



**BOARD OF MANAGERS  
Regular Meeting  
Tuesday, April 22, 2025 at 12:00 PM**

**AGENDA**

**1. WELCOME**

**2. ROLL CALL OF MEMBERS**

- \_\_\_ Belinda Flores, Chairman
- \_\_\_ Vishnu V. Reddy, Vice Chair
- \_\_\_ Sylvia Tryon Oliver
- \_\_\_ Mariana Garza
- \_\_\_ Efrain Guerrero, Jr.
- \_\_\_ Georgia Neblett
- \_\_\_ Karen O'Connor Urban

**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. REGULAR SESSION

**A. PUBLIC COMMENT** - This section provides the public the opportunity to address the Board on any issues within its authority. 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. The presiding officer may, if he/she deems it necessary, limit both the number of commenters and the time allotted to each commenter. Under the law, the Board may only take action on items specifically listed on the agenda. Subject matter presented which is not part of the agenda will be referred to District staff for review if appropriate. Materials submitted to the Board during public comment will not be returned. At least ten (10) copies of any document to be used by any commenter should be available for distribution to the Board. The commenter is responsible for preparation of the copies. The commenter's name and, if applicable, meeting agenda item number should be clearly marked on such documents.

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

1. Approve Board of Managers Regular Meeting minutes of March 25, 2025. 8
2. Receive listing of new vendors as of April 17, 2025; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176. 18
3. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2025 year-to-date: 19

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

- 4. 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 March 31, 2025. 20
- 5. 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. 21
- 6. 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. 22
- 7. Receive summary report of cumulative actual intergovernmental transfers (IGTs) made in support of local and other healthcare providers participating in Medicaid directed and supplemental payment programs sponsored by the Texas Health and Human Services Commission (HHSC), and receive estimates of provider payments resulting from the 30

IGTs:

a. Directed Payment Programs - IGTs for HHSC's Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

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

b. Supplemental Payment Programs - IGTs for HHSC Medicaid payments made to hospitals, separate from and in addition to base payments, for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

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

8. Receive reports relating to Nueces Aid Program enrollment for the month-ended March 31, 2025:

- |   |    |
|---|----|
| a. Total Persons and Households Enrolled; | 34 |
| b. Enrollment Summary;                    | 35 |
| c. Denials;                               | 37 |
| d. Application Processing Summary; and    | 38 |
| e. Enrollment by Zip Code.                | 42 |

**C. 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. **Finance:**

a. Financial Statements:

- |   |    |
|---|----|
| 1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended March 31, 2025. ( <b><i>ACTION</i></b> ) | 45 |
|---|----|

b. Investment Policy:

- |  |    |
|--|----|
| 1. Adopt Board of Managers Resolution relating to annual review of investment policy and investment strategies and adopting changes to policy and strategies to be effective June 1, 2025; review and adoption pursuant to the Public Funds Investment Act, Texas Government Code, §2256.005(e). <b>(ACTION)</b>                                     | 52 |
| 2. Adopt Board of Managers Resolution relating to annual review of listing of qualified broker/dealers authorized to engage in investment transactions with the Hospital District and adopt listing to be effective June 1, 2025; review and adoption pursuant to the Public Funds Investment Act, Texas Government Code, §2256.025. <b>(ACTION)</b> | 89 |

**2. Legislation:**

a. Receive information on Hospital District legislation in the 89<sup>th</sup> Texas Legislative Session:

- |   |     |
|---|-----|
| 1. House Bill 4801 and Senate Bill 2666 both relating to the establishment of a grant program to allow the Hospital District to recruit and retain certain medical professionals: |     |
| a. Community Benefits;  | 96  |
| b. Physician Needs;   | 105 |
| c. H.B. 4801; and   | 107 |
| d. S.B. 2666. <b>(INFORMATION)</b>  | 118 |
| 2. 2026-2027 Biennium Budget Rider requests relating to graduate medical education and regional mental health inpatient facility. <b>(INFORMATION)</b>                            | 125 |

**3. CHRISTUS Spohn Health System:**

a. Renovation of Hospital District-owned medical office building located at 14202 South Padre Island Drive, Corpus Christi, Texas. <b>(INFORMATION)</b>	128
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**4. Mental Health:**

a. Receive information from Nueces Center for Mental Health and Intellectual Disabilities relating:

1. Receipt of grant funding relating to jail diversion; and
2. Status of Restoration Center construction project. **(INFORMATION)**

**5. Administrator's Briefing:**

- a. Commissioners Court approval of Amended Interlocal Cooperation Agreement between Nueces County and Nueces County Hospital District relating to the provision of certain County employee benefits, including but not limited to health insurance, to Hospital District employees and other related matters; initial term October 1, 2024 - September 30, 2025. **(INFORMATION)** 132
- b. Commissioners Court approval of legislative support for legislation in the 89th Texas Legislative Session relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain medical professionals. **(INFORMATION)** 138
- c. Next scheduled Board of Managers and Board Committee regular meetings (all meetings' dates, times, and locations are subject to change):
  1. Board of Managers: May 27, 2025 at 12:00 PM, location to be determined.

**6. 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 Board of Managers' policies and related matters.

B. Consult with attorneys on matters relating to promotional agreement and related matters.

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

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

**8. ADJOURN**

9. Public Notice Posting Receipt.

139

**DRAFT**

**BOARD OF MANAGERS  
NUECES COUNTY HOSPITAL DISTRICT  
REGULAR MEETING  
MARCH 25, 2025**

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The Nueces County Hospital District Board of Managers met at 12.:00 p.m., March 25, 2025 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

**HOSPITAL DISTRICT REPRESENTATIVES:**

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

**OTHERS PRESENT:**

Jenny Dorsey	NC Courthouse Attorney
Dr. Shan Islam	Christus Spohn Board Member
Lee Lopez	Corpus Christi Medical Center – via Zoom
Becky Rios	Christus Spohn Hospital – via Zoom
Joel Romo	Lobbyist – via Zoom
David McElwain	Meeder Investments – Via Zoom
Mark Hendrix	NC Mental Health Intellectual Disabilities – via Zoom
Pge7688	- via Zoom

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

**1. WELCOME**

**2. ROLL CALL OF MEMBERS**

- Belinda Flores, Chair
- Vishnu V. Reddy, Vice Chair
- Sylvia Tryon Oliver
- Mariana Garza
- Efrain Guerrero, Jr.
- Georgia Neblett
- Karen O'Connor Urban

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

A. Call to order – Belinda Flores, Chairman.  
The meeting was called to order at 12:05 p.m.

B. Establish quorum – Ms. Flores, Chairman.  
A quorum was present with five members in attendance.

**Belinda Flores, Chair – PRESENT**  
**Vishnu V. Reddy, Vice Chair – PRESENT – via Zoom**  
**Sylvia Tryon Oliver, Member – PRESENT**  
**Karen O'Connor Urban, Member – PRESENT**  
**Efrain Guerrero, Jr., Member – PRESENT**  
**Mariana Garza, Member – ABSENT**  
**Georgia Neblett, Member – ABSENT**

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

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

**4. 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 MEETING  
MINUTES  
MARCH 25, 2025**

disclosed at that time.

**5. REGULAR SESSION**

**A. PUBLIC COMMENT** - This section provides the public the opportunity to address the Board on any issues within its authority. 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. The presiding officer may, if he/she deems it necessary, limit both the number of commenters and the time allotted to each commenter. Under the law, the Board may only take action on items specifically listed on the agenda. Subject matter presented which is not part of the agenda will be referred to District staff for review if appropriate. Materials submitted to the Board during public comment will not be returned. At least ten (10) copies of any document to be used by any commenter should be available for distribution to the Board. The commenter is responsible for preparation of the copies. The commenter's name and, if applicable, meeting agenda item number should be clearly marked on such documents.

**Dr. Shah Islam**

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

1. Approve Board of Managers Regular Meeting minutes of February 26, 2025.
2. Receive listing of new vendors as of March 21, 2025 listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.
3. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2025 year-to-date:

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

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

4. 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 February 28, 2025.

5. 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.

6. 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.

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

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

resulting from the IGTs:

a. Directed Payment Programs - IGTs for HHSC's Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

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

b. Supplemental Payment Programs - IGTs for HHSC Medicaid payments made to hospitals, separate from and in addition to base payments, for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

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

8. Receive reports relating to Nueces Aid Program enrollment for the month-ended February 28, 2025:

- a. Total Persons and Households Enrolled;
- b. Enrollment Summary;
- c. Denials;
- d. Application Processing Summary; and
- e. Enrollment by Zip Code.

**Consent Agenda Approved. Motion by Sylvia Tryon Oliver and seconded by Efrain Guerrero. MOTION CARRIED.**

**C. 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. **Finance:**

a. Financial Statements:

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended February 28, 2025. (**ACTION**)

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

**Motion by Karen O'Connor Urban and seconded by Sylvia Tryon Oliver. MOTION CARRIED.**

**b. Investment Report:**

1. Receive and approve Quarterly Investment Report for fiscal quarter-ended December 31, 2024 and ratify related investment transactions.  
*(ACTION)*

**David McElwain presented and updated the Quarterly Investment Reports.  
Motion by Karen O'Connor Urban and seconded by Efrain Guerrero. MOTION CARRIED.**

**2. Legislation:**

- a. Receive information on Nueces County Hospital District's 89th Texas Session Legislative Agenda, as amended:

1. Introduced Session Bills: H.B. 4801 and S.B. 2666, relating to the establishment of a grant program to allow the Hospital District to recruit and retain certain medical professionals; and
2. 2026-2027 Biennium Budget Rider requests relating to local graduate medical education and regional mental health inpatient facilities. *(INFORMATION)*

- b. Discuss and consider adopting Board of Managers Resolutions requesting and supporting legislation during the 89th Texas Session:

1. Legislation relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain physicians and increase the number of residency positions at hospitals in the District; and
2. 2026-2027 Biennium Budget Riders for:
  - a. Graduate Medical Education; and
  - b. Construction of mental health inpatient facilities in the Coastal Bend region, including a 50-bed state hospital maximum security facility, or a local mental health inpatient facility with at least 50 percent forensic capacity. *(ACTION)*

**Motion by Sylvia Tryon Oliver and seconded by Karen O'Connor Urban. MOTION CARRIED.**

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

**3. Medical Specialties Demand:**

- a. Receive and discuss information on Projected Medical Specialty Supply, Demand, and Needs for Nueces County; information meets requirement of December 14, 2023, Emergency Medicine Support Letter Agreement between the Hospital District and CHRISTUS Spohn Health System Corporation. *(INFORMATION)*

**4. Nueces Aid Program's Eligibility Guidelines:**

- a. Receive reference information relating to U.S. Department of Health and Human Services (HHS) Poverty Guidelines:
1. Annual update of the HHS Poverty Guidelines from Federal Register, Vol. 90, No. 11, January 17, 2025, pp. 5917-5918; and
  2. Prior HHS Poverty Guidelines and Federal Register References, 1982-2024. *(INFORMATION)*
- b. Receive notice of annual increase adjustments of Nueces Aid Program's Eligibility Guidelines; adjustments effective March 1, 2025 for:
1. Household Resources as required by the Program's Handbook Policy No. NA002, Attachment 2, Sections I-B, I-C-1, I-C-23, and I-F; and
  2. Household Income as required by Program's Handbook Policy No. NA002, Attachment 4, Section I-F-3. *(INFORMATION)*

**5. Board of Managers Business:**

- a. Elect Board of Managers Vice Chair for the period March 26 - September 30, 2025; elections pursuant to Texas Health and Safety Code, §281.023(a) and Board of Managers Bylaws, §2.2.A. *(ACTION)*

**Table Item 5. A. Motion by Karen O'Connor Urban  
and seconded by Sylvia Tryon Oliver.  
MOTION CARRIED.**

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

**6. CHRISTUS Spohn Board of Directors:**

- a. Discuss and consider a reappointment to CHRISTUS Spohn Health System Corporation's Board of Directors for a three-year term commencing January 1, 2025 and ending December 31, 2027; appointment pursuant to CHRISTUS

Spohn Health System Membership Agreement, Article IV, Section 4.01(b). *(ACTION)*

**Motion by Dr. Vishnu Reddy and seconded by  
Karen O'Connor Urban. MOTION CARRIED.**

**7. Administrator's Actions:**

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

1. Pursuit of 89th Texas Legislative Session Agenda, including but not limited to actions relating to Bills and Riders; and

2. Submission of Calendar Year 2024 unreimbursed health care expenditure amounts to the Texas Department of State Health Services for pro rata share of the annual distribution of income from the Tobacco Permanent Settlement Trust Account by the Comptroller of Public Accounts; expenditure submission pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rules §102.1(b) and §102.3(a), (e)(2), and (f).

*(ACTION)*

**Motion by Karen O'Connor Urban and seconded by  
Sylvia Tryon Oliver. MOTION CARRIED.**

**8. Administrator's Briefing:**

- a. Next scheduled Board of Managers regular meeting (meeting date, time, and location are subject to change):

1. Board of Managers: Tuesday, April 22, 2025 at 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. *(INFORMATION)*

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

6. **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 legislative matters.

B. Consult with attorneys on matters relating to Hospital District appointments to the CHRISTUS Spohn Health System Corporation's Board of Directors.

**Belinda Flores, Chair called for Closed Session  
at 1:42 p.m.**

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

**Belinda Flores, Chair called for Open Meeting  
at 2:07 p,m.**

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

**No Action taken.**

8. **ADJOURN**

**Motion to adjourn by Belinda Flores, Chair at 2:07 p.m.**

**BOARD OF MANAGERS  
REGULAR MEETING  
MINUTES  
MARCH 25, 2025**

**PRESIDING OFFICER:**

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Belinda Flores, Chair

**ATTEST:**

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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>
2124	Gonzalez, Jose A.	4933 Princeton Dr	Corpus Christi	TX	78411

Nueces County Hospital District  
 County Health Care Department Expenditures  
 Cash Disbursements Relating to  
 Fiscal Year 2025

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal YTD	Budget 2025	Balance
<b>County Healthcare Services</b>															
Health Dept - County	0.00	0.00	0.00	441,324.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	441,324.00	1,765,296.00	1,323,972.00
Mental Health Wellness	0.00	38,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38,000.00	38,000.00	0.00
Mobile Medical Clinic	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
Emergency Medical Services	0.00	0.00	0.00	147,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	147,000.00	650,000.00	503,000.00
NC MHID - Fund Matching	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	0.00	0.00	0.00	0.00	484,560.00	969,129.00	484,569.00
NC MHID - Jail Programs	268,474.68	200,466.20	262,360.10	219,616.53	195,517.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,146,435.45	2,550,000.00	1,403,564.55
NC Juvenile Center	0.00	0.00	62,453.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62,453.40	474,000.00	411,546.60
Nueces County Jail Infirmery Svcs	0.00	0.00	0.00	0.00	940,086.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	940,086.28	5,202,850.00	4,262,763.72
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	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	50,000.00	48,500.00
HALO-Flight Funding	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00	0.00
County Public Health Grants	0.00	0.00	0.00	60,000.00	85,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	145,000.00	230,000.00	85,000.00
<b>Totals</b>	<b>268,474.68</b>	<b>238,466.20</b>	<b>567,093.50</b>	<b>867,940.53</b>	<b>1,222,104.22</b>	<b>242,280.00</b>	<b>15,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,421,359.13</b>	<b>12,114,275.00</b>	<b>8,692,915.87</b>

**Nueces County Hospital District  
Imputed Claims Experience for Calendar Year 2025  
As if Adjudicated January 1, 2025 through March 31, 2025**

<b>Service</b>	<b>Claims</b>	<b>Billed</b>	<b>Contract Amt.</b>	<b>Co Insurance</b>	<b>Net</b>
ER	838	5,064,135	684,105	23,629	660,476
ASU	32	2,240,328	411,050	802	410,248
Clinic	(6)	(6,208)	(1,707)	-	(1,707)
Obs	14	670,570	177,278	32,320	144,958
OP	4,019	10,553,882	2,712,237	194,333	2,517,904
Subtotal	4,897	18,522,707	3,982,963	251,084	3,731,879
IP	90	4,049,197	341,440	16,489	324,951
SNF					-
RX	26,573	10,763,089	4,115,674	130,956	3,984,719
Physician	6,527	2,921,342	832,806	33,668	799,138
<b>Total</b>	<b>38,087</b>	<b>36,256,335</b>	<b>9,272,883</b>	<b>432,197</b>	<b>8,840,687</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 2025

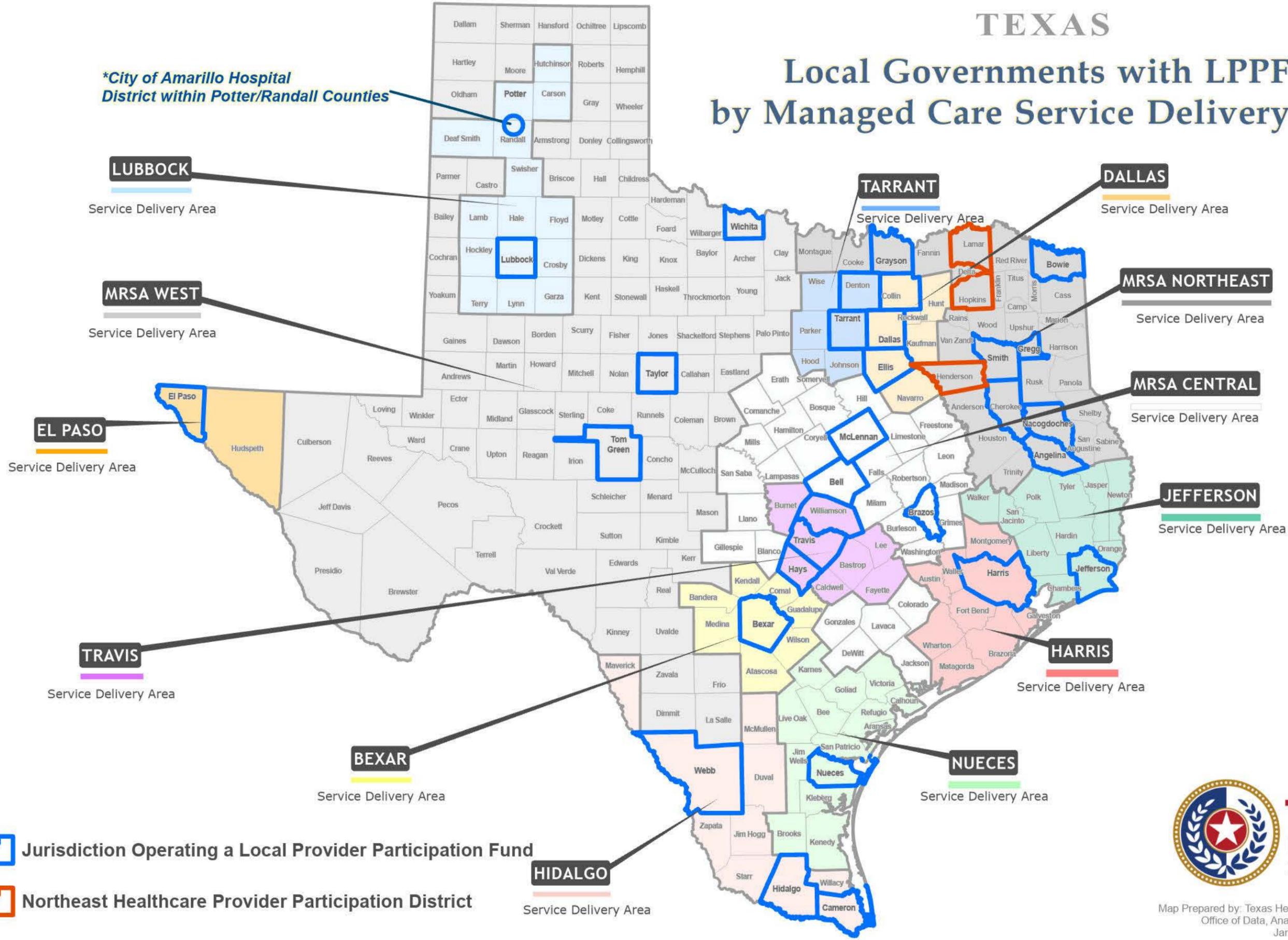
Member Revenue % 26.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
<u>Membership Revenue Deposits</u>													
Week 1	3,160,064.31	2,429,791.05	2,741,006.10	2,666,621.47	2,709,161.08	3,020,677.07	2,493,016.78						19,220,337.86
Week 2	2,404,654.68	2,639,248.54	2,845,782.58	2,551,052.66	3,053,133.62	3,662,581.49	2,388,942.85						19,545,396.42
Week 3	2,449,704.10	2,945,690.73	2,842,613.19	3,137,015.46	3,077,116.07	3,006,617.21							17,458,756.76
Week 4	2,593,480.60	2,867,191.22	3,201,866.84	2,429,815.54	3,228,611.11	2,889,119.92							17,210,085.23
Week 5			2,168,904.61	2,902,616.61									5,071,521.22
Subtotal	10,607,903.69	10,881,921.54	13,800,173.32	13,687,121.74	12,068,021.88	12,578,995.69	4,881,959.63	0.00	0.00	0.00	0.00	0.00	78,506,097.49

# TEXAS

## Local Governments with LPPFs by Managed Care Service Delivery Area

*\*City of Amarillo Hospital  
District within Potter/Randall Counties*



Map Prepared by: Texas Health and Human Services Commission,  
Office of Data, Analytics and Performance. MRL.  
January 15, 2025

# **Non-federal Share Funding for Certain Medicaid Payments**

Medicaid is a program jointly funded by federal and state governments. The federal government provides matching funds to states for a specific percentage of Medicaid expenditures, called federal financial participation (FFP). The amount of FFP is calculated using a state-specific Federal Medical Assistance Percentage (FMAP). To receive federal funding, states must use public funds generated at either the state or local government level as the non-federal share of Medicaid expenditures.

In Texas, locally derived funds are used to finance a vast majority of the non-federal share of Medicaid supplemental and directed payments. All states must provide the non-federal share of Medicaid funding to receive federal matching funds. The non-federal share funds are provided to HHSC from governmental entities through two methods: intergovernmental transfers or the certified public expenditures process.

## **Intergovernmental Transfers (IGTs)**

Intergovernmental transfers (IGTs) are transfers of public funds from a governmental entity to the state. The state receives federal matching Medicaid funds for IGTs used as the non-federal share. The transfer of funds must occur before a Medicaid payment is made.

Some Medicaid payment programs that use IGTs as the non-federal share include: Comprehensive Hospital Reimbursement Increase Program (CHIRP), Disproportionate Share Hospital (DSH), Graduate Medical Education (GME), and uncompensated care payments for hospital providers.

## **Certified Public Expenditures (CPEs)**

Certified public expenditures (CPEs) are expenditures that have been certified by a governmental entity to represent its contribution of public funds in providing services that are eligible for federal matching Medicaid funds. Governmental entities will report CPEs to the state and the state will then claim the federal matching funds. States have the flexibility to retain some of the matching funds.

Some Medicaid payment programs that use CPEs as the non-federal share include: Public Health Provider - Charity Care Program (PHP-CCP), School Health and Related Services (SHARS), and uncompensated care for governmental ambulance providers.

## Types of Local Funding Used in Texas

In accordance with federal law, local governmental entities may opt to use eligible public funds to support the Medicaid program. Many local governmental entities in Texas choose to support the Medicaid program to ensure that their community members have access to essential health care services regardless of a patient's ability to pay.

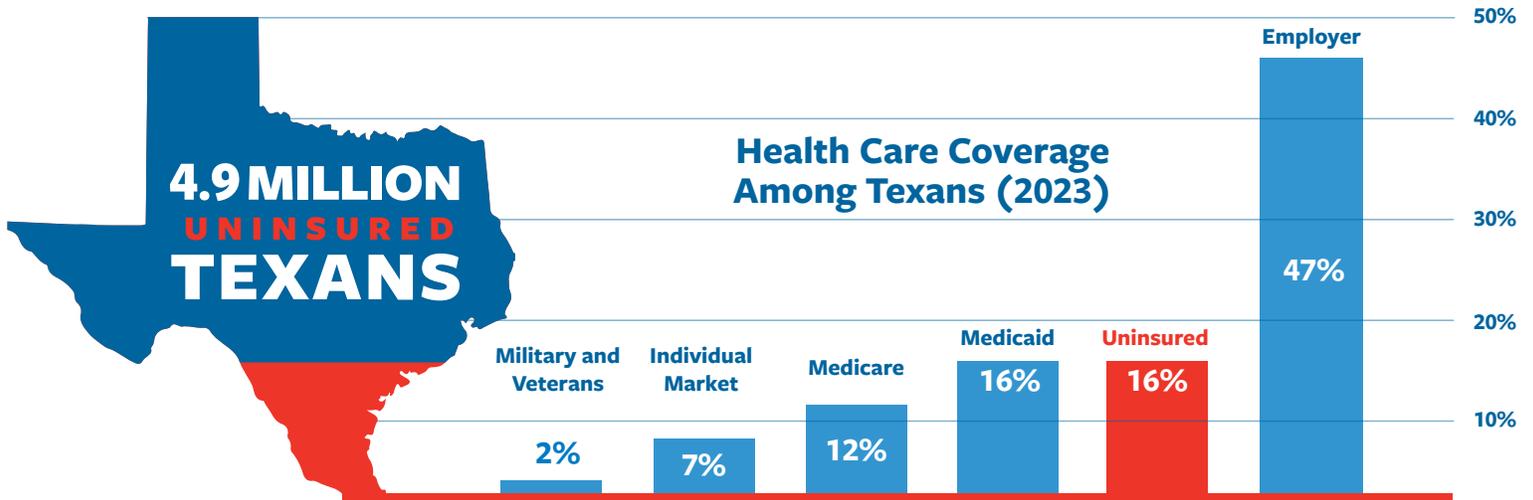
There are many eligible sources of public funds that a local governmental entity may use to fund the Medicaid program; however, it is important to keep in mind that no federal funding may be used to generate the non-federal share. For example, a local governmental entity that receives a federal grant may not use those funds as eligible local public dollars to support the non-federal share. A local governmental entity can, however, use state-appropriated funding, funds received through the implementation of an ad valorem tax, funds appropriated from other local governmental entities, patient revenue (so long as no federal payor program funds are used), tuition or fees at state institution of higher education, or through the implementation of a health-care related tax.

In Texas, some jurisdictions have chosen to implement a Local Provider Participation Fund (LPPF), which is a health-care related tax that is implemented on a local level, administered by an existing unit of local government, and that is designed specifically to meet federal requirements associated with eligible local funds. The local government operating an LPPF will collect mandatory payments (i.e., taxes) from the non-public hospitals located in the local government's jurisdiction. LPPF funding collected by the local governmental entity is then provided to HHSC through an IGT for use as the non-federal share of Medicaid payments just like other eligible sources of local funding.

Currently, 32 jurisdictions have the authority to operate an LPPF. In 2019, House Bill 4289 provided authority for a local government not currently operating an LPPF to have the ability to operate one.

[Non-federal Share Funding for Certain Medicaid Payments | Texas Health and Human Services](#)

04/16/2025



## Hospitals Payments Explained

While they serve diverse communities across the state, Texas hospitals are unified under one core mission: providing the highest quality care to every Texan in need. Fair and equitable payment is critical to achieving this goal. **This document provides an overview of the major sources of hospital payments and why reimbursement often is insufficient.**

Hospital payments come from a number of sources, including state, federal, and local governments, health insurers, and individuals. Rates paid vary widely based on the payer – whether the payer is public or private and, importantly, which public or private payer. Other factors like patient mix and local market conditions affect reimbursement. **Payments from government payers often fall below the actual cost of providing care.**



Hospitals must find ways to keep their doors open to everyone in the community **despite high numbers of uninsured patients and chronic underpayments.**



# One Hospital, Many Payers

Public payers primarily include Medicare and Medicaid. Private payers include employer-sponsored health insurance, self-pay patients and individually purchased private health plans, such as those available through the federal health insurance marketplace. Although government payers cover about one-quarter of Texans, they account for half of Texas hospitals' payments. Patients with government insurance require more hospital care due to age, pregnancy status and complex medical needs.

## Public Payers

### Medicare

Medicare provides health coverage for individuals age 65 and over as well as people with specific disabilities. About 3.4 million Texans have Medicare coverage. The federal government determines Medicare reimbursement, but payment amounts vary according to certain hospital characteristics, such as teaching hospital status and location. **Medicare payments cover about 82% of hospitals' costs of care for Medicare patients, a record low.**

### Medicaid

Medicaid is a jointly funded state-federal program that typically provides health insurance to about 4 million low-income Texans. Medicaid enrollment grew from 4 million to nearly 6 million during the COVID-19 public health emergency. After the end of the federal continuous coverage requirement, statewide Medicaid enrollment declined to 3.8 million in 2024. Medicaid reimbursement for inpatient and outpatient hospital care is funded by state general revenue (40%) and federal matching funds (60%). **Yet, Medicaid reimbursement is well below the cost of care.** Hospitals' base Medicaid reimbursement, on average, covers 72% of inpatient care costs and 75% of outpatient care costs for Medicaid clients. This underpayment leaves Texas hospitals with a multibillion-dollar Medicaid shortfall.



## Private Payers

Employer-provided health insurance is the most common private payer. Yet, nationwide, **Texas has a below-average rate of employer-provided health coverage, with just 47% of Texans having this form of private health insurance in 2023.** An additional 2.1 million Texans purchased individual private health insurance through the health insurance marketplace or independent brokers in 2023. Depending on the terms of their plans, private health plan enrollees often are responsible for a significant portion of their health care bill due to deductibles, copays or coinsurance. Under these cost-sharing arrangements, even having private insurance does not necessarily mean the full cost of a service will be covered.

## The Uninsured

Texas leads the nation in number of residents without any form of health insurance coverage—public or private. **4.9 million Texans are uninsured.** **When these uninsured people seek care in a Texas hospital, the hospital commonly absorbs the cost of that care.** Under federal law, Texas hospitals must treat and stabilize anyone who presents in an emergency setting regardless of ability to pay.



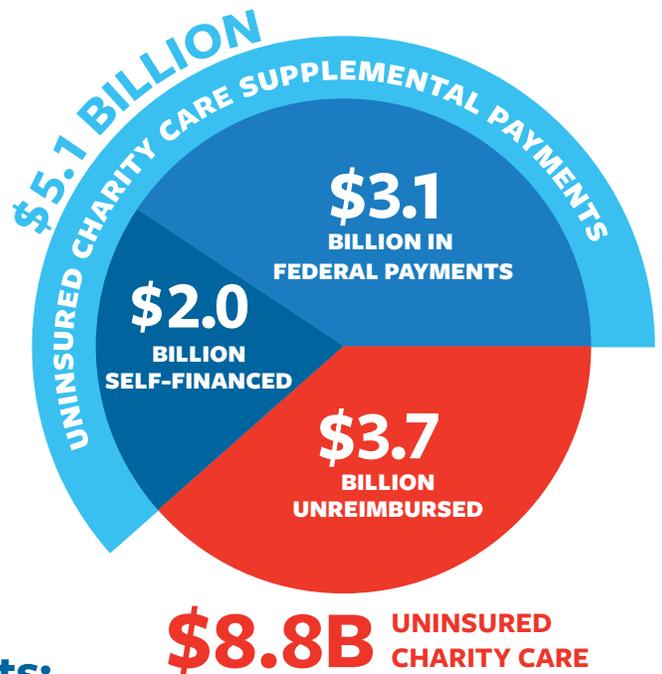
The combination of underpayment from payers, most significantly Medicaid, and the cost of caring for such a large number of Texans without a payment source is borne by taxpayers and the private sector. Homeowners, businesses and those with private or job-based coverage absorb these costs through higher taxes and higher commercial insurance premiums.

## Supplemental Payments

Texas has not increased Medicaid hospital payment rates across the board in over a decade and has a high uninsured rate, forcing a heavy reliance on supplemental payments.

### Hospitals Self-Finance Supplemental Payments

Like all Medicaid payments, supplemental payments require the combination of a non-federal payment and federal payment. In Texas, the Legislature appropriates no general revenue for the non-federal share of these supplemental payments. As a result, **Texas hospitals themselves finance the non-federal contribution – 40% of the gross payment – through intergovernmental transfers from public hospitals and local provider participation funds (LPPFs).**



### Types of Supplemental Payments:

#### Outside 1115 waiver:

- Medicaid disproportionate share hospital (DSH) program
- Hospital Augmented Reimbursement Program (HARP)
- Medicaid Graduate Medical Education (GME)

#### Enabled by 1115 waiver:

- Uncompensated care (UC) pool
- Directed payment programs

Under the Texas Health Care Transformation and Quality Improvement program section 1115 waiver, Texas currently operates several directed payment programs (DPPs). DPPs enhance Medicaid reimbursement to close the gap between base payments and actual cost of care. Hospitals self-finance 40% of payments earned in the programs, which flow through Medicaid managed care organizations. **After administrative fees and reductions, hospitals net less than 60% of the total program value.**

#### THE FOUR DPP PROGRAMS PAYING HOSPITALS ARE:

DPP	Name	Amount (STATE FISCAL YEAR 2025)	Benefiting	Financed by Local Provider Participation Funds
CHIRP	Comprehensive Hospital Increase Reimbursement Program	\$6.5 billion	Hospitals	Yes
TIPPS	Texas Incentives for Physicians and Professional Services	\$787 million	Physician groups, including those affiliated with hospitals	Yes
RAPPS	Rural Access to Primary and Preventive Services	\$22 million	Rural health clinics, including hospital-based clinics	Yes
QIPP	Quality Incentive Payment Program	\$1.75 billion	Nursing facilities, including public hospital-owned	No

## Supplemental Payments

The uncompensated care (UC) pool partially reimburses hospitals for uninsured charity care. Some Medicaid DSH dollars also reimburse uninsured charity costs not duplicated in UC. In 2024, Texas hospitals provided \$8.8 billion in uninsured charity care. Out of \$5.1 billion in total UC and DSH payments for uninsured charity care, Texas hospitals netted \$3.1 billion. \$3.7 billion in uninsured charity costs not reimbursed by any supplemental payments remained stranded.



Public hospitals and hospital districts provide the non-federal share of supplemental payments by levying local property taxes. The state's five largest public hospitals provide almost 100% of the intergovernmental transfer funds for DSH.

Local provider participation funds (LPPFs) are a way for private hospitals in Texas to join public hospitals in generating the non-federal share of supplemental Medicaid payments. With approval from the Texas Legislature, local governments can assess a uniform fee on the net patient revenue of hospitals in their geographic region to generate these funds.

**Medicaid reimbursement should be regularly adjusted to be commensurate with the cost of care. Texas hospitals also need to maintain local funding arrangements that align with the unique markets in which they operate in order to provide specialized, lifesaving care to every Texan in need.**

## Glossary of Texas Hospitals' Supplemental Payments

### Medicaid Disproportionate Share Hospital (DSH) Program

- Provided **\$2.2 billion** in payments to 177 qualifying Texas hospitals (2024).  
*DSH hospitals care for the highest proportions of Medicaid and low-income patients.*

### Uncompensated care (UC) pool

- Provided **\$4.5 billion** in UC payments to 371 Texas hospitals (2024).  
*UC payments partially reimburse the cost of charity care to the uninsured.*



### Comprehensive Hospital Increase Reimbursement Program (CHIRP)

- CHIRP was approved at **\$6.5 billion** for 2025. Actual program size can fluctuate based on caseload.  
*CHIRP enhances rates paid on Medicaid managed care claims. For fiscal year 2025, \$1.4 billion of CHIRP transitioned from rate increases to pay-for-performance.*

### Hospital Augmented Reimbursement Program (HARP)

- Provided **\$1.4 billion** in payments to 262 Texas hospitals.  
*HARP enhances reimbursement for Texas Medicaid fee-for-service patients.*

### Medicaid GME

- Provided **\$306 million** to 85 public and private teaching hospitals in 2024, reimbursing Medicaid's share of these hospitals' medical residency training costs.

Nueces County Hospital District  
 Nueces LPPF Activity  
 Fiscal Year 2025

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balan	15,144,830.77	67,482,313.38	60,418,505.35	82,354,046.88	83,587,305.85	77,760,212.38	77,880,234.27	77,275,703.99	77,275,703.99	77,275,703.99	77,275,703.99	77,275,703.99	15,144,830.77
<u>Deposits</u>													
Christus Spohn	18,463,203.50												18,463,203.50
CCMC	13,014,802.50												13,014,802.50
CC Rehab	590,255.50				295,127.75								885,383.25
Driscoll	13,448,905.50												13,448,905.50
PAM Specialty	759,945.50			379,972.75									1,139,918.25
PAM Rehab	746,361.00			373,180.50									1,119,541.50
S. TX Surgical	1,349,509.50												1,349,509.50
Subtotal	48,372,983.00	0.00	0.00	753,153.25	295,127.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,421,264.00
Interest	98,346.97	250,248.73	242,839.98	308,747.77	260,742.20	285,981.87							1,446,907.52
Transfers In	4,257,009.14		22,744,668.24	921,889.32									27,923,566.70
<b>Total Deposits</b>	<b>52,728,339.11</b>	<b>250,248.73</b>	<b>22,987,508.22</b>	<b>1,983,790.34</b>	<b>555,869.95</b>	<b>285,981.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>78,791,738.22</b>
<u>Inter-Governmental Transfers</u>													
UC			(10,274.91)		(2,875,437.56)	(165,959.98)							(3,051,672.45)
DSRIP													0.00
CHIRP		(6,722,453.21)											(6,722,453.21)
TIPPS		(591,603.55)											(591,603.55)
DSH													0.00
HARP			(1,041,691.78)	(528,169.55)									(1,569,861.33)
GME	(390,856.50)			(222,361.82)			(604,530.28)						(1,217,748.60)
ATLIS					(3,507,525.86)								(3,507,525.86)
<b>Total IGT's</b>	<b>(390,856.50)</b>	<b>(7,314,056.76)</b>	<b>(1,051,966.69)</b>	<b>(750,531.37)</b>	<b>(6,382,963.42)</b>	<b>(165,959.98)</b>	<b>(604,530.28)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(16,660,865.00)</b>
Transfers Out													0.00
Bank Fees													0.00
<b>Ending Balance</b>	<b>67,482,313.38</b>	<b>60,418,505.35</b>	<b>82,354,046.88</b>	<b>83,587,305.85</b>	<b>77,760,212.38</b>	<b>77,880,234.27</b>	<b>77,275,703.99</b>						

# Medicaid Supplemental Payment and Directed Payment Programs

(As of April 16, 2025)

Texas Medicaid is a joint federal and state health insurance program for low-income families, older adults, and persons with disabilities. The federal government matches each state's Medicaid spending at a predetermined rate that varies by state. Healthcare providers (e.g., hospitals, doctors, nursing facilities, etc.) receive payments for the services they provide to persons with Medicaid.

The federal government allows each state to develop its own method to reimburse providers for the healthcare they provide to persons with Medicaid. Generally, states' Medicaid payments fall into three broad categories: base payments, supplemental payments and directed payments.

## I. Directed Payment Programs (DPPs)

Directed Payments allow states to set parameters for Medicaid managed care spending to assist states in achieving their overall goal of delivery system and payment reform, as well as improved performance. Specifically, a state is permitted to direct Medicaid Managed Care Organizations (MCO) to make certain payments to healthcare providers, either through an adjustment to the monthly base capitation rates or through a separate payment term.

### A. Comprehensive Hospital Increase Reimbursement Program (CHIRP)

The Comprehensive Hospital Increase Reimbursement Program (CHIRP) is a statewide program that increases Medicaid payments to hospitals for inpatient and outpatient services provided to persons with Medicaid. Texas MCOs receive additional funding through their monthly capitation rate from the Texas Health and Human Services Commission (HHSC) and are directed to increase payment rates for participating hospitals. As designed, eligible hospitals receive a percentage increase paid on claims submitted to a Medicaid MCO. CHIRP's purpose is to advance goals and objectives in the state's Medicaid quality strategy by incentivizing improved quality and access for hospitals that serve persons with Medicaid.

## **B. Rural Access to Primary and Preventive Services (RAPPS)**

The Rural Access to Primary and Preventive Services (RAPPS) is a directed payment program that incentivizes primary and preventive services for persons with Medicaid in rural areas of the state enrolled in STAR, STAR+PLUS, and STAR Kids. The program focuses on the management of chronic conditions.

## **C. Texas Incentives for Physicians and Professional Services (TIPPS)**

Texas Incentives for Physicians and Professional Services (TIPPS) is a physician-directed payment program (DPP) for certain physician groups to help cover the cost of healthcare services provided to persons with Medicaid enrolled in STAR, STAR+PLUS, and STAR Kids. Eligible physician groups include Health-Related Institution (HRI) physician groups, Indirect Medical Education (IME) physician groups, and other physician groups. These classifications allow the HHSC to direct reimbursement increases where they are most needed and to align with the program's quality goals. TIPPS also serves as a transition from the Network Access Improvement Program (NAIP) and Delivery System Reform Incentive Payment (DSRIP) program for specific physician groups.

# **II. Supplemental Payment Programs (SPP)**

Supplemental Payments are Medicaid payments to healthcare providers that are separate from and in addition to base payments. Supplemental payments give additional funding to certain healthcare providers, like hospitals. The payments may be made in a lump sum. However, some supplemental payments may be linked to achieving certain goals or to support healthcare providers that see significant numbers of uninsured persons without much money. For example, states may provide supplemental payments to providers to support quality initiatives, residency training for doctors, and certain types of facilities (e.g., rural or safety net providers).

## **A. Disproportionate Share Hospitals (DSH)**

Federal law requires Medicaid programs to make special payments to hospitals that serve a disproportionately large number of Medicaid and low-income patients. These hospitals are called Disproportionate Share hospitals (DSH) and receive DSH funding. DSH funds are different from most Medicaid payments because they are not tied to specific services for Medicaid-eligible patients. DSH payments are the only federally allowed Medicaid payment explicitly for the unpaid costs of care for uninsured patients. It can also be used by states to offset low Medicaid base payments.

## **B. Uncompensated Care Payments (UC)**

Uncompensated Care (UC) payments originated as a way for Texas to continue expanding managed care in Medicaid programs and making supplemental payments to hospitals. Texas UC payments may be used to reduce the actual uncompensated cost of medical services provided to uninsured individuals who meet a provider's charity care policy.

## **C. Graduate Medical Education (GME)**

Graduate Medical Education (GME) supplemental payments support medical residency training for medical school graduates at teaching hospitals. Teaching hospitals typically incur additional costs because they are a training site for medical school graduates to receive hands-on, practical experience in treating patients. In addition to medical residents' salary and benefits, teaching hospitals also incur additional costs for more testing and for treating sicker and more complex patients.

## **D. Hospital Augmented Reimbursement Program (HARP)**

The Hospital Augmented Reimbursement Program (HARP) is a statewide supplemental program providing Medicaid payments to hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service (FFS) patients. The program serves as a financial transition for providers historically participating in the Delivery System Reform Incentive Payment (DSRIP) program. HARP will provide additional funding to hospitals to assist in offsetting the cost hospitals incur while providing Medicaid services.

## **E. Medicaid Managed Care Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS)**

Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS) are incentive arrangements with MCOs for achieving certain milestones on a semi-annual basis with the intention that the milestones will build on prior accomplishments over a 5-year period. The milestones will center around MCO achievement of necessary actions required to implement the structures, processes, and use of client data transmitted electronically between MCOs and providers in their networks to improve client outcome measures and to implement, evaluate, improve, and mature alternative payment models for Medicaid beneficiaries.

Original: 04/16/2025

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

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS	
Christus Spohn - Corpus Christi	393,023,597	593,728,829	270,421,799	54,617,146	157,776,399	133,477,263	3,687,187	9,139,995	23,063,813	122,992	1,639,059,021	43%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	222,550,153	0	14,571,054	0	28,694,123	0	0	789,046	373,406	315,376,640	8%
Corpus Christi Medical Center	121,850,134	172,786,925	0	47,168,955	0	165,443,379	0	8,751,223	11,523,782	8,022,653	535,547,051	14%
Driscoll Childrens Hospital	314,822,705	32,102,232	0	0	0	713,991,489	2,062,491	20,777,746	90,259,446	12,070,907	1,186,087,016	31%
Detar Hospital	24,949,804	47,723,156	0	15,076,184	0	0	0	0	0	0	87,749,145	2%
North Bay General Hospital	0	0	0	503,238	0	0	0	0	0	0	503,238	0%
South Texas Surgical Hospital	0	0	0	889,769	0	0	0	0	0	0	889,769	0%
Corpus Christi Rehab Hospital	0	0	0	286,797	0	0	0	0	0	122,992	409,789	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	0	0	184,488	185,818	0%
PAM Rehab Hospital	0	0	0	141,201	0	1,061,576	0	0	0	317,883	1,520,660	0%
Zoom Rehabilitation Inc.	0	0	0	0	0	0	0	0	0	122,992	122,992	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	0	0	0	21,809,410	1%
<b>TOTALS</b>	<b>924,854,508</b>	<b>1,068,891,295</b>	<b>270,421,799</b>	<b>133,255,675</b>	<b>157,776,399</b>	<b>1,042,667,830</b>	<b>5,749,678</b>	<b>38,668,964</b>	<b>125,636,087</b>	<b>21,338,312</b>	<b>3,789,260,548</b>	<b>100%</b>

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

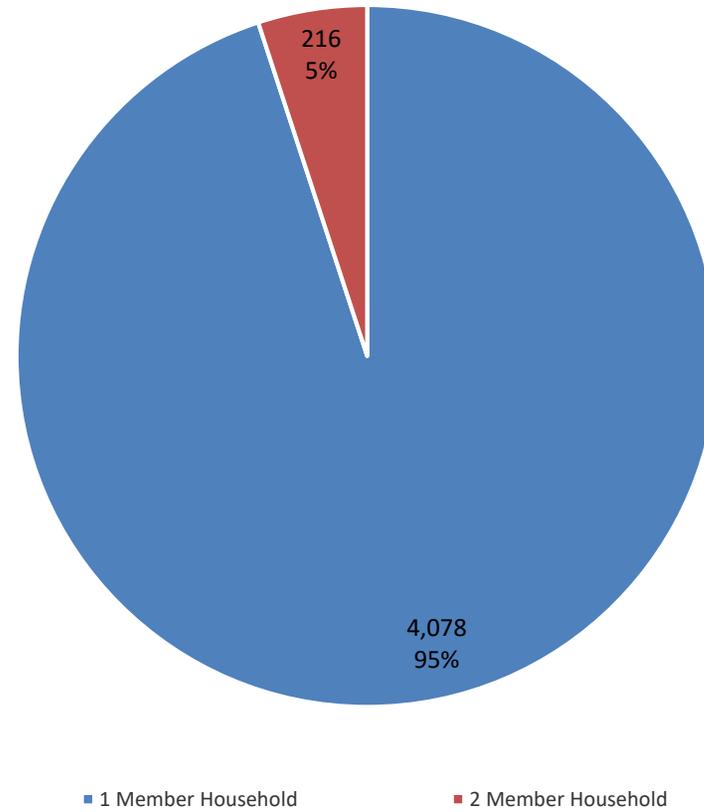
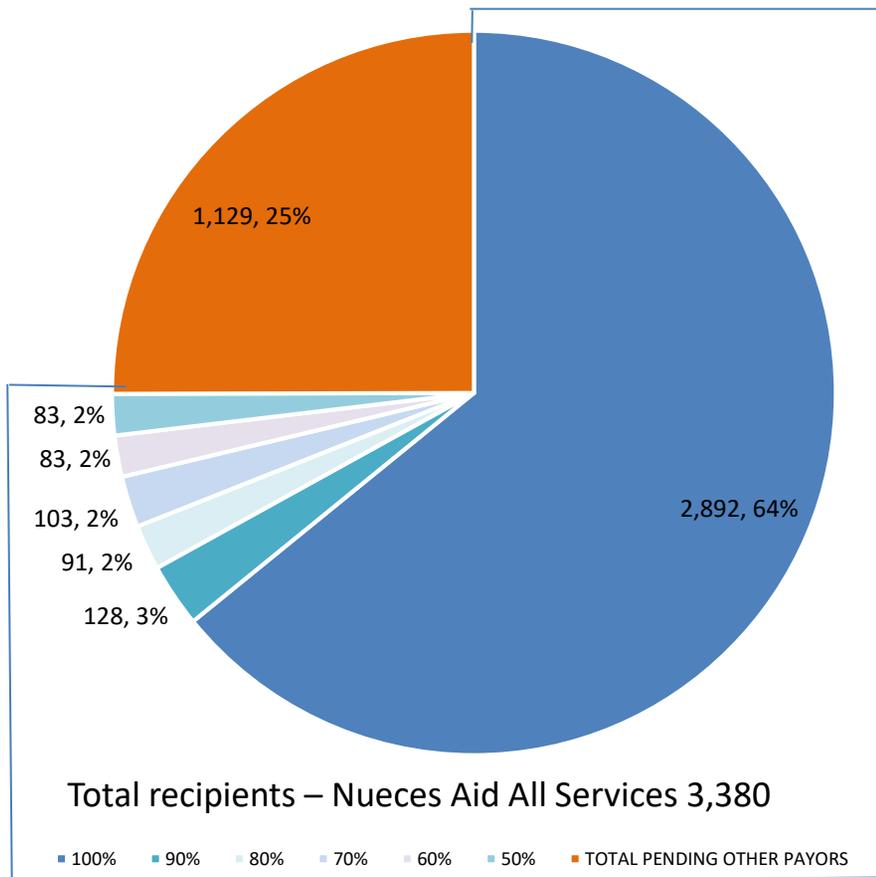
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS
Nueces County Hospital District	338,074,018	347,788,022	95,727,002	58,389,165	62,108,008	121,004,253	0	9,969,124	45,286,735	5,025,665	1,083,371,992
Nueces LPPF	27,902,997	68,762,834	7,478,253	0	0	280,901,781	1,780,044	4,130,861	4,552,216	3,507,526	399,016,512
<b>TOTALS</b>	<b>365,977,014</b>	<b>416,550,856</b>	<b>103,205,255</b>	<b>58,389,165</b>	<b>62,108,008</b>	<b>401,906,034</b>	<b>1,780,044</b>	<b>14,099,985</b>	<b>49,838,951</b>	<b>8,533,191</b>	<b>1,482,388,504</b>

# March 2025

## Nueces Aid Program Enrollment

Total Enrolled  
4,509

Total Households  
4,294



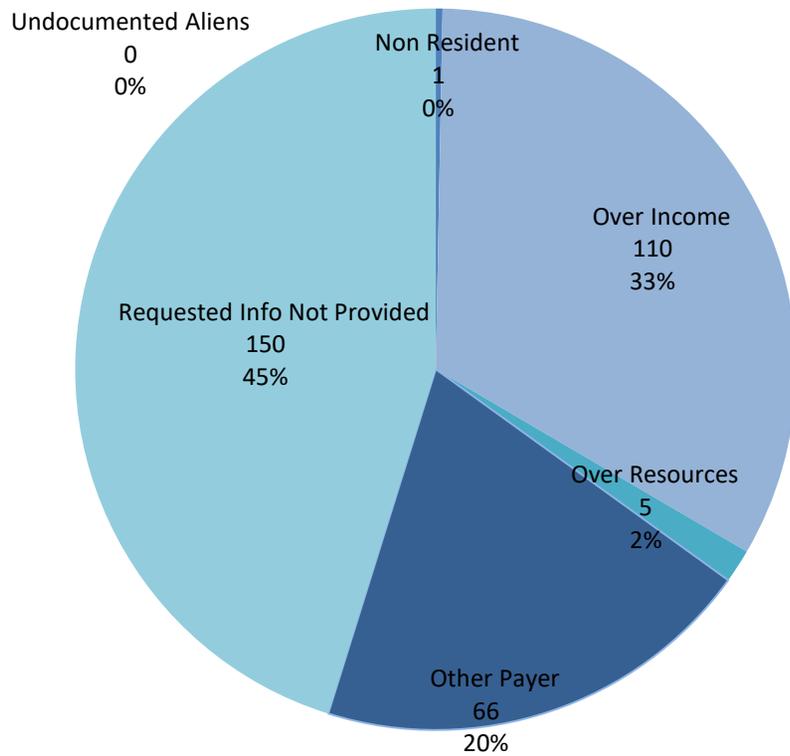




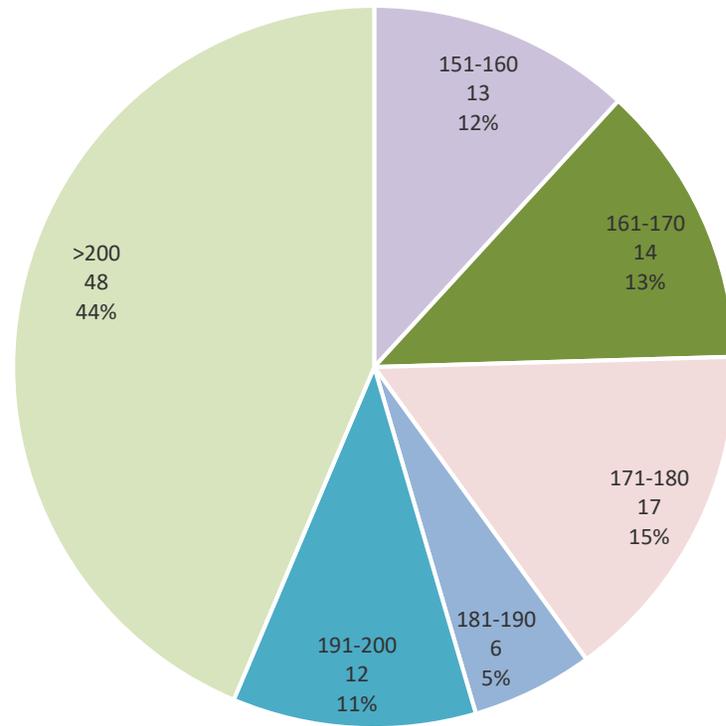
# NUECES AID DENIALS

Calendar Year 2025  
January-March

Denial Reasons



Comparison of Over Income Case to 2023 HHS Poverty Guidelines



**Nueces Aid Program  
Application Processing Summary Calendar Year 2025**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2025	Comments
<b>TOTAL APPLICATIONS</b>	857	770	820										2,447	
- Approved	741	653	721										2,115	
%	86.5%	84.8%	87.9%										86.4%	Since FY 1999, the denial rate is based on all denied individuals in the household.
- Denied	116	117	99										332	
%	13.5%	15.2%	12.1%										13.6%	
<b>APPROVALS BY PLAN TYPE</b>														
<b>NUECES AID - All Services</b>														
100%	536	463	486										1,485	
%	72.3%	70.9%	67.4%										70.2%	
90%	13	21	21										55	
%	1.8%	3.2%	2.9%										2.6%	
80%	25	9	11										45	
%	3.4%	1.4%	1.5%										2.1%	
70%	17	10	17										44	The percentage of approvals by plan option is calculated by dividing the number for each plan option by the total number of approved applications.
%	2.3%	1.5%	2.4%										2.1%	
60%	14	10	15										39	
%	1.9%	1.5%	2.1%										1.8%	
50%	8	10	13										31	
%	1.1%	1.5%	1.8%										1.5%	
<b>TOTAL</b>	613	523	563										1,699	
%	82.7%	80.1%	78.1%										80.3%	
<b>HOUSEHOLDS BY SIZE - APPROVED</b>														
1 Member Household	661	589	648										1,898	The percentage for each size household is calculated by dividing the number of households in the category by the total number of approved households.
%	94.3%	94.8%	94.6%										94.6%	
2 Member Household	40	32	37										109	
%	5.7%	5.2%	5.4%										5.4%	
3 or > Member Household	0	0	0										0	Households pending other payors are not included.
%	0.0%	0.0%	0.0%										0.0%	
<b>TOTAL HOUSEHOLDS APPROVED</b>	701	621	685										2,007	

**Nueces Aid Program  
Application Processing Summary Calendar Year 2025**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2025	Comments
<b>NCHD DENIALS - Reasons for Denials</b>														
Non Resident %	0 0.0%	1 0.9%	0 0.0%										1 0.3%	The percentage for each denial reason is calculated by dividing the number of
Over Income %	43 37.1%	45 38.5%	22 22.2%										110 33.1%	individuals for each reason by the total number of individuals denied.
Over Resources %	2 1.7%	2 1.7%	1 1.0%										5 1.5%	
Other Payer %	32 27.6%	16 13.7%	18 18.2%										66 19.9%	
Requested Info Not Provided %	39 33.6%	53 45.3%	58 58.6%										150 45.2%	
Undocumented Aliens %	0 0.0%	0 0.0%	0 0.0%										0 0.0%	Note: UA code eff 08/01/01
<b>TOTAL DENIALS</b>	<b>116</b>	<b>117</b>	<b>99</b>										<b>332</b>	
<b>HOUSEHOLDS BY SIZE - DENIED</b>														
1 Member Household %	92 86.8%	97 90.7%	87										276 90.2%	The denial percentage for each size household is calculated by dividing the
2 Member Household %	11 10.4%	10 9.3%	6 6.5%										27 8.8%	number for each household size by the total number of denied households.
3 or > Member Household %	3 2.8%	0 0.0%	0 0.0%										3 1.0%	Households pending other payors are not included.
<b>TOTAL HOUSEHOLDS DENIED</b>	<b>106</b>	<b>107</b>	<b>93</b>										<b>306</b>	
<b>PENDING APPLICATIONS</b>														
Pending documentation	81	77	79										79	The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	11	17	19										17	
SSI-SSID	52	59	68										59	
Other Payor	65	54	71										54	



**Annual Comparative Enrollment Report  
Calendar Year 2025**

Month	Enrollment		Increase/(Decrease)	
	2025	2024	%	Enrollees
Jan	4,607	4,684	-1.64%	-77
Feb	4,513	4,758	-5.15%	-245
Mar	4,509	4,738	-4.83%	-229
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				

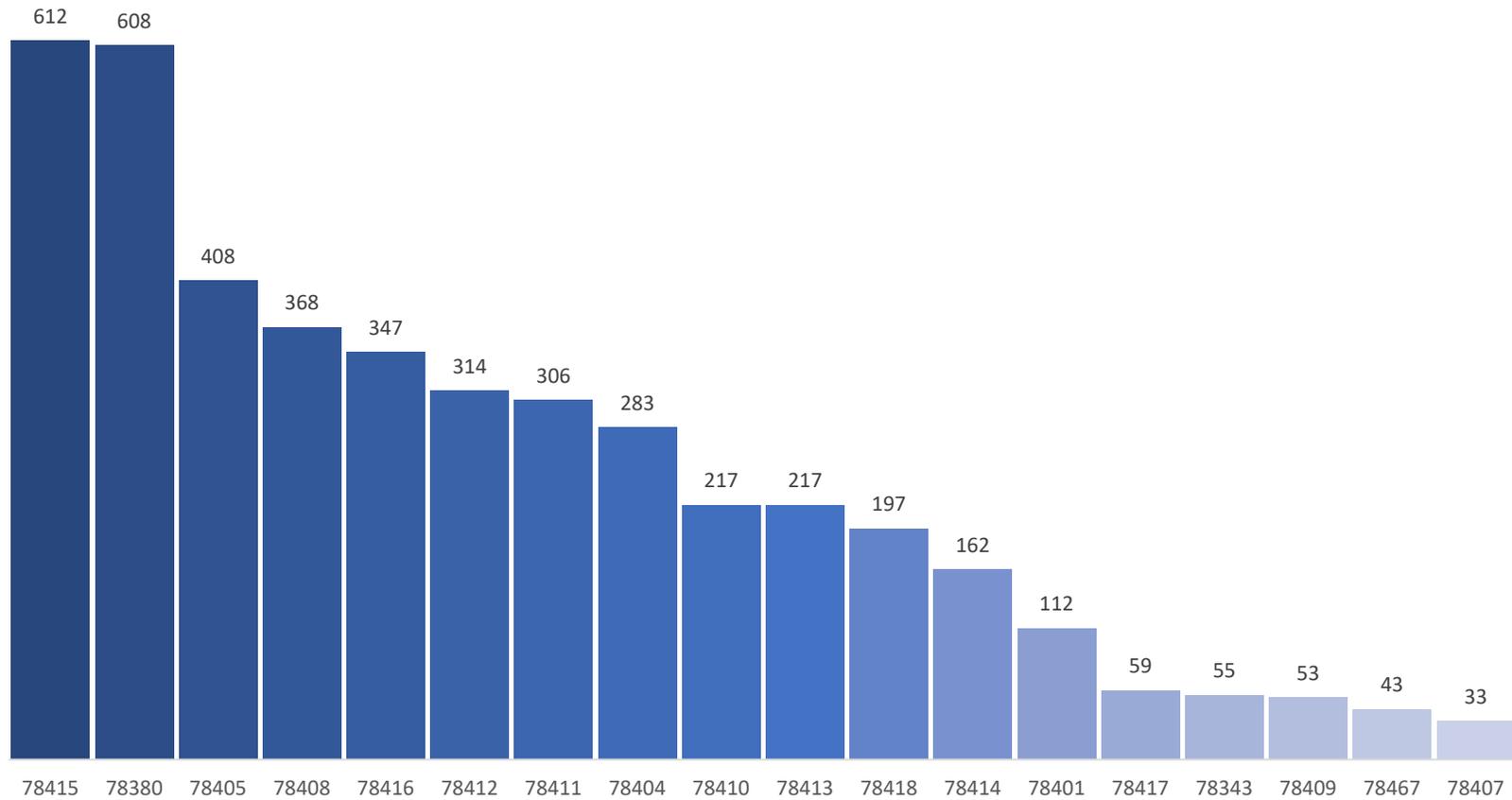
**NCHD  
Eligibility History**

	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	-6%	
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	-1%	
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	-5%	
% 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	-9%	
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	-4%	
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	-8%	
% 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	-14%	
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067	-18%	
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377	-15%	
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%		
<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	-11%	
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005	-6%	
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852	-10%	
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%		
<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	0%	
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145	14%	
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996	3%	
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%		
<b>2023</b>																
NCHD	3,767	3,186	3,727	3,611	3,614	3,599	3,565	3,548	3,566	3,598	3,613	3,545	42,939	3,578	-7%	
Pend	1,145	1,677	1,148	1,157	1,173	1,161	1,177	1,181	1,183	1,185	1,186	1,166	14,539	1,212	6%	
Total	4,912	4,863	4,875	4,768	4,787	4,760	4,742	4,729	4,749	4,783	4,799	4,711	57,478	4,790	-4%	
% of PY	101%	102%	101%	98%	97%	95%	94%	92%	91%	92%	95%	95%	96%	96%		
<b>2024</b>																
NCHD	3,523	3,573	3,563	3,596	3,605	3,597	3,643	3,650	3,629	3,646	3,546	3,464	43,035	3,586	0%	
Pend	1,161	1,185	1,175	1,171	1,177	1,157	1,180	1,182	1,177	1,183	1,159	1,121	14,028	1,169	-4%	
Total	4,684	4,758	4,738	4,767	4,782	4,754	4,823	4,832	4,806	4,829	4,705	4,585	57,063	4,755	-1%	
% of PY	95%	98%	97%	100%	100%	100%	102%	102%	101%	101%	98%	97%	99%	99%		
<b>2025</b>																
NCHD	3,494	3,407	3,380	-	-	-	-	-	-	-	-	-	10,281	3,427	-4%	
Pend	1,113	1,106	1,129	-	-	-	-	-	-	-	-	-	3,348	1,116	-5%	
Total	4,607	4,513	4,509	-	-	-	-	-	-	-	-	-	13,629	4,543	-4%	
% of PY	98%	95%	95%	0%	0%	0%	0%	0%	0%	0%	0%	0%	24%	96%		



# Nueces County Hospital District

## Enrollment by Zipcode as of March 2025

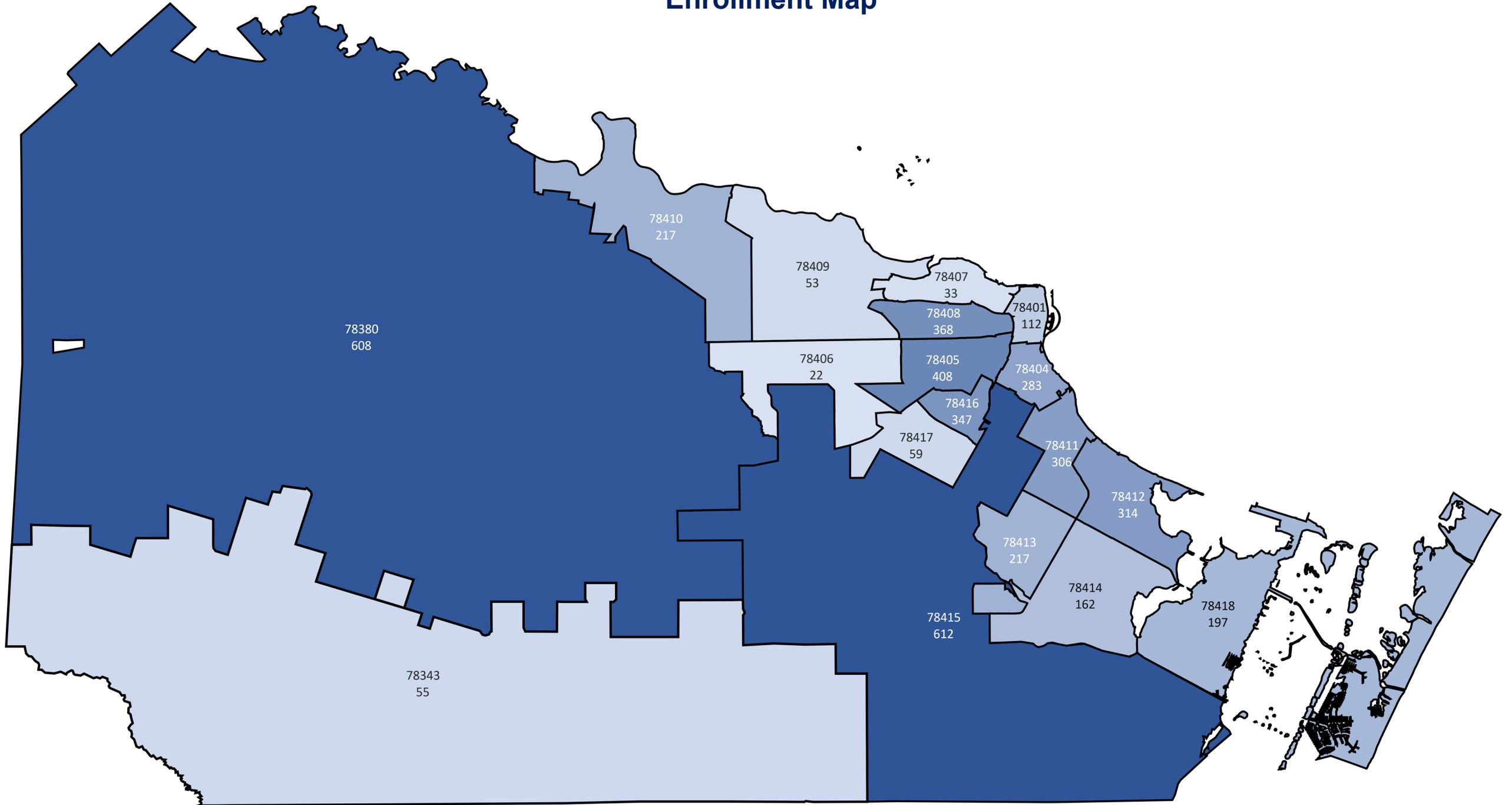


**Nueces County Hospital District  
Enrollment by Zip Code  
As of 3/31/2025**

<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	612	14%
78380	Robstown	608	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	408	9%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	368	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	347	8%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	314	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	306	7%
78404	CC:Six Points	283	6%
78410	CC:Annville and Calallen	217	5%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	217	5%
78418	CC:Flour Bluff	197	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	162	4%
78401	CC:Downtown and Cargo Docks	112	2%
78417	CC:Old Brownsville to Ayers to Saratoga	59	1%
78343	Bishop + FM 665 to CR 107 W to CR 57E	55	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	53	1%
78467	CC: Leopard St Between S. Staples and Sam Rankin	43	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	33	1%
	Subtotal	4,394	97%
	Total	4,509	



# Nueces County Hospital District Enrollment Map



**Nueces County Hospital District**  
**Combined Balance Sheet - All Fund Types & Account Groups**  
 As of 03/31/2025  
 (In Whole Numbers)

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
<b>Assets</b>						
Cash & Cash Equivalents	102,124,856	46,689,749	31,587	0	0	148,846,192
Investments	8,846,807	17,308,917	0	0	0	26,155,724
Accrued Interest	0	146,631	114	0	0	146,745
Taxes Receivable, Net of Allowance	3,354,024	0	0	0	0	3,354,024
Other Receivables	0	0	0	0	0	0
Due from Other Funds	15,091	0	0	0	0	15,091
Prepaid Expenditures	173,426	0	0	0	0	173,426
Restricted Cash & Cash Equivalents - LPPF	77,880,234	0	0	0	0	77,880,234
Fixed Assets	0	0	0	14,202,608	0	14,202,608
Am't to be Provided for Retirement of LT Debt	0	0	0	0	39,952	39,952
<b>Total Assets</b>	<b>192,394,439</b>	<b>64,145,296</b>	<b>31,701</b>	<b>14,202,608</b>	<b>39,952</b>	<b>270,813,996</b>
<b>Liabilities</b>						
Accounts Payable	4,435,416	0	0	0	0	4,435,416
Accrued Payroll & Related Liabilities	393,631	0	0	0	0	393,631
Intergovernmental Transfer Obligations	77,880,234	0	0	0	0	77,880,234
Due to Other Funds	0	5,758	9,333	0	0	15,091
Deferred Revenue	3,354,024	0	0	0	0	3,354,024
Long Term Paid Time Off	0	0	0	0	39,952	39,952
<b>Total Liabilities</b>	<b>86,063,306</b>	<b>5,758</b>	<b>9,333</b>	<b>0</b>	<b>39,952</b>	<b>86,118,349</b>
<b>Fund Equity</b>						
Fund Balance	61,876,381	0	22,368	14,202,608	0	76,101,356
Committed to:						
Intergovernmental Transfers	44,454,752	0	0	0	0	44,454,752
Indigent Care	0	61,799,679	0	0	0	61,799,679
Opioid Abatement	0	2,338,035	0	0	0	2,338,035
Assigned to:						
County Health Care	0	1,824	0	0	0	1,824
<b>Total Fund Equity</b>	<b>106,331,133</b>	<b>64,139,538</b>	<b>22,368</b>	<b>14,202,608</b>	<b>0</b>	<b>184,695,647</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>192,394,439</b>	<b>64,145,296</b>	<b>31,701</b>	<b>14,202,608</b>	<b>39,952</b>	<b>270,813,996</b>

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
General Fund  
From 3/1/2025 Through 3/31/2025  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Taxes	596,673	39,638,636
Penalties & Interest - Taxes	60,531	186,001
Spohn Corporate Member Revenue	12,578,996	73,624,138
Investment Income	387,855	2,094,249
Other Income	25	34,112
Total Revenues	13,624,079	115,577,135
Current Expenditures		
Intergovernmental Transfers	1,279,423	81,240,563
Emergency Residency Support	116,875	701,250
County Healthcare Funding	1,008,252	6,430,210
Salaries	129,832	867,646
Benefits	87,892	454,362
Legal & Professional Fees	44,821	442,858
Purchased Services	82,637	741,392
Supplies & Materials	816	8,539
Rent & Leases	6,303	65,405
Repairs & Maintenance	8	437
Utilities	4,170	22,953
Insurance	2,916	17,501
Administrative & General	4,000	70,412
Capital Outlay	0	28,526
Total Current Expenditures	2,767,946	91,092,054
Excess of Revenues Over Expenditures Before Sources/Uses	10,856,133	24,485,082
Excess of Revenues Over Expenditures After Sources & Uses	10,856,133	24,485,082
Fund Balance, Beginning of Year		81,846,052
FUND BALANCE, END OF YEAR		106,331,133

Nueces County Hospital District  
Statement of Revenues and Expenditures - All Governmental and Trust Funds  
Special Revenue Fund  
From 3/1/2025 Through 3/31/2025  
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	241,329	1,415,541
Total Revenues	241,329	1,415,541
Current Expenditures		
Legal & Professional Fees	1,836	4,617
Total Current Expenditures	1,836	4,617
Excess of Revenues Over Expenditures Before Sources/Uses	239,493	1,410,924
Excess of Revenues Over Expenditures After Sources & Uses	239,493	1,410,924
Fund Balance, Beginning of Year		62,728,614
FUND BALANCE, END OF YEAR		64,139,538

**Nueces County Hospital District**  
**Statement of Revenues and Expenditures - All Governmental and Trust Funds**  
**Trust Fund**  
**From 3/1/2025 Through 3/31/2025**  
**(In Whole Numbers)**

UNAUDITED

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	114	692
Total Revenues	114	692
Current Expenditures		
Benefits	1,441	7,751
Administrative & General	13	83
Total Current Expenditures	1,454	7,834
Excess of Revenues Over Expenditures Before Sources/Uses	(1,340)	(7,142)
Excess of Revenues Over Expenditures After Sources & Uses	(1,340)	(7,142)
Fund Balance, Beginning of Year		29,510
FUND BALANCE, END OF YEAR		22,368

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
General Fund  
From 3/1/2025 Through 3/31/2025  
(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	596,673	694,322	(97,649)	39,638,636	38,512,441	1,126,195
Penalties & Interest - Taxes	60,531	29,311	31,220	186,001	191,267	(5,266)
Spohn Corporate Member Revenue	12,578,996	10,248,333	2,330,663	73,624,138	61,490,002	12,134,136
Investment Income	387,855	99,804	288,051	2,094,249	494,126	1,600,123
Other Income	25	0	25	34,112	0	34,112
Total Revenues	<u>13,624,079</u>	<u>11,071,770</u>	<u>2,552,309</u>	<u>115,577,135</u>	<u>100,687,836</u>	<u>14,889,299</u>
<b>Current Expenditures</b>						
Intergovernmental Transfers	1,279,423	641,700	(637,723)	81,240,563	72,866,583	(8,373,980)
Emergency Residency Support	116,875	116,875	0	701,250	701,250	0
County Healthcare Funding	1,008,252	980,941	(27,311)	6,430,210	6,228,646	(201,564)
Salaries	129,832	173,595	43,763	867,646	1,158,786	291,140
Benefits	87,892	100,300	12,408	454,362	539,396	85,034
Legal & Professional Fees	44,821	109,750	64,929	442,858	1,158,504	715,646
Purchased Services	82,637	111,602	28,965	741,392	883,425	142,033
Supplies & Materials	816	1,999	1,183	8,539	12,010	3,471
Rent & Leases	6,303	13,084	6,781	65,405	78,504	13,099
Repairs & Maintenance	8	1,000	993	437	6,004	5,567
Utilities	4,170	4,959	789	22,953	29,754	6,801
Insurance	2,916	4,000	1,084	17,501	24,004	6,503
Administrative & General	4,000	81,249	77,249	70,412	547,522	477,110
Capital Outlay	0	0	0	28,526	229,000	200,474
Extraordinary	0	417	417	0	2,502	2,502
Total Current Expenditures	<u>2,767,946</u>	<u>2,341,471</u>	<u>(426,475)</u>	<u>91,092,054</u>	<u>84,465,890</u>	<u>(6,626,164)</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>10,856,133</u>	<u>8,730,299</u>	<u>2,125,834</u>	<u>24,485,082</u>	<u>16,221,946</u>	<u>8,263,136</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>10,856,133</u>	<u>8,730,299</u>	<u>2,125,834</u>	<u>24,485,082</u>	<u>16,221,946</u>	<u>8,263,136</u>
Fund Balance, Beginning of Year				81,846,052	0	81,846,052
<b>FUND BALANCE, END OF YEAR</b>				<u>106,331,133</u>	<u>16,221,946</u>	<u>90,109,187</u>

**Nueces County Hospital District**  
**Statement of Revenues and Expenditures - Actual v. Budget**  
**Tobacco Settlement Fund**  
**From 3/1/2025 Through 3/31/2025**  
**(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	7	0	7	41	0	41
Total Revenues	<u>7</u>	<u>0</u>	<u>7</u>	<u>41</u>	<u>0</u>	<u>41</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>7</u>	<u>0</u>	<u>7</u>	<u>41</u>	<u>0</u>	<u>41</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>7</u>	<u>0</u>	<u>7</u>	<u>41</u>	<u>0</u>	<u>41</u>
Fund Balance, Beginning of Year				1,783	0	1,783
FUND BALANCE, END OF YEAR				<u><u>1,824</u></u>	<u><u>0</u></u>	<u><u>1,824</u></u>

Nueces County Hospital District  
Statement of Revenues and Expenditures - Actual v. Budget  
Indigent Care Fund  
From 3/1/2025 Through 3/31/2025  
(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	232,747	75,303	157,444	1,363,152	450,432	912,720
Total Revenues	<u>232,747</u>	<u>75,303</u>	<u>157,444</u>	<u>1,363,152</u>	<u>450,432</u>	<u>912,720</u>
Current Expenditures						
Legal & Professional Fees	1,836	1,000	(836)	4,617	6,000	1,383
Total Current Expenditures	<u>1,836</u>	<u>1,000</u>	<u>(836)</u>	<u>4,617</u>	<u>6,000</u>	<u>1,383</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>230,911</u>	<u>74,303</u>	<u>156,608</u>	<u>1,358,535</u>	<u>444,432</u>	<u>914,103</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>230,911</u>	<u>74,303</u>	<u>156,608</u>	<u>1,358,535</u>	<u>444,432</u>	<u>914,103</u>
Fund Balance, Beginning of Year				60,441,144	0	60,441,144
FUND BALANCE, END OF YEAR				<u><u>61,799,679</u></u>	<u><u>444,432</u></u>	<u><u>61,355,247</u></u>



**Administrative Offices**

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Corpus Christi, Texas 78401-0835

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## **BOARD OF MANAGERS RESOLUTION**

**APRIL 22, 2025**

### **A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION OF REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES**

**WHEREAS**, the Nueces County Hospital District (the “Hospital District” or “District”) is 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, Chapter 281 (the “Health Code”), and operated in accordance with the Health Code and other applicable laws of the State of Texas, including the Texas Government Code, Chapter 2256 relating to public funds investment (the “Public Funds Investment Act”);

**WHEREAS**, the Hospital District’s Board of Managers (the “Board”) have been duly appointed pursuant to Health Code, §281.021(a);

**WHEREAS**, 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 Hospital District;

**WHEREAS**, the Board desires to comply with annual requirements of the Public Funds Investment Act and Act, §2256.005(e) which requires the Board to review, not less than annually, the District’s investment policy and investment strategies, adopt a written instrument stating that they have reviewed the policy and strategies, and record therein any changes made to the policy and the strategies;

**WHEREAS**, the Board: (i) adopted the original form of the Hospital District’s investment policy and investment strategies on March 31, 1998; (ii) amended portions of the policy and/or strategies on July 7, 1998; September 8, 1998; April 24, 2001; April 7, 2009; July 26, 2011; July 23, 2013; June 6, 2019; July 21, 2020; September 1, 2021; June 27, 2023; and June 25, 2024 (iii) has not amended the policy and/or strategies since June 25, 2024; and (iv) desires to amend the current investment policy and investment strategies as shown in the attached hereto and identified as Exhibit “A”; and

**WHEREAS**, in accordance with Public Funds Investment Act, §2256.005(e), the Board hereby desires to: (i) acknowledge review the current District’s investment policy and investment strategies; (ii) record changes made to the District’s investment policy and investment strategies; (iii) amend the current investment policy and investment strategies; and (iv) adopt the investment policy and investment strategies attached hereto and identified as Exhibit “A” to supersede and replace the current policy and strategies to be effective June 1, 2025.

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

1. The Board has reviewed the Hospital District's current investment policy and investment strategies.
2. The Board has recorded changes made to the District's investment policy and investment strategies.
3. The Board hereby adopts the investment policy and investment strategies attached hereto and identified as Exhibit "A" to supersede and replace the current policy and strategies to be effective June 1, 2025.
4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.005(e).
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 District.
7. This Resolution shall take effect and be in full force and effect upon and after its passage.
8. The Board retains its right to amend or repeal this Resolution at any time.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

Belinda Flores, RN  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Mariana Garza  
Member

---

Efrain Guerrero, Jr.  
Member

---

Georgia Neblett  
Member

---

Karen O'Connor Urban  
Member

# Exhibit “A”

(Insert revised Policy and Strategies after this page)



## **NUECES COUNTY HOSPITAL DISTRICT**

### **INVESTMENT STRATEGY & INVESTMENT POLICY**

EFFECTIVE ~~JULY~~JUNE 1, 2024~~2025~~

#### **Administrative Offices**

555 North Carancahua St., Suite 950  
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## TABLE OF CONTENTS

PREFACE .....	1
POLICY .....	1
PURPOSE .....	1
ADOPTION & REVIEW .....	1
INVESTMENT STRATEGY.....	2
INVESTMENT POLICY .....	5
SCOPE .....	5
INVESTMENT OBJECTIVES.....	5
SAFETY OF PRINCIPAL .....	5
MAINTENANCE OF ADEQUATE LIQUIDITY.....	5
INVESTMENT DIVERSIFICATION .....	6
YIELD.....	6
PUBLIC TRUST .....	6
RESPONSIBILITY AND CONTROL.....	6
DELEGATION OF AUTHORITY FOR PROGRAM MANAGEMENT .....	6
PRUDENCE.....	7
ETHICAL STANDARDS AND CONFLICTS OF INTEREST .....	7
INVESTMENT COMMITTEE.....	8
DELEGATION OF AUTHORITY TO ACT AS INVESTMENT OFFICERS .....	9
TRAINING .....	9
INTERNAL CONTROLS .....	9
COMPLIANCE AUDIT.....	10
MANAGEMENT REPORTS.....	11
INVESTMENT PORTFOLIO .....	12
AUTHORIZED AND ACCEPTABLE INVESTMENTS.....	12
INVESTMENT PARAMETERS .....	13

MAXIMUM MATURITIES .....	14
AUTHORIZED DEPOSITORY, BROKER/DEALER AND INVESTMENT POOLS .....	14
DEPOSITORY FINANCIAL INSTITUTION .....	15
BROKER/DEALERS .....	15
REQUIREMENTS COMMON TO FINANCIAL INSTITUTIONS AND BROKER/DEALERS .....	16
INVESTMENT POOLS.....	16
COMPETITIVE BIDDING FOR ALL INVESTMENTS.....	16
DELIVERY VERSUS PAYMENT .....	17
SAFEKEEPING OF SECURITIES.....	17
DEPOSITORY COLLATERAL .....	17
MONITORING MARKET PRICES.....	19
GLOSSARY OF COMMON TREASURY TERMS .....	20
ATTACHMENT “A”: STATEMENT OF PERSONAL BUSINESS RELATIONSHIP .....	24
<del>ATTACHMENT “B”: NUECES COUNTY HOSPITAL DISTRICT, BROKER/DEALER QUESTIONNAIRE.....</del>	<del>25</del>

## **PREFACE**

The Nueces County Hospital District (the "Hospital District" or "District") is a political subdivision of the State of Texas, established and created in 1968 pursuant to Article IX, Section 4 of the Texas Constitution, and operated in accordance with Chapter 281, Texas Health and Safety Code and other applicable state laws, including Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "Act") and Texas Government Code 2257, the Public Funds Collateral Act.

The Hospital District recognizes effective cash management is essential to good fiscal management. The District will pursue an active cash management and investment policy to take advantage of investment interest as a viable and material contribution to the revenues of the District. The District's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state law.

## **POLICY**

It is the policy of the Hospital District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, the District shall manage and invest its idle cash with these objectives which are listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remain the primary objectives. The District shall design and manage all investments in a manner that is advantageous to the District, responsive to the public trust, and consistent with applicable law.

All investments made by the Hospital District shall comply with the Act and all federal, state, and local statutes, rules or regulations.

## **PURPOSE**

The purpose of this Investment Policy is to set forth specific investment policy and strategy guidelines for the Hospital District. This Policy also serves to satisfy requirements of the Act, which requires public entities such as the District, to define, adopt, and review a formal investment strategy and policy regarding its funds and the funds under its control.

## **ADOPTION & REVIEW**

The Hospital District's Board of Managers (the "Board"), based on advice and counsel from the Investment Committee and the Administrator, shall review and adopt by resolution, its investment strategies and policy not less than annually. Adopting resolutions shall include a record of changes made to either the investment policy or strategy.

## INVESTMENT STRATEGY

The Hospital District maintains a comprehensive, conservative and proactive cash management program designed to monitor and control all District funds to ensure maximum use and reasonable market yield. The basic and underlying strategy of this program is that all of the District funds earn continuously. The District shall maintain a flexible investment design and be prepared to modify the investment strategy as market conditions dictate. The investment strategies described herein are based on the District's conservative philosophy and predicated on repetitive cash flow conditions. As such, the market strategies supporting these overall strategies are subject to change as conditions warrant.

The Hospital District shall manage and invest its funds with these objectives, listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remain the primary objectives. The District shall design and manage all investments in a manner that are favorable to the District, responsive to the public trust, and consistent with applicable law.

Within these investment objectives, the investment strategy is to utilize Investment Policy authorized investments to gain maximum advantage for the Hospital District.

- In accordance with the District's intermediate and long-term plans and strategies, the District will maintain one combined portfolio. At least annually, the District's Investment Committee will evaluate the usefulness of this approach as compared to the District's current and future asset use needs as well as contemporaneous market conditions and trends. The principal investment strategies for this aggregate portfolio are to assure that the District's cash assets are safe and that anticipated cash needs of the District are matched with sufficient liquidity.
  1. To assure safety, the District shall utilize only high-credit quality securities approved by the Texas Public Funds Investment Act that assure the return of principal when held to maturity. Additionally, the District shall qualify and monitor financial institutions and brokers/dealers with whom the District transacts business. Compliance with this Policy is to assure safety. The District will not invest in securities maturing more than -5 years from the date of purchase.

The District shall limit its acquisition of securities to those that are commonly traded by governmental entities and have proven resale markets. The District shall select brokers/dealers that regularly deal with governmental entities.

2. To assure liquidity, the District shall ensure that a minimum of 10% of its portfolio is invested in local government investment pools, money market funds and/or interest-bearing depository accounts to achieve needed liquidity. The maximum dollar

weighted average maturity (“WAM”) of the District's portfolio will be - two years or less, calculated on the stated final maturity date of each security. The District shall match its periods of high cash consumption with matching amounts of liquidating securities when tax revenues are not adequate. Similarly, the District will strive to assure that its cash outlays are paid in a timely fashion by coordinating the establishment of maturity dates of various securities to cover periodic annual outlay needs not fully covered by then available tax revenues. Additional liquidity will be made available to cover the debt service payments on the required payment dates if needed.

3. To assure diversification and to avoid incurring unreasonable risks from over concentration of investments in a specific maturity, a specific issue, or a specific class or type of securities, the District shall maintain a diversified portfolio. The District will diversify so that potential losses on individual securities do not exceed the investment income generated from the remainder of the portfolio, taking into account current and projected yields and other market considerations.

Diversification will be served by the District matching the District’s annual business plan and projected strategic plan to its investment plan. Diversification will be served by competitive bidding and monitoring of all authorized market sectors for value. The District shall concurrently monitor the progress of the operating and investment plans. The District shall select several brokers/dealers that regularly deal with governmental entities and are familiar with their business cycles and ongoing business strategies as well as to provide competition.

4. To assure yield and risks stay within safe limits, the District shall structure its portfolio to meet or exceed the risk benchmark. The District shall pursue an overall average benchmark yield on the six-month U.S. Treasury Bill which is comparable to the District's average WAM, and consistent with the investments authorized as well as limitations in this Investment Policy.
- To increase earnings for assets identified as available for investment over longer periods (based on a long-range cash requirement projection) the Hospital District will consider the following additional strategies:
    1. Evaluating longer term investment opportunities.
    2. Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include:
      - It is straightforward and easily matched to cash needs.
      - It will require a minimum of time and investment expertise to administer.

- It represents a safe option to meet cash needs.
  - All investments remain within the approved maturity horizon.
  - It will assure the District that it will capture the most reasonable section of the yield curve at the time of purchase.
  - It provides predictable cash flow with scheduled maturities and reinvestment.
3. Utilizing the services of a reputable and respected independent, third-party SEC-registered investment advisor to assist the District in preparing a plan to achieve a higher yield on the assets available for longer term investment.
- The Hospital District’s investment strategy for handling investments that are not presently statutorily authorized but were so authorized at the time of their purchase; or were previously purchased and exceed the maximum allowable maturity stated under this Investment Policy, shall have as its primary objective that the District will liquidate such investments if it is prudent to do so under the District’s investment objectives, but only when so authorized by the Investment Committee created under this Investment Policy. Upon liquidation, such funds shall be reinvested in a manner consistent with this Investment Policy.
- If an existing investment that requires a minimum rating under this Investment Policy loses that required rating the District shall undertake all prudent measures that are consistent with this Investment Policy to liquidate an investment in a timely manner.
- Unless otherwise directed by the Investment Committee or Board, interest earnings received from investments of Hospital District funds shall be allocated back to the appropriate fund, unless indicated otherwise by generally accepted accounting principles or law.

## INVESTMENT POLICY

### I. SCOPE

This Investment Policy shall govern all cash and investment assets of the Hospital District. This Policy also governs all of the District's trust and escrow agreements and other similarly functioning agreements. Similarly, this Policy governs the District's depository agreement with its depository financial institution as it relates to collateral and collateral investment requirements. This Policy does not apply to funds the District maintains or administers under a deferred compensation plan, the federal income tax treatment of which is governed by Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Sections 401(k) and 457).

### II. INVESTMENT OBJECTIVES

The Hospital District shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment according to invoice terms, and prudent investment of available cash. Cash management is the process of managing monies to insure cash availability and maximum yield on short-term investment of pooled cash.

It is the intent of the Hospital District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, all available funds shall be fully invested in conformance with this Investment Policy and at the highest reasonable rates obtainable at the time of investment within the limits of this policy.

The Hospital District shall manage and invest in accordance with these objectives, listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remains the primary objectives. All investments shall be designed and managed in a manner favorable to the District, responsive to the public trust, and consistent with applicable law.

#### A. SAFETY OF PRINCIPAL

Safety of principal invested is the primary objective in investment decisions of the Hospital District. Each investment transaction shall seek to ensure the preservation of capital. The District shall control investing risk by utilizing high credit quality securities and through portfolio diversification.

#### B. MAINTENANCE OF ADEQUATE LIQUIDITY

The investment portfolio shall be managed to maintain adequate liquidity to ensure that funds will be available to meet cash flow requirements that might be reasonably anticipated and by investing in securities with active secondary markets. A security may be liquidated to meet unanticipated cash requirements or otherwise to favorably adjust the Hospital District's investment portfolio.

The Hospital District will match its investments with anticipated cash flow requirements in a laddered strategy by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Recognizing that not all funds are needed for cash flow purposes, cash may be invested to longer maturities to best utilize the funds.

C. INVESTMENT DIVERSIFICATION

The Hospital District shall diversify its investments to spread market and credit risk. The District will invest in a planned mix of investments, maturities, and/or investment categories to reduce credit and market risk.

D. YIELD

The Hospital District's cash management portfolio shall be designed with the objective of regularly exceeding the average yield on the one-year U.S. Treasury Bill which compares to the District's average WAM. The investment program shall seek to augment earnings above this threshold consistent with risk limitations identified herein and prudent investment policies.

E. PUBLIC TRUST

All participants in the Hospital District's investment program shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

**III. RESPONSIBILITY AND CONTROL**

A. DELEGATION OF AUTHORITY FOR PROGRAM MANAGEMENT

Overall management responsibility for the Hospital District's investment program is hereby delegated to the Administrator who shall be responsible for all operations of the District's investment program and transactions undertaken. The Administrator and other employees shall be designated Investment Officers in accordance with the Act. Investment Officers are designated by resolution of the Board.

B. PRUDENCE

The standard of prudence to be applied by the Hospital District's investment officers shall be the "prudent person" rule, which states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds, or funds under the Hospital District's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and (2) whether the investment decision was consistent with the written investment policy of the District. The investment officers acting according to written policies and procedures and exercising due diligence, shall not be held personally liable for a specific security's credit risk or market price changes, if these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

For purposes of this Investment Policy, "investment officer" means all Hospital District employees designated by Board resolution and involved in investment activities. All employees involved in investment transactions will be bonded. The District shall bear the cost of such bonding.

C. ETHICAL STANDARDS AND CONFLICTS OF INTEREST

All Hospital District investment officers having a direct or indirect role in the investment of Hospital District funds shall act as custodians of the public trust avoiding any transaction that might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. All persons involved in the District's investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

District staff shall disclose to the Administrator, or in the case of the Administrator, the Investment Committee and Board, any material financial interests in financial institutions, with dealers, brokers, or investment pools, collectively referred to "business entities," that conduct business with the District and they shall further disclose positions that could be related to the performance of the District's portfolio. District staff shall subordinate their personal financial transactions to those of the District, particularly with regard to timing of purchases and sales.

In accordance with the Act (§2256.005(i)), “an investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the Hospital District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. Such statement must be filed with the District’s Investment Committee and Board.

In accordance with the Act, an investment officer must disclose to the Texas Ethics Commission if he has a personal business relationship with a business organization in which: (1) the investment officer owns 10% or more of the voting stock or shares of the business entity or owns \$5,000 or more of the fair market value of the business organization; or (2) funds received by the investment officer from the business entity exceed 10% of the investment officer’s gross income for the previous year; or (3) the investment officer has acquired from the business entity during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer”. (Attachment “A”)

D. INVESTMENT COMMITTEE

There is hereby created by the Board an Investment Committee, consisting of all members of the Board of Manager’s Finance Committee, the Hospital District’s Administrator, and primary and secondary investment officers. The Chairman of the Finance Committee shall be Chairman of the Investment Committee. Those Committee members who are District employees shall be ex officio members of the Committee. All members of the Investment Committee should have an understanding of the suitability of the District’s investment instruments as they relate to the financial, cash flow and long-term debt requirements of the District. The Investment Committee shall meet at least quarterly, usually in conjunction with Finance Committee meetings, to monitor the investment plan, set general strategies, and to review results. The Investment Committee shall include in its deliberations such topics as: performance reports, economic outlook, portfolio diversification, portfolio structure, potential risk to and opportunities for the District’s funds, authorized financial institutions, brokers/dealers, investment pools, and the overall target yield on the investment portfolio. The Administrator shall prepare an agenda for all Investment Committee meetings. The Administrative Assistant shall maintain minutes of such meetings. The Investment Committee shall operate according to the terms and conditions of the Board’s Bylaws. Either the Committee’s Chairman or the Administrator may request special meetings. A majority of the non-employee members shall form a quorum. The Committee shall establish its own rules of procedure if not so provided by the Board’s Bylaws.

E. DELEGATION OF AUTHORITY TO ACT AS INVESTMENT OFFICERS

Authority to act as an investment officer in the Hospital District’s investment program is derived solely by resolution of the District’s Board. Only persons authorized by Board resolution may deposit, withdraw, transfer, or manage in any other manner, the cash and investment assets of the District. Such persons shall manage the District’s funds according to this Investment Policy. Such authority is effective until rescinded by the Board or until termination of employment. The Board may appoint one or more investment officers. When more than one investment officer is appointed the Board shall designate one primary investment officer and the remainder shall be secondary investment officer(s). In the absence or unavailability of the primary investment officer, the secondary investment officers are responsible for investment decisions and activities.

F. TRAINING

Within one year of becoming or assuming their duties, investment officers shall receive not less than 10 hours of instruction relating to investment responsibilities under the Act from an independent source approved by Board resolution. After that, the investment officers shall attend 10 hours of investment training not less than once in each succeeding two-year period that begins on the first day of the Hospital District’s fiscal year and consists of the two consecutive fiscal years after that date, and instruction shall relate to investment responsibilities under the Act. Such training shall at least include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

The Board shall from time-to-time, approve by resolution investment training courses applicable to this paragraph. The Hospital District shall bear the costs of such training.

G. INTERNAL CONTROLS

The Administrator shall establish a system of internal controls to regulate the activities of all investment officers. This system of controls shall be designed to provide reasonable assurance that the assets of the Hospital District are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Additionally, the Administrator shall assure that written procedures are established for the operation of the investment program, consistent with this Investment Policy. Such procedures shall explicitly address delegation of authority to persons responsible for investment transactions. No persons may engage in an investment transaction except as provided under the terms of this Investment Policy and the internal control procedures established by the Administrator. In addition, the internal controls shall at least address the following points:

1. Control of collusion;
2. Separation of transaction authority from accounting and record keeping;
3. Custodial safekeeping;
4. Clear delegation of authority to subordinate staff members;
5. Written confirmation for all transactions for investments and wire transfers;  
and
6. Maintenance of a log detailing all investment bids solicited and purchases by investment officers.

The investment officer(s) shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the investment officer(s) shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal along with liquidation options available,

The investment officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the District based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the investment officer shall immediately liquidate any brokered CD which is above the FDIC insurance level.

#### H. COMPLIANCE AUDIT

The Administrator shall assure that an internal controls compliance audit is performed in conjunction with the Hospital District's annual independent financial audit. Such compliance audit shall at least focus on management controls, adherence to this Investment Policy, and compliance with applicable laws. The results of this compliance audit shall be incorporated into the independent auditor's annual report to the Board.

If the Hospital District invests in other than money market mutual funds, investment pools or CDs the quarterly reports associated with those activities shall be formally reviewed, at least annually, by an independent auditor and the results of the review shall be reported to the Board by the independent auditor. This shall be done in conjunction with the independent auditor's annual report to the Board.

I. MANAGEMENT REPORTS

At least monthly, the investment officers shall jointly compile a written report for the Administrator and other management's use in monitoring the Hospital District's investment program. The report must:

1. Contain a detailed description of each investment position of the District on the date of the report.
2. Be prepared jointly and signed by all District investment officers.
3. Contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled funds group that states:
  - a. Beginning market value for the reporting period.
  - b. Additions and changes to the market value during the period.
  - c. Ending market value for the period.
  - d. Fully accrued interest and total earnings (net amortization/accretion) for the reporting period.
4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
5. State the maturity date of each separately invested asset that has a maturity date. (Liquid investments have a one-day maturity date.)
6. State the account or fund or pooled group fund in the District for which each individual investment was acquired, if applicable.
7. State the compliance of the investment portfolio of the District as it relates to the District's Investment Policy and relevant provisions of law.

Market prices will be obtained from independent financial sources such as the Wall Street Journal for reporting purposes.

In addition to the above, but not less than quarterly, the Administrator and investment officers shall collectively prepare and submit to the Board an additional written report of investment transactions for the portfolio. The report shall be based on the District's fiscal year quarters and shall be presented to the Board within a reasonable time after the end of such periods. The report shall cover element's 1 -7 above.

#### IV. INVESTMENT PORTFOLIO

##### A. AUTHORIZED AND ACCEPTABLE INVESTMENTS

Only the following investments are authorized for investment by the Hospital District:

1. Obligations of the United States, its agencies and instrumentalities and full faith and credit obligations of the U.S. Government, excluding all mortgage backed securities with a maximum maturity of five years.
2. Obligations of the State of Texas, or their respective agencies and instrumentalities; obligations of the states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
3. Depository certificates of deposit issued by a state or national bank doing business in Texas that are:
  - a. guaranteed or insured by the FDIC or its successor; and
  - b. secured by obligations defined by this Policy; and
  - c. collateralized to 102% of District deposits, which collateral is held by an independent third-party custodian approved by the District.

Depository certificate of deposit spread programs entered into through a Texas bank are authorized under this provision.

4. FDIC-insured brokered CDs purchased from a broker on the District list or a bank in Texas, delivered versus payment to the District's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank (on [www.FDIC.gov](http://www.FDIC.gov) or equivalent) to assure that the bank is FDIC-insured.
5. Fully collateralized repurchase agreements that have a defined termination date not to exceed one year, are secured by obligations of the United States or its agencies and instrumentalities, are cleared delivery versus payment and held in the District's name by a custodian approved by the District, and placed through a primary governmental securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

Reverse repurchase agreements not to exceed 90 days. Funds received under the terms of a reverse repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse repurchase agreement.

6. Commercial paper that has a stated maturity of -one-year or less from the date of purchase and is dual rated ~~AAA~~ A-1 or P-1 or equivalent by at least two nationally recognized credit rating agencies.
7. AAA-rated, no-load money market mutual funds that:
  - a. are registered with and regulated by the Securities and Exchange Commission;
  - b. has a dollar-weighted average stated maturity of 60 days or fewer; and
  - c. includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.
8. Texas local government investment pools which strive to maintain a \$1 net asset value and meet the requirements of the Act, if the Board authorizes the investment in the pool by resolution.
9. Fully insured or collateralized interest-bearing accounts in any Texas bank to include spread demand deposit programs entered into through a Texas bank.

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All investments must comply with all policy, federal, state, and local statutes, rules or regulations.

All security transactions will be made on a competitive bidding basis and all transactions will be settled into the District's custodian on a delivery versus payment basis.

B. INVESTMENT PARAMETERS

The District recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification, which shall be achieved by using the following general guidelines:

1. Avoiding over-concentration in securities from a specific issuer or business sector;
2. Laddering securities with varying maturities to match expected cash needs;

3. Limiting investment in securities that have potential credit risks, and;
4. Maintaining at least 10% of the portfolio in readily available funds such as local government investment pools, money market funds, or fully collateralized bank deposits to ensure the appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the District's total portfolio:

U.S. Treasury Securities 100%  
 U.S. Agency Securities 100%  
 State and Local Debt Obligations 50% - ~~(Percent of one issuer 10%)~~  
 Depository Certificates of Deposit 50%  
 Brokered Certificates of Deposit 20%  
 Repurchase Agreements 100%  
 Commercial Paper 50%  
 Money Market Mutual Funds 100% - ~~(Percent of fund ownership 10%)~~  
 Local Government Investment Pools 100% - ~~(Percent of pool ownership 10%)~~  
 Interest Bearing Accounts 100%

C. MAXIMUM MATURITIES

The longer the maturity of investments becomes, the greater their risk and price volatility but also the greater the yield normally. Accordingly, it is the Hospital District's policy to invest in a laddered structure to approximate investments to cash flow needs and provide for adequate liquidity. In periods of declining interest rates the portfolio may be extended to lock in rates. In periods of rising interest rates the portfolio may be kept more liquid. The District will not directly invest in individual securities maturing more than -5 years from the date of purchase. Collateral provided for certain investments, however, may be collateralized using longer date instruments. The WAM of the portfolio will not exceed -two years.

D. AUTHORIZED DEPOSITORY FINANCIAL INSTITUTION,  
 BROKER/DEALERS AND INVESTMENT POOLS

Conditioned on formal approval by the Investment Committee and satisfactory compliance with this Investment Policy (including applicable laws), a depository financial institution and brokers/dealers of government securities are hereby authorized under this Investment Policy. Investment pools are additionally authorized when approved by resolution of the Board.

1. DEPOSITORY FINANCIAL INSTITUTION

The depository financial institution selected by the Hospital District at least every four years shall be used for initial placement of District's demand deposits and as a source for placement of time deposits (CDs) pursuant to the requirements set forth in this Investment Policy. Such institution shall be a bank doing business in the State of Texas.

The Hospital District shall select one depository financial institution no less than every four years on a competitive basis pursuant to Texas Health and Safety Code, §281.093(a)(1) and pursuant to the selection process set forth in Texas Local Government Code, Chapter 116. The banking services depository will not be used as a broker for security purchases in order to perfect the delivery versus payment settlement on all transactions.

Hospital District investment officers may not place time or demand deposits requiring collateral with any financial institution that does not have a valid depository agreement with the District. However, investment officers may place time deposits (CDs) with financial institutions, other than the depository financial institution, provided they have been approved by the Investment Committee and are located in the State and, if above FDIC insurance limits, has an executed depository/collateral agreement with the District. All collateral agreements will be in writing and must be approved by the Bank Board or Loan Committee to perfect the provisions of Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

Policy Certification

Hospital District investment officers may not participate in any pool which has not delivered to the District the policy certification of having read the District's Investment Policy, including an acknowledgment of implementing reasonable procedures and controls, as required below.

2. BROKERS/DEALERS

Investment officers shall not knowingly conduct business with any firm with whom public entities have sustained losses on investments. All securities brokers/dealers shall provide the District with references from public entities which they are currently serving. The Investment Committee shall annually adopt and review a list of qualified brokers/dealers authorized to engage in investment transactions with the District.

Policy Certification

Hospital District investment officers will deliver the current investment policy to all brokers, but certification is not required.

3. REQUIREMENTS COMMON TO FINANCIAL INSTITUTIONS AND BROKERS AND DEALERS

All financial institutions and brokers/dealers who desire to become the depository or qualified bidders for investment transactions must supply the Hospital District with the following information, as appropriate:

- a. current audited financial statements provided on an annual basis;
- b. proof of Financial Industry Regulatory Agency (FINRA) registration (CRD #) (brokers only);
- c. proof of state registration (brokers only);
- d. For pools, a signed *Policy Certification*; acknowledging that the pool has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the District and the pool;
- e. ~~completed *Nueces County Hospital District Broker/Dealer Questionnaire (Attachment "B")*~~.

For purposes of this Investment Policy, a “qualified representative” means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization as defined by the Act.

An annual review of the financial condition and registration of qualified broker/dealers shall be conducted by the Hospital District’s Administrator.

4. INVESTMENT POOLS

The Hospital District may invest its funds in eligible investment pools which strive to maintain a \$1 net asset value and as defined by the Act and this Policy provided that the Board adopts a resolution authorizing investment in that particular pool.

Once an investment pool is approved for use by the Board, to maintain eligibility to receive Hospital District funds and invest funds on behalf of the District pursuant to the Act, the investment pool must furnish to the District’s Administrator or investment officers periodic reports as defined by the Act.

E. COMPETITIVE BIDDING FOR ALL INVESTMENTS

To purchase or sell investment securities, the Hospital District’s investment officers shall solicit independent bids/offers from at least 3 authorized brokers/dealers from the list approved by the Investment Committee. For CDs, the investment officers shall solicit independent bids from 3 financial institutions. All bids/offers for

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investment securities or instruments shall be solicited by an investment officer via any of the following methods but must be documented.

1. Orally (but confirmed in writing);
2. In writing;
3. Electronically; or
4. Any combination of the above methods.

F. DELIVERY VERSUS PAYMENT

It is the policy of the Hospital District that all security transactions entered into by the District shall be conducted on a “delivery versus payment” basis. That is, the depository acting as safekeeping agent for the District shall not release District funds until verification has been made that the correct security was received. The security shall be held in the name of the District by the safekeeping agent. The records shall assure the notation of the District’s ownership of the securities. The original copy of all safekeeping receipts shall be delivered to the District. For purposes of this Investment Policy, safekeeping receipt shall mean evidence of receipt, identification and recording, including a written or electronically transmitted advice of transaction.

G. SAFEKEEPING OF SECURITIES

All securities owned by the Hospital District shall be held in its banking services depository or a depository chosen by the District. Safekeeping will be controlled by a written Safekeeping agreement executed by the District and bank.

H. DEPOSITORY COLLATERAL

All collateral pledged to secure time and demand deposits shall be custodied in an independent custodial institution approved by the Hospital District to include the Federal Reserve.

The collateral agreement shall be executed by the Hospital District and the pledging bank and be in writing on the terms and conditions for securing the deposit of District funds, including the procedural steps for gaining access to the collateral. The Agreement shall be adopted by resolution of the Bank Board or the Bank’s Loan Committee and executed before funds are moved into the depository. If the Federal Reserve is used as the custodian, a Pledge Agreement Form (Circular 7) of the Fed will be executed. Such agreements shall include the signatures of all authorized representatives of the District. Original safekeeping trust receipts shall be obtained. The District or its agent may inspect, at any time, an investment security evidenced by a receipt.

The Custodian shall provide to the Hospital District monthly collateral reports listing the securities pledged.

1. Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code, §2257 et seq.) it is the policy of the Hospital District to require that the depository financial institution pledge collateralization for all District funds in demand and time deposits, that are in excess of the amount insured by the FDIC. The following are applicable to such collateralization:
  - a. The District shall be the final authority when determining the market value of securities pledged to secure District deposits for the purpose of determining adequacy of the amount of collateral. The District's valuation of the securities is final and not subject to review;
  - b. The total value of eligible security used to collateralize deposits of the District shall be not less than 102% of total market value on the deposits less an amount insured by the FDIC. Preferably, the Custodian shall report to the District, at least monthly, collateral reports listing the securities pledged;
  - c. If the market value of the securities pledged by the depository financial institution becomes less than the amount of the total deposit in the depository, the District shall require that additional collateral be pledged immediately. If the collateral pledged by the depository financial institution is in excess of the percentage amount required above, the District may permit the release of the excess collateral if the collateral's market value exceeds the required amount. If the balance of District deposits in the depository financial institution is increased, the depository financial institution shall immediately increase the collateral for the deposits to the percentage amount required above. The bank shall be liable for monitoring and maintaining the required margin of 102% at all times;
  - d. The depository financial institution may substitute securities pledged with the District, if the market value of the replacing securities ~~are~~ is equal to or greater than the required collateral value and the new securities are received by the custodian before release of existing collateral;
  - e. If the depository financial institution fails to credit a deposit or part of deposit made by the District, the District will notify and may sell or otherwise convert the securities to cash in accordance with the Public Funds Collateral Act's events of default.

- f. For purposes of this Investment Policy, collateral eligible to be pledged to secure District deposits at the District's depository financial institution shall be in accordance with the Act and limited to:
    - (1) Direct obligations of the United States government, its agencies or instrumentalities, excluding letters of credit; and
    - (2) Direct obligations backed by the full faith and credit of the United States government;
    - (3) Municipal and state obligations rated A or better by two nationally recognized rating agencies.
  - g. The depository financial institution shall maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of demand or time deposit funds (including accrued interest), and a transaction related to a pledged investment security.
2. All collateral and related information shall be subject to examination, verification and audit by the District or its agents (including its independent auditors) at any reasonable time.
  3. The collateral pledged shall be reviewed at least monthly by the District's investment officers.
  4. As a part of its independent annual audit, the District's auditor shall examine and verify pledged investment securities and its market value and records maintained and report any significant or material noncompliance with the Investment Policy to the Board. Such report shall be prepared in conjunction with the independent auditor's annual report to the Board.
  5. The pledging financial institution shall be responsible for monitoring and maintaining the margins at all times.

I. MONITORING MARKET PRICES

On at least a monthly basis, the investment officers shall obtain the market price of owned securities investments using financial periodicals (i.e., Wall Street Journal, etc.), on-line investment monitoring services, and/or other market information sources. Market prices will be used to establish market value.



## GLOSSARY OF COMMON TREASURY TERMS

**Agencies:** Federal agency securities.

**Asked Price:** The price at which securities are purchased by the District. The opposite of a bid.

**Basis Point:** Equal to 1/100 of one percent to measure price and yield. If interest rates rise 0.25%, the difference is referred to as an increase of 25 basis points.

**Bid:** The price at which the District sells a security. The opposite of an offer.

**Book Value:** The value of a security owned by the District equal to the purchase cost plus/minus the net of amortization/accretion.

**Broker:** An individual or firm who brings buyers and sellers together. In the money markets, all prices for securities are net priced reflecting all costs.

**Certificate of Deposit – Depository (CD):** Notes issued by banks that guarantee payment of a fixed interest rate until a future date (the maturity date) which are FDIC-insured up to \$250,000.

**Certificate of Deposit – Brokered:** Securities issued by a bank as certificates of deposit but securitized by the bank and sold on the open market by brokers. Brokered CDs are securities and have additional risk/control elements to be addressed, such as safekeeping. Only FDIC-insured brokered CDs safe kept by the District’s safekeeping agent are authorized for purchase by the District.

**Collateral:** Securities pledged to the District for time and demand deposits over FDIC insurance coverage.

**Commercial Paper:** An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum for commercial paper is 270 days, but most is sold with maturities of up to 90 days. The credit risk is rated by nationally recognized rating agencies.

**Coupon:** A certificate attached to any security with an original maturity over one year evidencing interest due semi-annually. (Coupon rate \* face amount)

**Custodial Agreement:** A written contract establishing the responsibilities of a custodian who holds collateral for deposits or securities.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account. A firm that has an inventory and can sell securities.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment (DVP):** There are two methods of delivery of securities: Delivery versus payment and delivery versus receipt (DVR) (also called free).

- (a) Delivery versus payment means delivery of securities with an exchange of money for the securities.
- (b) Delivery versus receipt means delivery of securities with an exchange of a signed receipt for the securities.

**Depository Insurance:** Insurance on deposits with financial institutions. FDIC and some state governments provide this insurance.

**Deposits:** In the context of required note disclosures, cash and near cash items placed on account with a financial institution or fiscal agent. Some deposits (e.g., checking accounts) are subject to withdrawal on demand without notice or penalty (demand deposits) and others (e.g., CDs) can only be withdrawn without penalty upon completion of a fixed period (time deposits).

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Securities:** Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; for example, U.S. Treasury bills.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures deposits of federally chartered banks, currently up to \$250,000 per deposit.

**Federal Reserve System:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks, and about 5,700 commercial banks that are members of the system.

**Fixed-Income Securities:** Securities with a set interest rate for the life of the security.

**Governmental Accounting Standards Board (GASB):** The authoritative accounting and financial reporting standard-setting body for government entities.

**Interest Rate Risk:** The degree of uncertainty in the prices of securities associated with changes in interest rates; the value of the securities moves in inverse relation to interest rates. This term is generally associated with bond prices but applies to all investments.

**Investment Risk:** Any of several risks incurred when making investments. Examples include credit risk, market risk, reinvestment risk, and volatility risk.

**Letters of Credit:** A financial institution's written guarantee of a customer's drafts, up to a specified amount, for a certain period of time.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

**Local Government Investment Pool (LGIP):** The aggregate of funds from political subdivisions participating in a commingled investment vehicle for investment and reinvestment.

**Margin:** A percentage above market value used to protect against fluctuations in market value.

**Market Risk:** Risk coming from price fluctuations for a whole market, for an entire industrial group, or for a particular security, as a result of factors such as economic, political, or social events.

**Market Value:** The price at which a security could presumably be purchased or sold.

**Master Repurchase Agreement:** A written agreement between the investor and the financial institution or dealer. The Bond Market Association Master Agreement is the standard for this agreement.

**Maturity:** The final stated date on which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc) are issued and traded.

**Money Market Mutual Funds:** A defined SEC registered commingled investment security which strives to maintain a net asset value of \$1 at all times and provides daily liquidity

**Mortgage-Backed Securities (MBS):** Securities created from pools of home mortgages that pay the investor as principal and interest is paid by the home-owner. These securities are highly volatile because they are directly affected by economic conditions and mortgage rates. Some MBS pools are further divided into separate securities called collateralized mortgage obligations (CMO) each of which has unique and often complex risk profiles.

**Par Value:** The face value of the security.

**Portfolio:** Collection of securities held by an investor.

**Premium:** The excess of the price of a security over its face value, excluding any amount of accrued interest bought or sold.

**Primary Dealer:** Government securities dealers included in the "List of Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York (N.Y.

Fed)” that submit daily reports of market activity and positions and monthly financial statements to the N.Y. Fed and are subject to its informal oversight. Primary dealers include SEC-registered securities brokers-dealers, banks and a few unregulated firms.

**Principal:** In the context of bonds other than deep-discount debt, the face value or par value of a bond or issue of bonds payable on the stated dates of maturity.

**Ratings:** An evaluation of credit-worthiness performed by an independent rating service.

**Repurchase Agreement (RP or REPO):** A buy-sell transaction in which an entity buys securities for a specified period and the seller agrees to repurchase the securities plus interest.

**Safekeeping:** A service including clearing, safekeeping and income distribution rendered by banks for a fee whereby securities and valuables of all types and descriptions are held on the record of the bank.

**Secondary Market:** A market in which securities are traded after initial distribution by the issuer.

**Securities:** A negotiable or nonnegotiable instrument that signifies an ownership interest, the right to an ownership interest or creditor status.

**U.S. Treasury Securities:** Securities issued by the U.S. Treasury and secured by the taxing ability of the U.S. These securities are highly liquid.

**Weighted Average Maturity (WAM):** WAM refers to the weighted average maturity of all positions in a portfolio.

**Yield:** The rate of annual income return on an investment, expressed as a percentage.

**ATTACHMENT "A"**  
**STATEMENT OF**  
**PERSONAL BUSINESS RELATIONSHIP**

I, \_\_\_\_\_, am an investment officer for the Nueces County Hospital District (the "Hospital District").

I have a personal business relationship (as defined by the Hospital District's Investment Policy) with \_\_\_\_\_, a business entity offering to engage in an investment transaction with the Hospital District. This business organization is \_\_\_\_\_  
\_\_\_\_\_. I (or name of relative and relationship)  
\_\_\_\_\_ (insert name of relative or describe relationship) have/has a personal business relationship with this business organization for the following reasons: (Designate all which are applicable):

- 1) My/his/her ownership of 1% or more of the voting stock or shares of the business organization;
- 2) My/his/her ownership of \$250 or more of the fair market value of the business organization;
- 3) Funds received from the business organization exceed 1% of my/his/her income for the previous year;
- 4) During the previous year I/he/she acquired from the business organization investment with a book value of \$100 or more for my/his/her personal account.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**ATTACHMENT "B"**

~~NUECES COUNTY HOSPITAL DISTRICT  
BROKER/DEALER QUESTIONNAIRE~~

Page 1 – To be completed by all banks and broker/dealers

Name of Firm: \_\_\_\_\_ Address: \_\_\_\_\_  
\_\_\_\_\_

Ownership/affiliation, if appropriate: \_\_\_\_\_

Primary representative on account: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Backup representative or trading assistant: \_\_\_\_\_  
Telephone: \_\_\_\_\_

Branch Manager: \_\_\_\_\_ Telephone: \_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Is the firm designated as a Primary Dealer by the Federal Reserve? \_\_\_\_\_ Is the firm registered with the Texas Securities Board? \_\_\_\_\_

Are the firm and its representative registered with the NASD? \_\_\_\_\_ CRD Number: \_\_\_\_\_

How long has the designated representative been an institutional fixed income broker at this firm?  
\_\_\_\_\_ A broker? \_\_\_\_\_

In what market sectors does the primary account representative specialize? \_\_\_\_\_

Delivery Instructions:

All transactions shall be completed delivery versus payment.

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**BROKER/DEALER QUESTIONNAIRE**

Page 2 – To be completed only by Non-Primary Dealers

Name of Firm: \_\_\_\_\_ CRD #: \_\_\_\_\_  
\_\_\_\_ Years in business at this location: \_\_\_\_\_ Total  
years: \_\_\_\_\_

Indicate the approximate sales volume in the  
following sectors for the previous year:

**Commented [DM1]:** Recommend eliminating the Broker Dealer questionnaire on pages 25-26 unless NCHD wants to send these out. Attached the Meeder Due Diligence Process which is utilized to approve each BD on our approved list.

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~~Has your firm, or this account representative, been subject to a regulatory agency, state of, or federal investigation for alleged improper, disreputable, unfair, (or) fraudulent activities related to the sale of securities or money market instruments in the past five years? Are there any outstanding claims? If yes, please explain.~~

~~Please attach a sample of your standard confirmation to be provided to clients. Please provide the firm's most recent audited financial statements. (This will be required annually)~~

~~What portfolio information do you require from your clients? What market information do you routinely offer your clients?~~

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**CERTIFICATE FOR RESOLUTION**

**A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION  
OF REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES**

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 April 2025, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Belinda Flores, RN, Chairman  
Vishnu V. Reddy, M.D, Vice-Chairman  
Sylvia Tryon Oliver  
Mariana Garza  
Efrain Guerrero, Jr.  
Georgia Neblett  
Karen O’Connor Urban

and all 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 ANNUAL REVIEW AND ADOPTION  
OF REVISED INVESTMENT POLICY AND INVESTMENT STRATEGIES**

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 April 2025.

**ATTEST:**

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

{SEAL}



**Administrative Offices**

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

Office: (361) 808-3300

Fax: (361) 808-3274

www.nchdcc.org

**BOARD OF MANAGERS RESOLUTION**

**APRIL 22, 2025**

**A RESOLUTION REVIEWING & ADOPTING  
LISTING OF QUALIFIED BROKER/DEALERS  
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

**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, including Texas Government Code, Chapter 2256 relating to public funds investment (the “Public Funds Investment Act” or “Act”);

**WHEREAS**, the Hospital District’s Board of Managers (the “Board”) have been duly appointed pursuant to Health Code, §281.021(a);

**WHEREAS**, 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 is governed by the Public Funds Investment Act and the Board has previously adopted an (i) investment policy, and (ii) list of qualified broker/dealers, both in accordance with the Act;

**WHEREAS**, the Board desires to comply with annual requirements of the Public Funds Investment Act and §2256.025 thereof requires the Board, or investment committee, to at least annually, review and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Hospital District; and

**WHEREAS**, in accordance with Public Funds Investment Act, §2256.025, the Board hereby desires to: (i) acknowledge review its current listing of broker/dealers authorized to engage in investment transactions with the Hospital District; and (ii) adopt, effective June 1, 2025, the listing attached hereto and identified as Exhibit “A” as the District’s authorized broker/dealers list to supersede and replace the current listing.

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

1. The Board has reviewed the Hospital District's current list of qualified broker/dealers authorized to engage in investment transactions with the District.
2. The Board hereby adopts the Authorized Broker/Dealer List attached hereto and identified as Exhibit "A" to supersede and replace the current list as the Hospital District's list of qualified broker/dealers who are authorized to engage in investment transactions with the District (the "Authorized Broker/Dealer List"); the Authorized Broker/Dealer List is to be effective June 1, 2025.
3. The broker/dealers shown in the Authorized Broker/Dealer List shall complete and submit the questionnaire forms identified in and required by the District's Investment Policy; acceptability of submitted questionnaire forms shall be determined by the District's Administrator.
4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.025.
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 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.
8. The Board retains its right to amend or repeal this Resolution at any time.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

---

Belinda Flores, RN  
Chairman

---

Vishnu V. Reddy, M.D.  
Vice Chairman

---

Sylvia Tryon Oliver  
Member

---

Mariana Garza  
Member

---

Efrain Guerrero, Jr.  
Member

---

Georgia Neblett  
Member

---

Karen O'Connor Urban  
Member

Exhibit "A"

**NUECES COUNTY HOSPITAL DISTRICT**

**AUTHORIZED BROKER/DEALER LIST**

**Effective June 1, 2025**

(Attach list after this page)

# NUECES COUNTY HOSPITAL DISTRICT

## Approved Broker/Dealer List

~~12~~Effective 06/31/2024 2025



### Broker/Dealer

Academy Securities<sup>2</sup>  
Alamo Capital<sup>2</sup>  
Arbor Research & Trading, LLC  
Bank of America/Merrill Lynch<sup>1</sup>  
Barclays Capital Inc.<sup>1</sup>  
Blaylock Van, LLC<sup>2</sup>  
BMO Capital Markets<sup>1</sup>  
BNY Capital Markets  
BOK Financial  
Brean Capital  
Cantor Fitzgerald & Co.<sup>1</sup>  
CastleOak Securities<sup>2</sup>  
Citigroup Global Markets Inc<sup>1</sup>  
D.A. Davidson  
Daiwa Capital Markets<sup>1</sup>  
FHN Financial  
Goldman Sachs & Co.<sup>1</sup>  
Great Pacific<sup>2</sup>  
Hilltop Securities  
Huntington Bank  
InspereX (formerly InCapital)  
Jane Street  
Jefferies<sup>1</sup>  
JPMorgan Securities<sup>1</sup>  
Keybanc Capital Markets

### Broker/Dealer

Loop Capital Markets<sup>2</sup>  
MarketAxess Corporation  
Mizuho Securities<sup>1</sup>  
Moreton Capital Markets  
Morgan Stanley<sup>1</sup>  
Multi-Bank Securities<sup>2</sup>  
Oppenheimer  
Piper Sandler & Co  
PNC Capital Markets LLC  
Raymond James  
RBC Securities<sup>1</sup>  
Rice Financial  
Robert W. Baird  
Santander US Capital Markets<sup>1</sup>  
Siebert Williams Shank<sup>2</sup>  
Stephens Inc  
Stifel Nicolaus  
StoneX Group Inc.  
TD Securities<sup>1</sup>  
Truist Securities Inc.  
UBS Financial<sup>1</sup>  
UMB Financial Services  
U.S. Bancorp Investments  
Wells Fargo<sup>1</sup>

Note: Direct issuers of CP and CDs are considered to be approved counterparties if approved as an issuer.

*1 Primary Government Securities Dealer*

*2 Minority, Woman owned, or Service Disabled-Veteran owned Enterprise*

### Important Disclosures

This list is current as of the effective date only and is subject to change without notice. This list is for informational purposes only, and may not be relied upon for any other purpose. The list does not imply counterparty approval for derivatives of any type. This information is confidential and may not be distributed without prior written consent of Meeder Public Funds, Inc.

**CERTIFICATE FOR RESOLUTION**

**A RESOLUTION REVIEWING & ADOPTING  
LISTING OF QUALIFIED BROKER/DEALERS  
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

THE STATE OF TEXAS    §  
  §  
COUNTY OF NUECES    §

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and all 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

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LISTING OF QUALIFIED BROKER/DEALERS  
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YEAS: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
PRESENT NOT VOTING: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

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SIGNED AND SEALED THIS 22<sup>nd</sup> day of April 2025.

**ATTEST:**

---

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

{SEAL}

# Physicians bring economic health to Texas' communities.

Beyond their role in safeguarding the health of our communities, physicians in Texas are a major driver of the state economy, spurring economic growth and creating jobs across all industries.

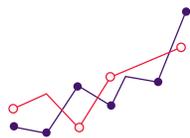
Texas physicians hire locally, buy locally and support the local economy. Through the **creation of jobs** with strong wages and benefits paid to workers across the state, physicians empower a high-quality, sustainable workforce that **generates state and local tax revenue** for community investments. Physicians' economic output—the value of the goods and services provided—helps other businesses grow through their own purchasing and through the purchasing of their employees. Each dollar in direct output applied to physician services supports \$2.13 in economic activity in Texas, and **physician-driven economic activity** is greater than legal services, home health care, higher education, and nursing home and residential care.

View the **2018 American Medical Association Economic Impact Study** to learn more about the contributions physicians make to the health of Texas' economy at [PhysiciansEconomicImpact.org](http://PhysiciansEconomicImpact.org).

## VITAL SIGNS: THE ECONOMIC IMPACT OF PHYSICIANS IN TEXAS<sup>1</sup>



<b>Jobs</b>	<b>670,172</b>
Direct jobs .....	246,714
Indirect jobs .....	423,458
<b>Average jobs</b> supported by each physician .....	<b>13.1</b>



<b>Economic activity</b>	<b>\$117.9 billion</b>
Direct economic output .....	\$55.2 billion
Indirect economic output .....	\$62.7 billion
Percent of total GSP/GDP <sup>2</sup> .....	7.3%
<b>Average economic output</b> generated by each physician .....	<b>\$2.3 million</b>



<b>Wages and benefits</b>	<b>\$55.4 billion</b>
Direct wages and benefits .....	\$34.0 billion
Indirect wages and benefits .....	\$21.4 billion
<b>Average wages and benefits</b> supported by each physician .....	<b>\$1.1 million</b>



<b>State and local tax revenue</b>	<b>\$3.5 billion</b>
<b>Average state and local tax revenue</b> generated by each physician .....	<b>\$68,599</b>

1. The economic impact of physicians in Texas (QuintilesIMS, January 2018).  
 2. US Bureau of Economic Analysis: Current-Dollar GDP by State, 2015.

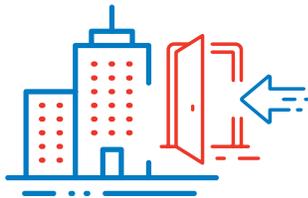


## The Value of Hospitals



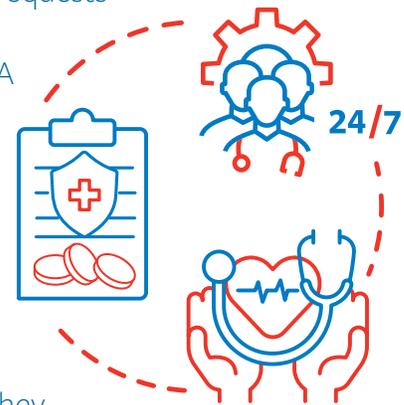
### Hospitals are open to everyone.

Hospitals exist to save lives and heal patients. They are open 24/7. Hospitals are the safety net for their communities and emergency departments are usually the front doors of hospitals. The federal Emergency Medical Treatment and Active Labor Act (EMTALA) requires hospitals to screen anyone who comes to the emergency department and requests examination or treatment. Hospitals are required to stabilize an emergent condition regardless of a patient's ability to pay. EMTALA applies to all Medicare-participating hospitals with dedicated emergency departments, and to every single patient – not just Medicare beneficiaries.



Hospitals are more than emergency departments. They have physicians and specialists available 24/7 should you need them; they admit patients who need the highest level of care; and they provide

labor and delivery services to their communities. Hospitals have expanded their outpatient footprints to serve patients closer to home in a lower-cost setting than in their emergency departments. Many of these clinics serve low-income Medicaid and uninsured patients in their communities.



### Advocacy tips:

- *Detail how many physicians are on your medical staff.*
- *Include information on your number of annual emergency department visits and inpatient admissions.*
- *Describe your outpatient clinics and services, whom they serve and how many patients they serve.*
- *Note how many babies were born at your hospital last year and your level of maternal and neonatal state designation.*

### Hospitals are employers.

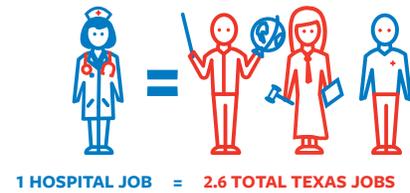
**The single largest budget item for hospitals – roughly 60% – is their workforce.**

In 2022, Texas hospitals reported 445,265 employees (358,698 full-time and 86,567 part-time). These numbers do not include thousands of contracted staff and physicians with privileges to practice medicine in Texas hospitals.<sup>1</sup> This is an increase of more than 35,000 jobs since 2020.



<sup>1</sup> DSHS/AHA Annual Survey of Hospitals.

The goods and services hospitals purchase from other businesses create additional economic value for the community. When you add in these “ripple effects,” **each Texas hospital job is worth 2.6 total jobs in the Texas economy.** Moreover, every dollar spent by Texas hospitals generates more than \$2 of additional economic impact through the goods and services produced in their communities.<sup>2</sup>



Overall, Texas hospitals in 2020:

- Provided nearly 1.1 million total jobs – roughly **one out of 12 jobs in Texas.**
- Generated over **\$190 billion in economic activity.**



**Advocacy tips:**

- *When talking with policymakers, include information on how many Texans you employ in your community, directly and indirectly. Reemphasize the number of physicians on your staff.*
- *Are you the largest or second-largest employer in your community? If so, highlight that.*
- *Multiply your total number of employees by 2.6 and your total expenses by two to detail your hospital’s total impact on the community. (These figures denote your hospital’s direct and indirect impact on the local labor market and economy.)*

**Hospitals protect their communities.**

Every hospital is different. Every community is different. A safe and healthy hospital facility needs effective measures to protect patients from preventable disease. Vaccinations are one such tool. Local hospital leadership, which includes physician and nursing leaders, should be able to maintain their flexibility to craft policies based on the threat of disease and the medical care being provided. A one-size-fits-all approach to health care does not work in Texas. As the saying goes, “If you’ve seen one hospital, you’ve seen one hospital.”

**Advocacy tip:** *Detail the importance of public health in your community.*



<sup>2</sup> AHA Fact Sheet: Economic Contribution of Hospitals

# The Challenges Hospitals Face



## Hospitals are understaffed.

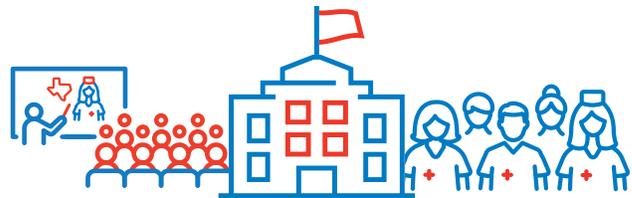
In 2022, Texas hospitals reported nearly 50,000 vacancies. The issue is particularly acute in the nursing field. The registered nurse vacancy rate increased from 6% in 2019 to 18% in 2022. The licensed vocational nurse vacancy rate increased from 6% to 23% over the same time span. **By 2032, demand for full-time registered nurses will so far outpace supply that the state will have a deficit of more than 57,000 positions.** This means 16% of the patient demand will not be met.



In 2023, Texas nursing schools turned away 13,705 qualified applicants.<sup>3</sup> Texans want to become nurses, but nursing schools are unable to accommodate more students without additional preceptors, faculty and clinical space. Texas needs more nurses in the pipeline to meet growing demand.

**Advocacy tips:** Include information on:

- Your hospital's vacancy rate.
- Your hospital's workforce costs; and
- Your hospital's educational programs and partnerships to train new health care workers.

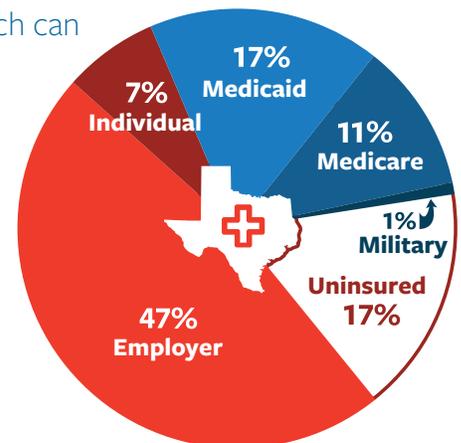


## Texas is in a coverage crisis.

**Five million Texans have no health insurance. This is 17% of Texas' population.**

Approximately 47% of Texans receive health insurance coverage from their employers. About 17% of Texans receive coverage from Medicaid, which covers low-income children, pregnant women, people with disabilities and older adults in long-term care. About 11% of Texans receive coverage from Medicare, which is the federal program available to adults aged 65 and over. Individual market coverage and military/veteran's coverage account for the remaining 8%.

When people lack health insurance, they tend to delay care, which can increase the acuity of illnesses. They also are more likely to seek care in the emergency room, often the most expensive care setting for preventable conditions. Additionally, **uninsured patients increase uncompensated care for hospitals, which drives up the cost of care for everyone else,** including taxpayers and employer-provided insurance. Texas hospitals support comprehensive coverage for all Texans.



**Advocacy tips:**

- Include information about your payer mix.
- Describe your issues with payers, such as Medicare Advantage, traditional Medicare and Medicaid.

<sup>3</sup> [https://www.dshs.texas.gov/sites/default/files/chs/cnws/NEPIS/2023/RN/2023%20RN%20AEG\\_Accessible.pdf](https://www.dshs.texas.gov/sites/default/files/chs/cnws/NEPIS/2023/RN/2023%20RN%20AEG_Accessible.pdf)

## The government underpays hospitals.

About 30% of Texans have government coverage, but about 50% of total hospital payments come from government sources like Medicare and Medicaid. Patients with government health insurance use more hospital care due to age, pregnancy status and complex medical needs. The government pays hospitals well below the cost of providing care. On average, Texas Medicaid base payments reimburse hospitals at 72% of the cost of care for inpatient services and 75% of the cost of care for outpatient services.<sup>4</sup> Medicare now reimburses hospitals at a historic low of 82 cents on the dollar, down from 84 cents in 2020.<sup>5,6</sup> The government requires Texas hospitals to stabilize all patients regardless of their ability to pay. When government payment sources do not keep up with cost, patients pay the difference through cost-shifting to commercial insurance rates and taxes.

**MEDICARE REIMBURSES  
TEXAS HOSPITALS AT A  
HISTORIC LOW**

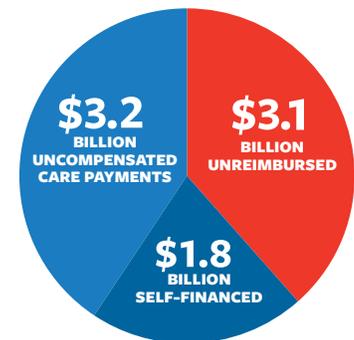


**82 CENTS**  
ON THE DOLLAR



Hospitals also deliver free and discounted charity care to uninsured patients who demonstrate financial hardship. To help hospitals stay afloat, Texas hospitals receive supplemental payments for some of their charity care through the state’s Medicaid waiver. However, these payments do not come close to making hospitals whole, and hospitals self-finance the state portion of these extra payments (about 40%) out of their own pockets. **In 2023, Texas hospitals provided \$8.1 billion in uninsured charity care – \$3.1 billion of which was unreimbursed after supplemental payments.**<sup>7</sup> Hospitals self-financed \$1.8 billion to draw down the \$5 billion in charity care supplemental payments.

As a condition of tax-exempt status, the state requires nonprofit hospitals to deliver a minimum amount of charity care and community benefits each year. The Texas Legislature in 2023 appropriated \$5 million to the Health and Human Services Commission to contract with a third party to study and report on hospital charity care and transparency. The report is due to the Legislature on Dec. 1, 2024.



**\$8.1B** UNINSURED CHARITY CARE

### Advocacy tips:

- *Include information on how much charity care you provide, your charity care policies, how much community benefit you provide and other information about programs that benefit your community.*
- *Be prepared to detail the impact of uncompensated care and chronic underpayment by government programs at your hospital.*

<sup>4</sup> <https://pfd.hhs.texas.gov/rate-tables>

<sup>5</sup> <https://www.aha.org/system/files/media/file/2024/01/medicare-significantly-underpays-hospitals-for-cost-of-patient-care-infographic.pdf>

<sup>6</sup> <https://www.aha.org/system/files/media/file/2022/02/medicare-medicaid-underpayment-fact-sheet-current.pdf>

<sup>7</sup> <https://pfd.hhs.texas.gov/sites/rad/files/documents/pfc/uc-mdl-fnl-rule-7-6-2023.xlsx>

## Large commercial health insurance companies are rapidly consolidating and making record profits at the expense of patients.

Health insurance companies are rapidly merging with other insurers, physician groups and pharmacy benefit managers, resulting in significant market strength and bargaining power. According to a November 2022 report by the Government Accountability Office, **the state's top three commercial health insurers control more than 87% of the large-group insurance market.**<sup>8</sup> The individual and small-group markets are similarly concentrated at 79% and 98%, respectively.<sup>9</sup> As the cost of health insurance has increased, so have the profits of health insurance companies. For years, the strength, size and market dominance of these large insurance companies have allowed them to continue to raise premiums well in excess of medical inflation, while simultaneously increasing deductibles and only passing a portion of the new revenue to providers. In 2022, insurers reported record profits. In the meantime, **48% of Texas hospitals finished 2022 with negative margins.**<sup>10</sup>

TOP THREE COMMERCIAL  
**INSURERS**  
CONTROL  
**87%**  
OF THE LARGE-GROUP  
**MARKET**

**Policies that cap or limit hospital payments in the commercial or individual markets only contribute to systematic underpayment of hospitals for fixed expenses, threatening access to health care in this state.**

**Advocacy tip:** Detail your experience with big insurance companies or plans that don't offer comprehensive coverage.

## Administrative hurdles imposed by health insurance companies are making health care more expensive.

Misuse and overuse of prior authorization strains an already depleted health care workforce by pulling doctors and nurses away from patient care to justify their professional decision-making to insurance companies. **Administrative expenses account for as much as 31% of total health care spending, with 82% of these expenses attributed to insurance and billing.**

**Advocacy tip:** Let policymakers know how many of your employees work only on billing and insurance issues, and approximately how much you pay these employees.



<sup>8</sup> <https://www.gao.gov/assets/gao-23-105672.pdf> (see page 49).

<sup>9</sup> Id. at page 35 (individual market) and page 43 (small group market).

<sup>10</sup> Kaufman Hall, The Financial Impact of COVID-19 on Texas Hospitals, <https://www.tha.org/wp-content/uploads/2022/11/Texas-Hospital-Association-Financial-Impact-Report-11.1.22.pdf>



Visit [www.tha.org](http://www.tha.org) for additional information | 1108 Lavaca, Austin TX, 78701-2180

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## Selected Specialty Deficits

### Primary Care

- Family Practice
  - 2025 Supply = 67
  - 2030 Need = 127
- Internal Medicine
  - 2025 Supply = 22
  - 2030 Need = 77
- Obstetrics & Gynecology
  - 2025 Supply = 36
  - 2030 Need = 51

### Medical Sub-Specialty

- Dermatology
  - 2025 Supply = 3
  - 2030 Need = 14
- Neurology
  - 2025 Supply = 6
  - 2030 Need = 17
- Psychiatry
  - 2025 Supply = 7
  - 2030 Need = 23

County	(All)
City	(All)
ZIP Code	(All)

Specialty Category	Specialty Group	Specialty	2025	2030	Deficit By Specialty	Sum Deficit Specialty Category	Name Specialty Category
			Sum of Current Supply	Sum of Projected Demand			
<b>Primary Care</b>	General Primary Care	Advanced Practice Provider	61.8	49.5			
		Family Medicine	67.0	126.6	59.6		
		Geriatric Medicine	14.0	6.7			
		Internal Medicine	21.5	76.7	55.2		
	Obstetrics & Gynecology	Nurse Midwife	-	1.0	1.0		
		Obstetrics & Gynecology	36.0	51.4	15.4		
		Pediatrics	Pediatrics	64.6	55.6		
<b>Medical Sub-Specialty</b>	Allergy & Immunology	Allergy & Immunology	1.0	6.2	5.2		
	Cardiology	Cardiology - Electrophysiology	-	4.6	4.6		
		Cardiology - Interventional	6.5	11.5	5.0		
		Cardiology - Medical	16.5	15.3			
		Dermatology	3.0	13.9	10.9		
	Endocrinology	Endocrinology	5.0	5.5	0.5		
	Gastroenterology	Gastroenterology	10.5	14.8	4.3		
	Hematology/Oncology	Hematology/Oncology	10.0	15.6	5.6		
	Infectious Disease	Infectious Disease	3.0	8.3	5.3		
	Nephrology	Nephrology	15.6	11.2			
	Neurology	Neurology	6.0	16.7	10.7		
	Pain Management	Pain Management	9.0	3.2			
	Physical Medicine & Rehab	Physical Medicine & Rehab	3.0	10.1	7.1		
	Psychiatry	Psychiatry	7.3	22.6	15.3		
	Pulmonary	Pulmonary	6.5	11.1	4.6		
	Reproductive Endocrinology	Reproductive Endocrinology	-	0.5	0.5		
	Rheumatology	Rheumatology	3.0	5.1	2.1		
	Sleep Medicine	Sleep Medicine	-	1.5	1.5		
	Sports Medicine	Sports Medicine	1.5	2.3	0.8		84.1 Medical Sub-Specialty
	<b>Surgical Sub-Specialty</b>	Cardio/Thoracic Surgery	Cardiac Surgery	3.1	2.9		
Thoracic Surgery			3.1	3.1	0.0		
General Surgery		Bariatric Surgery	2.3	2.1			
		Breast Surgery	-	2.7	2.7		
		Colon & Rectal Surgery	4.0	1.3			
		General Surgery	12.0	11.3			
		Oncology Surgery	1.0	0.6			
		Vascular Surgery	3.0	3.6	0.6		
		Maternal Fetal Medicine	Maternal Fetal Medicine	2.3	1.5		
Neurosurgery		Neurosurgery - Cranial	4.5	1.7			
		Neurosurgery - Spine	2.5	4.8	2.3		
		Ophthalmology	Ophthalmology	20.5	23.5	3.0	
Orthopedic Surgery		Orthopedic Surgery - General	26.0	21.2			
		Orthopedic Surgery - Hand	1.0	1.4	0.4		
		Orthopedic Surgery - Spine	3.0	1.7			
		Otolaryngology	Otolaryngology	9.0	13.7	4.7	
Plastic Surgery		Plastic Surgery	2.5	10.1	7.6		
Podiatry		Podiatry	10.0	9.8			
Urology		Urology	9.0	9.6	0.6		21.8 Surgical Sub-Specialty
Pediatric Medical Sub-Specialty				48.0	20.1		
Pediatric Surgical Sub-Specialty			20.6	4.6			
<b>Grand Total</b>			<b>559.7</b>	<b>699.0</b>			

By: Villalobos

H.B. No. 4801

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the establishment of a grant program to allow the Nueces  
3 County Hospital District to recruit and retain certain medical  
4 professionals.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 281.094(b), Health and Safety Code, is  
7 amended to read as follows:

8 (b) The board of the Nueces County Hospital District may use  
9 funds made available to the district from any source to fund:

- 10 (1) indigent health care; ~~and~~  
11 (2) intergovernmental transfers from the district to  
12 the state for use as the nonfederal share of Medicaid supplemental  
13 payment program or waiver program payments for eligible health care  
14 providers located inside or outside the district's boundaries,  
15 including, but not limited to, any payments available through a  
16 waiver granted under Section 1115, Social Security Act (42 U.S.C.  
17 Section 1315), or other similar payment programs, subject to the  
18 limitation prescribed by Subsection (c); and

19 (3) the grant program established under Section  
20 281.0941.

21 SECTION 2. Subchapter E, Chapter 281, Health and Safety  
22 Code, is amended by adding Section 281.0941 to read as follows:

23 Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT GRANT  
24 PROGRAM. (a) The board of the Nueces County Hospital District

1 shall establish and administer a grant program for hospitals  
2 located in the hospital district to provide the funding necessary  
3 to:

4 (1) allow hospitals in the district to:

5 (A) retain physicians currently practicing at  
6 those hospitals; and

7 (B) recruit physicians who practice medicine in a  
8 specialty or subspecialty providing treatment for the most common  
9 and critical health care needs of the residents of the hospital  
10 district to practice at those hospitals; and

11 (2) increase the number of residency positions at  
12 hospitals in the district.

13 (b) The board of the hospital district shall:

14 (1) prescribe the manner in which a hospital in the  
15 district may apply for a grant under this section;

16 (2) establish eligibility and selection criteria for a  
17 hospital to be awarded a grant under this section; and

18 (3) establish accountability controls for hospitals  
19 awarded a grant under this section to ensure:

20 (A) the grant is used in a manner that is  
21 consistent with the public purpose of providing medical and  
22 hospital care for the indigent residents of the district; and

23 (B) the district receives a benefit in return for  
24 the award of the grant.

25 SECTION 3. This Act takes effect September 1, 2025.

89R15622 MPF-F

By: Villalobos

C.S.H.B. No. 4801

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain medical professionals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 281.094(b), Health and Safety Code, is amended to read as follows:

(b) The board of the Nueces County Hospital District may use funds made available to the district from any source to fund:

(1) indigent health care; ~~and~~

(2) intergovernmental transfers from the district to the state for use as the nonfederal share of Medicaid supplemental payment program or waiver program payments for eligible health care providers located inside or outside the district's boundaries, including, but not limited to, any payments available through a waiver granted under Section 1115, Social Security Act (42 U.S.C. Section 1315), or other similar payment programs, subject to the limitation prescribed by Subsection (c); and

(3) a ~~the~~ grant program established under Section

281.0941.

SECTION 2. Subchapter E, Chapter 281, Health and Safety Code, is amended by adding Section 281.0941 to read as follows:

Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT ~~PHYSICIAN RECRUITMENT AND RETENTION~~ GRANT PROGRAM. (a) The board of the Nueces County Hospital District ~~[shall]~~ may establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to:

(1) allow hospitals in the district to:

(A) retain physicians currently practicing at those hospitals; and

(B) recruit physicians who practice medicine in a specialty or subspecialty providing treatment for the most common and critical health care needs of the residents of the hospital district to practice at those hospitals; and

(2) increase the number of residency positions at hospitals in the district.

(b) ~~If [The]~~ the board of the hospital district ~~establishes a grant program under this section, the board shall adopt rules relating to administration of the program, including:~~

(1) ~~[prescribe]~~ prescribing the manner in which a hospital in the district may apply for a grant under this section;

(2) ~~[establish]~~ establishing eligibility and selection

criteria for a hospital to be awarded a grant under this section;

[and]

(3) ~~[establish]~~ establishing accountability controls for hospitals awarded a grant under this section to ensure:

(A) the grant is used in a manner that is consistent with the public purpose of providing medical aid and hospital care for the indigent ~~[residents]~~ and needy persons residing ~~[of]~~ in the district; and

(B) the district receives a benefit in return for the award of the grant ~~[.];~~

(4) prohibiting the use of any funds received by the district under Chapter 298C, Texas Health and Safety Code, to fund the grants under this section; and

(5) any other administrative aspects of the program.

SECTION 3. This Act takes effect September 1, 2025.

## **BILL ANALYSIS**

H.B. 4801  
By: Villalobos, Denise

### **AUTHOR'S /SPONSOR'S STATEMENT**

Physician care is essential to the well-being of individuals and the health of entire communities. From preventing disease and managing chronic conditions to responding to emergencies and supporting public health, physicians play a vital role in promoting health equity, strengthening healthcare systems, and contributing to social and economic stability. Without access to physician care, communities are more vulnerable to illness, disparities, and avoidable health crises.

Primary care physicians are the backbone of community health systems. They not only provide essential medical services but also create a more efficient, cost-effective, and accessible healthcare system. Without them, communities face higher healthcare costs, increased chronic disease rates, and greater disparities in medical care access. Strengthening primary care is key to a healthier, more resilient society.

Specialty physicians play a crucial role in ensuring communities receive high-quality, specialized medical care. While primary care physicians provide a broad range of services, specialists are necessary for diagnosing and treating complex health conditions that require advanced expertise. Their presence in a healthcare system reduces mortality, enhances treatment precision, and ultimately improves overall public health. Communities need a balanced healthcare workforce that includes both primary care and specialty physicians to provide comprehensive and effective medical care.

A recent physician needs assessment for Nueces County projects widespread physician shortages by 2030, especially in primary care specialties like family medicine, internal medicine, and OB/GYN. Significant gaps are also expected in sub-specialties such as dermatology, neurology, and psychiatry. These shortages pose serious risks to timely, quality care.

Nueces County serves as a regional referral hub for two adjacent rural counties and five additional second-ring rural counties, each with populations of 68,750 or fewer. This makes its medical workforce critical not only for local residents but for the broader region. Limited access to specialty care in these surrounding rural areas heightens their reliance on the providers based in Nueces County. Addressing the projected physician shortages is essential to improving healthcare access, advancing health equity, and ensuring better outcomes across South Texas.

H.B. 4801 aims to help address the projected physician shortage by authorizing the Nueces County Hospital District to use funds from any available source to support a grant program focused on physician recruitment and retention, as well as the expansion of residency positions at hospitals within the district.

As proposed, H.B. 4801 amends current law to require the Nueces County Hospital District board to use funds from any source to administer a grant program supporting hospitals within the district. The program would provide funding to: (1) retain physicians currently practicing at those hospitals; (2) recruit physicians in a specialty or subspecialty providing treatment for the most common and critical health needs of the residents of the hospital district to practice at those hospitals; and (3) increase the number of residency positions at hospitals in the district.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 281.094(b), Texas Health and Safety Code, by adding 281.094(b)(3) as follows:

(c) The board of the Nueces County Hospital District may use funds made available to the district from any source to fund the grant program established under Section 281.0941.

SECTION 2. Amends Subchapter E, Chapter 281, Health and Safety Code, by adding Section 281.0941 as follows:

Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT GRANT PROGRAM.

(a) The board of the Nueces County Hospital District shall establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to:

(1) allow hospitals in the district to:

- (A) retain physicians currently practicing at those hospitals; and
- (B) recruit physicians who practice medicine in a specialty or subspecialty providing treatment for the most common and critical health care needs of the residents of the hospital district to practice at those hospitals; and

(2) increase the number of residency positions at hospitals in the district.

(b) The board of the hospital district shall:

(1) prescribe the manner in which a hospital in the district may apply for a grant under this section;

(2) establish eligibility and selection criteria for a hospital to be awarded a grant under this section; and

(3) establish accountability controls for hospitals awarded a grant under this section to ensure:

- (A) the grant is used in a manner that is consistent with the public purpose of providing medical and hospital care for the indigent residents of the district; and
- (B) the district receives a benefit in return for the award of the grant.

SECTION 3. Effective date: September 1, 2025.

DRAFT

**HOUSE OF REPRESENTATIVES**  
**NOTICE OF PUBLIC HEARING**

COMMITTEE: S/C on County & Regional Government  
TIME & DATE: 1:00 PM, Monday, April 21, 2025  
PLACE: E2.028  
CHAIR: Rep. David Spiller

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**Public testimony may be limited to 2 minutes.**

HB 240 Swanson | et al.  
Relating to the quorum requirement for a tax levy vote in certain counties.

HB 2097 Martinez  
Relating to deputy sheriff civil service appeals of certain sheriff's department actions.

HB 2731 Muñoz  
Relating to the regulation of roadside vendors and solicitors in certain counties.

HB 3087 Kerwin | et al.  
Relating to the authority of a county to restrict sex offenders from child safety zones in the unincorporated area of the county; creating a criminal offense.

HB 3234 Cortez  
Relating to the authority of a political subdivision to regulate construction and renovation of structures owned by certain counties.

HB 3319 Morales Shaw | et al.  
Relating to the establishment of a constable's department civil service system in certain counties; creating a criminal offense.

HB 3394 Alders | et al.  
Relating to the appointment of deputy constables.

HB 3687 Harless  
Relating to certification requirements for a fire marshal and any related employee, officer, inspector, and investigator appointed by certain counties and emergency services districts.

HB 4105 Harless  
Relating to the authority of certain counties to consider a prospective contractor's principal place of business when awarding certain contracts.

HB 4205 Harless  
Relating to compensation and employment benefits for law enforcement personnel in certain counties.

HB 4350 Capriglione  
Relating to the omission or redaction of certain personal information from certain real property records.

HB 4462 Harless  
Relating to authorizing certain counties to contract for outside legal counsel in certain situations.

HB 4642 González, Mary  
Relating to standards for the out-of-state confinement of county prisoners.

HB 4801 Villalobos  
Relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain medical professionals.

HB 5403 Geren  
Relating to the repeal of a provision governing the operation of jail commissaries in certain counties.

Texas residents who wish to electronically submit comments related to agenda items on this notice without testifying in person can do so until the hearing is adjourned by visiting:

<https://comments.house.texas.gov/home?c=c326>

For those persons who will be testifying, information for in-person witness registration, can be found here:

<https://mytxlegis.capitol.texas.gov/HWRSPublic/About.aspx>

A live video broadcast of this hearing will be available here:

<https://house.texas.gov/video-audio/>

Instructions related to public access to the meeting location are available here: <https://house.texas.gov/committees/public-access-house-committee-meetings/>

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**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

Persons with disabilities who plan to attend this meeting and who may need assistance, such as a sign language interpreter, are requested to contact Stacey Nicchio at (512) 463-0850, 72 hours prior to the meeting so that appropriate arrangements can be made.

By: Hinojosa of Hidalgo

S.B. No. 2666

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the establishment of a grant program to allow the Nueces  
3 County Hospital District to recruit and retain certain medical  
4 professionals.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 281.094(b), Health and Safety Code, is  
7 amended to read as follows:

8 (b) The board of the Nueces County Hospital District may use  
9 funds made available to the district from any source to fund:

- 10 (1) indigent health care; ~~and~~  
11 (2) intergovernmental transfers from the district to  
12 the state for use as the nonfederal share of Medicaid supplemental  
13 payment program or waiver program payments for eligible health care  
14 providers located inside or outside the district's boundaries,  
15 including, but not limited to, any payments available through a  
16 waiver granted under Section 1115, Social Security Act (42 U.S.C.  
17 Section 1315), or other similar payment programs, subject to the  
18 limitation prescribed by Subsection (c); and

19 (3) the grant program established under Section  
20 281.0941.

21 SECTION 2. Subchapter E, Chapter 281, Health and Safety  
22 Code, is amended by adding Section 281.0941 to read as follows:

23 Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT GRANT  
24 PROGRAM. (a) The board of the Nueces County Hospital District

1 shall establish and administer a grant program for hospitals  
2 located in the hospital district to provide the funding necessary  
3 to:

4 (1) allow hospitals in the district to:

5 (A) retain physicians currently practicing at  
6 those hospitals; and

7 (B) recruit physicians who practice medicine in a  
8 specialty for which there is limited access in the hospital  
9 district to practice at those hospitals; and

10 (2) increase the number of residency positions at  
11 hospitals in the district.

12 (b) The board of the hospital district shall:

13 (1) prescribe the manner in which a hospital in the  
14 district may apply for a grant under this section;

15 (2) establish eligibility and selection criteria for a  
16 hospital to be awarded a grant under this section; and

17 (3) establish accountability controls for hospitals  
18 awarded a grant under this section to ensure:

19 (A) the grant is used in a manner that is  
20 consistent with the public purpose of providing medical and  
21 hospital care for the indigent residents of the district; and

22 (B) the district receives a benefit in return for  
23 the award of the grant.

24 SECTION 3. This Act takes effect September 1, 2025.

89R9597 MPF-F

By: Hinojosa of Hidalgo

C.S.S.B. No. 2666

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain medical professionals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 281.094(b), Health and Safety Code, is amended to read as follows:

(b) The board of the Nueces County Hospital District may use funds made available to the district from any source to fund:

(1) indigent health care; ~~and~~

(2) intergovernmental transfers from the district to the state for use as the nonfederal share of Medicaid supplemental payment program or waiver program payments for eligible health care providers located inside or outside the district's boundaries, including, but not limited to, any payments available through a waiver granted under Section 1115, Social Security Act (42 U.S.C. Section 1315), or other similar payment programs, subject to the limitation prescribed by Subsection (c); and

(3) a ~~the~~ grant program established under Section

281.0941.

(c) Neither the funds comprising an intergovernmental transfer described by Subsection (b) (2) nor any federal funds obtained from any such transfer may be used by the board of the Nueces County Hospital District or any entity to expand eligibility for medical assistance (Medicaid) under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

SECTION 2. Subchapter E, Chapter 281, Health and Safety Code, is amended by adding Section 281.0941 to read as follows:

Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT ~~PHYSICIAN RECRUITMENT AND RETENTION~~ GRANT PROGRAM. (a) The board of the Nueces County Hospital District ~~[shall]~~ may establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to:

(1) allow hospitals in the district to:

(A) retain physicians currently practicing at those hospitals; and

(B) recruit physicians who practice medicine in a specialty for which there is limited access in the hospital district to practice at those hospitals; and

(2) increase the number of residency positions at hospitals in the district.

(b) If ~~The~~ the board of the hospital district establishes a grant program under this section, the board shall adopt rules relating to administration of the program, including:

(1) ~~prescribe~~ prescribing the manner in which a hospital in the district may apply for a grant under this section;

(2) ~~establish~~ establishing eligibility and selection criteria for a hospital to be awarded a grant under this section;  
~~and~~

(3) ~~establish~~ establishing accountability controls for hospitals awarded a grant under this section to ensure:

(A) the grant is used in a manner that is consistent with the public purpose of providing medical aid and hospital care for the indigent ~~residents~~ and needy persons residing ~~of~~ in the district; and

(B) the district receives a benefit in return for the award of the grant~~[-]~~;

(4) prohibiting the use of any funds received by the district under Chapter 298C, Texas Health and Safety Code, to fund the grants under this section; and

(5) any other administrative aspects of the program.

SECTION 3. This Act takes effect September 1, 2025.

## **BILL ANALYSIS**

S.B. 2666  
By: Hinojosa, Juan “Chuy”

### **AUTHOR’S /SPONSOR’S STATEMENT**

Physician care is essential to the well-being of individuals and the health of entire communities. From preventing disease and managing chronic conditions to responding to emergencies and supporting public health, physicians play a vital role in promoting health equity, strengthening healthcare systems, and contributing to social and economic stability. Without access to physician care, communities are more vulnerable to illness, disparities, and avoidable health crises.

Primary care physicians are the backbone of community health systems. They not only provide essential medical services but also create a more efficient, cost-effective, and accessible healthcare system. Without them, communities face higher healthcare costs, increased chronic disease rates, and greater disparities in medical care access. Strengthening primary care is key to a healthier, more resilient society.

Specialty physicians play a crucial role in ensuring communities receive high-quality, specialized medical care. While primary care physicians provide a broad range of services, specialists are necessary for diagnosing and treating complex health conditions that require advanced expertise. Their presence in a healthcare system reduces mortality, enhances treatment precision, and ultimately improves overall public health. Communities need a balanced healthcare workforce that includes both primary care and specialty physicians to provide comprehensive and effective medical care.

A recent physician needs assessment for Nueces County projects widespread physician shortages by 2030, especially in primary care specialties like family medicine, internal medicine, and OB/GYN. Significant gaps are also expected in sub-specialties such as dermatology, neurology, and psychiatry. These shortages pose serious risks to timely, quality care.

Nueces County serves as a regional referral hub for two adjacent rural counties and five additional second-ring rural counties, each with populations of 68,750 or fewer. This makes its medical workforce critical not only for local residents but for the broader region. Limited access to specialty care in these surrounding rural areas heightens their reliance on the providers based in Nueces County. Addressing the projected physician shortages is essential to improving healthcare access, advancing health equity, and ensuring better outcomes across South Texas.

S.B. 2666 aims to help address the projected physician shortage by authorizing the Nueces County Hospital District to use funds from any available source to support a grant program focused on physician recruitment and retention, as well as the expansion of residency positions at hospitals within the district.

As proposed, S.B. 2666 amends current law to require the Nueces County Hospital District board to use funds from any source to administer a grant program supporting hospitals within the district. The program would provide funding to: (1) retain physicians currently practicing at those hospitals; (2) recruit physicians in specialties with limited access in the district to practice at those hospitals; and (3) increase the number of residency positions at hospitals in the district.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 281.094(b), Texas Health and Safety Code, by adding 281.094(b)(3) as follows:

(c) The board of the Nueces County Hospital District may use funds made available to the district from any source to fund the grant program established under Section 281.0941.

SECTION 2. Amends Subchapter E, Chapter 281, Health and Safety Code, by adding Section 281.0941 as follows:

Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT GRANT PROGRAM.

(a) The board of the Nueces County Hospital District shall establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to:

(1) allow hospitals in the district to:

(A) retain physicians currently practicing at those hospitals; and

(B) recruit physicians who practice medicine in a specialty for which there is limited access in the hospital district to practice at those hospitals; and

(2) increase the number of residency positions at hospitals in the district.

(b) The board of the hospital district shall:

(1) prescribe the manner in which a hospital in the district may apply for a grant under this section;

(2) establish eligibility and selection criteria for a hospital to be awarded a grant under this section; and

(3) establish accountability controls for hospitals awarded a grant under this section to ensure:

(A) the grant is used in a manner that is consistent with the public purpose of providing medical and hospital care for the indigent residents of the district; and

(B) the district receives a benefit in return for the award of the grant.

SECTION 3. Effective date: September 1, 2025.

## WHAT IS GRADUATE MEDICAL EDUCATION?



**The formal education of a physician begins with an undergraduate degree and ends with a residency or fellowship.** Graduate medical education, or GME, is critical clinical education that follows the completion of medical school. GME includes both residencies to acquire an initial specialty, such as family medicine, and fellowships to acquire a subspecialty, such as pediatric neurosurgery. Most GME programs last three to eight years, depending on the specialty, and takes place in hospital settings, including inpatient, outpatient and other community sites of care.

Teaching hospitals choose the number and specialties of the residents they train but must meet accrediting body standards to ensure they have the facilities, staffing and patient load necessary to provide adequate training. Specific training requirements vary by specialty and are determined by the accrediting bodies, such as the Accreditation Council for Graduate Medical Education.

## FINANCING PHYSICIAN EDUCATION AND TRAINING TO ENSURE TEXANS HAVE TIMELY ACCESS TO HEALTH CARE

2011



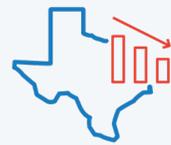
Texas Legislature established a goal of 1.1-to-1 for the number of available residency training slots to graduating medical students.

2017



There were 1,660 medical school graduates and 1,868 filled first-year residency positions, exceeding the 1.1-to-1 ratio goal for the first time.

2026



THECB projects if new first-year residency positions are not established by 2026, Texas will fall below the desired 1.1-to-1 ratio.

The financing of physician education and training is a complex interaction of federal and state funding and hospitals' investment of their own resources. **This document explains the importance of continued state and federal investment in that training and provides an overview of the sources and limits of their investment.**

Texas has one of the fastest-growing and fastest-aging populations in the nation. To maintain a high level of health care for future Texans and meet the needs of a growing population, it is essential to significantly invest in physician training and education. Texas ranked 42nd in the nation for physician-to-population ratio, according to 2021 data from the Association of American Medical Colleges, and even lower for primary care, at 47th, and 46th for general surgeons (who are particularly important for the economic viability of rural hospitals).

In 2011, the Texas Legislature established a goal of 1.1-to-1 for the number of available residency training slots to graduating medical students. **By achieving this goal in 2017, all Texas medical school graduates were able, if they chose, to continue their medical training in Texas – a factor known to increase the likelihood that a physician will remain in the state to practice medicine upon completing training.**

Texas has made great strides leading up to 2025 in funding and opening new medical schools, expanding enrollment and increasing the number of medical school graduates. However, due to the recent growth in medical school enrollments, Texas is projected to fall short of the 1.1-to-1 ratio in the near future. To maintain the state's successful GME efforts, additional investment will be needed.

## HOW GME IS FUNDED



### Federal Funding

The federal government supports GME primarily through Medicare, with smaller amounts coming from the Department of Veterans Affairs, Department of Defense and the Health Resources and Services Administration. However, in 1997, Medicare capped the number of residents it will fund in most hospitals. This cap failed to account for population growth and shifts since then, resulting in most Texas hospitals training additional residents beyond what is paid for through Medicare. The national Medicare cap is increasing an additional 200 slots yearly from 2023 to 2027, which will still be insufficient to address physician shortages.



### State Funding

In the absence of meaningful federal action, the Texas Legislature in recent years has increasingly appropriated funds for physician education and training through the Texas Higher Education Coordinating Board (THECB) and the state's Medicaid program.



### THECB Programs

The GME Expansion program was initiated in FY 2014 and has since supported the creation of 508 new first-year residency positions in the state. In the FY 2024-25 biennium, the Legislature appropriated over \$233 million to this program. Likewise, the GME Planning and Partnership Grants program provides hospitals and other facilities with funds to explore the creation of new first-year residency positions. This program was funded for over \$500,000 in the past biennium. Further, the Emergency Trauma Care Education program supports GME in critical high demand specialties like emergency medicine and surgical critical care.



### Medicaid GME

Texas Medicaid supports graduate medical education in base and supplemental payments. Urban teaching hospitals receive indirect medical education support in the form of an add-on to their Medicaid hospital inpatient reimbursement. Public teaching hospitals can also receive supplemental GME payments to cover their costs of supporting medical residents, and to cover additional costs they incur for more testing and treatment of sicker and more complex patients. In 2023, the Texas Health and Human Services Commission received federal approval for a new Medicaid GME supplemental payment program for non-government owned teaching hospitals, financed with the same local public funds that finance other Medicaid supplemental payment programs.

## THA GME FUNDING PRIORITIES



- \$66 million of additional state funding for the GME Expansion program to maintain a 1.1-to-1 ratio of Texas residency positions to medical school graduates.



- Funding increase to \$15,000 per resident per year for the Family Medicine Residency Program.

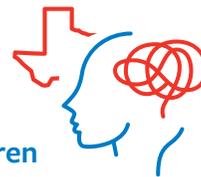


- Continued legislative support for the Emergency Trauma Care Education program, which ensures a future workforce in high demand specialties.



- Continued legislative support for the GME Planning Grant program and the preservation of hospitals' eligibility for grant funds.

**Texas is facing a mental health crisis**, and despite significant investments in behavioral health care, access to services remains a challenge for Texas' growing population. A February 2023 analysis showed nearly **37% of Texas adults reported symptoms of anxiety and/or depressive disorder**, higher than the national average.<sup>1</sup> Other data show **17% of Texas children report having an emotional, mental, developmental or behavioral health problem.**<sup>2</sup>



Meanwhile, the Lone Star State has multiple factors working against its effort to improve these numbers, including the nation's highest uninsured rate and a shortage of behavioral health professionals. The Texas Hospital Association is committed to highlighting and improving behavioral health across Texas, and keeping it on lawmakers' radar both in Austin and in Washington, D.C.

## Here are THA's top behavioral health priorities for the 89th Texas legislative session:

### Support: Closing Gaps in Medicaid and Commercial Insurance

- **Adult inpatient care:** Pursue a state waiver from the federal prohibition on coverage for most inpatient adult behavioral health stays longer than 15 days – a prohibition known as the “institutions for mental disease” (IMD) exclusion – to make coverage for mental health the same as for physical coverage.
- **“Step-down” services:** Add partial hospitalization programs and intensive outpatient therapy services to the list of required Medicaid benefits to improve the continuum of care and reduce readmissions. Promote coverage of “social emotional disturbances” in commercial insurance to ensure necessary behavioral health services for children.
- **Mental health parity:** Continue working toward insurers covering and paying for behavioral health conditions as robustly as they do physical illnesses.



### Support: Policies That Strengthen the Behavioral Health Continuum of Care

- **Medicaid provider payment rates:** Increase rates to hew closer to the cost of care.
- **Adult and pediatric inpatient psychiatric beds:** Increase both the number of state contract beds across the state and contracted bed rates.
- **Technology enhancements:** Support state funding for electronic medical record systems and other needed technological improvements.
- **Streamline processes** for emergency detention orders, orders of protective custody and emergency medication hearings.
- **Rural telepsychiatry:** Continue support for the rural telepsychiatry program to improve access to psychiatric care in remote areas.



1. **Kaiser Family Foundation, Mental Health in Texas**  
<https://www.kff.org/statedata/mental-health-and-substance-use-state-fact-sheets/texas/#:~:text=As%20shown%20in%20the%20figure,of%20adults%20in%20the%20U.S.>
2. **Every Texan, The State of Mental Health & Behavioral Health in Young Texans**  
<https://www.tha.org/wp-content/uploads/2024/08/Youth-Mental-Health-Data-Brief-2023.pdf>

## Jonny F. Hipp (NCHD)

---

**From:** Hernandez, Estevan @ Corpus Christi <Estevan.Hernandez@cbre.com>  
**Sent:** Monday, March 31, 2025 12:28 PM  
**To:** Jonny F. Hipp (NCHD)  
**Subject:** TDLR form Signature  
**Attachments:** TDLR\_Owner-Agent-Designation-Form-SPID.pdf

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Flagged

Hello,

CHRISTUS Spohn leases the building located at 14202 S Padre Island Dr. Corpus Christi Tx. currently owned by Nueces Co Hospital District. CHRISTUS will begin renovating the interior of the building and will require a TDLR inspection after completion.

Attached is a TDLR Owner-Agent-Designation form requiring signature by the designated owners agent. Signing would allow me to:

- (1) submit project information changes;
- (2) request a waiver or variance;
- (3) make a request for inspection;
- (4) communicate with the department on behalf of the owner about the registered project;
- (5) receive communications from a registered accessibility specialist; and
- (6) submit verification of corrections to a registered accessibility specialist and the department

Please give me a call for further details on this form or project if you have any questions, thank you.

Cell: (361)-502-1807

Estevan Hernandez | Associate Project Manager CBRE Healthcare Services | CHRISTUS Health C | +1 361 502 1807  
Estevan.Hernandez@cbre.com | www.cbre.com

Facility Services Call Center: +1 844 223 4948

Service Requests: ChristusCallCenter@cbre.com

Lease Administration: ChristusLeaseAdministration@cbre.com

Details about the personal data CBRE collects and why, as well as your data privacy rights under applicable law, are available at CBRE – Privacy Policy.<<https://www.cbre.com/about/privacy-policy/policy-picker>>



# TEXAS DEPARTMENT OF LICENSING & REGULATION

P.O. Box 12157 • Austin, Texas 78711-2157

*techinfo@tdlr.texas.gov • www.tdlr.texas.gov*

## DESIGNATED AGENT FORM INSTRUCTIONS

UNLESS OTHERWISE INDICATED, ALL SECTIONS ARE REQUIRED AND MUST BE INCLUDED FOR THE PROJECT REGISTRATION FORM TO BE PROCESSED. Failure to include all information will result in a delay of processing and the form will be returned to the project owner. Form must be complete in print or type.

A building owner, per Texas Government Code Sec. 469.058, is responsible for any violation of the Elimination of Architectural Barriers program laws or rules and may be subject to administrative penalties for any violation.

**IMPORTANT:** If a valid Designated Agent Form is not on file, a designated agent cannot act on behalf of a building or facility owner or submit forms, and TDLR staff will not discuss a project with the individual.

1. **PROJECT INFORMATION** – Provide information about the project for which you designated an agent to act on your behalf. The agent designated in this form is only authorized to act as your representative for the project listed on this form. A separate form must be submitted for each project.
  - **PROJECT NAME** – Provide the name of the project as registered in TABS (example: CLASSROOM ADDITION).
  - **TDLR PROJECT #** – Provide the complete TDLR Project number assigned to the project. This form may not be submitted prior to registration of your project.
  - **BUILDING OR FACILITY NAME** – Provide the name of the building or facility as registered in TABS.
  - **CAD ACCOUNT #** – Provide the real or commercial property ID or account number from the county appraisal district where the facility is located. Do not provide business or personal account number, as they are incorrect type. If the project is not located at a single location, such as public right-of-way projects, the field is not applicable.
  - **PHYSICAL ADDRESS** – Provide the physical address of the project as registered in TABS, including the suite number (if applicable). If no physical address is available at the time of submission, provide the physical description of the project location as registered in TABS. Post office boxes will not be accepted.
2. **OWNER INFORMATION** – Provide information about the building or facility owner. **The owner is required to sign this form.**
  - **BUSINESS TYPE** – Check the box that indicates how the owner of the building or facility is organized.
  - **BUILDING/FACILITY OWNER** – Provide the full name of the building/facility owner as it is found in CAD database of the county in which the building/facility is located.
  - **NAME OF OWNER'S REPRESENTATIVE** – Provide the full name of an individual or the employee of the building or facility owner if the owner is a trust, business, or government entity. This person can be contacted for questions about the project for this form and is required to sign this form for it to be valid.
  - **ADDRESS** – Provide the Owner's mailing address. The mailing address provided is where we will send project related mail. A post office box can be used.
  - **PHONE** – Provide the Owner's phone number.
  - **EMAIL** – Provide the Owner's email address.
  - **REPRESENTATIVE TITLE** – Provide the title of the owner's representative or association with owning entity.
3. **DESIGNATED AGENT INFORMATION** – Provide the name and contact information for the individual or business who will act as the designated agent for the building or facility owner. The designated agent is authorized to sign and submit forms on behalf of the owner.
  - **NAME OF DESIGNATED AGENT** – Provide the full name of the individual or business that will serve as the Designated Agent for the Owner.
  - **NAME OF AGENT'S REPRESENTATIVE** – Provide the full name of the individual or employee of the business that will serve as the Designated Agent for the Owner listed in this section (if applicable).
  - **ADDRESS** – Provide the Designated Agent's mailing address. A post office box can be used.
  - **PHONE** – Provide the Designated Agent's phone number.
  - **EMAIL** – Provide the Designated Agent's email address.
4. **OWNER'S ACKNOWLEDGMENT** – After reading the acknowledgment, print your name, provide your title, and date the form. By signing this form, you acknowledge that you have read and understand the statement and are aware of your responsibilities as a building or facility owner. You agree to grant the designated agent listed on the form authority to act on your behalf when communicating with and submitting documentation to TDLR. *The person signing this acknowledgment must be the person listed in Section 2. **The agent designated in Section 3 cannot sign this form.***

**Once complete, signed, and on file in the Texas Architectural Barriers online System (TABS) the agent is authorized to:**

- (1) submit project information changes;
- (2) request a waiver or variance;
- (3) make a request for inspection;
- (4) communicate with the department on behalf of the owner about the registered project;
- (5) receive communications from a registered accessibility specialist; and
- (6) submit verification of corrections to a registered accessibility specialist and the department

**SEND YOUR COMPLETED DOCUMENTS TO:**

Project associated Registered Accessibility Specialist (RAS)

**OR**

Texas Department of Licensing and Regulation  
P.O. Box 12157  
Austin, TX 78711-2157  
[techinfo@tdlr.texas.gov](mailto:techinfo@tdlr.texas.gov)

For additional information and questions, please visit the Texas Department of Licensing & Regulation website at:

<https://www.tdlr.texas.gov/ab/ab.htm>

For assistance with this form you may contact [techinfo@tdlr.texas.gov](mailto:techinfo@tdlr.texas.gov). For other issues you can request assistance via [TDLR webform](#). You may contact Customer Service Representatives at (800) 803- 9202 (in state only) or (512) 463-6599; Relay Texas-TDD: (800) 735-2989. Customer Service Representatives are available Monday through Friday from 7:00 a.m. until 6:00 p.m. Central Time (excluding holidays).

**TDLR Public Information Act Policy:**

This document is subject to the Texas Public Information Act. With certain exceptions, information in this document may be made available to the public. For more information, view the TDLR Public Information Act Policy at:

<https://www.tdlr.texas.gov/disclaimer.html#PublicInfoPolicy>.



# TEXAS DEPARTMENT OF LICENSING & REGULATION

P.O. Box 12157 • Austin, Texas 78711-2157

*techinfo@tdlr.texas.gov • www.tdlr.texas.gov*

## ARCHITECTURAL BARRIERS DESIGNATED AGENT FORM

**YOU MUST COMPLETE ALL SECTIONS OF THIS FORM FOR IT TO BE PROCESSED. INCOMPLETE FORMS WILL NOT BE CONSIDERED.** THE PERSON LISTED AS A DESIGNATED AGENT ON THIS FORM IS AUTHORIZED TO SUBMIT DOCUMENTS ON BEHALF OF THE OWNER AND ACT AS AN AGENT.

Texas Administrative Code Chapter 68.42(b) requires this form to be completed and signed by the owner or an individual employed by the owner if the owner wishes to designate an agent.

### 1. PROJECT INFORMATION

Project Name:	TDLR Project #:
Building or Facility Name:	CAD Account #:
Physical Address:	
Street Name, Number, Suite Number, City, State, Zip Code	

### 2. OWNER INFORMATION

**(TO BE VALID, THIS INFORMATION MUST BE SIGNED BY THE OWNER LISTED IN THIS SECTION)**

Business Type: (Select one)			
Individual	Sole Proprietorship	Limited Partnership	Corporation
Trust or Estate	Government	Other: _____	
Building/Facility Owner:		Name of Owner's Representative:	
		_____ (If Owner is Trust, Business or Government Entity)	
Address:			
Street Name, Number, Suite Number, City, State, Zip Code			
Phone Number:	Email Address:	Representative Title:	

### 3. DESIGNATED AGENT INFORMATION

Name of Designated Agent:	Name of Agent's Representative:
	_____ (If Agent is a trust, Business, or Government Entity)
Address:	
Street Name, Number, Suite Number, City, State, Zip Code	
Phone Number:	Email Address:

### 4. OWNER'S ACKNOWLEDGMENT

**THE OWNER OR OWNER'S REPRESENTATIVE MUST SIGN THIS FORM. THIS FORM WILL BE REJECTED IF SIGNED BY THE DESIGNATED AGENT.**

By signing and submitting this form, I authorize the individual or business listed in Section 3 of this form to serve as the Designated Agent for the project identified above. I understand that as the owner of the building or facility listed in Section 1 of this form, I remain responsible for compliance with all requirements for this project set forth in Chapter 469, Texas Government Code, and Title 16, Chapter 68, Texas Administrative Code.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Building/Facility Owner Signature

\_\_\_\_\_  
Date

131

**INTERLOCAL AGREEMENT BETWEEN  
NUECES COUNTY AND NUECES COUNTY HOSPITAL DISTRICT**

This Agreement, effective as of the date of the last signature below, is entered into by and between Nueces County (the "County"), a political subdivision of the State of Texas, and the Nueces County Hospital District (the "Hospital District" or "District"), a political subdivision and special district of the State of Texas created pursuant to Article IX, Section 4 of the Texas Constitution, under the authority of and in accordance with the Interlocal Cooperation Act, as set out in Chapter 791 of the Texas Government Code.

**WITNESSETH:**

**WHEREAS**, the Hospital District and the County recognize the need to attract and retain competent and able employees by providing health benefits and life insurance; for their employees;

**WHEREAS**, the Hospital District and the County recognize the need to foster, promote and encourage employment by and service to political subdivisions as a career profession for people of high standards of competence and ability;

**WHEREAS**, the Hospital District and the County have authority to provide health and accident, group dental, accidental death and dismemberment, hospital, surgical, and medical expense coverage for political subdivision officials, employees, retirees, and their dependents pursuant to §172.004(a)-(c) of the Texas Local Government Code;

**WHEREAS**, the Hospital District and the County have authority to enter into an interlocal contract to provide administrative functions, as defined by §791.003 pursuant to Chapter 791 of the Texas Government Code, to other political subdivisions; and,

**WHEREAS**, the provision of health, life, vision, and dental insurance coverages, for political subdivision employees, and their dependents are an administrative function of government.

**NOW, THEREFORE**, for and in consideration and exchange of mutual covenants and conditions contained herein the Hospital District and the County agree as follows:

**I.  
PURPOSE**

The purpose of this Interlocal Agreement is to enable employees of the Hospital District to participate in certain employee benefits available in Nueces County's Employee Benefit Plans.

## **II. BENEFIT COVERAGE**

County agrees to provide certain administrative functions for the Hospital District by agreeing to include the District's enrolled employee and family as participants in the County's Employee Group Health Insurance Plan, Employee Group Life Insurance Plan, Employee Group Vision Insurance Plan, and Employee Group Dental Insurance Plan (collectively, the "County Employee Benefit Plans").

## **III. HOSPITAL DISTRICT PAYMENTS**

In consideration of County Employee Benefit Plans provided by the County to the Hospital District under this Agreement, the District agrees as follows:

A. To pay the County the sum of the monthly premiums associated with the District's employee and family participation in the County's Employee Benefit Plans, except for the County's Employee Group Health Insurance Plan premiums (the "Non-Health Plan Premiums"). The District will pay the Non-Health Plan Premiums subject to receipt of a monthly invoice from the County and no later than the 20<sup>th</sup> day after receipt.

B. To pay the County the sum of the monthly premiums associated with the District's employee and family participation in the County's Employee Group Health Insurance Plan (the "Health Plan Premiums). Subject to the provisions of Article IV below, the District will pay the Health Plan Premiums plus an additional 10% of the Health Plan Premiums (the "Health Insurance Premium Subsidy") to mitigate any upfront costs paid by the County for health insurance claims of Hospital District employee and family participation in the Employee Group Health Insurance Plan during the Fiscal Year (the paid Health Plan Premiums and Health Insurance Premium Subsidy are collectively referred to as the "Paid and Subsidized Health Plan Premiums") subject to receipt of a monthly invoice from the County and no later than the 20<sup>th</sup> day after receipt.

C. To pay the County the remainder amount resulting from subtraction of the sum of the Paid and Subsidized Health Plan Premiums paid during the fiscal year from the sum of the County-paid health insurance claims associated with the District's employee and family participation in the Employee Group Health Insurance Plan, net of any related refunds and adjustments (the "Remainder Claims Amount" if the remainder amount is negative, or the "Overpaid Claims Amount" if the remainder amount is positive). Subject to the provisions of Article IV below, the District will pay the Remainder Claims Amount after receiving an annual claims invoice from the County and no later than the 20<sup>th</sup> day after receipt. The County's annual invoice shall be submitted to the District not later the 90<sup>th</sup> day following the end of the fiscal year.

1. The phrase "paid health insurance claims" means the amounts paid by the County after adjudication by the County's independent third-party claims administrator according to the County Employee Group Health Insurance Plan's coverage schedule in effect for the related fiscal year.

2. In the event any aggregate health insurance claims incurred by a specific individual during the fiscal year amount to more than the County's specific individual stop-loss insurance deductible for the related year, the District shall not pay the County more than the stop-loss insurance deductible for the fiscal year. For the initial term of this Agreement, the County agrees its specific individual stop-loss deductible for aggregate health insurance claims incurred by a specific individual is \$475,000.
3. The County agrees that its costs of maintaining and administering the Employee Group Health Insurance Plan are included in and not in addition to the premiums paid by the District for employee and family participation in the Plan. The County agrees that such costs include, but are not limited to claims administration, provider network management, customer service support, compliance and regulatory monitoring and reporting, enrollment and eligibility management, medical management services, reporting and data analytics, stop-loss insurance, plan design and any other costs typically needed to maintain and administer a self-funded health insurance plan.
4. In the event there is an Overpaid Claims Amount, the amount shall be processed by the County as directed by the Hospital District and upon the County's receipt of written instructions from the District,
5. The term "health insurance claims" used herein and elsewhere in this Agreement refers to claims for both health insurance and prescriptions as provided in the Employee Group Health Insurance Plan coverage schedule.

#### IV.

#### PROVISION OF COUNTY HELD CLAIMS INFORMATION

In consideration of the Hospital District's fiscal management requirements and payments under this Agreement, the County agrees as follows:

- A. To provide the District, every 3 months during this Agreement and no later than the 20<sup>th</sup> day of such month, with Health Insurance Portability and Accountability Act (HIPAA)-compliant information on all healthcare insurance claims incurred by the District's employee and family participation in the County's Employee Group Health Insurance Plan.
- B. To provide the District not later than the 120<sup>th</sup> day after the end of each fiscal year during this Contract and no later than the 20<sup>th</sup> day of such month with a HIPAA-compliant accounting of all claims incurred by the District's employee and family members participating in County's Employee Group Health Insurance Plan during the fiscal year.
  1. The claims accounting shall reflect the requisite detail and sum of the claims paid, by the County after adjudication by the County's independent third-party claims

administrator according to the County Health Insurance Plans's benefits schedule in effect for related fiscal year. net of any refunds and adjustments.

**V.  
NOTIFICATIONS**

The Hospital District shall promptly notify the County in writing when an employee is no longer employed by the District. The Hospital District shall use their best efforts to keep the District's list of employee and family participation current at all times.

The County shall promptly notify the Hospital District in writing of (1) any material changes to the County Employee Benefit Plans, (2) changes to the amount of the specific individual stop-loss insurance deductible under Employee Group Health Insurance Plan, and (3) changes to the Employee Group Health Insurance Plan's coverage and benefits.

**VI.  
USE OF CURRENT REVENUES**

Each party hereto paying for the performance of governmental functions or services hereunder must make those payments from current revenues available to the paying party.

**VII.  
JURISDICTION AND VENUE**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue of any legal action filed shall be in a court of competent jurisdiction in Nueces County, Texas.

**VIII.  
CURRENT YEAR SERVICES**

Upon execution of this Agreement by both parties, payments by the Hospital District to the County for any services provided after October 1, 2024 shall be calculated pursuant to the terms of this Agreement and are herein ratified. All terms and conditions as set out in this Agreement apply to such ratified compensation, fees, and services.

**IX.  
TERM AND RENEWAL**

The initial term of this Agreement shall be effective October 01, 2024, and terminate at the close of business on September 30, 2025.

Thereafter, the term of the Agreement shall run each fiscal year (i.e., from October 01 of the then current to September 30 of the following year) and shall automatically renew on a fiscal-year basis unless either party terminates the Agreement by providing written notice of termination at least 6 months prior to the effective date of termination as provided in this Article IX.

**X.  
AMENDMENT**

This Agreement may be amended by mutual consent of both parties. In order to be effective, any amendment to the Agreement must be in writing and signed by both parties after approval by the respective governing bodies at a publicly noticed meeting.

**XI.  
SEVERABILITY**

In the event that one or more of the provisions contained in this Agreement is or are for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of the Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, but shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

**XII.  
RELATIONSHIP OF THE PARTIES**

Each party shall have and retain the exclusive right of control over its employees and contractors assigned to perform services under this Agreement in accordance with the applicable laws of the State of Texas. Neither party has the authority to bind nor otherwise obligate the other orally, in writing or by any act or omission. Nothing contained herein shall establish an agency, employee-employer relationship, partnership, joint enterprise, joint employer, or joint venture relationship by or between the parties.

**XIII.  
NOTICES; OTHER COMMUNICATIONS**

All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or five (5) days after being deposited in the United States Postal Service, and sent by certified mail, return receipt requested, postage prepaid, addressed to the designated party at the following address or to any other party at any other address as may be designated in writing in advance by the parties:

IF TO THE COUNTY:

Nueces County  
Attn: County Judge  
Nueces County Courthouse, Room 303  
901 Leopard Street  
Corpus Christi, Texas 78401

IF TO THE HOSPITAL DISTRICT:

Nueces County Hospital District  
Attn: Administrator/Chief Executive Officer  
555 North Carancahua St., Suite 950  
Corpus Christi, Texas 78401-0835

**XIV.  
WAIVER OF DEFENSES; IMMUNITIES**

Neither the Hospital District nor the County waives any defenses assertible by either party including governmental immunity, or immunity from liability afforded under law.

**XV.  
GOVERNING BODY APPROVAL**

This Contract must be approved by the governing bodies of both parties in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

**XVI.  
AUTHORITY TO SIGN; ENTIRE AGREEMENT**

The undersigned signatories hereby represent and warrant that they are officers and that they have full and complete authority to enter into this Contract. This Contract contains the entire agreement among the parties relating to such matter and supersedes all other negotiations and agreements, whether written or oral. No prior agreement or understanding between the parties pertaining to any such matter contained herein shall be effective.

**NUECES COUNTY**

By:   
Connie Scott  
County Judge

Date: 03-19-2025

**NUECES COUNTY HOSPITAL DISTRICT**

By: Jonny F. Hipp  
Digitally signed by Jonny F. Hipp  
Date: 2025.02.26 16:33:20 -06'00'  
Jonny F. Hipp  
Administrator/Chief Executive Officer

Date: \_\_\_\_\_

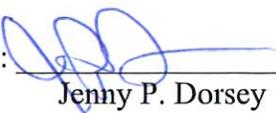
ATTEST:

By:   
Kara Sands  
County Clerk

Date: 3/19/25



APPROVED AS TO FORM:

By:   
Jenny P. Dorsey  
County Attorney

Date: March 19, 2025

# County of Nueces



**MIKE PUSLEY**  
Commissioner  
Precinct 1

**JOHN MAREZ**  
Commissioner  
Precinct 3

**JOE A. GONZALEZ**  
Commissioner  
Precinct 2

**CONNIE SCOTT**  
County Judge  
Nueces County Courthouse, Room 303  
901 Leopard Street  
Corpus Christi, Texas 78401-3697

**BRENT CHESNEY**  
Commissioner  
Precinct 4

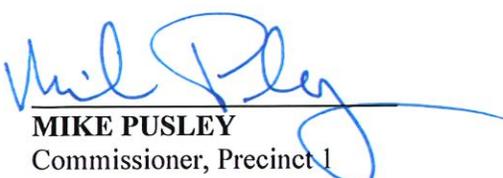
**COMMISSIONERS COURT RESOLUTION SUPPORTING  
ESTABLISHMENT OF A GRANT PROGRAM ALLOWING THE  
NUECES COUNTY HOSPITAL DISTRICT TO RECRUIT AND RETAIN  
CERTAIN MEDICAL PROFESSIONALS AND INCREASE THE  
NUMBER OF RESIDENCY POSITIONS AT HOSPITALS**

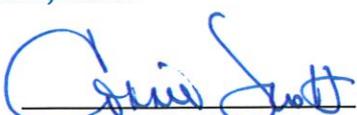
**WHEREAS**, the statute Texas Health and Safety Code (the "Health Code"), §281.094 governs the use of funds by the Nueces County Hospital District (the "Hospital District" or "District"); specifically, §281.094 (a) provides that with approval of Commissioners Court, the Board of Managers (the "Board") may use non-tax levy funds to fund health care services, including public health services, mental health services, intellectual disability services, emergency medical services, health services provided to persons confined in jail facilities, and for other health related purposes; and §281.094(b) provides that the Board may use funds from any source to fund indigent health care and intergovernmental transfers; and

**WHEREAS**, certain medical specialties are lacking within the Hospital District to provide the medical and hospital care needed for the indigent residents of the District and, as a result, the Board desires to amend Health Code, §281.094(b) to gain authority to establish and administer a grant program aimed at retaining and recruiting physicians and increasing the number of residency positions at hospitals in the District.

**NOW, THEREFORE, BE IT RESOLVED, THAT THE COMMISSIONERS COURT OF NUECES COUNTY**, does hereby support the adoption of legislation in the 89th Texas Legislative Session relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain medical professionals, and increase the number of residency positions in the District.

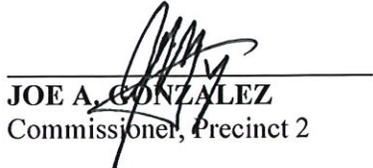
**DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS, ON THIS THE 19TH DAY OF MARCH, 2025.**

  
**MIKE PUSLEY**  
Commissioner, Precinct 1

  
**CONNIE SCOTT**  
County Judge

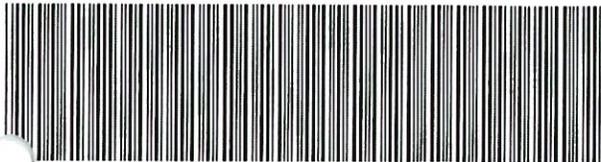
  
**JOHN MAREZ**  
Commissioner, Precinct 3



  
**JOE A. GONZALEZ**  
Commissioner, Precinct 2

ATTEST:  
  
**KARA SANDS**, County Clerk

  
**BRENT CHESNEY**  
Commissioner, Precinct 4



\*VG-12-2025-2025000176\*

Nueces County  
Kara Sands  
Nueces County Clerk

Instrument Number: 2025000176

Public Notice

PUBLIC NOTICES

Recorded On: April 17, 2025 09:11 AM

Number of Pages: 9

" Examined and Charged as Follows: "

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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

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Document Number: 2025000176  
Receipt Number: 20250417000032  
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User: Paula G  
Station: CLERK01

Record and Return To:

NUECES COUNTY HOSPITAL DISTRICT



**Kara Sands**

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

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

**Receipt:** 20250417000032

**Date:** 04/17/2025

**Time:** 09:11AM

**By:** Paula G

**Station:** CLERK01

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<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	2025000176	9	\$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

NUECES COUNTY HOSPITAL DISTRICT

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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>

APR 17 2025

KARA SANDS  
CLERK OF THE COUNTY COURT  
NUECES COUNTY, TEXAS

# Nueces County Hospital District

## NOTICE OF PUBLIC MEETING

### BOARD OF MANAGERS

#### Regular Meeting

Tuesday, April 22, 2025 at 12:00 PM

#### Location:

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

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

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

at <https://meetings.boardbook.org/Public/Organization/1886>.

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

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

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

**Videoconference Call:**

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

<https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFBBpZGJYdHYyQmpIVUdZeUc3Zz09>

Meeting ID: **574 676 5992**

Passcode: **195957**

**Telephone:**

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

One tap mobile:

+13462487799,,5746765992# US (Houston)

+16699006833,,5746765992# US (San Jose)

Dial by your location:

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 669 444 9171 US

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

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



**BOARD OF MANAGERS  
Regular Meeting  
Tuesday, April 22, 2025 at 12:00 PM**

**AGENDA**

**1. WELCOME**

**2. ROLL CALL OF MEMBERS**

- Belinda Flores, Chairman
- Vishnu V. Reddy, Vice Chair
- Sylvia Tryon Oliver
- Mariana Garza
- Efrain Guerrero, Jr.
- Georgia Neblett
- Karen O'Connor Urban

**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. REGULAR SESSION**

**A. PUBLIC COMMENT** - This section provides the public the opportunity to address the Board on any issues within its authority. 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. The presiding officer may, if he/she deems it necessary, limit both the number of commenters and the time allotted to each commenter. Under the law, the Board may only take action on items specifically listed on the agenda. Subject matter presented which is not part of the agenda will be referred to District staff for review if appropriate. Materials submitted to the Board during public comment will not be returned. At least ten (10) copies of any document to be used by any commenter should be available for distribution to the Board. The commenter is responsible for preparation of the copies. The commenter's name and, if applicable, meeting agenda item number should be clearly marked on such documents.

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

1. Approve Board of Managers Regular Meeting minutes of March 25, 2025.
2. Receive listing of new vendors as of April 17, 2025; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.
3. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2025 year-to-date:
  - a. Salaries, benefits, and supplies at/for the City of Corpus Christi/Nueces County Public Health District;
  - b. Emergency medical services provided in unincorporated areas of Nueces County;
  - c. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;

d. Medical services provided at County correctional facilities:

1. Nueces County Jail; and
2. Nueces County Juvenile Detention Center;

e. Funding for alcohol and drug abuse treatment programs:

1. Cenikor (Charlie's Place); and
2. Council on Alcohol and Drug Abuse;

f. Funding for diabetes prevention and supporting programs; and

g. Public health grants.

4. 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 March 31, 2025.

5. 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.

6. 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.

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

a. Directed Payment Programs - IGTs for HHSC's Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

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

b. Supplemental Payment Programs - IGTs for HHSC Medicaid payments made to hospitals, separate from and in addition to base payments, for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

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

8. Receive reports relating to Nueces Aid Program enrollment for the month-ended March 31, 2025:

- a. Total Persons and Households Enrolled;
- b. Enrollment Summary;
- c. Denials;
- d. Application Processing Summary; and
- e. Enrollment by Zip Code.

C. **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. **Finance:**

a. **Financial Statements:**

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended March 31, 2025. (***ACTION***)

b. **Investment Policy:**

1. Adopt Board of Managers Resolution relating to annual review of investment policy and investment strategies and adopting changes to policy and strategies to be effective June 1, 2025; review and adoption pursuant to the Public Funds Investment Act, Texas Government Code, §2256.005(e). (***ACTION***)

2. Adopt Board of Managers Resolution relating to annual review of listing of qualified broker/dealers authorized to engage in investment transactions with the Hospital District and adopt listing to be effective June 1, 2025; review and adoption pursuant to the Public Funds Investment Act, Texas Government Code, §2256.025. (***ACTION***)

2. **Legislation:**

a. Receive information on Hospital District legislation in the 89<sup>th</sup> Texas Legislative Session:

1. House Bill 4801 and Senate Bill 2666 both relating to the establishment of a grant program to allow the Hospital District to recruit and retain certain medical professionals:

- a. Community Benefits;
- b. Physician Needs;
- c. H.B. 4801; and
- d. S.B. 2666. (*INFORMATION*)

2. 2026-2027 Biennium Budget Rider requests relating to graduate medical education and regional mental health inpatient facility. (*INFORMATION*)

3. **CHRISTUS Spohn Health System:**

a. Renovation of Hospital District-owned medical office building located at 14202 South Padre Island Drive, Corpus Christi, Texas. (*INFORMATION*)

4. **Mental Health:**

a. Receive information from Nueces Center for Mental Health and Intellectual Disabilities relating:

1. Receipt of grant funding relating to jail diversion; and
2. Status of Restoration Center construction project. (*INFORMATION*)

5. **Administrator's Briefing:**

a. Commissioners Court approval of Amended Interlocal Cooperation Agreement between Nueces County and Nueces County Hospital District relating to the provision of certain County employee benefits, including but not limited to health insurance, to Hospital District employees and other related matters; initial term October 1, 2024 - September 30, 2025. (*INFORMATION*)

b. Commissioners Court approval of legislative support for legislation in the 89th Texas Legislative Session relating to the establishment of a grant program to allow the Nueces County Hospital District to recruit and retain certain medical professionals. (*INFORMATION*)

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

1. Board of Managers: May 27, 2025 at 12:00 PM, location to be determined.

6. **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 Board of Managers' policies and related matters.

B. Consult with attorneys on matters relating to promotional agreement and related matters.

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

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

**8. ADJOURN**

9. Public Notice Posting Receipt.