4,996	4,943	4,970	5,064	4,944	4,821	60,213	5,018
Pend	1,294	1,260	1,289	1,305	1,274	1,281	1,330	1,356	1,339	1,357	1,330	1,277	15,692	1,308
Total	6,571	6,441	6,364	6,329	6,231	6,242	6,326	6,299	6,309	6,421	6,274	6,098	75,905	6,325
% of PY	92%	90%	90%	90%	91%	92%	93%	93%	94%	95%	90%	94%	92%	92%
<b>2020</b>														
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%
<b>2021</b>														
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%
<b>2022</b>														
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%
<b>2023</b>														
NCHD	3,767	3,186	3,727	3,611	3,614	3,599	3,565						25,069	3,581
Pend	1,145	1,677	1,148	1,157	1,173	1,161	1,177						8,638	1,234
Total	4,912	4,863	4,875	4,768	4,787	4,760	4,742	-	-	-	-	-	33,707	4,815
% of PY	101%	102%	101%	98%	97%	95%	94%	0%	0%	0%	0%	0%	56%	96%



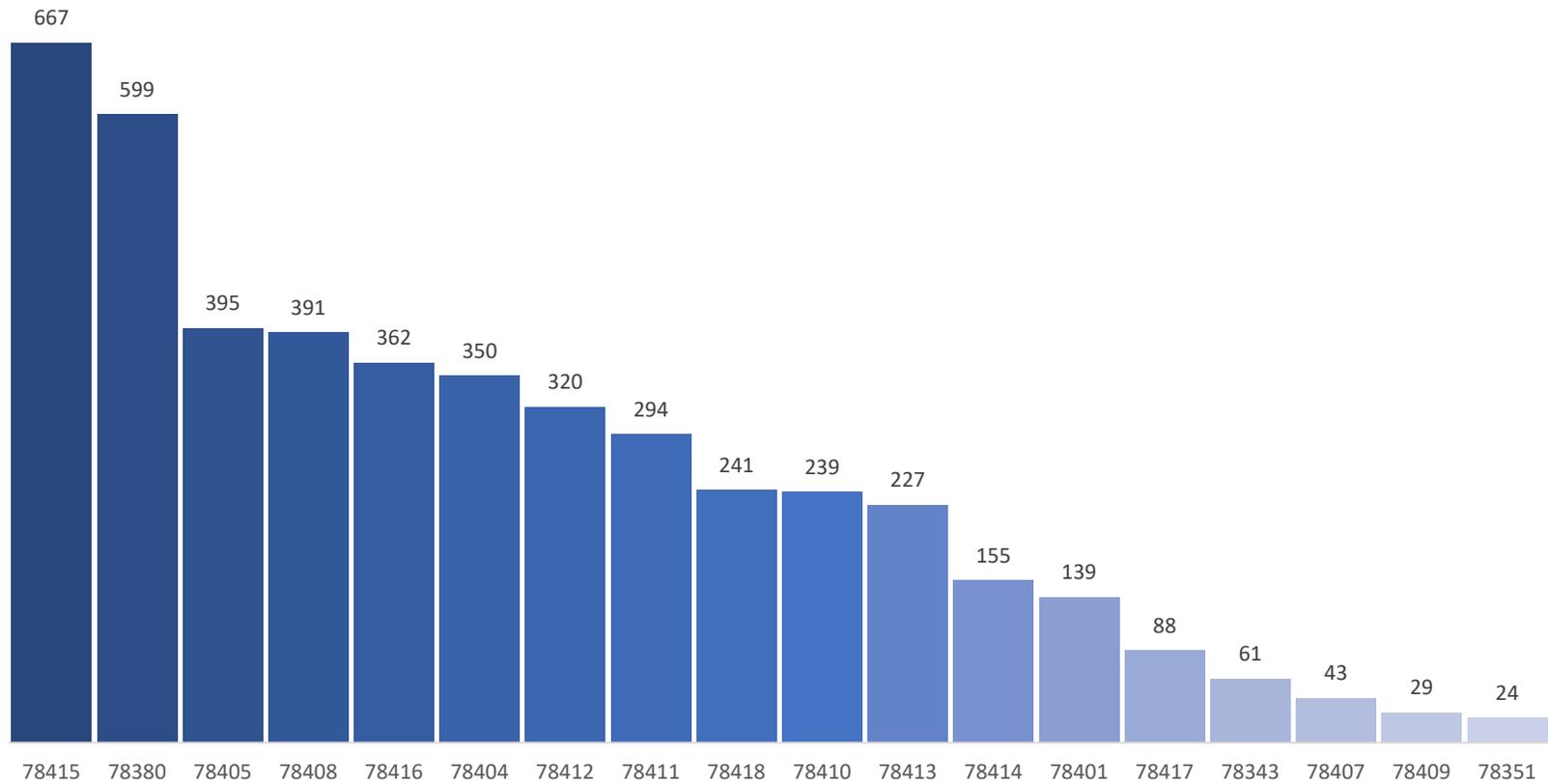
**Annual Comparative Enrollment Report  
Calendar Year 2023**

Month	Enrollment		Increase/(Decrease)	
	2023	2022	%	Enrollees
Jan	4,912	4,874	0.78%	38
Feb	4,863	4,772	1.91%	91
Mar	4,875	4,848	0.56%	27
Apr	4,768	4,868	-2.05%	-100
May	4,787	4,949	-3.27%	-162
Jun	4,760	5,019	-5.16%	-259
Jul	4,742	5,057	-6.23%	-315
Aug				
Sep				
Oct				
Nov				
Dec				



# Nueces County Hospital District

## Enrollment by Zipcode as of July 2023

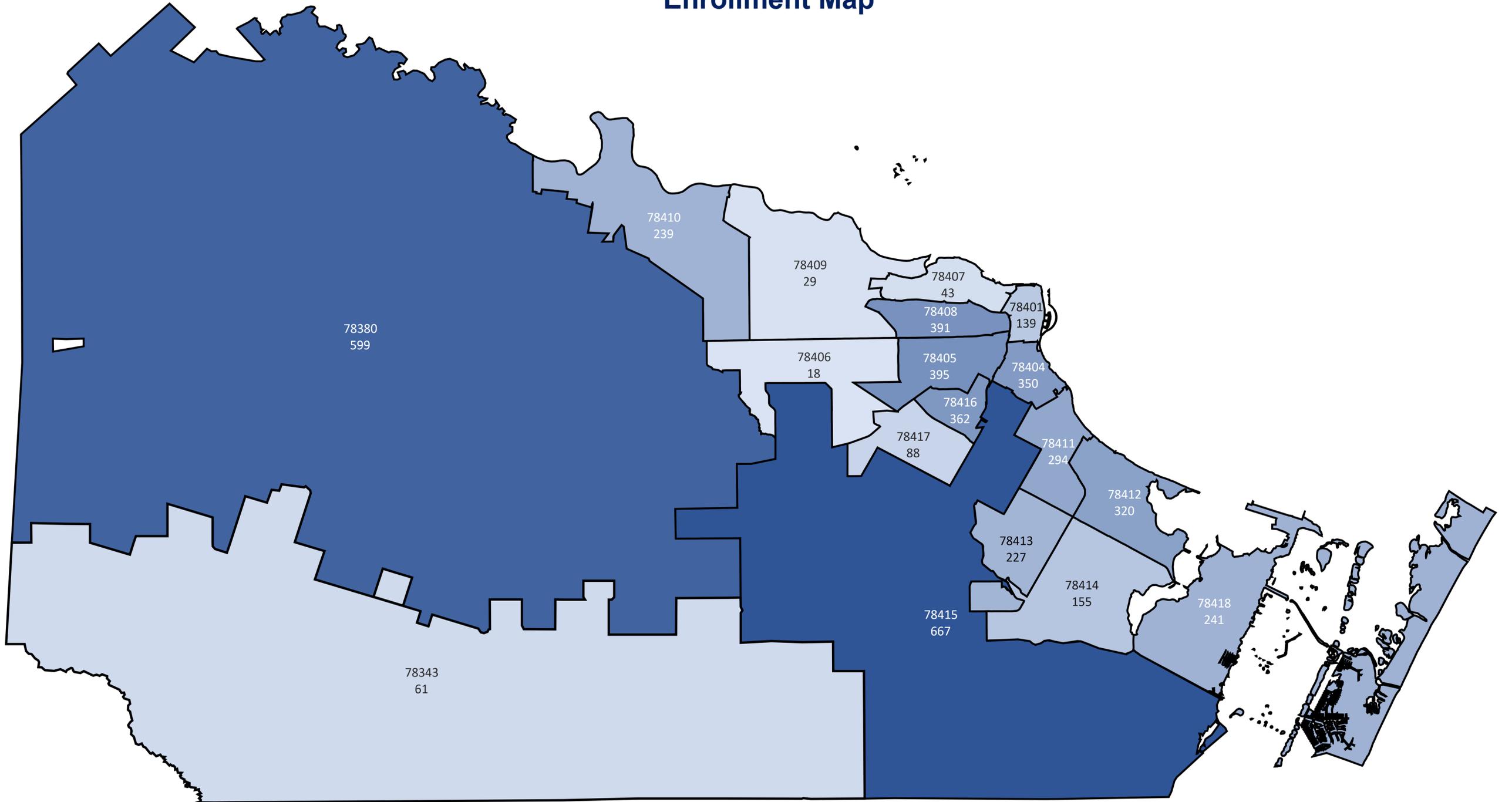


**Nueces County Hospital District  
Enrollment by Zip Code  
As of 7/31/2023**

<b>Zip Code</b>	<b>Description</b>	<b>Members</b>	<b>% to Total</b>
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	667	14%
78380	Robstown	599	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	395	8%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	391	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	362	8%
78404	CC:Six Points	350	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	320	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	294	6%
78418	CC:Flour Bluff	241	5%
78410	CC:Annville and Calallen	239	5%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	227	5%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	155	3%
78401	CC:Downtown and Cargo Docks	139	3%
78417	CC:Old Brownsville to Ayers to Saratoga	88	2%
78343	Bishop + FM 665 to CR 107 W to CR 57E	61	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	43	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	29	1%
78351	Driscoll	24	1%
	Subtotal	4,624	98%
	Total	4,742	



# Nueces County Hospital District Enrollment Map





**BOARD OF MANAGERS RESOLUTION**  
**AUGUST 22, 2023**

**A RESOLUTION COMMITTING A FISCAL YEAR-END GENERAL FUND AMOUNT  
TO SUBSEQUENT FISCAL YEAR’S INTERGOVERNMENTAL TRANSFERS**

**WHEREAS**, the Nueces County Hospital District (the “Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, the Hospital District’s Board of Managers (the “Board”) have been duly appointed pursuant to Health Code, §281.021(a); pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District’s governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

**WHEREAS**, the Hospital District’s Administrator (the “Administrator”) has the responsibility for preparing an annual budget under the Board’s direction pursuant to Health Code, §281.091(a); the District’s Fiscal Year 2023 is October 1, 2022 through September 30, 2023 (“Hospital District Fiscal Year 2023”); and the District’s Fiscal Year 2024 is October 1, 2023 through September 30, 2024 (“Hospital District Fiscal Year 2024”);

**WHEREAS**, the Hospital District is a governmental entity participating in certain Medicaid supplemental and directed payment programs organized by the Texas Health & Human Services Commission (the “Commission”) during Hospital District Fiscal Year 2023, including: [1] the Texas Healthcare Transformation and Quality Improvement Program Section 1115 Waiver (“Waiver”); [2] Disproportionate Share Hospital Program (“DSH”); [3] Network Access Improvement Program (“NAIP”); [4] Uniform Hospital Rate Increase Program (“UHRIP”); [5] Fee-For-Service Program (“FFS”); and [6] Directed Payment Programs (“DPP”);

**WHEREAS**, the Waiver includes two provider funding pools that rely on local intergovernmental transfers (“IGTs”): [1] Uncompensated Care (“UC”); and [2] Delivery System Reform Incentive Payment (“DSRIP”);

**WHEREAS**, pursuant to 1 Texas Administrative Code §354.1602, the Waiver’s Demonstration Years (“DY”) are a 12-month period beginning each October 1 and ending September 30; and the Waiver’s DY No. 12 began October 1, 2022 and ends September 30, 2023;

[THIS SPACE INTENTIONALLY LEFT BLANK]  
[RESOLUTION CONTINUES ON FOLLOWING PAGE]

**WHEREAS**, pursuant to the authority of Health Code, §281.094(b), the Hospital District provides IGTs to the State of Texas for use as the nonfederal share of Waiver-related UC and DSRIP payments for certain eligible health care providers located inside and outside the District's boundaries that periodically provide healthcare services to beneficiaries enrolled in the District's indigent health care program and residents of Nueces County, Texas, including Christus Spohn Hospital-Alice, Christus Spohn Hospital-Beeville, Christus Spohn Hospital-Corpus Christi, Christus Spohn Hospital-Kleberg, Corpus Christi Medical Center, Corpus Christi-Nueces County Public Health District, DeTar Healthcare System, and Driscoll Children's Hospital (collectively, the "Eligible Providers");

**WHEREAS**, under terms of the Waiver, Eligible Providers who are: [1] hospitals receive UC payments designed to offset the costs of uncompensated care; and [2] hospitals and other providers receive DSRIP incentive payments and DPP payments and for achievement of agreed-upon metrics associated with projects designed to achieve certain Waiver and program goals;

**WHEREAS**, due to Eligible Providers' partially-reported and/or Commission-delayed approval of Providers' DSRIP achievement metrics reporting for DY No. 12 and the Commission's split of UC payments during DY No. 12, the Commission has delayed its request to the Hospital District for IGTs associated with Eligible Providers' DY No. 12 DSRIP and/or UC payments until a date occurring after Hospital District Fiscal Year 2023 (the "Unpaid DY No. 12 IGTs");

**WHEREAS**, in addition to the preceding, the Commission is expected to delay or has delayed requests to the Hospital District for IGTs associated with certain Eligible Providers' participation in the DSH, NAIP, UHRIP, FFS, and DPP until a date occurring after Hospital District Fiscal Year 2023 (the "Other Unpaid Program IGTs"); and

**WHEREAS**, in consideration of the preceding recitals, the Board desires to commit an amount not to exceed **\$15,000,000** from the Hospital District's fiscal year-end September 30, 2023 General Fund balance to fund the Unpaid DY No. 12 IGTs and Other Unpaid Program IGTs in Hospital District Fiscal Year 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:**

1. The Board hereby commits an amount not to exceed **\$15,000,000** from the Hospital District's fiscal year-end September 30, 2023 General Fund balance to Hospital District Fiscal Year 2024 to fund the Unpaid DY No. 11 IGTs and Other Unpaid Program IGTs in Hospital District Fiscal Year 2024 for incurred, but unrequested, unpaid, and Commission-delayed expenditures arising from the District's and Eligible Providers' participation in the UC, DSRIP, DSH, NAIP, UHRIP, FFS, and DPP during Hospital District Fiscal Year 2023.
2. The actual amount committed above shall be final-determined by the Hospital District's Administrator on or after October 1, 2023 considering information then available from the Commission and/or Eligible Providers, however, the actual committed amount shall not exceed the amount in Resolved #1 above.
3. The actual committed funds above shall be committed from the Hospital District General Fund subaccount containing District funds routinely used for paying Waiver-related IGTs.

4. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
5. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.
6. This Resolution shall take effect and be in full force and effect upon and after its passage.
7. The Board retains its right to amend or repeal this Resolution.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**CERTIFICATE FOR RESOLUTION  
A RESOLUTION COMMITTING A FISCAL YEAR-END GENERAL FUND AMOUNT  
TO SUBSEQUENT FISCAL YEAR'S INTERGOVERNMENTAL TRANSFERS**

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION COMMITTING A FISCAL YEAR-END GENERAL FUND AMOUNT  
TO SUBSEQUENT FISCAL YEAR'S INTERGOVERNMENTAL TRANSFERS**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

---

Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}



**BOARD OF MANAGERS RESOLUTION**  
**AUGUST 22, 2023**

**A RESOLUTION RELATING TO  
REVENUE ALLOCATION PERCENTAGE  
FISCAL YEAR 2024**

**WHEREAS**, the Nueces County Hospital District (“Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (“Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (“Board”) has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

**WHEREAS**, on November 18, 2015, CHRISTUS Spohn Health System Corporation (“CHRISTUS Spohn”), CHRISTUS Health (“CHRISTUS Health”), and the Hospital District (collectively, the “Parties”) entered into an agreement titled “CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement” (“Amended and Restated Membership Agreement”) and Article V thereof relates to member distributions of net patient revenue;

**WHEREAS**, Amended and Restated Membership Agreement, Section 5.03 (a) established a procedure for the Parties to confer and agree on the percentage of net patient revenue that will be made available during each ensuing year to CHRISTUS Health (the “Specified Annual Percentage”) in exchange for its contributions to support CHRISTUS Spohn, and the remaining percentage of the net patient revenue that will be made available to the Hospital District in exchange for its continued support for the operations of CHRISTUS Spohn as a public, safety-net hospital in Nueces County, Texas; and

**WHEREAS**, the Parties have conferred and reached agreement on a Specified Annual Percentage for the ensuing year October 1, 2023 – September 30, 2024, subject to approval by the Board, as memorialized in that certain letter from CHRISTUS Spohn Health System to the District dated August 1, 2023 a copy thereof attached hereto as Exhibit “A”.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:**

1. The Board acknowledges that the Parties have conferred and reached agreement on a Specified Annual Percentage for the ensuing year October 1, 2023 – September 30, 2024, subject to approval by the Board.

2. The Board hereby approves the agreed upon Specified Annual Percentage for the ensuing year October 1, 2023 – September 30, 2024 as memorialized in that certain letter from CHRISTUS Spohn Health System Corporation to the District dated August 1, 2023 a copy thereof attached hereto as Exhibit “A”.
3. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.
4. This Resolution shall take effect and be in full force and effect upon and after its passage.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**EXHIBIT "A"**

[Attach August 1, 2023 letter from CHRISTUS Spohn Health System to the District after this page]



August 1, 2023

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

**Re: 2024 Specified Annual Percentage**

Dear Jonny:

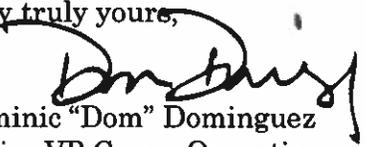
Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the "Membership Agreement"). The collaboration between CHRISTUS Spohn Health System Corporation ("Spohn"), CHRISTUS Health ("CHRISTUS"), and the Nueces County Hospital District ("District") over the past few weeks served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2023 – September 30, 2024). While Section 5.03 of the Membership Agreement requires that the parties agree to the Specified Annual Percentage by July 1, the parties mutually agreed to extend this deadline.

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, Spohn prepared a hospital budget and projected Spohn's Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn in projecting Spohn's operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On July 31, Spohn and the District met to discuss Spohn's proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn's role in operating programs in the community and the District's role as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties' respective operations in the Ensuing Year, including (but not limited to) the District's efforts to maintain its tax collections, renewal of the Texas 1115 Demonstration Waiver and directed payment programs, and the Memorial demolition.

Jonny Hipp  
August 1, 2023  
Page 2

Based on these discussions, the parties agreed, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be seventy-three percent (73%), and the remaining twenty-seven percent (27%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,

  
Dominic "Dom" Dominguez  
Senior VP Group Operations  
CHRISTUS Spohn Health System Corporation

#211491

**CERTIFICATE FOR RESOLUTION  
A RESOLUTION RELATING TO  
REVENUE ALLOCATION PERCENTAGE  
FISCAL YEAR 2024**

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION RELATING TO  
REVENUE ALLOCATION PERCENTAGE  
FISCAL YEAR 2024**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

---

Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}



**BOARD OF MANAGERS RESOLUTION**  
**AUGUST 22, 2023**

**A RESOLUTION INCORPORATING  
FISCAL YEAR 2024 ANNUAL BUDGET FUNDING  
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

**WHEREAS**, the Nueces County Hospital District (the “Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (the “Board”) has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

**WHEREAS**, pursuant to the statutory requirements of Health Code, §281.091(a), the Hospital District’s Administrator (the “Administrator”) has the duty of preparing an annual budget under the Board’s direction and the Hospital District’s Fiscal Year 2024 is October 1, 2023 through September 30, 2024;

**WHEREAS**, the Hospital District has certain funds made available to the District from sources other than a tax levy (“Hospital District’s Non-Tax Funds”) as described in Health Code, §281.094(a), and when said funds are used for statutorily authorized expenditures, said expenditures qualify as a portion of the District’s annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2);

**WHEREAS**, on January 19, 1999, the Board adopted a Resolution creating a restricted Tobacco Settlement Fund (the “Tobacco Settlement Fund”) and said resolution directed that all proceeds arising from the litigation styled, *The State of Texas v. The American Tobacco Co., et al., No. 5-96CV-91 in the United States District Court, Eastern District of Texas* (the “Tobacco Litigation”), be placed into said Fund;

**WHEREAS**, the Hospital District proceeds that arise from the Tobacco Litigation are revenues made available to the District from sources other than a tax levy as described in Health Code, §281.094(a), and when said revenues are used for statutorily authorized expenditures, said expenditures qualify as a portion of the District’s annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2);

**WHEREAS**, previously in August 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Nueces County Commissioners Court (the “Commissioners Court” or “Court”) requested that the Board provide funding for the Nueces County-related healthcare services permitted in Health Code, §281.094(a) during the District’s related Fiscal Years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 Annual Budgets and the Board has undertaken all such requests;

**WHEREAS**, Commissioners Court has requested for the Hospital District’s Fiscal Year 2024, that the Board allocate in the Hospital District’s Fiscal Year 2024 Annual Budget (the “FY 2024 Annual Budget”), funds sufficient to provide for the healthcare services detailed and described in the schedule “County Healthcare Services Funding Schedule - Fiscal Year 2024” attached hereto and identified as “Attachment “A”” and incorporated herein by reference (collectively, the “FY 2024 County Healthcare Services”);

**WHEREAS**, the Board is amenable to undertaking Commissioners Court’s request above to allocate funds in the FY 2024 Annual Budget for the FY 2024 County Healthcare Services, subject to the continuing availability of funds and the Board desires to appropriate in the FY 2024 Annual Budget, funds sufficient to provide for the FY 2024 County Healthcare Services in the aggregate amount of **\$12,614,778** (the “FY 2024 County Healthcare Services Funding Amount”) as such services are detailed and described in the schedule “County Healthcare Services Funding Schedule - Fiscal Year 2024” attached hereto and identified as “Attachment “A”” and incorporated herein by reference;

**WHEREAS**, the FY 2024 County Healthcare Services are healthcare services described in Health Code, §281.094(a) and the related FY 2024 County Healthcare Services Funding Amount to be paid by the Hospital District from the Hospital District’s Non-Tax Funds and Tobacco Settlement Fund pursuant to this Resolution are funds made available to the District from sources other than a tax levy as described in Health Code, §281.094(a), and as a result said expenditures qualify as a portion of the District’s annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2) due to the fact they are statutorily authorized expenditures, and Health Code, §281.094(a), provides that, with the approval of Commissioners Court, the Board of the Hospital District may use funds made available to the Hospital District from sources other than a tax levy to fund those healthcare services described therein;

**WHEREAS**, the Board desires to assure that FY 2024 Annual Budget funds disbursed for FY 2024 County Healthcare Services, as detailed and described in this Resolution, are utilized for the intended efforts, or come as a logical consequence of such efforts; and

**WHEREAS**, pursuant to the authority of the Health Code, §281.026(d) and (e), the Administrator has the full power and authority to perform the acts described and resolved by the Board hereunder, and he is legally authorized and capable of performing such acts.

[THIS SPACE INTENTIONALLY LEFT BLANK]

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:**

1. The Board hereby determines and declares that the forgoing recitals are true and correct and are adopted as part of this Resolution as findings-of-fact.
2. The Board hereby determines, declares, and issues a finding of fact wherein the funds from the Hospital District's Non-Tax Funds and Tobacco Settlement Fund for payment of the FY 2024 County Healthcare Services Funding Amount pursuant to this Resolution are funds made available to the District from sources other than a tax levy and any disbursement of those funds is a statutorily authorized expenditure as described in Health Code, §281.094(a) and thereby qualify as a portion of the District's annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2).
3. Pursuant to the authority of Health Code, §281.091(a) and the provisions of Health Code, §281.094(a), the Board hereby directs the Administrator to incorporate into the Hospital District's FY 2024 Annual Budget an amount equal to **\$12,614,778** to provide for the FY 2024 County Healthcare Services to be allocated as shown in the schedule "County Healthcare Services Funding Schedule - Fiscal Year 2024" attached hereto and identified as "Attachment "A"."
4. It shall be the responsibility of Nueces County to assure that FY 2024 Annual Budget funds disbursed for FY 2024 Nueces County Healthcare Services, as described in this Resolution, are utilized for the intended efforts, or come as a logical consequence of such efforts.
5. The Board hereby authorizes and directs the Administrator to disburse the FY 2024 Nueces County Healthcare Services Funding Amount on a basis, schedule, and in a manner, he determines is reasonable and appropriate following commencement of the Hospital District's Fiscal Year 2024.
6. The Administrator shall be and is hereby expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
7. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to certify these resolutions and that the provisions hereof are in conformance with the Governing Board Bylaws of the Hospital District and the laws of the State of Texas.
8. This Resolution shall take effect and be in full force and effect upon and after its passage.

[THIS SPACE INTENTIONALLY LEFT BLANK]  
[BOARD OF MANAGERS SIGNATURE PAGE FOLLOWS]

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**ATTACHMENT "A"**

**COUNTY HEALTHCARE SERVICES  
FUNDING SCHEDULE - FISCAL YEAR 2024**

<b>Program #</b>	<b>Program Description</b>	<b>Amount</b>
1a	Local match and other funding for the Nueces Center for Mental Health and Intellectual Disabilities.	\$969,129
1b	Nueces Center for Mental Health and Intellectual Disabilities and/or Nueces County for: [i] Jail Diversion Program, [ii] Crisis Intervention Team (CIT), [iii] Mobile Crisis Outreach Team (MCOT), [iv] Walk-in-Crisis, [v] Jail-Based Competency Restoration (JBCR), and [vi] Forensic Assertive Community Treatment Team (FACT) programs.	3,018,000
2	Nueces County's expense share for City/County Public Health District, Nueces County vector control, and Robstown public health outreach and mobile medical clinic operated by the City/County Public Health District.	2,313,000
3	Emergency medical services provided by cities, towns, and emergency services districts into Nueces County outside their jurisdictions.	650,000
4	Detainee healthcare services at the Nueces County Juvenile Justice Center and elsewhere where detainees are held.	474,000
5	Inmate healthcare services provided by Armor Correctional healthcare Services at the Nueces County Jail and McKenzie Jail Annex.	4,795,649
6a	Nueces County for contribution to the Alcohol and Drug Rehabilitation Center (Cenikor).	60,000
6b	Nueces County for contribution to the Council on Alcohol and Drug Abuse	50,000
7	Nueces County for programs impacting juvenile and adult diabetes.	50,000
8	HALO-Flight nonprofit air ambulance service.	15,000
9	Public health grants relating to COVID-19 pandemic-related testing and other healthcare services provided to residents of the Hospital District; grants for Amistad Community Health Center, Coastal Bend Wellness Foundation, and University of Texas Health Science Center-San Antonio Area Health Education Center.	220,000
<b>Total</b>		<b>\$12,614,778</b>

**CERTIFICATE FOR RESOLUTION  
A RESOLUTION INCORPORATING  
FISCAL YEAR 2024 ANNUAL BUDGET FUNDING  
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION INCORPORATING  
FISCAL YEAR 2024 ANNUAL BUDGET FUNDING  
FOR NUECES COUNTY-RELATED HEALTHCARE EXPENDITURES**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

---

Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}



**BOARD OF MANAGERS RESOLUTION**  
**AUGUST 22, 2023**

**A RESOLUTION INCORPORATING FISCAL YEAR 2024  
ANNUAL BUDGET FUNDING FOR THE  
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES**

**WHEREAS**, the Nueces County Hospital District (the “Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (the “Hospital District Board”) has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

**WHEREAS**, the Hospital District’s Administrator (the “Administrator”) has the responsibility for preparing an annual budget under the Board’s direction, pursuant to Health Code, §281.091(a); and the District’s Fiscal Year 2024 is October 1, 2023 through September 30, 2024;

**WHEREAS**, the Hospital District has certain funds made available to it from sources other than a tax levy (“Hospital District’s Non-Tax Funds”) as described in Health Code, §281.094(a) and when said funds are used for statutorily authorized expenditures, said expenditures qualify as a portion of the District’s annual claims submitted for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2);

**WHEREAS**, the Nueces Center for Mental Health and Intellectual Disabilities (the “NCMHID”) is authorized by and was established pursuant to Health Code, Title 7, Chapter 534, Subchapter A (the “MHMR Code”), to provide mental health and mental retardation services in the community;

**WHEREAS**, pursuant to the MHMR Code, §534.001(c), the NCMHID is an agency of the state, a governmental unit, and a unit of local government as defined and specified by Chapters 101 and 102, Civil Practice and Remedies Code; a local government, as defined by §791.003, Government Code; a local government for the purposes of Chapter 1084, Acts of the 70<sup>th</sup> Legislature, Regular Session, 1987; and a political subdivision for the purposes of Chapter 172, Local Government Code;

[THIS SPACE INTENTIONALLY LEFT BLANK]

**WHEREAS**, previously in August 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 Nueces County Commissioners Court (the “Commissioners Court” or “Court”) requested that the Hospital District Board provide funding for certain Health Code, §281.094(a)-permitted purposes in the District’s related Fiscal Years 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 Annual Budgets and the Board has undertaken all such requests;

**WHEREAS**, Commissioners Court has requested, pursuant to Health Code, §281.094(a), that the Hospital District Board appropriate within the District’s Fiscal Year 2024 Annual Budget (the “FY 2024 Annual Budget”), funds sufficient to provide local match, services, and other funding for the NCMHID (the “NCMHID Services”) and the Hospital District Board is amenable to said request, subject to the continuing availability of funds sufficient from the Hospital District’s Non-Tax Funds;

**WHEREAS**, considering Commissioners Court’s request, the Hospital District Board desires to make available in the District’s FY 2024 Annual Budget, funds sufficient to provide for the NCMHID Services in the aggregate amount of **\$969,129** (the “NCMHID Services Funding Amount”) as further detailed and described in the “Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule - Fiscal Year 2024” attached hereto and identified as “Attachment “A”” which is incorporated herein by reference;

**WHEREAS**, the NCMHID Services are mental health and mental retardation services and the related NCMHID Services Funding Amount to be paid by the Hospital District from the Hospital District’s Non-Tax Funds pursuant to this Resolution are revenues made available to the District from sources other than a tax levy as described in Health Code, §281.094(a), and as a result said expenditures qualify as a portion of the District’s annual claims for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2) due to the fact they are statutorily authorized expenditures under Health Code, §281.094(a), Health Code, §281.094(a) provides that, with the approval of Commissioners Court, the Hospital District Board may use funds made available to the Hospital District from sources other than a tax levy to fund health care services, including mental health and mental retardation services; and

**WHEREAS**, pursuant to the authority of the Health Code, §281.026(d) and (e), the Administrator has the full power and authority to perform the acts described and resolved by the Hospital District Board hereunder, and he is legally authorized and capable of performing such acts.

[THIS SPACE INTENTIONALLY LEFT BLANK]

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:**

1. The Board hereby determines and declares that the forgoing recitals are true and correct and are adopted as part of this Resolution as findings-of-fact.
2. The Board hereby determines, declares, and issues a finding of fact wherein the funds from the Hospital District's Non-Tax Funds to be appropriated from the General Fund pursuant to this Resolution for payment of the NCMHID Services Funding Amount are funds made available to the Hospital District from sources other than a tax levy and any disbursement of said funds is a statutorily authorized expenditure as described in Health Code, §281.094(a) and thereby qualifies as a portion of the District's annual claims for distribution of tobacco settlement proceeds to political subdivisions as described in 25 Texas Administrative Code §102.3(e)(2).
3. Pursuant to the authority of Health Code, §281.091(a) and the provisions of Health Code §281.094(a), the Hospital District Board hereby directs the Administrator to incorporate into the District's FY 2024 Annual Budget an amount equal to **\$969,129** to provide for the NCMHID Services shown in Attachment "A" titled "Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule - Fiscal Year 2024" attached hereto.
4. The Hospital District Board hereby authorizes and directs the Administrator to disburse the NCMHID Services Funding Amount to NCMHID in equal quarterly portions, or otherwise on a payment schedule he determines is reasonable and appropriate during the District's Fiscal Year 2024.
5. The Administrator is hereby further authorized and directed to establish any additional procedures and requirements that he determines are reasonable and appropriate for disbursing the NCMHID Services Funding Amount, including, but not limited to, procedures and requirements pertaining to disclosure of NCMHID's accounting, reporting, and utilization information relating to the NCMHID Services Funding Amount.
6. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
7. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the Governing Board Bylaws of the Hospital District and the laws of the State of Texas.
8. This Resolution shall take effect and be in full force and effect upon and after its passage.

[THIS SPACE INTENTIONALLY LEFT BLANK]  
[BOARD OF MANAGERS SIGNATURE PAGE FOLLOWS]



**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**ATTACHMENT "A"**

**NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES  
FUNDING SCHEDULE - FISCAL YEAR 2024**

<b>Item #</b>	<b>Program Title</b>	<b>Amount</b>
1	MH Youth Services	\$152,915
2	MH Crime Victims	45,242
3	IDD Administration	208,763
4	IDD Respite	7,956
5	IDD HCS	170,270
6	IDD Texas Home Living	79,195
7	IDD Supported Home Living	23,508
8	IDD Site Based Habilitation	78,070
9	IDD CCAD Contract	87,315
10	IDD Intake Assessment	12,960
11	IDD Texas Home Living SC	103,934
	<b>Total</b>	<b>\$969,129</b>

MH means Mental Health  
IDD means Intellectual and Developmental Disabilities

**CERTIFICATE FOR RESOLUTION  
A RESOLUTION INCORPORATING FISCAL YEAR 2024  
ANNUAL BUDGET FUNDING FOR THE  
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES**

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION INCORPORATING FISCAL YEAR 2024  
ANNUAL BUDGET FUNDING FOR THE  
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

---

Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}

**NUECES COUNTY HOSPITAL DISTRICT  
BUDGET - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2024 Budget		Fiscal 2023 Budget		Budget 2024 vs. 2023	Fiscal 2023 Est. Actual		Est. Act vs F2024 Bud
Explanation								
<b>REVENUES</b>								
Property Taxes:								
1 Current	35,694,543	23.51%	36,929,581	56.02%	(1,235,037)	37,134,254	53.33%	(1,439,711)
2 Delinquent	(0)	0.00%	(0)	0.00%	0	331,199	0.48%	(331,199)
3 Penalties & Interest	356,945	0.24%	369,296	0.56%	(12,350)	337,049	0.48%	19,896
4 <b>Total Property Tax Revenue</b>	<b>36,051,489</b>	<b>23.74%</b>	<b>37,298,876</b>	<b>56.58%</b>	<b>(1,247,387)</b>	<b>37,802,502</b>	<b>54.29%</b>	<b>(1,751,013)</b>
5 Spohn Corporate Member Revenue	114,750,000	75.58%	28,000,000	42.47%	86,750,000	28,508,258	40.94%	86,241,742
6 Investment Income	878,297	0.58%	376,092	0.57%	502,205	2,770,840	3.98%	(1,892,543)
7 Other Income	150,000	0.10%	250,000	0.38%	(100,000)	553,734	0.80%	(403,734)
8 <b>Total Other Revenues</b>	<b>115,778,297</b>	<b>76.26%</b>	<b>28,626,092</b>	<b>43.42%</b>	<b>87,152,205</b>	<b>31,832,832</b>	<b>45.71%</b>	<b>83,945,465</b>
9 <b>TOTAL REVENUES</b>	<b>151,829,786</b>	<b>100%</b>	<b>65,924,968</b>	<b>100%</b>	<b>85,904,818</b>	<b>69,635,334</b>	<b>100%</b>	<b>82,194,452</b>
<b>OPERATING EXPENSES</b>								
10 Intergovernment Transfers	118,786,712	81.46%	44,847,968	70.78%	73,938,744	50,961,868	75.24%	67,824,844
11 County Healthcare Services	10,845,778	7.44%	12,207,824	19.27%	(1,362,046)	11,989,898	17.70%	(1,144,120)
12 Salaries	1,857,125	1.27%	1,678,976	2.65%	178,150	1,463,756	2.16%	393,369
13 Benefits	819,007	0.56%	758,385	1.20%	60,622	727,950	1.07%	91,057
14 Legal & Professional Fees	1,169,000	0.80%	1,556,000	2.46%	(387,000)	975,824	1.44%	193,176
15 Purchased Services	624,650	0.43%	617,150	0.97%	7,500	494,409	0.73%	130,241
16 Tax Assessor / Appraisal Collection Fees	760,000	0.52%	757,000	1.19%	3,000	729,145	1.08%	30,855
17 Supplies & Materials	23,000	0.02%	21,500	0.03%	1,500	21,100	0.03%	1,900
18 Rent & Leases	152,000	0.10%	166,500	0.26%	(14,500)	149,909	0.22%	2,091
19 Repairs & Maintenance	10,000	0.01%	10,000	0.02%	0	4,897	0.01%	5,103
20 Telephone & Utilities	58,000	0.04%	48,000	0.08%	10,000	43,272	0.06%	14,728
21 Insurance	33,900	0.02%	30,800	0.05%	3,100	25,060	0.04%	8,840
22 Administrative & General	458,700	0.31%	438,400	0.69%	20,300	103,836	0.15%	354,864
23 Capital Outlay	10,224,000	7.01%	215,400	0.34%	10,008,600	42,937	0.06%	10,181,063
24 Extraordinary	5,000	0.00%	5,000	0.01%	0	536	0.00%	4,464
25 <b>TOTAL EXPENDITURES</b>	<b>145,826,872</b>	<b>100%</b>	<b>63,358,903</b>	<b>100%</b>	<b>82,467,970</b>	<b>67,734,397</b>	<b>100%</b>	<b>78,092,475</b>
26 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>6,002,914</b>		<b>2,566,065</b>		<b>3,436,848</b>	<b>1,900,937</b>		<b>4,101,977</b>
<b>NON-OPERATING SOURCES (USES)</b>								
27 Operating Transfer In (Tobacco Fund)	650,000		600,000		50,000	711,000		(61,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 <b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,652,914</b>		<b>3,166,065</b>		<b>3,486,848</b>	<b>2,611,937</b>		<b>4,040,977</b>
30 <b>FUND BALANCE, BEGINNING OF PERIOD</b>	<b>44,527,646</b>		<b>38,470,767</b>			<b>41,915,709</b>		
31 <b>FUND BALANCE, END OF PERIOD</b>	<b>51,180,560</b>		<b>41,636,832</b>			<b>44,527,646</b>		
32 <b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,254,549</b>		<b>30,696,875</b>			<b>33,778,223</b>		

NUECES COUNTY HOSPITAL DISTRICT  
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &  
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS  
FOR THE YEAR ENDING SEPTEMBER 30, 2024

Tax Rate: 0.081963 (No-New-Revenue)

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	<b>REVENUES</b>				
1	Property Taxes	36,051,489	0	0	36,051,489
2	Spohn Corporate Member Revenue	114,750,000	0	0	114,750,000
3	Investment Income	878,297	0	874,800	1,753,097
4	Other Income	150,000	0	0	150,000
5	Tobacco Income	0	650,000	0	650,000
6	<b>TOTAL REVENUES</b>	<b>151,829,786</b>	<b>650,000</b>	<b>874,800</b>	<b>153,354,586</b>
	<b>OPERATING EXPENSES</b>				
7	Intergovernmental Transfers	118,786,712	0	0	118,786,712
8	County Healthcare Services	10,845,778	0	0	10,845,778
9	Salaries	1,857,125	0	0	1,857,125
10	Benefits	819,007	0	0	819,007
11	Legal & Professional Fees	1,169,000	0	0	1,169,000
12	Purchased Services	624,650	0	0	624,650
13	Tax Assessor / Appraisal Collection Fees	760,000	0	0	760,000
14	Supplies & Materials	23,000	0	0	23,000
15	Rent & Leases	152,000	0	0	152,000
16	Repairs & Maintenance	10,000	0	0	10,000
17	Telephone & Utilities	58,000	0	0	58,000
18	Insurance	33,900	0	0	33,900
19	Administrative & General	458,700	0	0	458,700
20	Capital Outlay	10,224,000	0	0	10,224,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	<b>TOTAL EXPENDITURES</b>	<b>145,826,872</b>	<b>0</b>	<b>0</b>	<b>145,826,872</b>
24	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>6,002,914</b>	<b>650,000</b>	<b>874,800</b>	<b>7,527,713</b>
	<b>NON-OPERATING SOURCES (USES)</b>				
25	Operating Transfers In	650,000	0	0	650,000
26	Operating Transfers Out	0	(650,000)	0	(650,000)
27	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,652,914</b>	<b>0</b>	<b>874,800</b>	<b>7,527,713</b>
28	<b>FUND BALANCE, BEGINING OF PERIOD</b>	<b>44,527,646</b>	<b>0</b>	<b>56,081,123</b>	<b>100,608,769</b>
29	<b>FUND BALANCE, END OF PERIOD</b>	<b>51,180,560</b>	<b>0</b>	<b>56,955,923</b>	<b>108,136,483</b>
30	<b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,254,549</b>	<b>0</b>	<b>56,955,923</b>	<b>83,210,472</b>

Nueces County Hospital District  
 County Healthcare Department Expenditures  
 FY2023 - FY2024

EXHIBIT C

Program	Budget 2024	Budget 2023	Difference	Projected 2023	Difference Bud24 v. Proj
<b><u>Mental Healthcare Services</u></b>					
1 a MHID (State Match Program)	969,129	969,129	0	969,129	0
b <u>MHID - Jail Programs</u>					
Jail Diversion	0	450,000	(450,000)	260,000	(260,000)
CIT/MCOT	1,111,000	1,111,000	0	1,550,000	(439,000)
--Walk-in-Crisis	550,000	550,000	0	350,000	200,000
Jail Based Competency Restoration (JBCR)	0	207,000	(207,000)	195,000	(195,000)
Forensic ACT	0	700,000	(700,000)	385,000	(385,000)
	<u>1,661,000</u>	<u>3,018,000</u>	<u>(1,357,000)</u>	<u>2,740,000</u>	<u>(1,079,000)</u>
c <u>Mental Healthcare Services Department</u>					
Staff Salaries, Benefits, Expenses	0	273,000	(273,000)	273,000	(273,000)
	<u>0</u>	<u>273,000</u>	<u>(273,000)</u>	<u>273,000</u>	<u>(273,000)</u>
Subtotal Mental Healthcare Services	<u>2,630,129</u>	<u>4,260,129</u>	<u>(1,630,000)</u>	<u>3,982,129</u>	<u>(1,352,000)</u>
2 <u>Health Department (Operating Expenditures)</u>					
Health Department/Vector Control - Accrued	2,000,000	2,000,000	0	2,000,000	0
Robstown Public Health Outreach & Mobile Clinic	313,000	0	313,000	0	313,000
	<u>2,313,000</u>	<u>2,000,000</u>	<u>313,000</u>	<u>2,000,000</u>	<u>313,000</u>
3 <u>Emergency Medical Services</u>	650,000	650,000		650,000	
City of Robstown					
Emergency Services District #1					
Emergency Services District #2					
Emergency Services District #4					
Emergency Services District #6					
	<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>650,000</u>	<u>0</u>
4 <u>Juvenile Detention Center-Health Services</u>	407,000	474,000	(67,000)	474,000	(67,000)
Various Health-related Services					
5 <u>County Jail Healthcare Services</u>	4,795,649	4,478,695	316,955	4,538,768	256,881
Armor Correctional Healthcare Services					
6a Alcohol and Drug Rehabilitation Center (Cenikor)	0	60,000	(60,000)	60,000	(60,000)
6b Council on Alcohol & Drug Abuse	0	50,000	(50,000)	50,000	(50,000)
7 County Juvenile and Adult Diabetes Program	0	50,000	(50,000)	50,000	(50,000)
8 HALO-Flight Funding	0	15,000	(15,000)	15,000	(15,000)
9 <u>Public Health Grants</u>					
Coastal Bend Wellness Foundation	0	85,000	(85,000)	85,000	(85,000)
Amistad Community Health Center	0	85,000	(85,000)	85,000	(85,000)
Area Health Education Center (AHEC)	50,000	0	50,000	0	50,000
	<u>50,000</u>	<u>170,000</u>	<u>(120,000)</u>	<u>170,000</u>	<u>(120,000)</u>
<b>TOTALS</b>	<b>10,845,778</b>	<b>12,207,824</b>	<b>(1,362,046)</b>	<b>11,989,897</b>	<b>(1,144,119)</b>

**NUECES COUNTY HOSPITAL DISTRICT  
BUDGET - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2024		Fiscal 2023		Budget	Fiscal 2023		Est. Act vs
Explanation	Budget		Budget		2024 vs. 2023	Est. Actual		F2024 Bud
<b>REVENUES</b>								
Property Taxes:								
1 Current	37,202,546	24.26%	36,929,581	56.02%	272,965	37,134,254	53.33%	68,292
2 Delinquent	(0)	0.00%	(0)	0.00%	0	331,199	0.48%	(331,199)
3 Penalties & Interest	372,025	0.24%	369,296	0.56%	2,730	337,049	0.48%	34,976
4 <b>Total Property Tax Revenue</b>	<b>37,574,571</b>	<b>24.50%</b>	<b>37,298,876</b>	<b>56.58%</b>	<b>275,695</b>	<b>37,802,502</b>	<b>54.29%</b>	<b>(227,931)</b>
5 Spohn Corporate Member Revenue	114,750,000	74.83%	28,000,000	42.47%	86,750,000	28,508,258	40.94%	86,241,742
6 Investment Income	880,325	0.57%	376,092	0.57%	504,233	2,770,840	3.98%	(1,890,515)
7 Other Income	150,000	0.10%	250,000	0.38%	(100,000)	553,734	0.80%	(403,734)
8 <b>Total Other Revenues</b>	<b>115,780,325</b>	<b>75.50%</b>	<b>28,626,092</b>	<b>43.42%</b>	<b>87,154,233</b>	<b>31,832,832</b>	<b>45.71%</b>	<b>83,947,493</b>
9 <b>TOTAL REVENUES</b>	<b>153,354,897</b>	<b>100%</b>	<b>65,924,968</b>	<b>100%</b>	<b>87,429,929</b>	<b>69,635,334</b>	<b>100%</b>	<b>83,719,563</b>
<b>OPERATING EXPENSES</b>								
10 Intergovernment Transfers	118,786,712	80.48%	44,847,968	70.78%	73,938,744	50,961,868	75.24%	67,824,844
11 County Healthcare Services	12,614,778	8.55%	12,207,824	19.27%	406,954	11,989,898	17.70%	624,880
12 Salaries	1,857,125	1.26%	1,678,976	2.65%	178,150	1,463,756	2.16%	393,369
13 Benefits	819,007	0.55%	758,385	1.20%	60,622	727,950	1.07%	91,057
14 Legal & Professional Fees	1,169,000	0.79%	1,556,000	2.46%	(387,000)	975,824	1.44%	193,176
15 Purchased Services	624,650	0.42%	617,150	0.97%	7,500	494,409	0.73%	130,241
16 Tax Assessor / Appraisal Collection Fees	760,000	0.51%	757,000	1.19%	3,000	729,145	1.08%	30,855
17 Supplies & Materials	23,000	0.02%	21,500	0.03%	1,500	21,100	0.03%	1,900
18 Rent & Leases	152,000	0.10%	166,500	0.26%	(14,500)	149,909	0.22%	2,091
19 Repairs & Maintenance	10,000	0.01%	10,000	0.02%	0	4,897	0.01%	5,103
20 Telephone & Utilities	58,000	0.04%	48,000	0.08%	10,000	43,272	0.06%	14,728
21 Insurance	33,900	0.02%	30,800	0.05%	3,100	25,060	0.04%	8,840
22 Administrative & General	458,700	0.31%	438,400	0.69%	20,300	103,836	0.15%	354,864
23 Capital Outlay	10,224,000	6.93%	215,400	0.34%	10,008,600	42,937	0.06%	10,181,063
24 Extraordinary	5,000	0.00%	5,000	0.01%	0	536	0.00%	4,464
25 <b>TOTAL EXPENDITURES</b>	<b>147,595,872</b>	<b>100%</b>	<b>63,358,903</b>	<b>100%</b>	<b>84,236,970</b>	<b>67,734,397</b>	<b>100%</b>	<b>79,861,475</b>
26 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>5,759,024</b>		<b>2,566,065</b>		<b>3,192,959</b>	<b>1,900,937</b>		<b>3,858,087</b>
<b>NON-OPERATING SOURCES (USES)</b>								
27 Operating Transfer In (Tobacco Fund)	650,000		600,000		50,000	711,000		(61,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 <b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,409,024</b>		<b>3,166,065</b>		<b>3,242,959</b>	<b>2,611,937</b>		<b>3,797,087</b>
30 <b>FUND BALANCE, BEGINNING OF PERIOD</b>	<b>44,527,646</b>		<b>38,470,767</b>			<b>41,915,709</b>		
31 <b>FUND BALANCE, END OF PERIOD</b>	<b>50,936,670</b>		<b>41,636,832</b>			<b>44,527,646</b>		
32 <b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,010,659</b>		<b>30,696,875</b>			<b>33,778,223</b>		

NUECES COUNTY HOSPITAL DISTRICT  
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &  
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS  
FOR THE YEAR ENDING SEPTEMBER 30, 2024

Tax Rate: 0.085242 (4% Above No-New-Revenue)

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	<b>REVENUES</b>				
1	Property Taxes	37,574,571	0	0	37,574,571
2	Spohn Corporate Member Revenue	114,750,000	0	0	114,750,000
3	Investment Income	880,325	0	874,800	1,755,125
4	Other Income	150,000	0	0	150,000
5	Tobacco Income	0	650,000	0	650,000
6	<b>TOTAL REVENUES</b>	<b>153,354,897</b>	<b>650,000</b>	<b>874,800</b>	<b>154,879,696</b>
	<b>OPERATING EXPENSES</b>				
7	Intergovernmental Transfers	118,786,712	0	0	118,786,712
8	County Healthcare Services	12,614,778	0	0	12,614,778
9	Salaries	1,857,125	0	0	1,857,125
10	Benefits	819,007	0	0	819,007
11	Legal & Professional Fees	1,169,000	0	0	1,169,000
12	Purchased Services	624,650	0	0	624,650
13	Tax Assessor / Appraisal Collection Fees	760,000	0	0	760,000
14	Supplies & Materials	23,000	0	0	23,000
15	Rent & Leases	152,000	0	0	152,000
16	Repairs & Maintenance	10,000	0	0	10,000
17	Telephone & Utilities	58,000	0	0	58,000
18	Insurance	33,900	0	0	33,900
19	Administrative & General	458,700	0	0	458,700
20	Capital Outlay	10,224,000	0	0	10,224,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	<b>TOTAL EXPENDITURES</b>	<b>147,595,872</b>	<b>0</b>	<b>0</b>	<b>147,595,872</b>
24	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>5,759,024</b>	<b>650,000</b>	<b>874,800</b>	<b>7,283,824</b>
	<b>NON-OPERATING SOURCES (USES)</b>				
25	Operating Transfers In	650,000	0	0	650,000
26	Operating Transfers Out	0	(650,000)	0	(650,000)
27	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,409,024</b>	<b>0</b>	<b>874,800</b>	<b>7,283,824</b>
28	<b>FUND BALANCE, BEGINING OF PERIOD</b>	<b>44,527,646</b>	<b>0</b>	<b>56,081,123</b>	<b>100,608,769</b>
29	<b>FUND BALANCE, END OF PERIOD</b>	<b>50,936,670</b>	<b>0</b>	<b>56,955,923</b>	<b>107,892,593</b>
30	<b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,010,659</b>	<b>0</b>	<b>56,955,923</b>	<b>82,966,582</b>

Nueces County Hospital District  
 County Healthcare Department Expenditures  
 FY2023 - FY2024

EXHIBIT C

Program	Budget 2024	Budget 2023	Difference	Projected 2023	Difference Bud24 v. Proj
<b><u>Mental Healthcare Services</u></b>					
1 a MHID (State Match Program)	969,129	969,129	0	969,129	0
b <u>MHID - Jail Programs</u>					
Jail Diversion	450,000	450,000	0	260,000	190,000
CIT/MCOT	1,111,000	1,111,000	0	1,550,000	(439,000)
--Walk-in-Crisis	550,000	550,000	0	350,000	200,000
Jail Based Competency Restoration (JBCR)	207,000	207,000	0	195,000	12,000
Forensic ACT	700,000	700,000	0	385,000	315,000
	<u>3,018,000</u>	<u>3,018,000</u>	<u>0</u>	<u>2,740,000</u>	<u>278,000</u>
c <u>Mental Healthcare Services Department</u>					
Staff Salaries, Benefits, Expenses	0	273,000	(273,000)	273,000	(273,000)
	<u>0</u>	<u>273,000</u>	<u>(273,000)</u>	<u>273,000</u>	<u>(273,000)</u>
Subtotal Mental Healthcare Services	<u>3,987,129</u>	<u>4,260,129</u>	<u>(273,000)</u>	<u>3,982,129</u>	<u>5,000</u>
2 <u>Health Department (Operating Expenditures)</u>					
Health Department/Vector Control - Accrued	2,000,000	2,000,000	0	2,000,000	0
Robstown Public Health Outreach & Mobile Clinic	313,000	0	313,000	0	313,000
	<u>2,313,000</u>	<u>2,000,000</u>	<u>313,000</u>	<u>2,000,000</u>	<u>313,000</u>
3 <u>Emergency Medical Services</u>	650,000	650,000		650,000	
City of Robstown					
Emergency Services District #1					
Emergency Services District #2					
Emergency Services District #4					
Emergency Services District #6					
	<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>650,000</u>	<u>0</u>
4 <u>Juvenile Detention Center-Health Services</u>	474,000	474,000	0	474,000	0
Various Health-related Services					
5 <u>County Jail Healthcare Services</u>	4,795,649	4,478,695	316,955	4,538,768	256,881
Armor Correctional Healthcare Services					
6a Alcohol and Drug Rehabilitation Center (Cenikor)	60,000	60,000	0	60,000	0
6b Council on Alcohol & Drug Abuse	50,000	50,000	0	50,000	0
7 County Juvenile and Adult Diabetes Program	50,000	50,000	0	50,000	0
8 HALO-Flight Funding	15,000	15,000	0	15,000	0
9 <u>Public Health Grants</u>					
Coastal Bend Wellness Foundation	85,000	85,000	0	85,000	0
Amistad Community Health Center	85,000	85,000	0	85,000	0
Area Health Education Center (AHEC)	50,000	0	50,000	0	50,000
	<u>220,000</u>	<u>170,000</u>	<u>50,000</u>	<u>170,000</u>	<u>50,000</u>
<b>TOTALS</b>	<b>12,614,778</b>	<b>12,207,824</b>	<b>406,955</b>	<b>11,989,897</b>	<b>624,881</b>



**BOARD OF MANAGERS RESOLUTION**  
**AUGUST 22, 2023**

**A RESOLUTION APPROVING FISCAL YEAR 2024 BUDGET**

**WHEREAS**, the Nueces County Hospital District (the “Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (the “Board”) has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

**WHEREAS**, the Hospital District’s Administrator (the “Administrator”) has the responsibility for preparing an annual budget under the Board’s direction as required by Health Code, §281.091(a); the District’s annual budget must be approved by the Board and then shall be presented to the Commissioners Court for final approval, pursuant to requirements of Health Code, §281.091(b); and the District’s Fiscal Year 2024 is October 1, 2023 through September 30, 2024;

**WHEREAS**, the Administrator has prepared the Hospital District’s Fiscal Year 2024 annual budget under the Board’s direction (the “FY 2024 Budget”) and said Budget is attached hereto and identified as Exhibit “A” which is incorporated herein by reference;

**WHEREAS**, the FY 2024 Budget consists of the Hospital District’s (1) Consolidated Budget, inclusive of the General, Tobacco, and Indigent Care Funds; and (2) Capital Budget;

**WHEREAS**, the Board desires to assure that FY 2024 Budget funds disbursed for the “County Healthcare Services,” as resolved in a separate but related Hospital District Board Resolution related to the District’s FY 2024 Budget, are utilized for the efforts intended, or come as a logical consequence of such efforts; and

**WHEREAS**, the Board desires to approve the FY 2024 Budget and authorize the expenditure of budgeted funds for the purposes indicated therein.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:**

1. The Board hereby approves the FY 2024 Budget (attached hereto as Exhibit “A”).
2. The Board hereby directs the Administrator to submit the approved FY 2024 Budget to Commissioners Court for their final approval.

3. It shall be the responsibility of Nueces County to assure that Hospital District funds disbursed as a part of the FY 2024 Budget for the “Nueces County Healthcare Services,” as resolved in a separate but related Hospital District Board Resolution related to the District’s FY 2024 Budget, are utilized for the efforts intended, or come as a logical consequence of such efforts.
4. The Board hereby finds and directs that the Administrator has the authority to expend the budgeted funds shown in the FY 2024 Budget for the purposes indicated therein in accordance with state law, Board direction, and the Hospital District’s approved purchasing and expenditure policies and procedures. The expenditure of budgeted funds in the FY 2024 Budget shall be under the direction of the Administrator who shall ensure that the funds are expended in accordance with the approved Budget.
5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.
7. This Resolution shall take effect and be in full force and effect upon and after its passage.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**EXHIBIT "A"**

[Attach final adopted FY 2024 budget package after this page]

NUECES COUNTY HOSPITAL DISTRICT  
 BUDGET - GENERAL FUND  
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2024 Budget		Fiscal 2023 Budget		Budget 2024 vs. 2023	Fiscal 2023 Est. Actual		Est. Act vs F2024 Bud
Explanation								
<b>REVENUES</b>								
Property Taxes:								
1 Current	35,694,543	23.51%	36,929,581	56.02%	(1,235,037)	37,134,254	53.33%	(1,439,711)
2 Delinquent	(0)	0.00%	(0)	0.00%	0	331,199	0.48%	(331,199)
3 Penalties & Interest	356,945	0.24%	369,296	0.56%	(12,350)	337,049	0.48%	19,896
4 <b>Total Property Tax Revenue</b>	<b>36,051,489</b>	<b>23.74%</b>	<b>37,298,876</b>	<b>56.58%</b>	<b>(1,247,387)</b>	<b>37,802,502</b>	<b>54.29%</b>	<b>(1,751,013)</b>
5 Spohn Corporate Member Revenue	114,750,000	75.58%	28,000,000	42.47%	86,750,000	28,508,258	40.94%	86,241,742
6 Investment Income	878,297	0.58%	376,092	0.57%	502,205	2,770,840	3.98%	(1,892,543)
7 Other Income	150,000	0.10%	250,000	0.38%	(100,000)	553,734	0.80%	(403,734)
8 <b>Total Other Revenues</b>	<b>115,778,297</b>	<b>76.26%</b>	<b>28,626,092</b>	<b>43.42%</b>	<b>87,152,205</b>	<b>31,832,832</b>	<b>45.71%</b>	<b>83,945,465</b>
9 <b>TOTAL REVENUES</b>	<b>151,829,786</b>	<b>100%</b>	<b>65,924,968</b>	<b>100%</b>	<b>85,904,818</b>	<b>69,635,334</b>	<b>100%</b>	<b>82,194,452</b>
<b>OPERATING EXPENSES</b>								
10 Intergovernment Transfers	118,786,712	81.46%	44,847,968	70.78%	73,938,744	50,961,868	75.24%	67,824,844
11 County Healthcare Services	10,845,778	7.44%	12,207,824	19.27%	(1,362,046)	11,989,898	17.70%	(1,144,120)
12 Salaries	1,857,125	1.27%	1,678,976	2.65%	178,150	1,463,756	2.16%	393,369
13 Benefits	819,007	0.56%	758,385	1.20%	60,622	727,950	1.07%	91,057
14 Legal & Professional Fees	1,169,000	0.80%	1,556,000	2.46%	(387,000)	975,824	1.44%	193,176
15 Purchased Services	624,650	0.43%	617,150	0.97%	7,500	494,409	0.73%	130,241
16 Tax Assessor / Appraisal Collection Fees	760,000	0.52%	757,000	1.19%	3,000	729,145	1.08%	30,855
17 Supplies & Materials	23,000	0.02%	21,500	0.03%	1,500	21,100	0.03%	1,900
18 Rent & Leases	152,000	0.10%	166,500	0.26%	(14,500)	149,909	0.22%	2,091
19 Repairs & Maintenance	10,000	0.01%	10,000	0.02%	0	4,897	0.01%	5,103
20 Telephone & Utilities	58,000	0.04%	48,000	0.08%	10,000	43,272	0.06%	14,728
21 Insurance	33,900	0.02%	30,800	0.05%	3,100	25,060	0.04%	8,840
22 Administrative & General	458,700	0.31%	438,400	0.69%	20,300	103,836	0.15%	354,864
23 Capital Outlay	10,224,000	7.01%	215,400	0.34%	10,008,600	42,937	0.06%	10,181,063
24 Extraordinary	5,000	0.00%	5,000	0.01%	0	536	0.00%	4,464
25 <b>TOTAL EXPENDITURES</b>	<b>145,826,872</b>	<b>100%</b>	<b>63,358,903</b>	<b>100%</b>	<b>82,467,970</b>	<b>67,734,397</b>	<b>100%</b>	<b>78,092,475</b>
26 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>6,002,914</b>		<b>2,566,065</b>		<b>3,436,848</b>	<b>1,900,937</b>		<b>4,101,977</b>
<b>NON-OPERATING SOURCES (USES)</b>								
27 Operating Transfer In (Tobacco Fund)	650,000		600,000		50,000	711,000		(61,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 <b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,652,914</b>		<b>3,166,065</b>		<b>3,486,848</b>	<b>2,611,937</b>		<b>4,040,977</b>
30 <b>FUND BALANCE, BEGINNING OF PERIOD</b>	<b>44,527,646</b>		<b>38,470,767</b>			<b>41,915,709</b>		
31 <b>FUND BALANCE, END OF PERIOD</b>	<b>51,180,560</b>		<b>41,636,832</b>			<b>44,527,646</b>		
32 <b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,254,549</b>		<b>30,696,875</b>			<b>33,778,223</b>		

NUECES COUNTY HOSPITAL DISTRICT  
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &  
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS  
FOR THE YEAR ENDING SEPTEMBER 30, 2024

Tax Rate: 0.081963 (No-New-Revenue)

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	<b>REVENUES</b>				
1	Property Taxes	36,051,489	0	0	36,051,489
2	Spohn Corporate Member Revenue	114,750,000	0	0	114,750,000
3	Investment Income	878,297	0	874,800	1,753,097
4	Other Income	150,000	0	0	150,000
5	Tobacco Income	0	650,000	0	650,000
6	<b>TOTAL REVENUES</b>	<b>151,829,786</b>	<b>650,000</b>	<b>874,800</b>	<b>153,354,586</b>
	<b>OPERATING EXPENSES</b>				
7	Intergovernmental Transfers	118,786,712	0	0	118,786,712
8	County Healthcare Services	10,845,778	0	0	10,845,778
9	Salaries	1,857,125	0	0	1,857,125
10	Benefits	819,007	0	0	819,007
11	Legal & Professional Fees	1,169,000	0	0	1,169,000
12	Purchased Services	624,650	0	0	624,650
13	Tax Assessor / Appraisal Collection Fees	760,000	0	0	760,000
14	Supplies & Materials	23,000	0	0	23,000
15	Rent & Leases	152,000	0	0	152,000
16	Repairs & Maintenance	10,000	0	0	10,000
17	Telephone & Utilities	58,000	0	0	58,000
18	Insurance	33,900	0	0	33,900
19	Administrative & General	458,700	0	0	458,700
20	Capital Outlay	10,224,000	0	0	10,224,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	<b>TOTAL EXPENDITURES</b>	<b>145,826,872</b>	<b>0</b>	<b>0</b>	<b>145,826,872</b>
24	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>6,002,914</b>	<b>650,000</b>	<b>874,800</b>	<b>7,527,713</b>
	<b>NON-OPERATING SOURCES (USES)</b>				
25	Operating Transfers In	650,000	0	0	650,000
26	Operating Transfers Out	0	(650,000)	0	(650,000)
27	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,652,914</b>	<b>0</b>	<b>874,800</b>	<b>7,527,713</b>
28	<b>FUND BALANCE, BEGINING OF PERIOD</b>	<b>44,527,646</b>	<b>0</b>	<b>56,081,123</b>	<b>100,608,769</b>
29	<b>FUND BALANCE, END OF PERIOD</b>	<b>51,180,560</b>	<b>0</b>	<b>56,955,923</b>	<b>108,136,483</b>
30	<b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,254,549</b>	<b>0</b>	<b>56,955,923</b>	<b>83,210,472</b>

Nueces County Hospital District  
 County Healthcare Department Expenditures  
 FY2023 - FY2024

EXHIBIT C

Program	Budget 2024	Budget 2023	Difference	Projected 2023	Difference Bud24 v. Proj
<b><u>Mental Healthcare Services</u></b>					
1 a MHID (State Match Program)	969,129	969,129	0	969,129	0
b <u>MHID - Jail Programs</u>					
Jail Diversion	0	450,000	(450,000)	260,000	(260,000)
CIT/MCOT	1,111,000	1,111,000	0	1,550,000	(439,000)
--Walk-in-Crisis	550,000	550,000	0	350,000	200,000
Jail Based Competency Restoration (JBCR)	0	207,000	(207,000)	195,000	(195,000)
Forensic ACT	0	700,000	(700,000)	385,000	(385,000)
	<u>1,661,000</u>	<u>3,018,000</u>	<u>(1,357,000)</u>	<u>2,740,000</u>	<u>(1,079,000)</u>
c <u>Mental Healthcare Services Department</u>					
Staff Salaries, Benefits, Expenses	0	273,000	(273,000)	273,000	(273,000)
	<u>0</u>	<u>273,000</u>	<u>(273,000)</u>	<u>273,000</u>	<u>(273,000)</u>
Subtotal Mental Healthcare Services	<u>2,630,129</u>	<u>4,260,129</u>	<u>(1,630,000)</u>	<u>3,982,129</u>	<u>(1,352,000)</u>
2 <u>Health Department (Operating Expenditures)</u>					
Health Department/Vector Control - Accrued	2,000,000	2,000,000	0	2,000,000	0
Robstown Public Health Outreach & Mobile Clinic	313,000	0	313,000	0	313,000
	<u>2,313,000</u>	<u>2,000,000</u>	<u>313,000</u>	<u>2,000,000</u>	<u>313,000</u>
3 <u>Emergency Medical Services</u>	650,000	650,000		650,000	
City of Robstown					
Emergency Services District #1					
Emergency Services District #2					
Emergency Services District #4					
Emergency Services District #6					
	<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>650,000</u>	<u>0</u>
4 <u>Juvenile Detention Center-Health Services</u>	407,000	474,000	(67,000)	474,000	(67,000)
Various Health-related Services					
5 <u>County Jail Healthcare Services</u>	4,795,649	4,478,695	316,955	4,538,768	256,881
Armor Correctional Healthcare Services					
6a Alcohol and Drug Rehabilitation Center (Cenikor)	0	60,000	(60,000)	60,000	(60,000)
6b Council on Alcohol & Drug Abuse	0	50,000	(50,000)	50,000	(50,000)
7 County Juvenile and Adult Diabetes Program	0	50,000	(50,000)	50,000	(50,000)
8 HALO-Flight Funding	0	15,000	(15,000)	15,000	(15,000)
9 <u>Public Health Grants</u>					
Coastal Bend Wellness Foundation	0	85,000	(85,000)	85,000	(85,000)
Amistad Community Health Center	0	85,000	(85,000)	85,000	(85,000)
Area Health Education Center (AHEC)	50,000	0	50,000	0	50,000
	<u>50,000</u>	<u>170,000</u>	<u>(120,000)</u>	<u>170,000</u>	<u>(120,000)</u>
<b>TOTALS</b>	<b>10,845,778</b>	<b>12,207,824</b>	<b>(1,362,046)</b>	<b>11,989,897</b>	<b>(1,144,119)</b>

**CERTIFICATE FOR RESOLUTION  
A RESOLUTION APPROVING FISCAL YEAR 2024 BUDGET**

THE STATE OF TEXAS   §  
  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION APPROVING FISCAL YEAR 2024 BUDGET**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

---

Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}



**BOARD OF MANAGERS RESOLUTION**  
**AUGUST 22, 2023**

**A RESOLUTION APPROVING FISCAL YEAR 2024 BUDGET**

**WHEREAS**, the Nueces County Hospital District (the “Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas;

**WHEREAS**, pursuant to the collective authorities of the Health Code, §281.047 and §281.048, the Board of Managers of the Hospital District (the “Board”) has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

**WHEREAS**, the Hospital District’s Administrator (the “Administrator”) has the responsibility for preparing an annual budget under the Board’s direction as required by Health Code, §281.091(a); the District’s annual budget must be approved by the Board and then shall be presented to the Commissioners Court for final approval, pursuant to requirements of Health Code, §281.091(b); and the District’s Fiscal Year 2024 is October 1, 2023 through September 30, 2024;

**WHEREAS**, the Administrator has prepared the Hospital District’s Fiscal Year 2024 annual budget under the Board’s direction (the “FY 2024 Budget”) and said Budget is attached hereto and identified as Exhibit “A” which is incorporated herein by reference;

**WHEREAS**, the FY 2024 Budget consists of the Hospital District’s (1) Consolidated Budget, inclusive of the General, Tobacco, and Indigent Care Funds; and (2) Capital Budget;

**WHEREAS**, the Board desires to assure that FY 2024 Budget funds disbursed for the “County Healthcare Services,” as resolved in a separate but related Hospital District Board Resolution related to the District’s FY 2024 Budget, are utilized for the efforts intended, or come as a logical consequence of such efforts; and

**WHEREAS**, the Board desires to approve the FY 2024 Budget and authorize the expenditure of budgeted funds for the purposes indicated therein.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:**

1. The Board hereby approves the FY 2024 Budget (attached hereto as Exhibit “A”).
2. The Board hereby directs the Administrator to submit the approved FY 2024 Budget to Commissioners Court for their final approval.

3. It shall be the responsibility of Nueces County to assure that Hospital District funds disbursed as a part of the FY 2024 Budget for the “Nueces County Healthcare Services,” as resolved in a separate but related Hospital District Board Resolution related to the District’s FY 2024 Budget, are utilized for the efforts intended, or come as a logical consequence of such efforts.
4. The Board hereby finds and directs that the Administrator has the authority to expend the budgeted funds shown in the FY 2024 Budget for the purposes indicated therein in accordance with state law, Board direction, and the Hospital District’s approved purchasing and expenditure policies and procedures. The expenditure of budgeted funds in the FY 2024 Budget shall be under the direction of the Administrator who shall ensure that the funds are expended in accordance with the approved Budget.
5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.
6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.
7. This Resolution shall take effect and be in full force and effect upon and after its passage.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**EXHIBIT "A"**

[Attach final adopted FY 2024 budget package after this page]

**NUECES COUNTY HOSPITAL DISTRICT  
BUDGET - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

Explanation	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2024 Budget		Fiscal 2023 Budget		Budget 2024 vs. 2023	Fiscal 2023 Est. Actual		Est. Act vs F2024 Bud
<b>REVENUES</b>								
Property Taxes:								
1 Current	37,202,546	24.26%	36,929,581	56.02%	272,965	37,134,254	53.33%	68,292
2 Delinquent	(0)	0.00%	(0)	0.00%	0	331,199	0.48%	(331,199)
3 Penalties & Interest	372,025	0.24%	369,296	0.56%	2,730	337,049	0.48%	34,976
4 <b>Total Property Tax Revenue</b>	<b>37,574,571</b>	<b>24.50%</b>	<b>37,298,876</b>	<b>56.58%</b>	<b>275,695</b>	<b>37,802,502</b>	<b>54.29%</b>	<b>(227,931)</b>
5 Spohn Corporate Member Revenue	114,750,000	74.83%	28,000,000	42.47%	86,750,000	28,508,258	40.94%	86,241,742
6 Investment Income	880,325	0.57%	376,092	0.57%	504,233	2,770,840	3.98%	(1,890,515)
7 Other Income	150,000	0.10%	250,000	0.38%	(100,000)	553,734	0.80%	(403,734)
8 <b>Total Other Revenues</b>	<b>115,780,325</b>	<b>75.50%</b>	<b>28,626,092</b>	<b>43.42%</b>	<b>87,154,233</b>	<b>31,832,832</b>	<b>45.71%</b>	<b>83,947,493</b>
9 <b>TOTAL REVENUES</b>	<b>153,354,897</b>	<b>100%</b>	<b>65,924,968</b>	<b>100%</b>	<b>87,429,929</b>	<b>69,635,334</b>	<b>100%</b>	<b>83,719,563</b>
<b>OPERATING EXPENSES</b>								
10 Intergovernment Transfers	118,786,712	80.48%	44,847,968	70.78%	73,938,744	50,961,868	75.24%	67,824,844
11 County Healthcare Services	12,614,778	8.55%	12,207,824	19.27%	406,954	11,989,898	17.70%	624,880
12 Salaries	1,857,125	1.26%	1,678,976	2.65%	178,150	1,463,756	2.16%	393,369
13 Benefits	819,007	0.55%	758,385	1.20%	60,622	727,950	1.07%	91,057
14 Legal & Professional Fees	1,169,000	0.79%	1,556,000	2.46%	(387,000)	975,824	1.44%	193,176
15 Purchased Services	624,650	0.42%	617,150	0.97%	7,500	494,409	0.73%	130,241
16 Tax Assessor / Appraisal Collection Fees	760,000	0.51%	757,000	1.19%	3,000	729,145	1.08%	30,855
17 Supplies & Materials	23,000	0.02%	21,500	0.03%	1,500	21,100	0.03%	1,900
18 Rent & Leases	152,000	0.10%	166,500	0.26%	(14,500)	149,909	0.22%	2,091
19 Repairs & Maintenance	10,000	0.01%	10,000	0.02%	0	4,897	0.01%	5,103
20 Telephone & Utilities	58,000	0.04%	48,000	0.08%	10,000	43,272	0.06%	14,728
21 Insurance	33,900	0.02%	30,800	0.05%	3,100	25,060	0.04%	8,840
22 Administrative & General	458,700	0.31%	438,400	0.69%	20,300	103,836	0.15%	354,864
23 Capital Outlay	10,224,000	6.93%	215,400	0.34%	10,008,600	42,937	0.06%	10,181,063
24 Extraordinary	5,000	0.00%	5,000	0.01%	0	536	0.00%	4,464
25 <b>TOTAL EXPENDITURES</b>	<b>147,595,872</b>	<b>100%</b>	<b>63,358,903</b>	<b>100%</b>	<b>84,236,970</b>	<b>67,734,397</b>	<b>100%</b>	<b>79,861,475</b>
26 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>5,759,024</b>		<b>2,566,065</b>		<b>3,192,959</b>	<b>1,900,937</b>		<b>3,858,087</b>
<b>NON-OPERATING SOURCES (USES)</b>								
27 Operating Transfer In (Tobacco Fund)	650,000		600,000		50,000	711,000		(61,000)
28 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29 <b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,409,024</b>		<b>3,166,065</b>		<b>3,242,959</b>	<b>2,611,937</b>		<b>3,797,087</b>
30 <b>FUND BALANCE, BEGINNING OF PERIOD</b>	<b>44,527,646</b>		<b>38,470,767</b>			<b>41,915,709</b>		
31 <b>FUND BALANCE, END OF PERIOD</b>	<b>50,936,670</b>		<b>41,636,832</b>			<b>44,527,646</b>		
32 <b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,010,659</b>		<b>30,696,875</b>			<b>33,778,223</b>		

NUECES COUNTY HOSPITAL DISTRICT  
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &  
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS  
FOR THE YEAR ENDING SEPTEMBER 30, 2024

Tax Rate: 0.085242 (4% Above No-New-Revenue)

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	<b>REVENUES</b>				
1	Property Taxes	37,574,571	0	0	37,574,571
2	Spohn Corporate Member Revenue	114,750,000	0	0	114,750,000
3	Investment Income	880,325	0	874,800	1,755,125
4	Other Income	150,000	0	0	150,000
5	Tobacco Income	0	650,000	0	650,000
6	<b>TOTAL REVENUES</b>	<b>153,354,897</b>	<b>650,000</b>	<b>874,800</b>	<b>154,879,696</b>
	<b>OPERATING EXPENSES</b>				
7	Intergovernmental Transfers	118,786,712	0	0	118,786,712
8	County Healthcare Services	12,614,778	0	0	12,614,778
9	Salaries	1,857,125	0	0	1,857,125
10	Benefits	819,007	0	0	819,007
11	Legal & Professional Fees	1,169,000	0	0	1,169,000
12	Purchased Services	624,650	0	0	624,650
13	Tax Assessor / Appraisal Collection Fees	760,000	0	0	760,000
14	Supplies & Materials	23,000	0	0	23,000
15	Rent & Leases	152,000	0	0	152,000
16	Repairs & Maintenance	10,000	0	0	10,000
17	Telephone & Utilities	58,000	0	0	58,000
18	Insurance	33,900	0	0	33,900
19	Administrative & General	458,700	0	0	458,700
20	Capital Outlay	10,224,000	0	0	10,224,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	<b>TOTAL EXPENDITURES</b>	<b>147,595,872</b>	<b>0</b>	<b>0</b>	<b>147,595,872</b>
24	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES &amp; USES</b>	<b>5,759,024</b>	<b>650,000</b>	<b>874,800</b>	<b>7,283,824</b>
	<b>NON-OPERATING SOURCES (USES)</b>				
25	Operating Transfers In	650,000	0	0	650,000
26	Operating Transfers Out	0	(650,000)	0	(650,000)
27	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,409,024</b>	<b>0</b>	<b>874,800</b>	<b>7,283,824</b>
28	<b>FUND BALANCE, BEGINING OF PERIOD</b>	<b>44,527,646</b>	<b>0</b>	<b>56,081,123</b>	<b>100,608,769</b>
29	<b>FUND BALANCE, END OF PERIOD</b>	<b>50,936,670</b>	<b>0</b>	<b>56,955,923</b>	<b>107,892,593</b>
30	<b>FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)</b>	<b>26,010,659</b>	<b>0</b>	<b>56,955,923</b>	<b>82,966,582</b>

Nueces County Hospital District  
 County Healthcare Department Expenditures  
 FY2023 - FY2024

EXHIBIT C

Program		Budget 2024	Budget 2023	Difference	Projected 2023	Difference Bud24 v. Proj
<u>Mental Healthcare Services</u>						
1	a MHID (State Match Program)	969,129	969,129	0	969,129	0
	b <u>MHID - Jail Programs</u>					
	Jail Diversion	450,000	450,000	0	260,000	190,000
	CIT/MCOT	1,111,000	1,111,000	0	1,550,000	(439,000)
	--Walk-in-Crisis	550,000	550,000	0	350,000	200,000
	Jail Based Competency Restoration (JBCR)	207,000	207,000	0	195,000	12,000
	Forensic ACT	700,000	700,000	0	385,000	315,000
		<u>3,018,000</u>	<u>3,018,000</u>	<u>0</u>	<u>2,740,000</u>	<u>278,000</u>
	c <u>Mental Healthcare Services Department</u>					
	Staff Salaries, Benefits, Expenses	0	273,000	(273,000)	273,000	(273,000)
		<u>0</u>	<u>273,000</u>	<u>(273,000)</u>	<u>273,000</u>	<u>(273,000)</u>
	Subtotal Mental Healthcare Services	<u>3,987,129</u>	<u>4,260,129</u>	<u>(273,000)</u>	<u>3,982,129</u>	<u>5,000</u>
2	<u>Health Department (Operating Expenditures)</u>					
	Health Department/Vector Control - Accrued	2,000,000	2,000,000	0	2,000,000	0
	Robstown Public Health Outreach & Mobile Clinic	313,000	0	313,000	0	313,000
		<u>2,313,000</u>	<u>2,000,000</u>	<u>313,000</u>	<u>2,000,000</u>	<u>313,000</u>
3	<u>Emergency Medical Services</u>	650,000	650,000		650,000	
	City of Robstown					
	Emergency Services District #1					
	Emergency Services District #2					
	Emergency Services District #4					
	Emergency Services District #6					
		<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>650,000</u>	<u>0</u>
4	<u>Juvenile Detention Center-Health Services</u>	474,000	474,000	0	474,000	0
	Various Health-related Services					
5	<u>County Jail Healthcare Services</u>	4,795,649	4,478,695	316,955	4,538,768	256,881
	Armor Correctional Healthcare Services					
6a	Alcohol and Drug Rehabilitation Center (Cenikor)	60,000	60,000	0	60,000	0
6b	Council on Alcohol & Drug Abuse	50,000	50,000	0	50,000	0
7	County Juvenile and Adult Diabetes Program	50,000	50,000	0	50,000	0
8	HALO-Flight Funding	15,000	15,000	0	15,000	0
9	<u>Public Health Grants</u>					
	Coastal Bend Wellness Foundation	85,000	85,000	0	85,000	0
	Amistad Community Health Center	85,000	85,000	0	85,000	0
	Area Health Education Center (AHEC)	50,000	0	50,000	0	50,000
		<u>220,000</u>	<u>170,000</u>	<u>50,000</u>	<u>170,000</u>	<u>50,000</u>
<b>TOTALS</b>		<b>12,614,778</b>	<b>12,207,824</b>	<b>406,955</b>	<b>11,989,897</b>	<b>624,881</b>

**CERTIFICATE FOR RESOLUTION  
A RESOLUTION APPROVING FISCAL YEAR 2024 BUDGET**

THE STATE OF TEXAS   §  
  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION APPROVING FISCAL YEAR 2024 BUDGET**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

\_\_\_\_\_  
Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}



**BOARD OF MANAGERS ORDER**  
**AUGUST 22, 2023**

**INITIAL DESIGNATION OF FROST BANK AS DEPOSITORY  
FOR HOSPITAL DISTRICT FUNDS FOR THE PERIOD  
OCTOBER 1, 2023 – SEPTEMBER 30, 2027 WITH  
FINAL DESIGNATION SUBJECT TO APPROVAL OF  
RELATED SUPPLEMENTAL AGREEMENTS**

**WHEREAS**, the Nueces County Hospital District (“Hospital District” or “District”) is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the “Health Code”), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas, including the Texas Local Government Code (the “Local Government Code”), Chapter 116;

**WHEREAS**, the Hospital District’s Board of Managers (“Board”) have been duly appointed pursuant to Health Code, § 281.021(a); and pursuant to the collective authorities of Health Code, § 281.047 and § 281.048, the Board is the District’s governing body and the Board has, and at the time of adoption of this Order had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District; and

**WHEREAS**, the Hospital District, under the authority of the Health Code, §281.093(a)(1) and following Local Government Code, Chapter 116, issued Request for Applications No. 2023-01 for Depository and Banking Services for the period October 1, 2023 – September 30, 2027 and as result thereof and pursuant to Local Government Code, Chapter 116, the Board desires to initially designate Frost Bank as the District’s depository for the aforesaid period with final designation subject to Board approval of supplemental agreements to be negotiated.

**NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Board of Managers hereby orders initial designation of Frost Bank as the depository for Hospital District funds for the period October 1, 2023 – September 30, 2027 with final designation subject to Board of Mangers approval of supplemental agreements to be negotiated.
2. The Hospital District’s Administrator is authorized to do any and all things necessary or convenient to accomplish the purposes of this order.

[THIS SPACE INTENTIONALLY LEFT BLANK]

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

John E. Valls  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Belinda Flores, R.N.  
Member

---

Mariana Garza, J.D.  
Member

---

Efrain Guerrero, Jr.  
Member

---

Arthur Granado  
Member

**CERTIFICATE OF SECRETARY**

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF NUECES   §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

- 1. The Board of Managers of said District convened in regular meeting on the 22<sup>nd</sup> day of August 2023, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

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

and all of said persons were present, except the following absentees: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written Order

**INITIAL DESIGNATION OF FROST BANK AS DEPOSITORY  
FOR HOSPITAL DISTRICT FUNDS FOR THE PERIOD  
OCTOBER 1, 2023 – SEPTEMBER 30, 2027 WITH  
FINAL DESIGNATION SUBJECT TO APPROVAL OF  
RELATED SUPPLEMENTAL AGREEMENTS**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Order be passed, and, after due discussion, said motion, carrying with it the passage of said Order, prevailed, and carried by the following vote:

YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Order passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Order has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Order; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Order would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 22<sup>nd</sup> day of August, 2023.

**ATTEST:**

---

Jonny F. Hipp  
Secretary, Board of Managers

{NCHD SEAL}

Nueces County Hospital District  
**Combined Balance Sheet - All Fund Types & Account Groups**  
 As of 7/31/2023  
 (In Whole Numbers)

UNAUDITED

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
<b>Assets</b>						
Cash & Cash Equivalents	55,966,768 *	13,828,742	69,155	0	0	69,864,665
Investments	14,651,426	41,906,669	0	0	0	56,558,095
Accrued Interest	14,854	178,047	297	0	0	193,199
Taxes Receivable, Net of Allowance	4,227,487	0	0	0	0	4,227,487
Other Receivables	591,171	0	0	0	0	591,171
Due from Other Funds	22,270	0	0	0	0	22,270
Prepaid Expenditures	110,867	0	0	0	0	110,867
Restricted Cash & Cash Equivalents - LPPF	10,953,315	0	0	0	0	10,953,315
Fixed Assets	0	0	0	14,170,694	0	14,170,694
Amt to be Provided for Retirement of LT Debt	0	0	0	0	65,503	65,503
<b>Total Assets</b>	<b>86,538,158</b>	<b>55,913,459</b>	<b>69,453</b>	<b>14,170,694</b>	<b>65,503</b>	<b>156,757,267</b>
<b>Liabilities</b>						
Accounts Payable	3,486,316	0	0	0	0	3,486,316
Accrued Payroll & Related Liabilities	319,812	0	0	0	0	319,812
Intergovernmental Transfer Obligations	10,953,315	0	0	0	0	10,953,315
Due to Other Funds	0	0	22,270	0	0	22,270
Deferred Revenue	4,227,487	0	0	0	0	4,227,487
Long Term Paid Time Off	0	0	0	0	65,503	65,503
<b>Total Liabilities</b>	<b>18,986,930</b>	<b>0</b>	<b>22,270</b>	<b>0</b>	<b>65,503</b>	<b>19,074,702</b>
<b>Fund Equity</b>						
Fund Balance	41,673,502	0	47,183	14,170,694	0	55,891,379
Committed to:						
Intergovernmental Transfers	25,877,726	0	0	0	0	25,877,726
Indigent Care	0	55,911,333	0	0	0	55,911,333
Assigned to County Health Care	0	2,125	0	0	0	2,125
<b>Total Fund Equity</b>	<b>67,551,229</b>	<b>55,913,459</b>	<b>47,183</b>	<b>14,170,694</b>	<b>0</b>	<b>137,682,564</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>86,538,158</b>	<b>55,913,459</b>	<b>69,453</b>	<b>14,170,694</b>	<b>65,503</b>	<b>156,757,267</b>

\* General Fund Cash & Equivalents balance includes \$25,877,726 in committed funds.

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
General Fund  
From 7/1/2023 Through 7/31/2023  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
<b>Revenues</b>		
Taxes	71,188	37,420,453
Penalties & Interest - Taxes	31,713	322,762
Spohn Corporate Member Revenue	2,392,452	24,508,258
Investment Income	310,404	2,620,841
Other Income	25	553,709
Total Revenues	2,805,782	65,426,023
<b>Current Expenditures</b>		
Intergovernmental Transfers	634,321	26,857,446
County Healthcare Funding	896,164	9,965,903
Salaries	109,620	1,133,205
Benefits	52,210	574,271
Legal & Professional Fees	28,618	665,327
Purchased Services	69,427	1,025,623
Supplies & Materials	2,557	16,482
Rent & Leases	11,384	125,049
Repairs & Maintenance	0	532
Utilities	3,662	29,292
Insurance	2,131	20,049
Administrative & General	7,082	69,186
Capital Outlay	7,332	19,140
Total Current Expenditures	1,824,508	40,501,504
Excess of Revenues Over Expenditures Before Sources/Uses	981,274	24,924,519
<b>Other Financing Sources &amp; Uses</b>		
Operating Transfers In	0	(711,000)
Total Other Financing Sources & Uses	0	(711,000)
Excess of Revenues Over Expenditures After Sources & Uses	981,274	25,635,519
Fund Balance, Beginning of Year		41,915,709
FUND BALANCE, END OF YEAR		67,551,229

**UNAUDITED**

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
Special Revenue Fund  
From 7/1/2023 Through 7/31/2023  
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	121,221	1,032,773
Tobacco Settlement Proceeds	<u>0</u>	<u>710,315</u>
Total Revenues	<u>121,221</u>	<u>1,743,088</u>
 Excess of Revenues Over Expenditures Before Sources/Uses	 <u>121,221</u>	 <u>1,743,088</u>
 Other Financing Sources & Uses		
Operating Transfers Out	<u>0</u>	<u>711,000</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>711,000</u>
 Excess of Revenues Over Expenditures After Sources & Uses	 <u>121,221</u>	 <u>1,032,088</u>
 Fund Balance, Beginning of Year		54,881,371
 FUND BALANCE, END OF YEAR		<u><u>55,913,459</u></u>

**UNAUDITED**

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
Trust Fund  
From 7/1/2023 Through 7/31/2023  
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	297	2,510
Total Revenues	<u>297</u>	<u>2,510</u>
Current Expenditures		
Benefits	2,329	18,244
Administrative & General	29	1,388
Total Current Expenditures	<u>2,357</u>	<u>19,632</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(2,060)</u>	<u>(17,123)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(2,060)</u>	<u>(17,123)</u>
Fund Balance, Beginning of Year		64,306
FUND BALANCE, END OF YEAR		<u><u>47,183</u></u>

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
General Fund  
From 7/1/2023 Through 7/31/2023  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
<b>Revenues</b>						
Taxes	71,188	0	71,188	37,420,453	36,929,581	490,872
Penalties & Interest - Taxes	31,713	41,591	(9,878)	322,762	286,825	35,937
Spohn Corporate Member Revenue	2,392,452	2,333,333	59,119	24,508,258	23,333,330	1,174,928
Investment Income	310,404	35,703	274,701	2,620,841	327,250	2,293,591
Other Income	25	0	25	553,709	250,000	303,709
Total Revenues	<u>2,805,782</u>	<u>2,410,627</u>	<u>395,155</u>	<u>65,426,023</u>	<u>61,126,986</u>	<u>4,299,037</u>
<b>Current Expenditures</b>						
Intergovernmental Transfers	634,321	843,786	209,465	26,857,446	22,006,250	(4,851,196)
County Healthcare Funding	896,164	1,001,903	105,739	9,965,903	10,204,039	238,136
Salaries	109,620	134,871	25,251	1,133,205	1,406,666	273,461
Benefits	52,210	59,086	6,876	574,271	627,091	52,820
Legal & Professional Fees	28,618	129,667	101,049	665,327	1,296,674	631,347
Purchased Services	69,427	90,929	21,502	1,025,623	1,192,312	166,689
Supplies & Materials	2,557	1,791	(766)	16,482	17,918	1,436
Rent & Leases	11,384	13,875	2,491	125,049	138,754	13,705
Repairs & Maintenance	0	834	834	532	8,340	7,808
Utilities	3,662	4,000	338	29,292	40,000	10,708
Insurance	2,131	2,566	435	20,049	25,668	5,620
Administrative & General	7,082	36,534	29,452	69,186	365,356	296,170
Capital Outlay	7,332	0	(7,332)	19,140	215,400	196,260
Extraordinary	0	417	417	0	4,170	4,170
Total Current Expenditures	<u>1,824,508</u>	<u>2,320,259</u>	<u>495,751</u>	<u>40,501,504</u>	<u>37,548,638</u>	<u>(2,952,866)</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>981,274</u>	<u>90,368</u>	<u>890,906</u>	<u>24,924,519</u>	<u>23,578,348</u>	<u>1,346,171</u>
<b>Other Financing Sources &amp; Uses</b>						
Operating Transfers In	0	0	0	(711,000)	(600,000)	111,000
Total Other Financing Sources & Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>(711,000)</u>	<u>(600,000)</u>	<u>111,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>981,274</u>	<u>90,368</u>	<u>890,906</u>	<u>25,635,519</u>	<u>24,178,348</u>	<u>1,457,171</u>
Fund Balance, Beginning of Year				41,915,709	0	41,915,709
FUND BALANCE, END OF YEAR				<u>67,551,229</u>	<u>24,178,348</u>	<u>43,372,881</u>

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
Tobacco Settlement Fund  
From 7/1/2023 Through 7/31/2023  
(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	9	0	9	2,063	0	2,063
Tobacco Settlement Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>710,315</u>	<u>600,000</u>	<u>110,315</u>
Total Revenues	<u>9</u>	<u>0</u>	<u>9</u>	<u>712,378</u>	<u>600,000</u>	<u>112,378</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>9</u>	<u>0</u>	<u>9</u>	<u>712,378</u>	<u>600,000</u>	<u>112,378</u>
Other Financing Sources & Uses						
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>711,000</u>	<u>600,000</u>	<u>(111,000)</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>711,000</u>	<u>600,000</u>	<u>(111,000)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>9</u>	<u>0</u>	<u>9</u>	<u>1,378</u>	<u>0</u>	<u>1,378</u>
Fund Balance, Beginning of Year				747	0	747
FUND BALANCE, END OF YEAR				<u><u>2,125</u></u>	<u><u>0</u></u>	<u><u>2,125</u></u>

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
Indigent Care Fund  
From 7/1/2023 Through 7/31/2023  
(In Whole Numbers)

UNAUDITED

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>Current Year Actual</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>
Revenues						
Investment Income	121,212	30,887	90,325	1,030,709	308,117	722,592
Total Revenues	<u>121,212</u>	<u>30,887</u>	<u>90,325</u>	<u>1,030,709</u>	<u>308,117</u>	<u>722,592</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>121,212</u>	<u>30,887</u>	<u>90,325</u>	<u>1,030,709</u>	<u>308,117</u>	<u>722,592</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>121,212</u>	<u>30,887</u>	<u>90,325</u>	<u>1,030,709</u>	<u>308,117</u>	<u>722,592</u>
Fund Balance, Beginning of Year				54,880,624	0	54,880,624
FUND BALANCE, END OF YEAR				<u>55,911,333</u>	<u>308,117</u>	<u>55,603,216</u>



QUARTERLY INVESTMENT REPORT

# Nueces County Hospital District

JUNE 30, 2023



MEEDER  
PUBLIC FUNDS

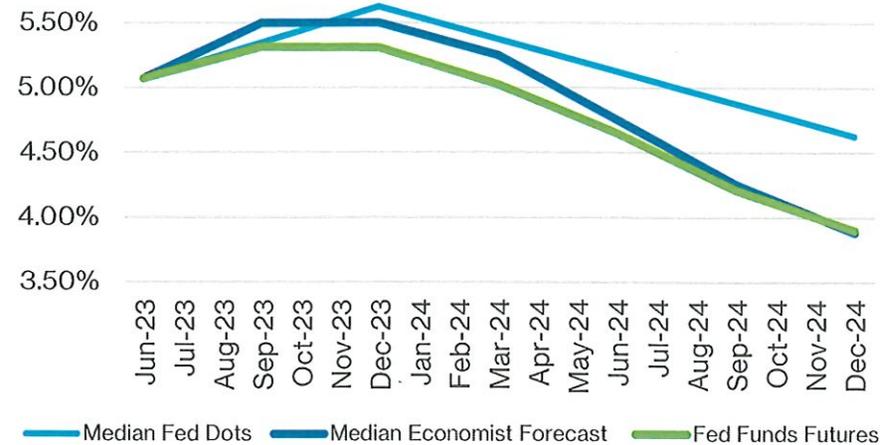
## A Fed Pause (For Now?)

After a historic pace of rate hikes, for the first time this cycle, the Federal Open Market Committee voted to leave rates unchanged. The unanimous decision left the target range for the federal funds rate at 5.00% - 5.25%, but throughout the month Jerome Powell messaged that more rate hikes are likely needed to tame inflation.

Labor market data released this month pointed to a still resilient economy. The June jobs report saw another surprisingly high payroll number, with the US economy adding 339,000 jobs in the month. Additionally, the increases were broad-based, with increases across different job categories. Although the unemployment rate increased to 3.7%, this was at least partially due to more labor force participation. Job openings also increased, signaling that for now, employers are still looking to add to their workforce. Initial jobless claims did continue to grind higher, evidencing maybe some early signs of labor market weakness. Initial jobless claims averaged 258,000 in June, up from an average of 230,000 in May.

Inflation data shows that, while annual figures continue to moderate, monthly figures point to some price stickiness. The June Consumer Price Index (CPI) report showed that annual headline inflation was 4%, the lowest figure since March 2021. On a monthly basis, core inflation increased by 0.4% for the third month in a row, which annualizes to a rate of 4.8%. Although inflation readings are firmly below the high figures from 2022, if core inflation is still increasing at nearly 5% annually, the Federal Reserve likely believes they have more work to do.

### RATE EXPECTATIONS



SOURCE: BLOOMBERG

### JOBLESS CLAIMS INCREASING



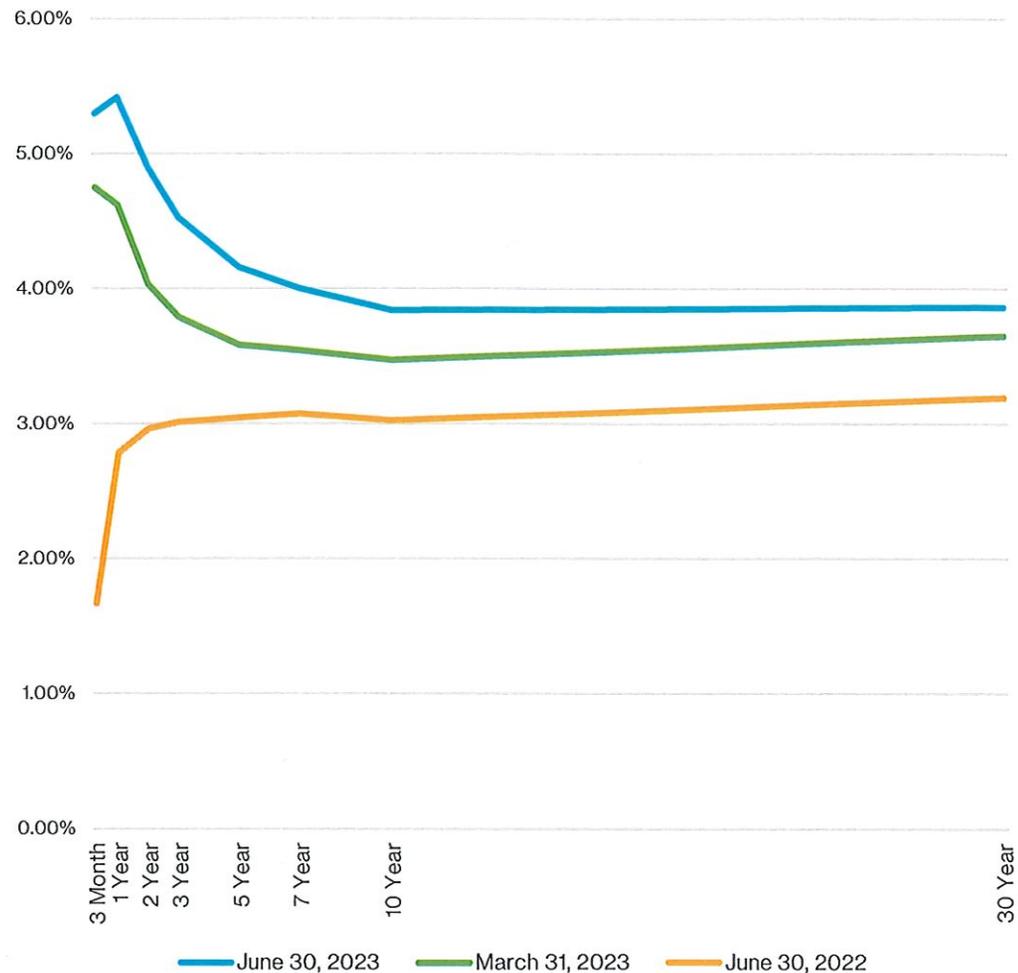
SOURCE: BLOOMBERG

## Short-term Rates Move Higher

With still solid economic data and hawkish commentary from Powell, markets ended June pricing in an additional rate hike by the end of the year. Short-term treasury yields are highly correlated with changes in monetary policy, and we saw treasury yields react to this renewed view on rates. The 2 Year US Treasury yield increased 0.50% to 4.90%, and the 5 Year US Treasury yield increased 0.41% to 4.16%. Long-term treasury rates are more reflective of the market's outlook on growth. The 10 Year US Treasury yield increased by just 0.20% to 3.84%, keeping the yield curve inversion at -1.06%. Outside of March 8th, this is the most the curve has been inverted this rate hiking cycle.

Even with an inverted yield curve signaling an economic slowdown, spreads on corporate bonds, commercial paper, municipal bonds, and agency bonds generally tightened over the month. Some of the spread tightening was a continuation of the movement we saw after the debt ceiling debate was resolved. With spreads slightly below historic averages, we will continue to look to add value by picking up incremental yield on high-quality bonds, including agency debt. Locking in current yields and income levels will benefit portfolios when the yield curve eventually normalizes, and rates fall when this hiking cycle ends.

**US Treasury Yield Curve**

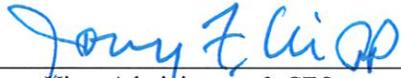


SOURCE: BLOOMBERG

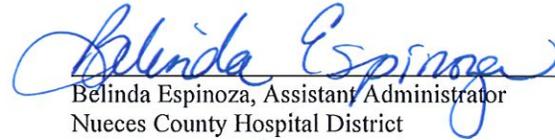
*Nueces County Hospital District*  
 Quarterly Investment Report  
 April 1, 2023 – June 30, 2023

**Portfolio Summary Management Report**

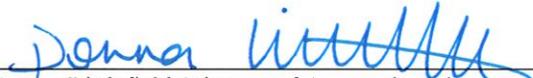
<u>Portfolio as of 03/31/23:</u>		<u>Portfolio as of 06/30/23:</u>	
Beginning Book Value	\$ 166,075,650	Ending Book Value	\$ 127,690,032
Beginning Market Value	\$ 164,743,215	Ending Market Value	\$ 126,391,924
		Unrealized Gain/Loss	\$ (1,298,108)
WAM at Beginning Period Date <sup>1</sup>	93 days	WAM at Ending Period Date <sup>1</sup>	169 days
		Change in Market Value <sup>2</sup>	\$ (38,351,291)
	<b>Average Yield to Maturity for period</b>	<b>3.895%</b>	
	<b>Average Yield 6 Month Treasury Bill for period</b>	<b>5.230%</b>	



\_\_\_\_\_  
 Jonny Hipp, Administrator & CEO  
 Nueces County Hospital District



\_\_\_\_\_  
 Belinda Espinoza, Assistant Administrator  
 Nueces County Hospital District



\_\_\_\_\_  
 Donna Littlefield, Director of Accounting/Finance  
 Nueces County Hospital District



\_\_\_\_\_  
 Jason Headings, Senior Vice President  
 Meeder Public Funds

<sup>1</sup> WAM – weighted average maturity

<sup>2</sup> “Change in Market Value” is required data, but will primarily reflect the receipt and expenditure of the District’s funds from month to month. Meeder Public Funds has assisted in the preparation of this consolidated investment report, with additional input provided by NCHD.

# Your Portfolio

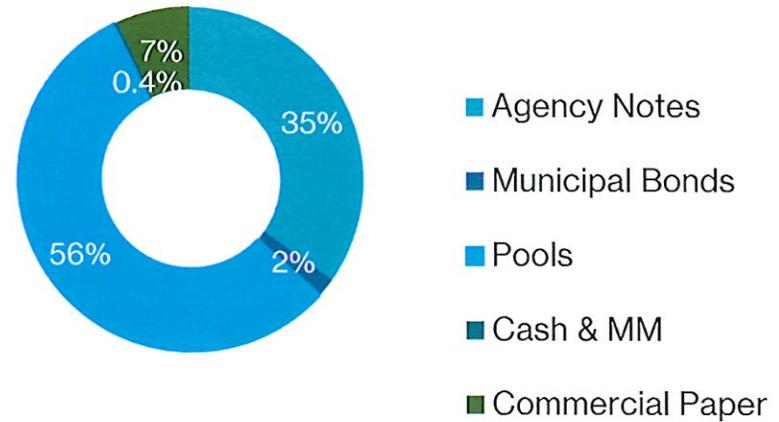
As of June 30, 2023



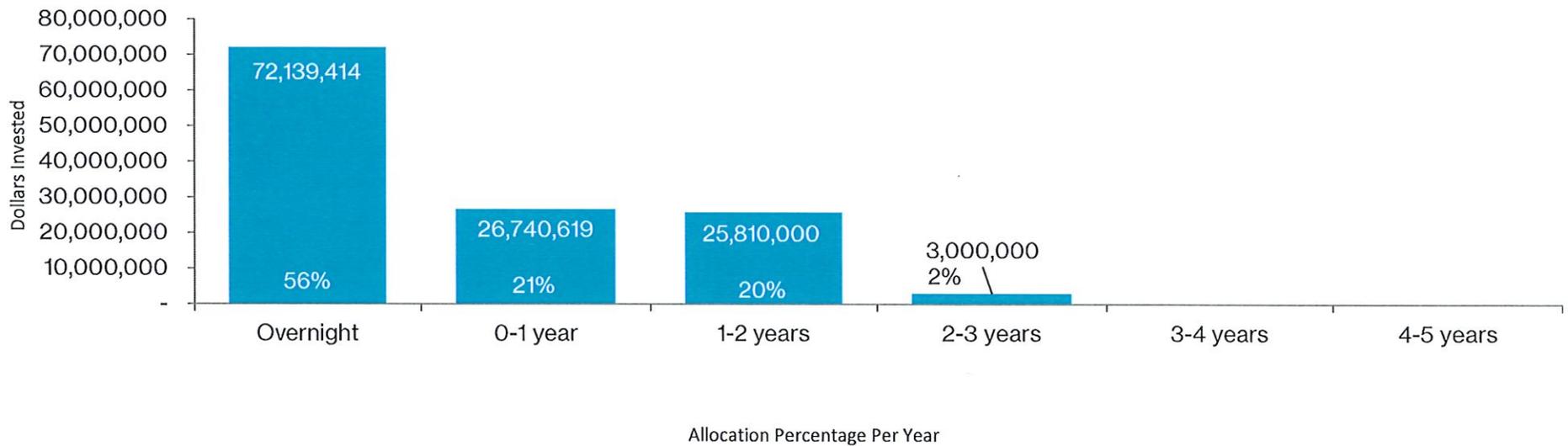
## Your Portfolio Statistics

Weighted Average Maturity 0.46 years  
 Weighted Average Yield (All Funds) 3.96%

## Your Asset Allocation



## Your Maturity Distribution





**Nueces County Hospital Dist.**  
**Summary by Type**  
**June 30, 2023**  
**Grouped by Fund**

Meeder Public Funds  
 901 S. MoPac  
 Suite 300  
 Austin, TX 78746

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
<b>Fund: Indigent Care</b>						
Municipal Bonds	2	2,310,000.00	2,327,966.95	1.82	0.505	241
Federal Agency Coupon Securities	14	44,500,000.00	44,500,000.00	34.85	1.993	431
Logic	1	8,113,348.74	8,113,348.74	6.35	5.255	1
Commercial Paper Disc. -Amortizing	3	9,000,000.00	8,722,651.66	6.83	5.777	203
Texpool	1	2,295,285.08	2,295,285.08	1.80	5.054	1
TexStar	1	3,349,441.99	3,349,441.99	2.62	5.076	1
<b>Subtotal</b>	<b>22</b>	<b>69,568,075.81</b>	<b>69,308,694.42</b>	<b>54.27</b>	<b>3.051</b>	<b>311</b>
<b>Fund: General</b>						
Frost Bank	2	104,993.25	104,993.25	0.08	4.010	1
Texpool	2	57,871,562.62	57,871,562.62	45.32	5.054	1
<b>Subtotal</b>	<b>4</b>	<b>57,976,555.87</b>	<b>57,976,555.87</b>	<b>45.40</b>	<b>5.052</b>	<b>1</b>
<b>Fund: Restricted Cash - General</b>						
Frost Bank	1	333,766.35	333,766.35	0.26	4.010	1
<b>Subtotal</b>	<b>1</b>	<b>333,766.35</b>	<b>333,766.35</b>	<b>0.26</b>	<b>4.010</b>	<b>1</b>
<b>Fund: Tobacco Settlement</b>						
Texpool	1	2,116.11	2,116.11	0.00	5.054	1
<b>Subtotal</b>	<b>1</b>	<b>2,116.11</b>	<b>2,116.11</b>	<b>0.00</b>	<b>5.054</b>	<b>1</b>
<b>Fund: Trust- Employee Health Benefits</b>						
Money Market	1	68,899.62	68,899.62	0.05	5.020	1
<b>Subtotal</b>	<b>1</b>	<b>68,899.62</b>	<b>68,899.62</b>	<b>0.05</b>	<b>5.020</b>	<b>1</b>
<b>Total and Average</b>	<b>29</b>	<b>127,949,413.76</b>	<b>127,690,032.37</b>	<b>100.00</b>	<b>3.964</b>	<b>169</b>



Nueces County Hospital Dist.  
Fund ICF - Indigent Care  
Investments by Fund  
June 30, 2023

Meeder Public Funds  
901 S. MoPac  
Suite 300  
Austin, TX 78746  
-

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Commercial Paper Disc. -Amortizing</b>											
13607EC80	10143	Canadian Imperial Holdings CP	06/23/2023	2,885,376.66	3,000,000.00	2,881,392.00		5.765	5.845	03/08/2024	251
76582KYG0	10141	Ridgefield Funding CP	05/16/2023	2,939,395.00	3,000,000.00	2,935,503.00		5.536	5.613	11/16/2023	138
89233GB88	10144	Toyota Motor Credit Corp CP	06/27/2023	2,897,880.00	3,000,000.00	2,896,323.00		5.793	5.874	02/08/2024	222
<b>Subtotal and Average</b>				<b>8,722,651.66</b>	<b>9,000,000.00</b>	<b>8,713,218.00</b>		<b>5.698</b>	<b>5.777</b>		<b>203</b>
<b>Federal Agency Coupon Securities</b>											
3133EMHL9	10118	FFCB Call Note	12/03/2020	4,000,000.00	4,000,000.00	3,914,092.36	0.310	0.333	0.338	11/30/2023	152
3130ALJ70	10119	FHLB Call Note	03/12/2021	4,000,000.00	4,000,000.00	3,854,077.40	0.400	0.394	0.400	03/12/2024	255
3130AN5A4	10121	FHLB Call Note	07/26/2021	3,000,000.00	3,000,000.00	2,849,960.16	0.500	0.493	0.500	07/26/2024	391
3130ANMN7	10122	FHLB Call Note	08/26/2021	4,000,000.00	4,000,000.00	3,778,117.96	0.520	0.512	0.520	08/26/2024	422
3130APK79	10124	FHLB Call Note	10/28/2021	3,000,000.00	3,000,000.00	2,818,254.12	0.700	0.690	0.700	10/28/2024	485
3130APNE1	10126	FHLB Call Note	11/18/2021	2,000,000.00	2,000,000.00	1,880,000.02	0.900	0.887	0.900	11/18/2024	506
3130AQSK0	10127	FHLB Call Note	02/25/2022	2,000,000.00	2,000,000.00	1,884,114.10	1.600	1.578	1.600	02/25/2025	605
3130ARV00	10128	FHLB Call Note	05/19/2022	2,000,000.00	2,000,000.00	1,939,400.52	3.500	3.452	3.500	05/19/2025	688
3130AWBU3	10142	FHLB Call Note	06/12/2023	3,000,000.00	3,000,000.00	3,000,442.11	5.700	5.621	5.700	06/12/2025	712
3134GXR71	10129	FHLMC Call Note	08/30/2022	3,000,000.00	3,000,000.00	2,938,408.23	4.000	3.947	4.002	11/25/2024	513
3134GYQPO	10140	FHLMC Call Note	05/01/2023	3,500,000.00	3,500,000.00	3,475,101.98	5.375	5.301	5.375	05/01/2025	670
3134GYUL4	10145	FHLMC Call Note	06/30/2023	3,000,000.00	3,000,000.00	2,999,780.79	5.750	5.671	5.750	06/26/2026	1,091
3135G05R0	10114	FNMA Call Note	08/12/2020	4,000,000.00	4,000,000.00	3,978,335.56	0.300	0.353	0.358	08/10/2023	40
3135G05V1	10115	FNMA Call Note	08/28/2020	4,000,000.00	4,000,000.00	3,975,042.84	0.360	0.355	0.359	08/18/2023	48
<b>Subtotal and Average</b>				<b>44,500,000.00</b>	<b>44,500,000.00</b>	<b>43,285,128.15</b>		<b>1.966</b>	<b>1.993</b>		<b>431</b>
<b>Municipal Bonds</b>											
15046PBJ6	10125	Cedar Park TX Dev Corp	11/04/2021	310,000.00	310,000.00	294,484.50	0.860	0.848	0.860	08/15/2024	411
882669CN2	10123	Texas St Public Finance Auth	10/06/2021	2,017,966.95	2,000,000.00	1,959,680.00	2.000	0.443	0.450	02/01/2024	215
<b>Subtotal and Average</b>				<b>2,327,966.95</b>	<b>2,310,000.00</b>	<b>2,254,164.50</b>		<b>0.498</b>	<b>0.505</b>		<b>241</b>
<b>Logic</b>											
604001	10133	LOGIC	02/01/2023	8,113,348.74	8,113,348.74	8,113,348.74	5.255	5.183	5.255		1
<b>Subtotal and Average</b>				<b>8,113,348.74</b>	<b>8,113,348.74</b>	<b>8,113,348.74</b>		<b>5.183</b>	<b>5.255</b>		<b>1</b>

Fund ICF - Indigent Care  
Investments by Fund  
June 30, 2023

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Texpool</b>										
700002	10135	Texpool	02/01/2023	2,295,285.08	2,295,285.08	2,295,285.08	5.054	4.985	5.054	1
<b>Subtotal and Average</b>				2,295,285.08	2,295,285.08	2,295,285.08		4.985	5.054	1
<b>TexStar</b>										
24790	10138	TexStar	02/01/2023	3,349,441.99	3,349,441.99	3,349,441.99	5.076	5.006	5.076	1
<b>Subtotal and Average</b>				3,349,441.99	3,349,441.99	3,349,441.99		5.007	5.076	1
<b>Total Investments and Average</b>				69,308,694.42	69,568,075.81	68,010,586.46		3.010	3.051	310

Fund OP - General  
Investments by Fund  
June 30, 2023

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Texpool</b>										
700004	10134	Texpool	02/01/2023	33,859,530.79	33,859,530.79	33,859,530.79	5.054	4.985	5.054	1
700009	10136	Texpool	02/01/2023	24,012,031.83	24,012,031.83	24,012,031.83	5.054	4.985	5.054	1
<b>Subtotal and Average</b>				<b>57,871,562.62</b>	<b>57,871,562.62</b>	<b>57,871,562.62</b>		<b>4.985</b>	<b>5.054</b>	<b>1</b>
<b>Frost Bank</b>										
53079	10131	Frost Bank Public Fund Chkg	02/01/2023	99,804.94	99,804.94	99,804.94	4.010	3.955	4.010	1
27221	10132	Frost Bank Public Fund Chkg	02/01/2023	5,188.31	5,188.31	5,188.31	4.010	3.955	4.010	1
<b>Subtotal and Average</b>				<b>104,993.25</b>	<b>104,993.25</b>	<b>104,993.25</b>		<b>3.955</b>	<b>4.010</b>	<b>1</b>
<b>Total Investments and Average</b>				<b>57,976,555.87</b>	<b>57,976,555.87</b>	<b>57,976,555.87</b>		<b>4.983</b>	<b>5.052</b>	<b>1</b>

Fund RESC - Restricted Cash - General  
Investments by Fund  
June 30, 2023

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
43316	10130	Frost Bank Public Fund Chkg	02/01/2023	333,766.35	333,766.35	333,766.35	4.010	3.955	4.010	1
Subtotal and Average				333,766.35	333,766.35	333,766.35		3.955	4.010	1
Total Investments and Average				333,766.35	333,766.35	333,766.35		3.955	4.010	1

Fund TOB - Tobacco Settlement  
Investments by Fund  
June 30, 2023

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Texpool</b>										
700007	10137	Texpool	02/01/2023	2,116.11	2,116.11	2,116.11	5.054	4.985	5.054	1
<b>Subtotal and Average</b>				2,116.11	2,116.11	2,116.11		4.985	5.054	1
<b>Total Investments and Average</b>				2,116.11	2,116.11	2,116.11		4.985	5.054	1

Fund TREHB - Trust- Employee Heath Benefits  
Investments by Fund  
June 30, 2023

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Money Market</b>										
825252406	10139	Invesco Stit Treasury	02/01/2023	68,899.62	68,899.62	68,899.62	5.020	4.951	5.020	1
<b>Subtotal and Average</b>				68,899.62	68,899.62	68,899.62		4.951	5.020	1
<b>Total Investments and Average</b>				68,899.62	68,899.62	68,899.62		4.951	5.020	1



**Nueces County Hospital Dist.**  
**Cash Reconciliation Report**  
 For the Period April 1, 2023 - June 30, 2023

Meeder Public Funds  
 901 S. MoPac  
 Suite 300  
 Austin, TX 78746  
 -

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
04/28/2023	10124	ICF	Interest	3130APK79	3,000,000.00	FHLBC 3.0M 0.70% Mat. 10/28/2024	10/28/2024	0.00	10,500.00	0.00	10,500.00
05/01/2023	10140	ICF	Purchase	3134GYQPO	3,500,000.00	FHLMCC 3.5M 5.38% Mat.	05/01/2025	-3,500,000.00	0.00	0.00	-3,500,000.00
05/16/2023	10141	ICF	Purchase	76582KYGO	3,000,000.00	RIDGE 3.0M 0.00% Mat. 11/16/2023	11/16/2023	-2,919,193.33	0.00	0.00	-2,919,193.33
05/18/2023	10126	ICF	Interest	3130APNE1	2,000,000.00	FHLBC 2.0M 0.90% Mat. 11/18/2024	11/18/2024	0.00	9,000.00	0.00	9,000.00
05/19/2023	10128	ICF	Interest	3130ARVV0	2,000,000.00	FHLBC 2.0M 3.50% Mat. 05/19/2025	05/19/2025	0.00	35,000.00	0.00	35,000.00
05/25/2023	10129	ICF	Interest	3134GXR71	3,000,000.00	FHLMCC 3.0M 4.00% Mat.	11/25/2024	0.00	60,000.00	0.00	60,000.00
05/30/2023	10118	ICF	Interest	3133EMHL9	4,000,000.00	FFCBC 4.0M 0.31% Mat. 11/30/2023	11/30/2023	0.00	6,200.00	0.00	6,200.00
06/12/2023	10142	ICF	Purchase	3130AWBU3	3,000,000.00	FHLBC 3.0M 5.70% Mat. 06/12/2025	06/12/2025	-3,000,000.00	0.00	0.00	-3,000,000.00
06/23/2023	10143	ICF	Purchase	13607EC80	3,000,000.00	CANIMP 3.0M 0.00% Mat.	03/08/2024	-2,881,723.33	0.00	0.00	-2,881,723.33
06/27/2023	10144	ICF	Purchase	89233GB88	3,000,000.00	TYMCCP 3.0M 0.00% Mat.	02/08/2024	-2,896,040.00	0.00	0.00	-2,896,040.00
06/30/2023	10145	ICF	Purchase	3134GYUL4	3,000,000.00	FHLMCC 3.0M 5.75% Mat.	06/26/2026	-3,000,000.00	0.00	0.00	-3,000,000.00
<b>Subtotal</b>								<b>-18,196,956.66</b>	<b>120,700.00</b>	<b>0.00</b>	<b>-18,076,256.66</b>
<b>Total</b>								<b>-18,196,956.66</b>	<b>120,700.00</b>	<b>0.00</b>	<b>-18,076,256.66</b>



Nueces County Hospital Dist.  
**Purchases Report**  
 Sorted by Fund - Issuer  
 April 1, 2023 - June 30, 2023

Meeder Public Funds  
 901 S. MoPac  
 Suite 300  
 Austin, TX 78746  
 -

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
<b>Indigent Care</b>													
13607EC80	10143	ICF	ACP	CANIMP	3,000,000.00	06/23/2023	03/08 - At Maturity	2,881,723.33			03/08/2024	5.766	2,885,376.66
3130AWBU3	10142	ICF	FAC	FHLBC	3,000,000.00	06/12/2023	12/12 - 06/12	3,000,000.00		5.700	06/12/2025	5.700	3,000,000.00
3134GYQP0	10140	ICF	FAC	FHLMCC	3,500,000.00	05/01/2023	11/01 - 05/01	3,500,000.00		5.375	05/01/2025	5.375	3,500,000.00
3134GYUL4	10145	ICF	FAC	FHLMCC	3,000,000.00	06/30/2023	12/26 - 06/26	3,000,000.00		5.750	06/26/2026	5.750	3,000,000.00
76582KYG0	10141	ICF	ACP	RIDGE	3,000,000.00	05/16/2023	11/16 - At Maturity	2,919,193.33			11/16/2023	5.536	2,939,395.00
89233GB88	10144	ICF	ACP	TYMCCP	3,000,000.00	06/27/2023	02/08 - At Maturity	2,896,040.00			02/08/2024	5.794	2,897,880.00
				<b>Subtotal</b>	<b>18,500,000.00</b>			<b>18,196,956.66</b>	<b>0.00</b>				<b>18,222,651.66</b>
				<b>Total Purchases</b>	<b>18,500,000.00</b>			<b>18,196,956.66</b>	<b>0.00</b>				<b>18,222,651.66</b>



Nueces County Hospital Dist.  
 Interest Earnings  
 Sorted by Fund - Fund  
 April 1, 2023 - June 30, 2023  
 Yield on Beginning Book Value

Meeder Public Funds  
 901 S. MoPac  
 Suite 300  
 Austin, TX 78746

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: Indigent Care</b>												
3135G05R0	10114	ICF	FAC	4,000,000.00	4,000,000.00	4,000,000.00	08/10/2023	0.300	0.301	3,000.00	0.00	3,000.00
3135G05V1	10115	ICF	FAC	4,000,000.00	4,000,000.00	4,000,000.00	08/18/2023	0.360	0.361	3,600.00	0.00	3,600.00
3133EMHL9	10118	ICF	FAC	4,000,000.00	4,000,000.00	4,000,000.00	11/30/2023	0.310	0.311	3,100.00	0.00	3,100.00
3130ALJ70	10119	ICF	FAC	4,000,000.00	4,000,000.00	4,000,000.00	03/12/2024	0.400	0.401	4,000.00	0.00	4,000.00
3130AN5A4	10121	ICF	FAC	3,000,000.00	3,000,000.00	3,000,000.00	07/26/2024	0.500	0.501	3,750.00	0.00	3,750.00
3130ANMN7	10122	ICF	FAC	4,000,000.00	4,000,000.00	4,000,000.00	08/26/2024	0.520	0.521	5,200.00	0.00	5,200.00
882669CN2	10123	ICF	MC1	2,000,000.00	2,025,667.07	2,017,966.95	02/01/2024	2.000	0.455	10,000.00	-7,700.12	2,299.88
3130APK79	10124	ICF	FAC	3,000,000.00	3,000,000.00	3,000,000.00	10/28/2024	0.700	0.702	5,250.00	0.00	5,250.00
15046PBJ6	10125	ICF	MC1	310,000.00	310,000.00	310,000.00	08/15/2024	0.860	0.862	666.50	0.00	666.50
3130APNE1	10126	ICF	FAC	2,000,000.00	2,000,000.00	2,000,000.00	11/18/2024	0.900	0.902	4,500.00	0.00	4,500.00
3130AQSK0	10127	ICF	FAC	2,000,000.00	2,000,000.00	2,000,000.00	02/25/2025	1.600	1.604	8,000.00	0.00	8,000.00
3130ARVVO	10128	ICF	FAC	2,000,000.00	2,000,000.00	2,000,000.00	05/19/2025	3.500	3.510	17,500.00	0.00	17,500.00
3134GXR71	10129	ICF	FAC	3,000,000.00	3,000,000.00	3,000,000.00	11/25/2024	4.000	4.011	30,000.00	0.00	30,000.00
604001	10133	ICF	RRP	8,113,348.74	10,963,473.80	8,113,348.74		5.255	4.872	133,174.94	0.00	133,174.94
700002	10135	ICF	RR2	2,295,285.08	4,010,300.85	2,295,285.08		5.054	3.499	34,984.23	0.00	34,984.23
24790	10138	ICF	RR3	3,349,441.99	4,947,959.75	3,349,441.99		5.076	3.849	47,482.24	0.00	47,482.24
3134GYQP0	10140	ICF	FAC	3,500,000.00	0.00	3,500,000.00	05/01/2025	5.375	5.360	31,354.17	0.00	31,354.17
76582KYG0	10141	ICF	ACP	3,000,000.00	0.00	2,939,395.00	11/16/2023		5.491	0.00	20,201.67	20,201.67
3130AWBU3	10142	ICF	FAC	3,000,000.00	0.00	3,000,000.00	06/12/2025	5.700	5.779	9,025.00	0.00	9,025.00
13607EC80	10143	ICF	ACP	3,000,000.00	0.00	2,885,376.66	03/08/2024		5.784	0.00	3,653.33	3,653.33
89233GB88	10144	ICF	ACP	3,000,000.00	0.00	2,897,880.00	02/08/2024		5.798	0.00	1,840.00	1,840.00
3134GYUL4	10145	ICF	FAC	3,000,000.00	0.00	3,000,000.00	06/26/2026	5.750	5.830	479.17	0.00	479.17
			<b>Subtotal</b>	<b>69,568,075.81</b>	<b>57,257,401.47</b>	<b>69,308,694.42</b>			<b>2.409</b>	<b>355,066.25</b>	<b>17,994.88</b>	<b>373,061.13</b>
<b>Fund: General</b>												
53079	10131	OP	RR4	99,804.94	457,548.01	99,804.94		4.010	3.568	4,069.58	0.00	4,069.58
27221	10132	OP	RR4	5,188.31	5,248.65	5,188.31		4.010	20.924	273.80	0.00	273.80
700004	10134	OP	RR2	33,859,530.79	65,610,291.50	33,859,530.79		5.054	3.673	600,877.78	0.00	600,877.78
700009	10136	OP	RR2	24,012,031.83	15,253,553.14	24,012,031.83		5.054	9.991	379,955.90	0.00	379,955.90

Nueces County Hospital Dist.  
Interest Earnings  
April 1, 2023 - June 30, 2023

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Adjusted Interest Earnings			
									Annualized Yield	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
			Subtotal	57,976,555.87	81,326,641.30	57,976,555.87			4.859	985,177.06	0.00	985,177.06
<b>Fund: Restricted Cash - General</b>												
43316	10130	RESC	RR4	333,766.35	27,729,787.30	333,766.35		4.010	5.271	364,381.04	0.00	364,381.04
			Subtotal	333,766.35	27,729,787.30	333,766.35			5.271	364,381.04	0.00	364,381.04
<b>Fund: Tobacco Settlement</b>												
700007	10137	TOB	RR2	2,116.11	762.18	2,116.11		5.054	***.***	2,038.91	0.00	2,038.91
			Subtotal	2,116.11	762.18	2,116.11			***.***	2,038.91	0.00	2,038.91
<b>Fund: Trust- Employee Health Benefits</b>												
825252406	10139	TREHB	RR5	68,899.62	69,255.40	68,899.62		5.020	4.882	843.02	0.00	843.02
			Subtotal	68,899.62	69,255.40	68,899.62			4.882	843.02	0.00	843.02
			Total	127,949,413.76	166,383,847.65	127,690,032.37			4.042	1,707,506.28	17,994.88	1,725,501.16



**M E E D E R**  
PUBLIC FUNDS

Nueces County Hospital Dist.  
Amortization Schedule  
April 1, 2023 - June 30, 2023  
Sorted By Fund - Fund

Meeder Public Funds  
901 S. MoPac  
Suite 300  
Austin, TX 78746  
-

Investment #	Maturity Date	Beginning Par Value				Amounts Amortized				
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	And Unamortized As of 04/01/2023	Amount Amortized This Period	Amt Amortized Through 06/30/2023	Amount Unamortized Through 06/30/2023
<b>Indigent Care</b>										
10143	ICF	03/08/2024	3,000,000.00	2,881,723.33	-118,276.67	2,885,376.66	0.00	3,653.33	3,653.33	-114,623.34
Canadian Imperial Holdings CP										
10118	ICF	11/30/2023	4,000,000.00	3,996,600.00	-3,400.00	4,000,000.00	3,400.00	0.00	3,400.00	0.00
FFCB Call Note										
		11/30/2021	0.310				0.00			
10114	ICF	08/10/2023	4,000,000.00	3,993,000.00	-7,000.00	4,000,000.00	7,000.00	0.00	7,000.00	0.00
FNMA Call Note										
		08/10/2022	0.300				0.00			
10141	ICF	11/16/2023	3,000,000.00	2,919,193.33	-80,806.67	2,939,395.00	0.00	20,201.67	20,201.67	-60,605.00
Ridgefield Funding CP										
10123	ICF	02/01/2024	2,000,000.00	2,071,440.00	71,440.00	2,017,966.95	-45,772.93	-7,700.12	-53,473.05	17,966.95
Texas St Public Finance Auth										
			2.000				25,667.07			
10144	ICF	02/08/2024	3,000,000.00	2,896,040.00	-103,960.00	2,897,880.00	0.00	1,840.00	1,840.00	-102,120.00
Toyota Motor Credit Corp CP										
							-103,960.00			
			<b>Subtotal</b>	<b>18,757,996.66</b>	<b>-242,003.34</b>	<b>18,740,618.61</b>	<b>-35,372.93</b>	<b>17,994.88</b>	<b>-17,378.05</b>	<b>-259,381.39</b>
							<b>-277,376.27</b>			
			<b>Total</b>	<b>18,757,996.66</b>	<b>-242,003.34</b>	<b>18,740,618.61</b>	<b>-35,372.93</b>	<b>17,994.88</b>	<b>-17,378.05</b>	<b>-259,381.39</b>
							<b>-277,376.27</b>			



**Nueces County Hospital Dist.**  
**Projected Cashflow Report**  
 Sorted by Fund  
 For the Period July 1, 2023 - January 31, 2024

Meeder Public Funds  
 901 S. MoPac  
 Suite 300  
 Austin, TX 78746

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
<b>Indigent Care</b>										
07/12/2023	10119	ICF	3130ALJ70	Call	FHLB Call Note	4,000,000.00	4,000,000.00	4,000,000.00	0.00	4,000,000.00
07/26/2023	10121	ICF	3130AN5A4	Interest	FHLB Call Note	0.00	0.00	0.00	7,500.00	7,500.00
07/28/2023	10124	ICF	3130APK79	Call	FHLB Call Note	3,000,000.00	3,000,000.00	3,000,000.00	0.00	3,000,000.00
08/01/2023	10123	ICF	882669CN2	Interest	Texas St Public Finance Auth	0.00	0.00	0.00	20,000.00	20,000.00
08/01/2023	10140	ICF	3134GYQP0	Call	FHLMC Call Note	3,500,000.00	3,500,000.00	3,500,000.00	0.00	3,500,000.00
08/10/2023	10114	ICF	3135G05R0	Maturity	FNMA Call Note	4,000,000.00	3,993,000.00	4,000,000.00	6,000.00	4,006,000.00
08/15/2023	10125	ICF	15046PBJ6	Interest	Cedar Park TX Dev Corp	0.00	0.00	0.00	1,333.00	1,333.00
08/18/2023	10115	ICF	3135G05V1	Maturity	FNMA Call Note	4,000,000.00	4,000,000.00	4,000,000.00	7,200.00	4,007,200.00
08/18/2023	10126	ICF	3130APNE1	Call	FHLB Call Note	2,000,000.00	2,000,000.00	2,000,000.00	0.00	2,000,000.00
08/19/2023	10128	ICF	3130ARVVO	Call	FHLB Call Note	2,000,000.00	2,000,000.00	2,000,000.00	0.00	2,000,000.00
08/25/2023	10127	ICF	3130AQSK0	Interest	FHLB Call Note	0.00	0.00	0.00	16,000.00	16,000.00
08/25/2023	10127	ICF	3130AQSK0	Call	FHLB Call Note	2,000,000.00	2,000,000.00	2,000,000.00	0.00	2,000,000.00
08/25/2023	10129	ICF	3134GXR71	Call	FHLMC Call Note	3,000,000.00	3,000,000.00	3,000,000.00	0.00	3,000,000.00
08/26/2023	10122	ICF	3130ANMN7	Interest	FHLB Call Note	0.00	0.00	0.00	10,400.00	10,400.00
08/26/2023	10122	ICF	3130ANMN7	Call	FHLB Call Note	4,000,000.00	4,000,000.00	4,000,000.00	0.00	4,000,000.00
09/12/2023	10119	ICF	3130ALJ70	Interest	FHLB Call Note	0.00	0.00	0.00	8,000.00	8,000.00
09/12/2023	10142	ICF	3130AWBU3	Call	FHLB Call Note	3,000,000.00	3,000,000.00	3,000,000.00	0.00	3,000,000.00
09/26/2023	10145	ICF	3134GYUL4	Call	FHLMC Call Note	3,000,000.00	3,000,000.00	3,000,000.00	0.00	3,000,000.00
10/28/2023	10124	ICF	3130APK79	Interest	FHLB Call Note	0.00	0.00	0.00	10,500.00	10,500.00
11/01/2023	10140	ICF	3134GYQP0	Interest	FHLMC Call Note	0.00	0.00	0.00	94,062.50	94,062.50
11/16/2023	10141	ICF	76582KYG0	Maturity	Ridgefield Funding CP	3,000,000.00	2,919,193.33	3,000,000.00	0.00	3,000,000.00
11/18/2023	10126	ICF	3130APNE1	Interest	FHLB Call Note	0.00	0.00	0.00	9,000.00	9,000.00
11/19/2023	10128	ICF	3130ARVVO	Interest	FHLB Call Note	0.00	0.00	0.00	35,000.00	35,000.00
11/25/2023	10129	ICF	3134GXR71	Interest	FHLMC Call Note	0.00	0.00	0.00	60,000.00	60,000.00
11/30/2023	10118	ICF	3133EMHL9	Maturity	FFCB Call Note	4,000,000.00	3,996,600.00	4,000,000.00	6,200.00	4,006,200.00
12/12/2023	10142	ICF	3130AWBU3	Interest	FHLB Call Note	0.00	0.00	0.00	85,500.00	85,500.00
12/26/2023	10145	ICF	3134GYUL4	Interest	FHLMC Call Note	0.00	0.00	0.00	84,333.33	84,333.33
01/26/2024	10121	ICF	3130AN5A4	Interest	FHLB Call Note	0.00	0.00	0.00	7,500.00	7,500.00
<b>Total for Indigent Care</b>						<b>44,500,000.00</b>	<b>44,408,793.33</b>	<b>44,500,000.00</b>	<b>468,528.83</b>	<b>44,968,528.83</b>
<b>GRAND TOTALS:</b>						<b>44,500,000.00</b>	<b>44,408,793.33</b>	<b>44,500,000.00</b>	<b>468,528.83</b>	<b>44,968,528.83</b>



**Nueces County Hospital Dist.**  
**Texas Compliance Change in Val Report**  
**Sorted by Fund**  
**April 1, 2023 - June 30, 2023**

Meeder Public Funds  
 901 S. MoPac  
 Suite 300  
 Austin, TX 78746  
 -

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
<b>Fund: Indigent Care</b>									
10114	FNMAC	ICF	08/12/2020	3,000.00	4,000,000.00	0.00	0.00	0.00	4,000,000.00
3135G05R0	4,000,000.00	0.358	08/10/2023	0.00	3,931,825.96	0.00	0.00	46,509.60	3,978,335.56
10115	FNMAC	ICF	08/28/2020	3,600.00	4,000,000.00	0.00	0.00	0.00	4,000,000.00
3135G05V1	4,000,000.00	0.359	08/18/2023	0.00	3,933,662.24	0.00	0.00	41,380.60	3,975,042.84
10118	FFCBC	ICF	12/03/2020	3,100.00	4,000,000.00	0.00	0.00	0.00	4,000,000.00
3133EMHL9	4,000,000.00	0.338	11/30/2023	6,200.00	3,877,127.88	0.00	0.00	36,964.48	3,914,092.36
10119	FHLBC	ICF	03/12/2021	4,000.00	4,000,000.00	0.00	0.00	0.00	4,000,000.00
3130ALJ70	4,000,000.00	0.400	03/12/2024	0.00	3,842,686.64	0.00	0.00	11,390.76	3,854,077.40
10121	FHLBC	ICF	07/26/2021	3,750.00	3,000,000.00	0.00	0.00	0.00	3,000,000.00
3130AN5A4	3,000,000.00	0.500	07/26/2024	0.00	2,848,057.65	0.00	0.00	1,902.51	2,849,960.16
10122	FHLBC	ICF	08/26/2021	5,200.00	4,000,000.00	0.00	0.00	0.00	4,000,000.00
3130ANMN7	4,000,000.00	0.520	08/26/2024	0.00	3,780,808.00	0.00	0.00	-2,690.04	3,778,117.96
10123	TXSPUB	ICF	10/06/2021	10,000.00	2,025,667.07	0.00	0.00	-7,700.12	2,017,966.95
882669CN2	2,000,000.00	0.450	02/01/2024	0.00	1,953,520.00	0.00	0.00	6,160.00	1,959,680.00
10124	FHLBC	ICF	10/28/2021	5,250.00	3,000,000.00	0.00	0.00	0.00	3,000,000.00
3130APK79	3,000,000.00	0.700	10/28/2024	10,500.00	2,829,694.14	0.00	0.00	-11,440.02	2,818,254.12
10125	CDPARK	ICF	11/04/2021	666.50	310,000.00	0.00	0.00	0.00	310,000.00
15046PBJ6	310,000.00	0.860	08/15/2024	0.00	294,208.60	0.00	0.00	275.90	294,484.50
10126	FHLBC	ICF	11/18/2021	4,500.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00
3130APNE1	2,000,000.00	0.900	11/18/2024	9,000.00	1,890,119.38	0.00	0.00	-10,119.36	1,880,000.02
10127	FHLBC	ICF	02/25/2022	8,000.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00
3130AQSK0	2,000,000.00	1.600	02/25/2025	0.00	1,898,933.12	0.00	0.00	-14,819.02	1,884,114.10

Nueces County Hospital Dist.  
Texas Compliance Change in Val Report  
April 1, 2023 - June 30, 2023

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10128	FHLBC	ICF	05/19/2022	17,500.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00
3130ARVV0	2,000,000.00	3.500	05/19/2025	35,000.00	1,958,541.62	0.00	0.00	-19,141.10	1,939,400.52
10129	FHLMCC	ICF	08/30/2022	30,000.00	3,000,000.00	0.00	0.00	0.00	3,000,000.00
3134GXR71	3,000,000.00	4.002	11/25/2024	60,000.00	2,964,240.03	0.00	0.00	-25,831.80	2,938,408.23
10133	LOGIC	ICF	02/01/2023	133,174.94	10,963,473.80	149,874.94	3,000,000.00	-2,850,125.06	8,113,348.74
604001	8,113,348.74	5.255	/ /	133,174.94	10,963,473.80	149,874.94	3,000,000.00	-2,850,125.06	8,113,348.74
10135	TXPOOL	ICF	02/01/2023	34,984.23	4,010,300.85	34,984.23	1,750,000.00	-1,715,015.77	2,295,285.08
700002	2,295,285.08	5.054	/ /	34,984.23	4,010,300.85	34,984.23	1,750,000.00	-1,715,015.77	2,295,285.08
10138	TXSTAR	ICF	02/01/2023	47,482.24	4,947,959.75	151,482.24	1,750,000.00	-1,598,517.76	3,349,441.99
24790	3,349,441.99	5.076	/ /	47,482.24	4,947,959.75	151,482.24	1,750,000.00	-1,598,517.76	3,349,441.99
10140	FHLMCC	ICF	05/01/2023	31,354.17	0.00	3,500,000.00	0.00	3,500,000.00	3,500,000.00
3134GYQP0	3,500,000.00	5.375	05/01/2025	0.00	0.00	3,500,000.00	0.00	3,475,101.98	3,475,101.98
10141	RIDGE	ICF	05/16/2023	0.00	0.00	2,919,193.33	0.00	2,939,395.00	2,939,395.00
76582KYG0	3,000,000.00	5.536	11/16/2023	0.00	0.00	2,919,193.33	0.00	2,935,503.00	2,935,503.00
10142	FHLBC	ICF	06/12/2023	9,025.00	0.00	3,000,000.00	0.00	3,000,000.00	3,000,000.00
3130AWBU3	3,000,000.00	5.700	06/12/2025	0.00	0.00	3,000,000.00	0.00	3,000,442.11	3,000,442.11
10143	CANIMP	ICF	06/23/2023	0.00	0.00	2,881,723.33	0.00	2,885,376.66	2,885,376.66
13607EC80	3,000,000.00	5.765	03/08/2024	0.00	0.00	2,881,723.33	0.00	2,881,392.00	2,881,392.00
10144	TYMCCP	ICF	06/27/2023	0.00	0.00	2,896,040.00	0.00	2,897,880.00	2,897,880.00
89233GB88	3,000,000.00	5.793	02/08/2024	0.00	0.00	2,896,040.00	0.00	2,896,323.00	2,896,323.00
10145	FHLMCC	ICF	06/30/2023	479.17	0.00	3,000,000.00	0.00	3,000,000.00	3,000,000.00
3134GYUL4	3,000,000.00	5.750	06/26/2026	0.00	0.00	3,000,000.00	0.00	2,999,780.79	2,999,780.79
<b>Sub Totals For: Fund: Indigent Care</b>				355,066.25	57,257,401.47	18,533,298.07	6,500,000.00	12,051,292.95	69,308,694.42
				336,341.41	55,925,159.66	18,533,298.07	6,500,000.00	12,085,426.80	68,010,586.46
<b>Fund: General</b>									
10131	FBPFC	OP	02/01/2023	4,069.58	457,548.01	41,149,394.68	41,507,137.75	-357,743.07	99,804.94
53079	99,804.94	4.010	/ /	4,069.58	457,548.01	41,149,394.68	41,507,137.75	-357,743.07	99,804.94

Nueces County Hospital Dist.  
Texas Compliance Change in Val Report  
April 1, 2023 - June 30, 2023

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10132	FBPFC	OP	02/01/2023	273.80	5,248.65	378,267.12	378,327.46	-60.34	5,188.31
27221	5,188.31	4.010	/ /	273.80	5,248.65	378,267.12	378,327.46	-60.34	5,188.31
10134	TXPOOL	OP	02/01/2023	600,877.78	65,610,291.50	2,259,495.95	34,010,256.66	-31,750,760.71	33,859,530.79
700004	33,859,530.79	5.054	/ /	600,877.78	65,610,291.50	2,259,495.95	34,010,256.66	-31,750,760.71	33,859,530.79
10136	TXPOOL	OP	02/01/2023	379,955.90	15,253,553.14	26,984,317.44	18,225,838.75	8,758,478.69	24,012,031.83
700009	24,012,031.83	5.054	/ /	379,955.90	15,253,553.14	26,984,317.44	18,225,838.75	8,758,478.69	24,012,031.83
<b>Sub Totals For: Fund: General</b>				985,177.06	81,326,641.30	70,771,475.19	94,121,560.62	-23,350,085.43	57,976,555.87
				985,177.06	81,326,641.30	70,771,475.19	94,121,560.62	-23,350,085.43	57,976,555.87
<b>Fund: Restricted Cash - Ge</b>									
10130	FBPFC	RESC	02/01/2023	364,381.04	27,729,787.30	40,513,901.79	67,909,922.74	-27,396,020.95	333,766.35
43316	333,766.35	4.010	/ /	364,381.04	27,729,787.30	40,513,901.79	67,909,922.74	-27,396,020.95	333,766.35
<b>Sub Totals For: Fund: Restricted Cash - Ge</b>				364,381.04	27,729,787.30	40,513,901.79	67,909,922.74	-27,396,020.95	333,766.35
				364,381.04	27,729,787.30	40,513,901.79	67,909,922.74	-27,396,020.95	333,766.35
<b>Fund: Tobacco Settlement</b>									
10137	TXPOOL	TOB	02/01/2023	2,038.91	762.18	712,353.93	711,000.00	1,353.93	2,116.11
700007	2,116.11	5.054	/ /	2,038.91	762.18	712,353.93	711,000.00	1,353.93	2,116.11
<b>Sub Totals For: Fund: Tobacco Settlement</b>				2,038.91	762.18	712,353.93	711,000.00	1,353.93	2,116.11
				2,038.91	762.18	712,353.93	711,000.00	1,353.93	2,116.11
<b>Fund: Trust- Employee Heat</b>									
10139	INVSCO	TREHB	02/01/2023	843.02	69,255.40	827.35	1,183.13	-355.78	68,899.62
825252406	68,899.62	5.020	/ /	827.35	69,255.40	827.35	1,183.13	-355.78	68,899.62
<b>Sub Totals For: Fund: Trust- Employee Heat</b>				843.02	69,255.40	827.35	1,183.13	-355.78	68,899.62
				827.35	69,255.40	827.35	1,183.13	-355.78	68,899.62
<b>Report Grand Totals:</b>				1,707,506.28	166,383,847.65	130,531,856.33	169,243,666.49	-38,693,815.28	127,690,032.37
				1,688,765.77	165,051,605.84	130,531,856.33	169,243,666.49	-38,659,681.43	126,391,924.41

## Disclosures



Meeder Public Funds, Inc., is a registered investment adviser with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. Registration with the SEC does not imply a certain level of skill or training. The opinions expressed in this presentation are those of Meeder Public Funds, Inc. The material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed.

Meeder provides monthly statements for its investment management clients to provide information about the investment portfolio. The information should not be used for audit or confirmation purposes. Please review your custodial statements and report any inaccuracies or discrepancies.

Certain information and data have been supplied by unaffiliated third parties. Although Meeder believes the information is reliable, it cannot warrant the accuracy of information offered by third parties. Market value may reflect prices received from pricing vendors when current market quotations are not available. Prices may not reflect firm bids or offers and may differ from the value at which the security can be sold.

Statements may include positions from unmanaged accounts provided for reporting purposes. Unmanaged accounts are managed directly by the client and are not included in the accounts managed by the investment adviser. This information is provided as a client convenience and the investment adviser assumes no responsibility for performance of these accounts or the accuracy of the data reported.

**Investing involves risk. Past performance is no guarantee of future results. Debt and fixed income securities are subject to credit and interest rate risk. The investment return and principal value of an investment will fluctuate so that an investors shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.**

Investment advisory services are provided through Meeder Public Funds, Inc. Please contact us if you would like to receive a copy of our current ADV disclosure brochure or privacy policy.

### Meeder Public Funds

Barton Oaks Plaza I  
901 S. MoPac Expy  
Suite 300  
Austin, Texas  
78746  
866.633.3371

IN THE MATTER OF NUECES COUNTY HOSPITAL DISTRICT

DOCKET # CBCA-7792-FEMA

Arbitration Agreement

This agreement (hereinafter referred to as the "Arbitration Agreement"), is entered into on the 7<sup>th</sup> day of August, 2023, by and between the Federal Emergency Management Agency (hereinafter referred to as "FEMA" or the "Agency"), the Texas Division of Emergency Management (the "State"), and Nueces County Hospital District (the "Applicant"), collectively the "Parties", as follows:

WITNESSETH that:

WHEREAS, the Applicant sought arbitration before the Civilian Board of Contract Appeals ("CBCA") in the matter identified as CBCA 7792-FEMA, *In the Matter of Nueces County Hospital District*, to resolve a dispute arising out of the Applicant's request for a Public Assistance grant under the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("Stafford Act"), 42 U.S.C. § 5172, for claimed reimbursement for the contract costs associated with consulting, project management, data, analytics, and strategic planning during COVID-19 for vaccination distribution.

WHEREAS, FEMA, the State, and the Applicant have agreed to resolve this arbitration matter under the terms set forth in this Arbitration Agreement.

NOW THEREFORE, in consideration of the foregoing, FEMA, the State, and the Applicant agree to resolve CBCA 7792-FEMA as follows:

1. The recitals above are ratified, confirmed, adopted, and incorporated as though specifically set forth below.
2. This Arbitration Agreement is not a deviation from FEMA practice or policies.
3. This Arbitration Agreement creates no precedent, nor does it create authority from which Applicant can cite to.
4. FEMA agrees to issue a version to Project Worksheet 00676 under FEMA-4485-DR-TX to obligate funding to reimburse the Applicant for the contract costs associated with consulting, project management, data, analytics, and strategic planning during COVID-19 for vaccination distribution, totaling \$503,127.00.
5. FEMA agrees to obligate the PW version as expeditiously as possible.
6. The statutes, rules, regulations, policies, and procedures that relate to and govern FEMA Public Assistance grants applies to the grant that is the subject of this Arbitration Agreement and this Arbitration Agreement does not negate or otherwise set aside any statute, regulation, policy, or procedure to which a Stafford Act grant is otherwise subject.
7. The Parties agree to each bear their own attorneys' fees, costs, and expenses related to the dispute and CBCA 7792-FEMA.
8. The terms of this Arbitration Agreement are in full and final resolution and



satisfaction of any and all claims, demands, rights, and causes of action of whatsoever kind and nature against FEMA based on, arising from, and by reason of any and all known and unknown injuries, foreseen and unforeseen, that the Applicant now has or hereafter may acquire against FEMA, its agents, servants, and employees, resulting, or to result, from FEMA action that is the subject of, or in any way related to the dispute in CBCA 7792-FEMA; and, the Applicant forever waives all rights to bring any actions, claims, demands, and causes of action of whatsoever kind and nature against FEMA related CBCA 7792-FEMA. Nothing in this paragraph, however, shall be construed as a release by Applicant of any action, claim or demand for funding or reimbursement that falls outside of the dispute in CBCA 7792-FEMA.

9. The terms of the numbered paragraphs of this Arbitration Agreement constitute the entire Arbitration Agreement of the Parties, and no statement, remark, agreement, or understanding, oral or written, that is not contained herein shall be recognized or enforced.

10. In consideration of the terms set forth above the parties agree that the arbitration before the CBCA is resolved and the Applicant hereby agrees that within three days of the execution of this Arbitration Agreement, the Applicant will file a request with the CBCA to voluntarily dismiss CBCA 7792-FEMA without prejudice.

11. This Arbitration Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument.

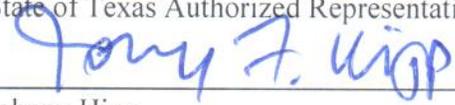
IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have executed this Arbitration Agreement as of the date indicated below:

\_\_\_\_\_  
Colt Hagmaier  
Federal Emergency Management Agency  
Acting Assistant Administrator - Recovery Directorate  
Office of Response and Recovery

\_\_\_\_\_  
Date

\_\_\_\_\_  
W. Nim Kidd  
State of Texas Authorized Representative

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Johnny Hipp  
Nueces County Hospital District Authorized Representative

\_\_\_\_\_  
Date

*08/07/2023*

**NUECES COUNTY HOSPITAL DISTRICT**  
**Board of Managers Meetings**  
**Calendar Year 2024**

**Dates & Times:**

- Tuesday, January 23, 2024, 12:00 Noon
- Tuesday, February 27, 2024, 12:00 Noon
- Tuesday, March 26, 2024, 12:00 Noon
- Tuesday, April 23, 2024, 12:00 Noon
- Tuesday, May 28, 2024, 12:00 Noon
- Tuesday, June 25, 2024, 12:00 Noon
- Tuesday, July 23, 2024, 12:00 Noon
- Tuesday, August 27, 2024, 12:00 Noon – Adopt Annual Budget
- Tuesday, September 24, 2024, 12:00 Noon – Elect Officers & Appoint Committees
- Tuesday, October 22, 2024, 12:00 Noon
- Tuesday, November 19, 2024, 12:00 Noon
- Tuesday, December 17, 2024, 12:00 Noon

Finance Committee to meet at 11:30 AM on the above dates.

# Memorandum

To: Board of Managers  
From: Jonny F. Hipp, Administrator  
Date: August 18, 2023  
Re: Achievement of FY 2022 Performance Goals

---

## Board Members:

Pursuant to the Employment Agreement (“Agreement”) between the Hospital District (“District”) and myself, this is to notify the Board of Managers (“Board”) that certain Performance Goals set forth in the Agreement and relating to the District’s fiscal year ended September 30, 2022 (“Fiscal Year 2022”) were achieved. In addition, this is to call the Board’s attention to the Goal Achievement Pay that is due to occur as a result of the achievements. The related information and supporting details are provided below and attached.

For your reference, I have attached a copy of the Agreement, as amended (see Exhibit #1). The Agreement’s Performance Goal Pay provisions are set forth in Paragraph 3(b) and the Performance Goals and their associated achievement pay amounts, stated as a percent of salary, are located at the end of the Agreement and identified as Attachment “A.” I have additionally attached an analysis of the Performance Goals achieved during Fiscal Year 2022 and the associated amounts of the Goal Achievement Pay to be paid (see Exhibit #2).

Concerning the above, three of the Performance Goals from those listed in Attachment ‘A’ were achieved during Fiscal Year 2022.

Prior to the disbursement of any Goal Achievement Pay, the Agreement requires that the Board receive from the Administrator relevant documentation supporting the Administrator’s achievement of the specific Performance Goals being relied upon for that year’s Goal Achievement Pay which are shown on the following page and in the attached Exhibits.

*Jonny F. Hipp*

## Performance Goals Achieved in Fiscal Year 2022

- (1) **Goal #19:** Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2022.  
**Exhibit #:** 3  
**Documentation:** August 2022 letter from State Medicaid Director (Awaiting receipt).
  
- (2) **Goal #21:** Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2022.  
**Exhibits #:** 4 & 5  
**Documentation:** Fiscal Year ended September 30, 2022-related letters issued by Collier, Johnson & Woods, P.C., the Hospital District's independent auditors, and dated February 23, 2023:
  - (A) *Independent Auditor's Report (Exhibit #4); and*
  - (B) *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 Governmental Auditing Standards (Exhibit #5).*
  
- (3) **Goal #22:** Negotiate revenue sharing percentage for Fiscal Year 2023.  
**Exhibit #:** 6  
**Documentation:** August 10, 2022 letter from CHRISTUS Spohn Health System substantiating negotiations and establishing the sharing percentage for Fiscal Year 2023.

# Exhibit # 1

**NUECES COUNTY HOSPITAL DISTRICT  
ADMINISTRATOR EMPLOYMENT AGREEMENT  
October 1, 2018 – September 30, 2022**

This Administrator Employment Agreement (the “Agreement”) is made by and between the Board of Managers (the “Board”) of the Nueces County Hospital District, a political subdivision of the State of Texas (the “Hospital District”), and Jonny F. Hipp, the person appointed by the Board to be the Administrator who is qualified for such by training and experience (the “Administrator”). The Board and Administrator, for and in consideration of the terms and conditions hereinafter set forth in this Agreement and pursuant to Texas Health and Safety Code, §281.026 and §281.028 hereby agree as follows:

**W I T N E S S E T H:**

1. **Employment.** The Board, by and on behalf of the Hospital District, does hereby employ Administrator as the District’s Administrator and Chief Executive Officer, and the Administrator hereby accepts such employment. It is the intent of the parties hereto that the Administrator’s employment be governed by this Agreement and the District’s policies regarding compensation, separation from employment, and employment-at-will shall not be applicable to the Administrator. Except as stated above and in Paragraphs 3-5 below, the District’s employee policies shall be applicable to the Administrator.

2. **Duties and Performance Goals.** Subject to the Board’s policies, limitations, and reasonable direction, the Administrator shall perform those duties required by the Board, including but not limited to, supervision of the work and activities of the Hospital District and general direction of the District’s affairs. The Administrator shall perform those duties required of an administrator by Texas Health and Safety Code, Chapter 281. The Administrator shall assure the Hospital District complies with the applicable provisions of Texas Health and Safety Code, Chapters 61 and 281 and other applicable laws. The Administrator shall serve as Secretary of the Board as provided in Texas Health and Safety Code, §281.023(b). In addition, the Administrator shall endeavor to reasonably achieve the Performance Goals attached hereto and identified as Attachment “A.” The Administrator is hereby authorized to plan, organize, manage, supervise, and direct use of the District’s personnel, equipment, and other resources in the performance of his duties and achievement of the Performance Goals under this Agreement. The Administrator is encouraged to and may continue performing higher education-level teaching activities in the community and region and the Board is supportive thereof provided that those activities do not interfere with the performance of his duties under this Agreement or create a conflict of interest.

3. **Compensation.** The Administrator shall be entitled to the following payments (collectively, the “Compensation”):

(a) **Salary.** Considering the level of expertise, education, and experience required of the Administrator by the Board, the adequacy of which is hereby confirmed by the Board, and the Board’s desire to fairly compensate the Administrator for such qualities, the

Board has surveyed other similarly-situated hospital districts in the State concerning the salary and benefits paid for positions comparable with that of the Administrator. The Board, acknowledging and considering (i) the Administrator's performance in carrying out the requirements of prior employment agreements with the District; (ii) the Administrator's achievement of prior Performance Goals; (iii) the Administrator's doctoral education, collectively all of which have directly benefited and continue to benefit the taxpayers, District, community, and the region; (iv) the compensation and benefits paid and made available to administrators in similarly-situated hospital districts in the State; (v) the Board's desire that the Administrator be fairly compensated; (vi) that the greater than ever complexities of healthcare administration, quality, financing, and governmental regulations require the expertise of the Administrator; and (vii) the Board's desire to achieve consistency, stability and longevity in the Administrator's position, the Board hereby determines and agrees that the Hospital District shall pay the Administrator a salary amount of one hundred ninety-two thousand four dollars and eighty cents (\$192,004.80) per twelve-month period during the Term (the "Salary"). The Salary shall be prorated for twenty-six (26) biweekly pay periods during each twelve-month period of the Term and for any partial employment period. The Salary shall be subject to withholding taxes prescribed by applicable statutes and as additionally authorized by Administrator.

(b) **Performance Goal Pay.** The Board desires that the Hospital District maintain a leadership role in regional healthcare supplemental payment programs, achieve uneventful financial audit results, pursue needed legislation, realize non-tax revenues, and divest specified real properties. Accordingly, the Board hereby determines and agrees that on or about each February 1<sup>st</sup> during the Term, the District shall, in addition to the Salary above, pay the Administrator a lump sum amount equal to the amount(s) associated with the Administrator's reasonable achievement of Performance Goal(s) set forth in Attachment "A" (the "Goal Achievement Pay"). The Goal Achievement Pay shall be subject to withholding taxes prescribed by applicable statutes and as additionally authorized by Administrator. Prior to disbursement of any Goal Achievement Pay, the Administrator shall present to the Board relevant documentation supporting his achievement of the specific Performance Goals being relied upon for that particular year's Goal Achievement Pay.

4. **Benefits.** The Administrator shall be entitled to receive the same employee benefits, commensurate with his past service considering his original hire date, as other employees of the Hospital District (the "Common Benefits"). In addition to the Common Benefits, the Administrator shall be entitled to the following supplemental benefits during the Term (the "Supplemental Benefits"):

(a) **Automobile Allowance.** To facilitate performance of Administrator's duties and achievement of his Performance Goals under this Agreement, the Hospital District agrees to pay the Administrator an allowance of two hundred thirty-five dollars (\$235.00) per biweekly pay period during the Term for use of his personal automobile within the District's boundaries (the "Automobile Allowance"). The Automobile Allowance shall be prorated for any partial employment period.

(b) **Telephone Allowance.** To facilitate performance of Administrator's duties and achievement of his Performance Goals under this Agreement, the Hospital District agrees to pay the Administrator an allowance of fifty dollars (\$50.00) per biweekly pay period during the Term for use of his personal communications device (the "Telephone Allowance"). The Telephone Allowance shall be prorated for any partial employment period.

(c) **Retirement Contribution.** The Hospital District agrees to deposit into the District's Internal Revenue Code ("IRC"), Section 457(b) Deferred Compensation Plan (the "Deferred Compensation Plan") each calendar year for benefit of Administrator, an amount equal to the then current calendar year's annual IRC Section 457(b) contribution limit (the "Retirement Contribution"). The Retirement Contribution shall be prorated based on twenty-six (26) biweekly pay periods per calendar year and shall be further prorated for any partial employment period. All Retirement Contribution deposits shall be fully and immediately vested in the Administrator and are freely transferrable by the Administrator in the event the Administrator is no longer employed by the Hospital District, subject to the requirements of IRC Section 457(b). The Administrator shall not be restricted from depositing additional personal contributions into the Deferred Compensation Plan. In consideration of this Retirement Contribution provided by the District, the Administrator agrees he will not participate in the District's IRC, Section 403(b) Tax-Sheltered Annuity Plan.

(d) **Employee Insurance Premiums.** The Hospital District agrees to pay up to one hundred twenty-five dollars (\$125.00) per biweekly pay period during the Term toward the employee's portion of the Hospital District's health, dental, and vision insurance premiums for the Administrator and his children or family, as he shall determine for each insurance type, and the Administrator is responsible for payment of any amounts in excess of that amount.

(e) **Expense Reimbursement.** The Hospital District shall reimburse Administrator for reasonable expenses incurred by him in the performance of his duties and achievement of his Performance Goals under this Agreement and his professional development, statutorily required training, and related activities upon written approval of the required number of Board Authorities as described below. Such expenses shall be categorized as those: (i) incurred while within Nueces County; (ii) incurred while outside of Nueces County; (iii) related to Administrator's professional development, statutorily required training, and related activities; and (iv) not covered by or in addition to categories (i)-(iii) herein.

(i) Reasonable reimbursable expenses incurred while within Nueces County shall include business meals, telephone calls, parking, dues for professional organizations, and any other reasonably incurred business-related expenses. The aggregate amount of the Administrator's professional organizations-related dues expenses shall not exceed four hundred fifty dollars (\$450.00) per Hospital District fiscal year and the Administrator is responsible for payment of any dues in excess of that amount;

(ii) Reasonable reimbursable expenses incurred while outside of Nueces County shall include automobile mileage, airfare, toll charges, overnight

accommodations, business meals, personal meals, taxicab and shuttle fares, limousine fares, bus fares, train fares, rental car, parking, office supplies, photocopying expense, overnight letters, telephone calls, facsimiles and any other reasonably incurred business-related expenses;

(iii) Reasonable reimbursable expenses for the Administrator's professional development, statutorily required training, and related activities shall include annual dues, registration and course fees, mileage, airfare, toll charges, overnight accommodations, personal meals, taxicab and shuttle fares, limousine fares, bus fares, train fares, rental car, parking and any other reasonably incurred development and training related expenses, including fees, course materials, books, publications, videos, software, and other similar and related materials. The aggregate amount of the Administrator's professional development shall not exceed five thousand dollars (\$5,000.00) per biennium and the Administrator is responsible for payment of any amounts in excess of that limit; and

(iv) Any other additional, reasonable and necessary expenses incurred in the performance of or in support of Administrator's duties and Performance Goals not otherwise identified in Paragraphs 4(e)(i) and (ii) above, or as otherwise approved by the Board Authorities as set forth herein.

For purposes of this Agreement, the term "Board Authorities" shall mean the Board's Chairman, Vice Chairman, Finance Committee Chairman, and Planning Committee Chairman. Prior to reimbursement of any of the Administrator's expenses incurred under Paragraphs 4(e)(i)-(iv) above, said expenses (including appropriate detailed receipts) shall be submitted for review by and written approval of any two (2) of the Board Authorities within fifteen (15) days of incurrence. The Board Authorities shall consider reasonableness and practicality when reviewing Administrator's expenses and approve or disapprove his submissions within five (5) working days. Following approval by the Board Authorities above, the Hospital District shall reimburse Administrator within five (5) working days.

Reimbursement of Administrator's expenses under Paragraphs 4(e)(ii) and (iii) above shall be limited as follows. The aggregate amount of the Administrator's personal meal expenses shall not exceed fifty-five dollars (\$55.00) per day (excluding tips, which should not exceed fifteen percent [15%] of the bill) and the Administrator is responsible for payment of any personal meal expenses in excess of that limit. To the extent possible, Administrator's airfare expenses should not exceed Coach fare. Administrator's automobile mileage reimbursement shall be based on actual mileage incurred and paid at the Internal Revenue Service standard mileage rate for business miles in effect at the time the mileage was incurred. The Hospital District shall not reimburse Administrator for any expenses not specifically described and permitted above, including alcoholic beverages and entertainment.

(f) **Provision of Indemnification and Cost of Defense.** To the extent allowed by law, and if the Administrator was acting within the course and scope of his employment with the Hospital District, excluding any criminal acts, the District agrees to hold harmless and indemnify Administrator from any and all demands, claims, suits, actions, legal

proceedings, and defense arising from the performance of his duties, both past and present, which are or expected to be brought against him, either in his individual capacity, or in his official capacity as agent and employee of the Board and/or Hospital District. However, in no case will any individual Board member or members be considered personally liable for indemnifying Administrator against such demands, claims, suits, actions, legal proceedings, and defense. This provision shall survive termination of this Agreement.

(g) **Payment of Performance Bond.** To assure compliance with the performance bond requirement of Texas Health and Safety Code, §281.026(d), the Hospital District agrees to arrange for and pay the cost of such bond.

5. **Term and Termination.** The Administrator's term of employment shall be for four (4) years beginning October 1, 2018 and ending September 30, 2022 (the "Term"). Except for good cause, or for other than good cause as described below, a majority vote of the entire Board may terminate this Agreement not more than ninety (90) days and not less than sixty (60) days prior to the end of the Term upon written notice of such to the Administrator.

For good cause, or for other than good cause, the Board may terminate this Agreement upon sixty (60) days written notice of such to the Administrator. For purposes of this Agreement, the phrase "for good cause" shall mean: (i) the Administrator willfully breaches or habitually neglects the duties he is required to perform under terms of this Agreement; (ii) the Administrator refuses to obey reasonable Board directives; (iii) the Administrator commits clearly dishonest acts toward the Hospital District; and (iv) the Administrator is formally charged for any crime involving moral turpitude. The phrase "for other than good cause" shall mean: (i) occurrence of circumstances that make it impossible or impracticable for the business of the District to be continued; (ii) the death of the Administrator; (iii) the loss by Administrator of his legal capacity; (iv) the continued incapacity on the part of the Administrator to perform his duties for a continuous period of ninety (90) days, unless waived by the Board; and (v) the Administrator becomes permanently disabled because of sickness, physical or mental disability, or any other reason, such that it reasonably appears that he will be unable to perform his duties under this Agreement.

The Administrator may terminate this Agreement for any reason upon sixty (60) days written notice of such to the Board's Chairman.

Upon termination of this Agreement by either the Board or the Administrator as described in this Paragraph 5, the Administrator shall be entitled to the Compensation, Goal Achievement Pay, Common Benefits, and Supplemental Benefits, as provided for in this Agreement, that were earned prior to the effective date of the termination, computed pro rata up to and including the effective date of termination.

6. **Subsequent Employment.** The Administrator's subsequent employment shall be governed as follows:

(a) **Consultant for Hospital District.** In the event this Agreement shall expire at the end of the Term or be terminated by the Administrator or the Board at any other time, the Administrator may be called upon from time to time as a consultant by the Board for a period of one hundred eighty (180) days from the date of expiration or termination of the Agreement.

(b) **Indigent Health Care Providers.** During the one hundred eighty (180)-day period following the expiration or termination of this Agreement, the Administrator shall not consult to or be employed by any entities located in Nueces County, Texas then under contract to the Hospital District to provide indigent health care. In the event the Board terminates this Agreement, or in the event any action is taken by the Board or any other body or entity to abolish, dissolve, or materially diminish the powers or duties of the Hospital District and the Administrator terminates this Agreement, there shall not be any form of subsequent employment constraint enforceable on the Administrator at any time.

(c) **Payment.** In consideration of the Hospital District's requirements in Paragraphs 6(a) and (b) above, the Board agrees the Administrator shall be paid for being a consultant to the Hospital District and his agreement not to consult to or be employed by any entities located in Nueces County, Texas then under contract to the Hospital District to provide indigent health care. As payment, the Board agrees the Administrator shall be paid at the end of the one hundred eighty (180)-day period a lump sum amount equal to the amount(s) associated with the Administrator's reasonable achievement of any previously unclaimed or unpaid Performance Goal(s) described in Paragraph 3(b) and set forth in Attachment "A," including any Performance Goal(s) achieved and documented following the expiration or termination of this Agreement. Such payment shall be made whether or not the Administrator is requested to consult with the Hospital District as described in Paragraph 6(a) above. Prior to disbursement of the payment, the Administrator shall present to the Board relevant documentation supporting his achievement of the specific Performance Goal(s) being relied upon for the payment and the Board agrees the District will provide the Administrator such documentation if needed.

7. **Severability.** If any provision contained in this Agreement is determined by a court of competent jurisdiction to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision which was determined to be void, illegal, or unenforceable had not been contained herein.

8. **Amendment, Modification, and Waiver.** This Agreement may not be changed orally but only by written agreement signed by both parties. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party. This instrument contains the entire agreement of the Parties concerning employment and supersedes all prior and contemporaneous representations, understandings and agreements, either oral or in writing between the parties hereto with respect

to the employment of the Administrator by the Board and all such prior or contemporaneous representations, understandings and arrangements, both oral and in written, are hereby terminated upon the beginning date of this Agreement.

9. **Governing Law and Venue.** Unless specifically provided otherwise, the parties intend that the laws of the State of Texas should govern the validity of the Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto. Venue for all matters arising from this Agreement or other related matters subject to the provisions herein relating to binding arbitration shall be in Nueces County, Texas.

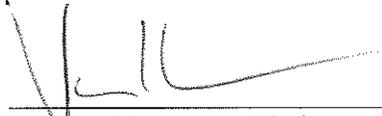
10. **Attachments, Schedules, and Exhibits.** Attachments, schedules, and exhibits mean the attached documents setting out certain particulars of this Agreement and any replacement documents thereof. All attachments, schedules, and exhibits referred to in this Agreement are incorporated herein by reference and are hereby made part of this Agreement.

11. **Binding Arbitration.** In lieu of litigation, the parties agree that any dispute between them arising from this Agreement shall be submitted to binding arbitration. The parties shall share equally the fees and costs payable to the arbitrator. The award of the arbitrator may be entered in, and enforced through, any court of competent jurisdiction in Nueces County, Texas. Any action to enforce or vacate the obligation to arbitrate or to enforce or vacate an arbitrator's award shall be governed by state law. Unless agreed to in writing between the parties, there shall be no other court action.

IN WITNESS WHEREOF, the parties have hereunto undertaken this Agreement and executed it as of the 14th day of September 2018.

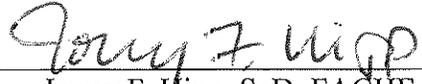
**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**  
("Board" and "Hospital District")

By: \_\_\_\_\_

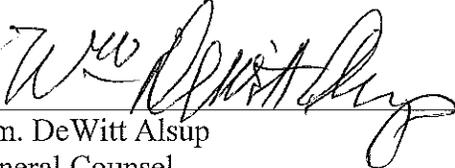
  
Van Huseman, Chairman  
Board of Managers

**JONNY F. HIPPI**  
("Administrator")

By: \_\_\_\_\_

  
Jonny F. Hipp, ScD, FACHE

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Wm. DeWitt Alsup  
General Counsel

**Attachment "A"**

<b>PERFORMANCE GOALS</b>		
<b>Goal</b>	<b>Description</b>	<b>Goal Achievement Pay as Percent of Salary</b>
<b>Fiscal Year 2018</b>		
1	Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2018.	5%
2	Fulfill Nueces Service Delivery Area Liaison responsibilities of Uniform Hospital Rate Increase Program for fiscal year ending September 30, 2018.	5%
3	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2018.	7.5%
4	Negotiate revenue sharing percentage for Fiscal Year 2019.	7.5%
<b>Fiscal Year 2019</b>		
5	Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2019.	5%
6	Fulfill Nueces Service Delivery Area Liaison responsibilities of Uniform Hospital Rate Increase Program for fiscal year ending September 30, 2019.	5%
7	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2019.	7.5%
8	Negotiate revenue sharing percentage for Fiscal Year 2020.	7.5%
9	Pursue goals for 86 <sup>th</sup> Texas Legislative Session.	5%
<b>Fiscal Year 2020</b>		
10	Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2020.	5%
11	Fulfill Nueces Service Delivery Area Liaison responsibilities of Uniform Hospital Rate Increase Program for fiscal year ending September 30, 2020.	5%
12	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2020.	7.5%
13	Negotiate revenue sharing percentage for Fiscal Year 2021.	7.5%

<b>PERFORMANCE GOALS</b>		
<b>Fiscal Year 2021</b>		
14	Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2021.	5%
15	Fulfill Nueces Service Delivery Area Liaison responsibilities of Uniform Hospital Rate Increase Program for fiscal year ending September 30, 2021.	5%
16	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2021.	7.5%
17	Negotiate revenue sharing percentage for Fiscal Year 2022.	7.5%
18	Pursue goals for 87 <sup>th</sup> Texas Legislative Session.	5%
<b>Fiscal Year 2022</b>		
19	Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2022.	5%
20	Fulfill Nueces Service Delivery Area Liaison responsibilities of Uniform Hospital Rate Increase Program for fiscal year ending September 30, 2022.	5%
21	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2022.	7.5%
22	Negotiate revenue sharing percentage for Fiscal Year 2023.	7.5%
<b>During Any Fiscal Year</b>		
23	Secure appraisal of Memorial Medical Center property.	4%
24	Secure appraisal of non-Memorial Medical Center properties.	4%
25	Secure platting of Memorial Medical Center property.	4%
26	Accomplish sale of Memorial Medical Center property.	8%
27	Accomplish sale of non-Memorial Medical Center properties.	8%

# # #

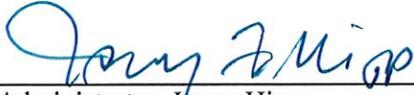
Administrator Employment Agreement Oct 2018 - Sept 2022 (1.3).doc

NUECES COUNTY HOSPITAL DISTRICT  
ADMINISTRATOR EMPLOYMENT AGREEMENT  
OCTOBER 1, 2018 – SEPTEMBER 30, 2022

# Exhibit # 2

**NUECES COUNTY HOSPITAL DISTRICT  
 ADMINISTRATOR'S EMPLOYMENT AGREEMENT ANALYSIS  
 FOR THE FISCAL YEAR ENDED 09/30/2022  
 DUE AFTER FEBRUARY 1, 2023**

Goal	Description	% Salary	Amount
19	Fulfill Regional Healthcare Partnership 4 Anchor Entity responsibilities of Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver) for fiscal year ending September 30, 2022	5.0%	\$11,280.28
20	Fulfill Nueces Service Delivery Area Liaison responsibilities of Uniform Hospital Rate Increase Program for fiscal year ending September 30, 2022	5.0%	\$0.00
21	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2022	7.5%	\$16,920.42
22	Negotiate sufficient sharing percentage for Fiscal Year 2023	7.5%	\$16,920.42
Total			\$45,121.13

  
 \_\_\_\_\_  
 Administrator, Jonny Hipp

01/01/23  
 \_\_\_\_\_  
 Date

Compiled By:

  
 \_\_\_\_\_  
 Donna Littlefield

01/01/23  
 \_\_\_\_\_  
 Date

Reviewed by:

  
 \_\_\_\_\_  
 Belinda Chism

1/2/23  
 \_\_\_\_\_  
 Date

# Exhibit # 3

## Awaiting Receipt

# Exhibit # 4

# NUECES COUNTY HOSPITAL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2022



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

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report .....	1-3
Management’s Discussion and Analysis.....	4-16
Basic Financial Statements:	
Governmental Funds Balance Sheet / Statement of Net Position – Exhibit 1.....	18-21
Explanations for Adjustments to Reconcile Governmental Funds – Balance Sheet To the Statement of Net Position – Exhibit 2.....	23
Statement of Governmental Fund Revenues, Expenditures and Change in Fund Balances / Statement of Activities – Exhibit 3.....	24-25
Explanations for Adjustments to Reconcile Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Exhibit 4 .....	27
General Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual for the General Fund – Exhibit 5 .....	28
Special Revenue Funds:	
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual for the Indigent Care Fund – Exhibit 6 .....	29
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual for the Tobacco Settlement Fund – Exhibit 7 .....	30
Fiduciary Funds – Statement of Net Position – Exhibit 8-A.....	31
Fiduciary Funds – Statement of Changes in Net Position – Exhibit 8-B .....	32
Notes to Financial Statements .....	33-50
Governmental Audit Reports:	
Independent Auditor’s Report on Internal Controls over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....	51-52

**This page left intentionally blank.**

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.

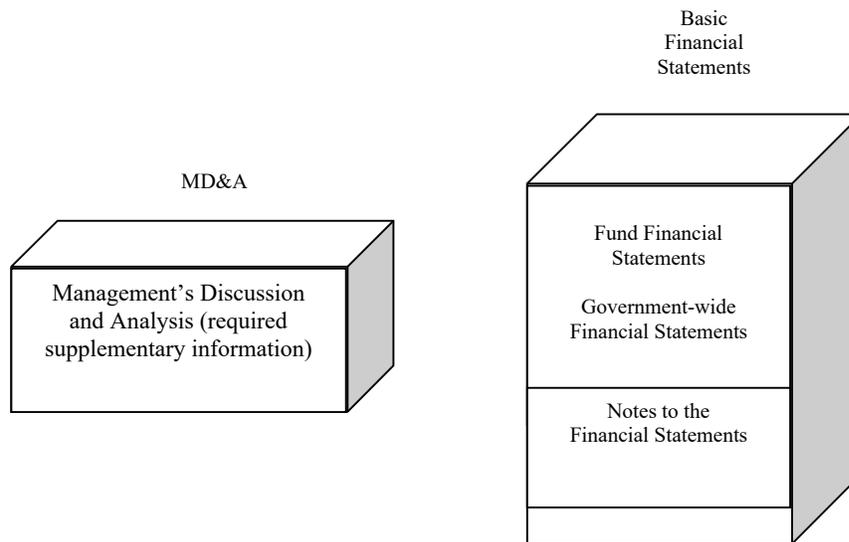
In Fiscal Year 2022, the District's total revenues increased \$3.0 million or 6.3% compared to the prior year. 23.4% of the District's total revenues were from non-tax sources. The District's total expenses decreased \$11.5 million or 17.5% compared to the prior year.

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.

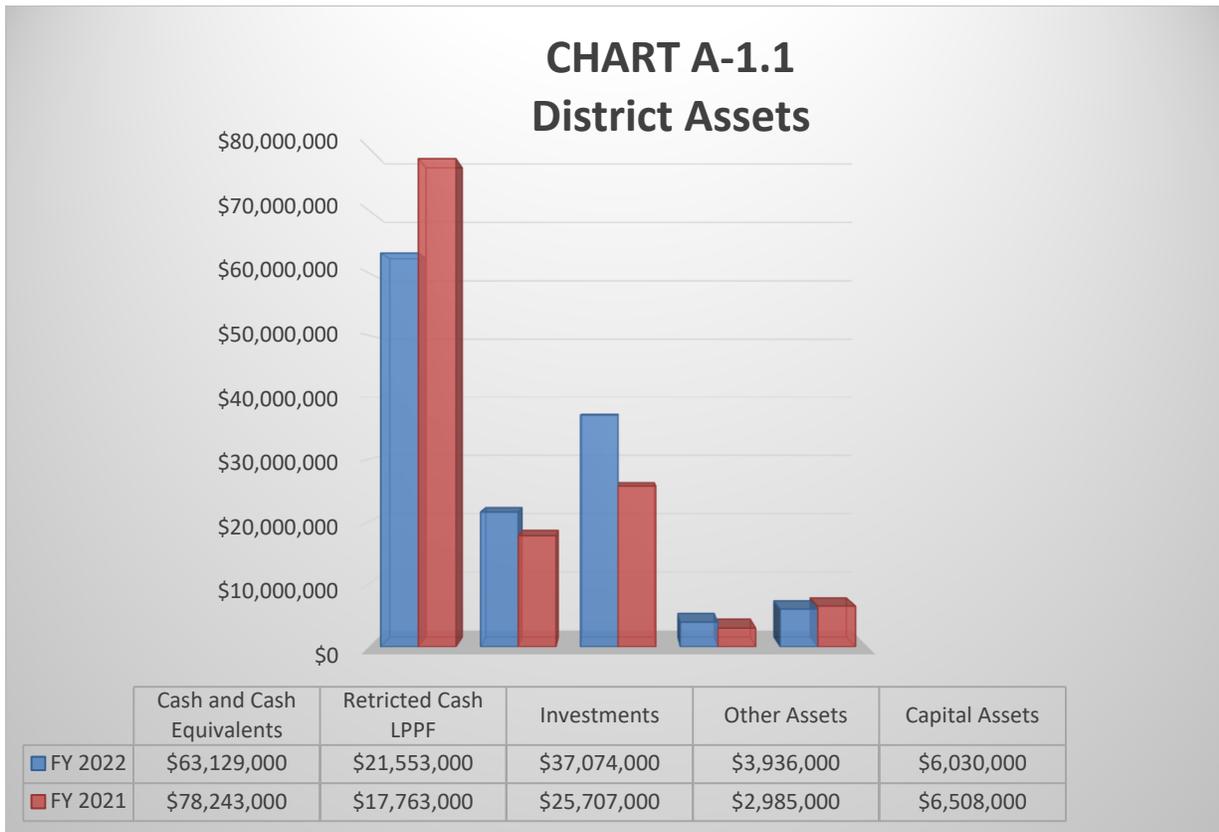
**TABLE A-1**  
**Nueces County Hospital District Net Position**  
**September 30, 2022 and 2021**  
**(In Thousands)**

<b>Assets:</b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022-2021</u></b> <b><u>Variance</u></b>
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>
<b>Total Assets</b>	<b><u>131,722</u></b>	<b><u>131,206</u></b>	<b><u>516</u></b>
<b>Liabilities:</b>			
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>
<b>Total Liabilities</b>	<b><u>25,309</u></b>	<b><u>20,870</u></b>	<b><u>4,439</u></b>
<b>Net Position:</b>			
Net Investment in Capital Assets	6,030	6,508	(478)
Unrestricted	<u>100,383</u>	<u>103,828</u>	<u>(3,445)</u>
<b>Total Net Position</b>	<b><u>\$ 106,413</u></b>	<b><u>\$ 110,336</u></b>	<b><u>\$ (3,923)</u></b>

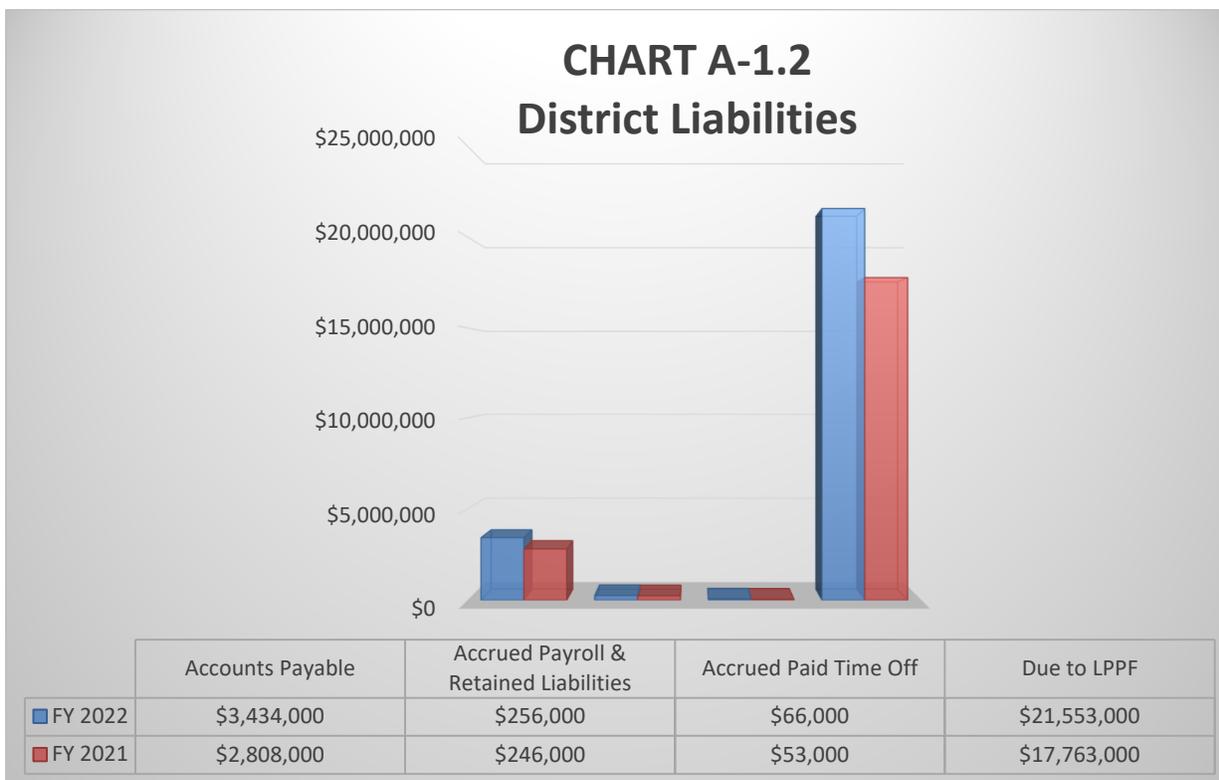
### Financial Analysis

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.

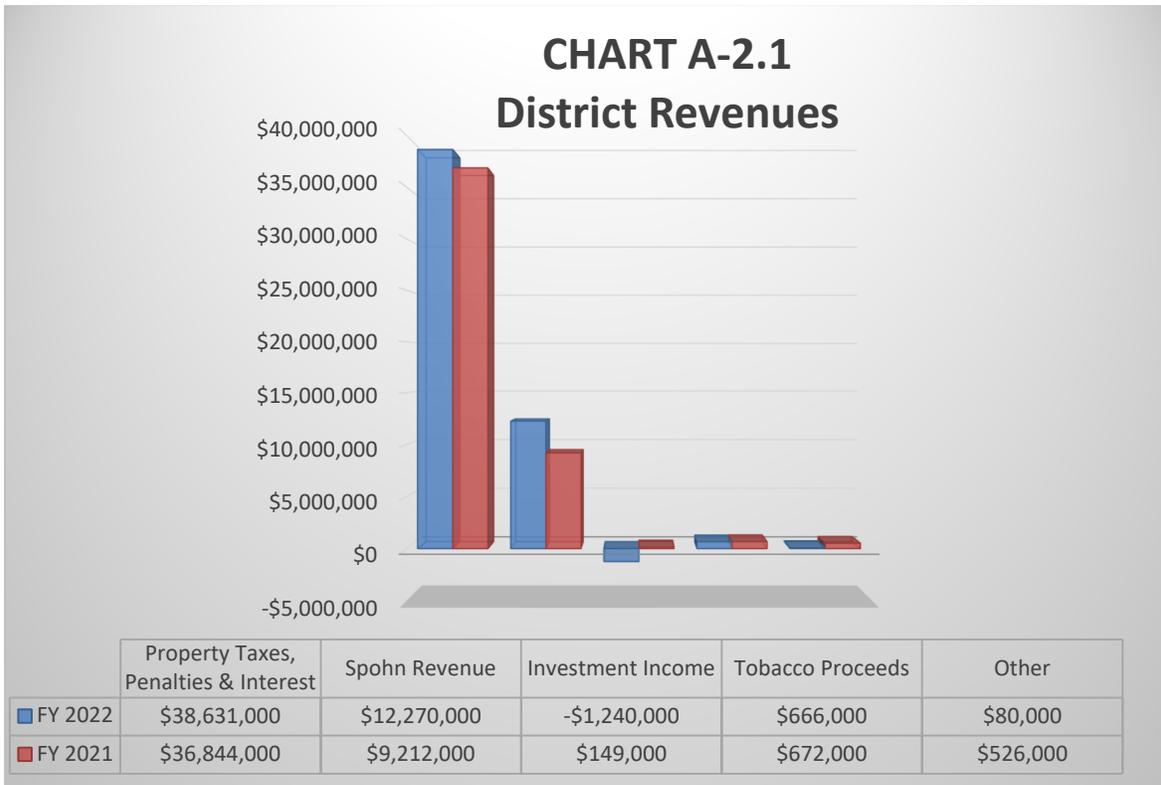


**Statement of Activities (Government-Wide)**

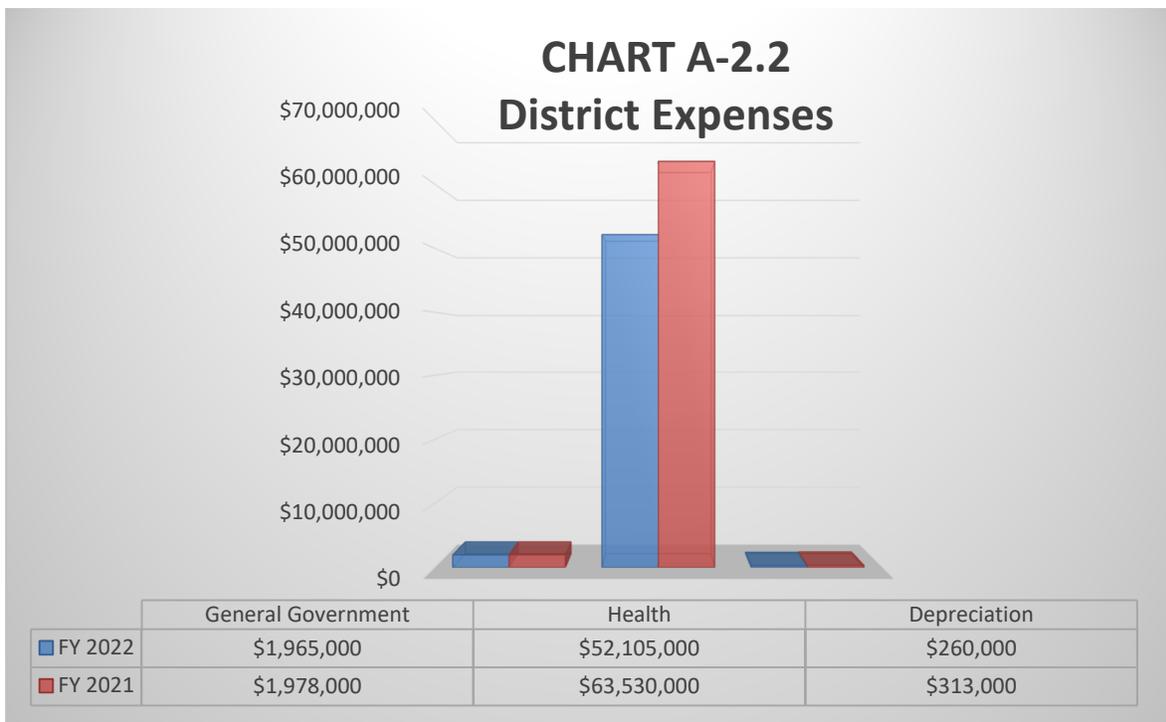
**TABLE A-2**  
**Changes in Nueces County Hospital District Net Position**  
**September 30, 2022 and 2021**  
**(In Thousands)**

	<u>2022</u>	<u>2021</u>	<u>2022-2021</u> <u>Variance</u>
<b>Revenues</b>			
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)
<b>Total Revenues</b>	<u>50,407</u>	<u>47,403</u>	<u>3,004</u>
<b>Expenses:</b>			
General Government	1,965	1,978	(13)
Health	52,105	63,530	(11,425)
Depreciation	260	313	(53)
<b>Total Expenses</b>	<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>
<b>NET POSITION, END OF YEAR</b>	<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

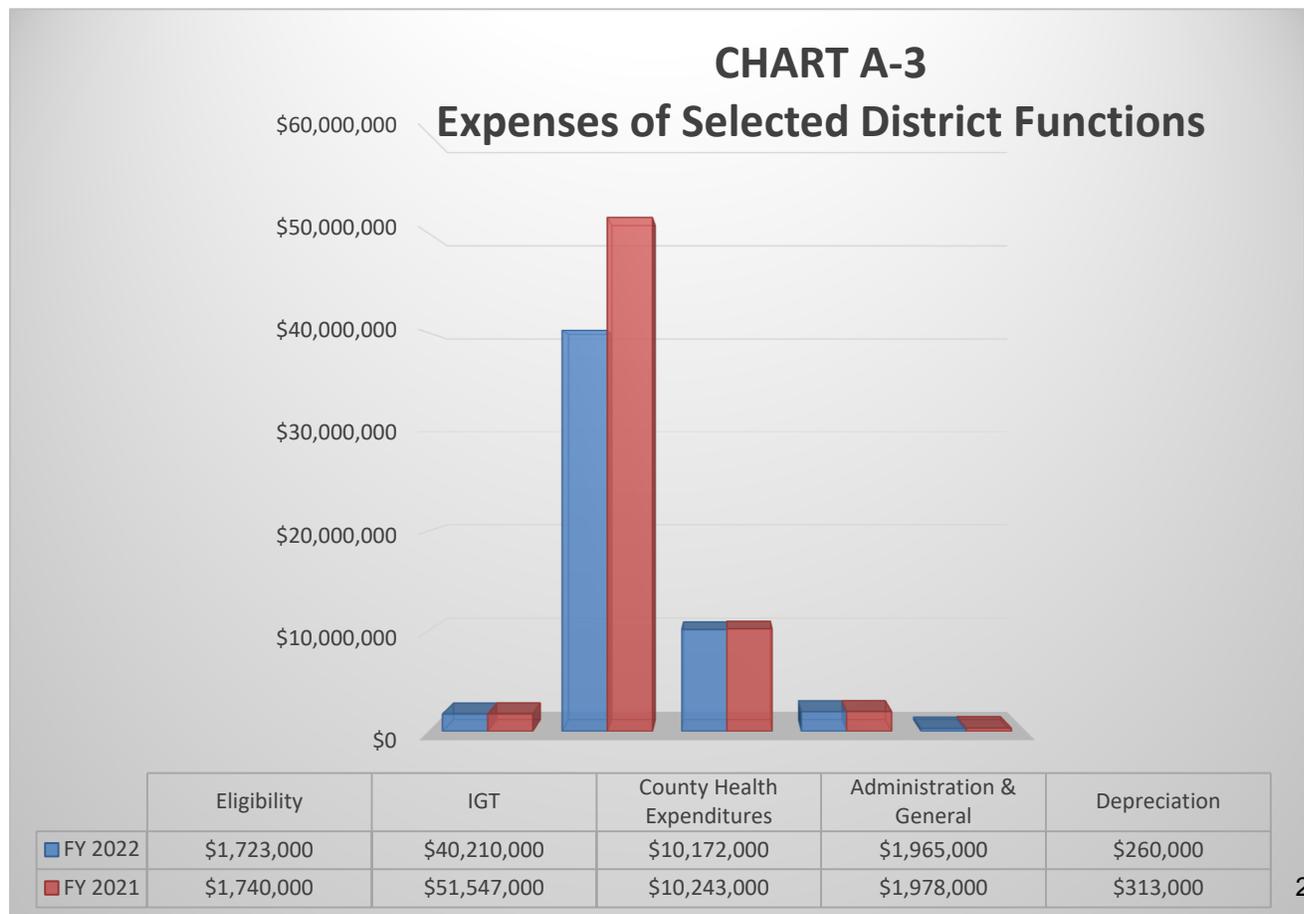
In Fiscal Year 2022, the District's total revenues increased \$3 million or 6.3% compared to the prior fiscal year. There were four principal sources of revenue for the District. The initial source of revenue is from ad valorem taxes levied on Nueces County property owners based on assessed valuations. 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)
<b>TOTAL</b>	<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:

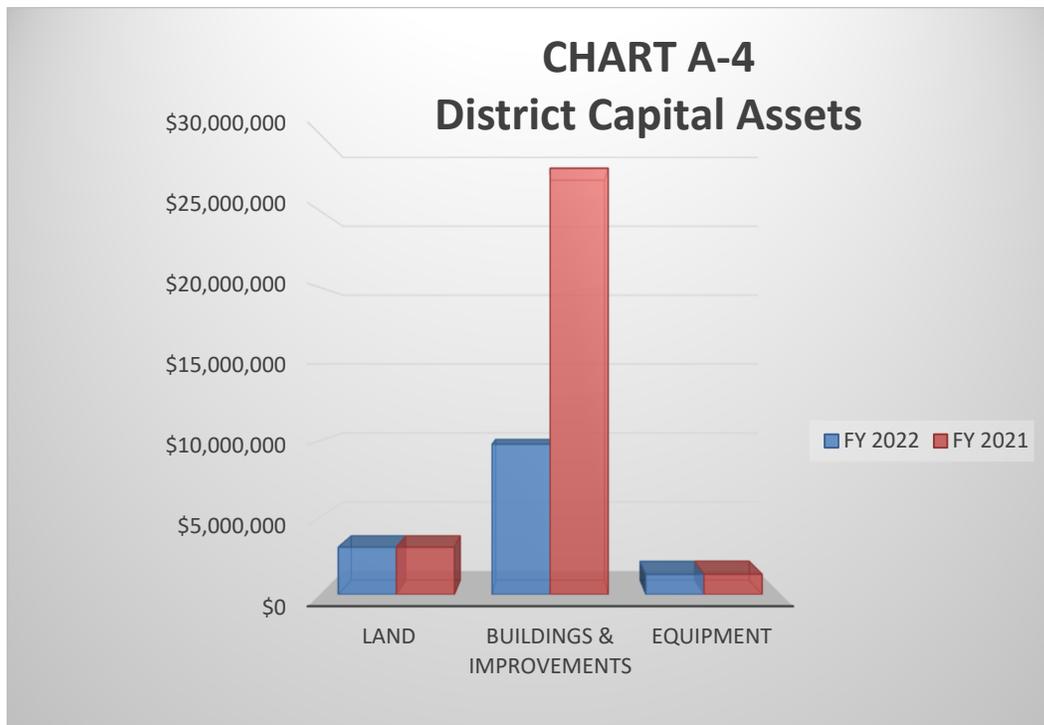
**TABLE A-4**  
**Nueces County Hospital District's Capital Assets**  
**September 30, 2022 and 2021**  
**(In Thousands)**

	<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>
<b>NET CAPITAL ASSETS</b>	<b><u>\$ 6,030</u></b>	<b><u>\$ 6,508</u></b>	<b><u>\$ (478)</u></b>

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](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](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**

<b>ASSETS</b>	<b><u>GENERAL</u></b>	<b><u>INDIGENT CARE FUND</u></b>	<b><u>TOBACCO SETTLEMENT FUND</u></b>
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)	--	--	--
<b>TOTAL ASSETS</b>	<b><u>70,810,313</u></b>	<b><u>54,880,624</u></b>	<b><u>747</u></b>

Exhibit 1

<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>ADJUSTMENTS EXHIBIT 2</b>	<b>STATEMENT OF NET POSITION</b>
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**

<b>LIABILITIES</b>	<b><u>GENERAL</u></b>	<b><u>INDIGENT CARE FUND</u></b>	<b><u>TOBACCO SETTLEMENT FUND</u></b>
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	--	--
<b>TOTAL LIABILITIES</b>	<b>28,894,604</b>	<b>--</b>	<b>--</b>
<b>FUND EQUITY/NET POSITION</b>			
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	<b>41,915,709</b>	<b>54,880,624</b>	<b>747</b>
<b>TOTAL LIABILITIES AND     FUND EQUITY</b>	<b>70,810,313</b>	<b>54,880,624</b>	<b>747</b>

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

<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>ADJUSTMENTS EXHIBIT 2</b>	<b>STATEMENT OF NET POSITION</b>
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>

**This page left intentionally blank.**

**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**

	<b><u>GENERAL</u></b>	<b><u>INDIGENT CARE FUND</u></b>	<b><u>TOBACCO SETTLEMENT FUND</u></b>
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**

<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>ADJUSTMENTS EXHIBIT 4</b>	<b>STATEMENT OF ACTIVITIES</b>
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>

**This page left intentionally blank.**

**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**

	<b>ORIGINAL AND FINAL BUDGET</b>	<b>ACTUAL GAAP BASIS</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
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**

	<b><u>ORIGINAL AND FINAL BUDGET</u></b>	<b><u>ACTUAL GAAP BASIS</u></b>	<b><u>VARIANCE FAVORABLE (UNFAVORABLE)</u></b>
Revenues -			
Investment Income	56,456	(1,581,170)	(1,637,626)
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>	
FUND BALANCE, END OF YEAR		<u>54,880,624</u>	

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

**NUECES COUNTY HOSPITAL DISTRICT****(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)****TOBACCO SETTLEMENT FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL****YEAR ENDED SEPTEMBER 30, 2022**

	<b><u>ORIGINAL AND FINAL BUDGET</u></b>	<b><u>ACTUAL GAAP BASIS</u></b>	<b><u>VARIANCE FAVORABLE (UNFAVORABLE)</u></b>
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**

	<b>HEALTH BENEFIT PLAN AND TRUST FUND</b>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 4)	68,172
Accrued Interest	159
Total Assets	68,331
 <b>LIABILITIES</b>	
Due to General Fund	4,025
 <b>NET POSITION</b>	
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**

	<b><u>HEALTH BENEFIT PLAN AND TRUST FUND</u></b>
<b>ADDITIONS</b>	
Interest	595
<b>DEDUCTIONS</b>	
Administration and General	1,455
Employee Benefits	22,103
Total Deductions	<u>23,558</u>
Net Decrease	(22,963)
Net Position, Beginning of Year	<u>87,269</u>
NET POSITION, END OF YEAR	<u><u>64,306</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)  
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)
<b>NET DELINQUENT TAXES RECEIVABLE</b>	<b>2,782,623</b>	<b>39,463,164</b>	<b>37,933,597</b>	<b>(660,870)</b>	<b>3,651,320</b>

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
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>6,507,841</b>	<b>(253,383)</b>	<b>224,513</b>	<b>6,029,945</b>

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*

# Exhibit # 5

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
<b>Passed Adjusting Entries</b>								
<b>Passed Adjusting Entries JE # 3</b>		<b>3820</b>						
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		
<b>Total</b>			<b>26,150.56</b>	<b>26,150.56</b>				
<b>Passed Adjusting Entries JE # 4</b>								
<b>Passed Adjusting Entries JE # 4</b>		<b>3820</b>						
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
<b>Total</b>			<b>13,092.00</b>	<b>13,092.00</b>				
<b>Passed Adjusting Entries JE # 5</b>								
<b>Passed Adjusting Entries JE # 5</b>		<b>3820</b>						
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)			
<b>Total</b>			<b>12,552.27</b>	<b>12,552.27</b>				
<b>Passed Adjusting Entries JE # 6</b>								
<b>Passed Adjusting Entries JE # 6</b>		<b>3821</b>						
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		
<b>Total</b>			<b>178,443.98</b>	<b>178,443.98</b>				
<b>Passed Adjusting Entries JE # 7</b>								
<b>Passed Adjusting Entries JE # 7</b>		<b>3821</b>						
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)			
<b>Total</b>			<b>116,441.80</b>	<b>116,441.80</b>				
<b>Total Passed Adjusting Entries</b>			<b>346,680.61</b>	<b>346,680.61</b>	<b>75,600.47</b>	<b>75,839.70</b>	<b>239.23</b>	<b>(239.23)</b>

# Exhibit # 6



August 1, 2022

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

**Re: 2023 Specified Annual Percentage**

Dear Jonny:

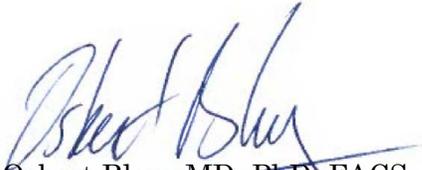
Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the “Membership Agreement”). The collaboration between CHRISTUS Spohn Health System Corporation (“Spohn”), CHRISTUS Health (“CHRISTUS”), and the Nueces County Hospital District (“District”) over the past few weeks served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2022 – September 30, 2023). While Section 5.03 of the Membership Agreement requires that the parties agree to the Specified Annual Percentage by July 1, the parties mutually agreed to extend this deadline.

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, Spohn prepared a hospital budget and projected Spohn’s Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn in projecting Spohn’s operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On July 28, Spohn and the District met to discuss Spohn’s proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn’s role in operating programs in the community and the District’s role as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties’ respective operations in the Ensuing Year, including (but not limited to) the District’s efforts to maintain its tax collections, renewal of the Texas 1115 Demonstration Waiver, and the impact of the approved Comprehensive Hospital Increase Reimbursement Program on the parties.

Jonny Hipp  
August 1, 2022  
Page 2

Based on these discussions, the parties agreed, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be ninety-three percent (93%), and the remaining seven percent (7%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Osbert Blow". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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