



**BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, August 26, 2025 at 12:15 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, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:

A. Call to order.

B. Establish quorum.

C. Confirm posting of the meeting’s public notice in compliance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

D. Notice is hereby provided that the Board of Managers may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST – Any Conflict of Interest, or Appearance of a Conflict of Interest, relating to items on this agenda shall be disclosed at this time. Members declaring a conflict shall abstain from voting and are requested to refrain from participation in discussion of the affected item. Any conflicts identified during the course of the meeting shall be disclosed immediately upon discovery.

5. REGULAR SESSION

A. PUBLIC COMMENT – Opportunity for members of the public to address the Board on matters within its jurisdiction. In-person attendees must sign the “Agenda Item Request to Speak” form at least five (5) minutes before the meeting begins. Remote attendees must notify the presiding officer when called upon. Comments are limited to three (3) minutes (six [6] minutes with translator). The presiding officer may further limit the number of speakers or time allowed. The Board may act only on items listed on the agenda. Materials submitted will not be returned; at least ten (10) copies, labeled with the commenter’s name and agenda item number, must be provided for distribution.

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 July 1 and August 5, 2025. 8
2. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2025 year-to-date: 18
 - 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. *(Finance Committee)*

3. Receive summary of imputed claims information for medical and hospital services provided to the Nueces Aid Program population, consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, for fiscal year-to-date periods ending June 30 and July 31, 2025. *(Finance Committee)* 19

4. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. *(Finance Committee)* 20

5. Receive statement of fiscal year-to-date deposits to and withdrawals from the Local Provider Participation Fund, made pursuant to the Board of Managers Order authorizing participation in a health care provider participation program under Texas Health and Safety Code, Chapter 298C, as amended. *(Finance Committee)* 21

6. 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: 22

a. Directed Payment Programs – IGTs to HHSC for Medicaid managed care payments to providers that promote 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 to HHSC for Medicaid payments to hospitals, made separately from and in addition to base payments, to incentivize achievement of specified goals or to support providers serving significant numbers of uninsured or low-income patients: 26

- 1. Disproportionate Share Hospital (DSH);
- 2. Graduate Medical Education (GME);

- 3. Hospital Augmented Reimbursement Program (HARP); and
- 4. Hospital Uncompensated Care (UC). (*Finance Committee*)

7. Receive reports relating to Nueces Aid Program enrollment for the months-ended June 30 and July 31, 2025:

- a. Total Persons and Households Enrolled; 29
- b. Enrollment Summary; 30
- c. Denials; 32
- d. Application Processing Summary; and 33
- e. Enrollment by Zip Code. (*Finance Committee*) 37

C. REGULAR AGENDA – Items that are non-routine, non-administrative, or require individual attention. Each item will be considered and, if action is needed, voted on separately:

1. Finance Committee:

a. Fiscal Year 2026 Health Care Provider Participation Program:

- 1. Review and discuss Texas Health and Safety Code, Chapter 298C, relating to the Nueces County Hospital District Health Care Provider Participation Program and its requirements—including authority, mandatory payments, rules and procedures, hearing and notice obligations, permitted uses, payment schedule, and operational provisions—for the FY 2026 Program (October 1, 2025–September 30, 2026). (**INFORMATION**) 40
- 2. Review and discuss the proposed FY 2026 Program mandatory rate and payment schedule. (**INFORMATION**) 48
- 3. Confirm satisfaction of conditions precedent to establishing the FY 2026 Program mandatory payment rate, including publication of notice to the public, provision of written notice to each institutional health care provider within the Hospital District, and the holding of a public hearing regarding the proposed mandatory payment rate and the intended uses of the resulting revenue. (**ACTION**) 49
- 4. Confirm the continued applicability of the Nueces County Hospital District Health Care Provider Participation Program Revised Rules and Procedures, effective August 1, 2023, for the FY 2026 Program. (**ACTION**) 57

5. Adopt an Order of the Board of Managers establishing the FY 2026 Program mandatory payment rate at six percent (6%) of the net patient revenue of each institutional healthcare provider within the Hospital District, as authorized by Texas Health and Safety Code §298C.151. **(ACTION)** 64

b. Fiscal Year 2026 Budget:

1. Adopt a Resolution of the Board of Managers committing a specified portion of the General Fund balance as of September 30, 2025, to the subsequent fiscal year for payment of obligated but unrequested intergovernmental transfers associated with Supplemental and/or Directed payment programs administered by the Texas Health and Human Services Commission during Fiscal Year 2025. **(ACTION)** 68

2. Adopt Board of Managers Resolution approving FY 2026 Member Revenue Allocation Percentage, as determined under Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. **(ACTION)** 73

3. Adopt Board of Managers Resolutions adding specified funding to the FY 2026 Annual Budget (October 1, 2025 – September 30, 2026) for:

a. Nueces County Healthcare Expenditures; and 80

b. Nueces Center for Mental Health and Intellectual Disabilities matching funds. **(ACTION)** 86

4. Discuss and consider adopting a Resolution of the Board of Managers approving the FY 2026 Annual Budget (October 1, 2025 – September 30, 2026), pursuant to Texas Health and Safety Code §281.091(b), with the Budget comprised of the General Fund, Tobacco Settlement Fund, Opioid Settlement Fund, and Indigent Care Fund. **(ACTION)** 92

c. Financial Statements:

1. Consider receipt and approval of unaudited financial statements for the month and fiscal year-to-date ending July 31, 2025. **(ACTION)** 106

2. Legislative Matters:

a. Receive and discuss reports from Legislative Consultants on the 89th Texas Legislature's Special Sessions and related matters. (*INFORMATION*)

3. Administrator's Briefing:

a. Next scheduled regular meetings of the Board of Managers and Board Committees (all meeting dates, times, and locations are subject to change):

1. Finance Committee: Tuesday, September 23, 2025, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

2. Board of Managers: Tuesday, September 23, 2025, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. (*INFORMATION*)

4. Other Business:

a. Receive documentation of the Administrator's achievement of Employment Agreement performance goals during Fiscal Year 2024 and approve the related payment. (*ACTION*) 115

6. CLOSED MEETING – The Board of Managers may, at any point during this meeting, convene in closed session to deliberate any agenda item as permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551. The Board reserves the right to discuss any listed agenda item in closed session when legally authorized, regardless of prior practice distinguishing items for public deliberation from those for executive session. The presiding officer will announce the statutory authority under the Act for each closed session. Any final action, decision, or vote will be taken in open session either upon reconvening of this meeting or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to §551.071 of the Texas Government Code.

A. Consult with attorneys on matters related to the Corpus Christi Housing Authority and associated issues.

B. Consult with attorneys on matters related to CPS Energy and associated issues.

C. Consult with attorneys on matters relating to Nueces County Hospital District v. Purdue Pharma, Inc., et al., MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas.

7. **OPEN MEETING** – The Board will reconvene in open session following the Closed Meeting before taking action on Closed Meeting matters or adjourning.

A. Consider authorizing the Administrator to execute the Settlement participation and release forms regarding settlement offers from Purdue, Amneal, West-Ward n/k/a HIKMA, and other certain Defendants in the matter of Nueces County Hospital District v. Purdue Pharma, Inc., et al., MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas. (***ACTION***) 247

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

8. **ADJOURN**

9. Public Notice Posting Receipt 250

DRAFT

**BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR MEETING
AUGUST 5, 2025**

The Nueces County Hospital District Board of Managers met at 12.:00 p.m., August 5, 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	Nueces County Courthouse Attorney
Mark Hendrix	NC Mental Health Intellectual Disabilities
Shani Italiya	CC Emergency Physician
John Cambron	CC Emergency Physician
Dominic Dominguez	Corpus Christi Spohn Hospital
Eric Hamon	CEO – Driscoll Children’s Hospital
Steve King	CFO – Driscoll Children's Hospital
Terry Mills	Their Day Foundation
Nick Vaccari	Meeder – via Zoom
Jared Konczal	Gjerset and Lorenz – via Zoom
Garret W.	- via Zoom
pjones	- via Zoom
read.ai meeting notes	- via Zoom

**BOARD OF MANAGERS
REGULAR MEETING
MINUTES
AUGUST 5, 2025**

1. WELCOME

2. ROLL CALL OF MEMBERS

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

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

- A. Call to order – Belinda Flores, Chair.
The meeting was called to order at 12:31 p.m.
- B. Establish quorum – Belinda Flores, Chair.
A quorum was present with five members in attendance.

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

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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.

No Conflict of Interest.

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.

**Terry Mills
Dom Dominguez
Eric Hamon**

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

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upon in a single vote:

1. Approve Board of Managers Regular Meeting minutes of July 1, 2025.
2. Receive listing of new vendors as of July 31, 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. (*Finance Committee*)
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 June 30, 2025. (*Finance Committee*)
5. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation

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Amended and Restated Membership Agreement, Section 5.03. (*Finance Committee*)

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. (*Finance Committee*)

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). (*Finance Committee*)

**Consent Agenda, motion to table by Georgia Neblett
and seconded by Mariana Garza. MOTION CARRIED.**

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AUGUST 5, 2025**

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 Committee:

a. Financial Statements:

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended June 30, 2025. (*ACTION*)

Motion by Georgia Neblett and seconded by Mariana Garza. MOTION CARRIED.

b. Investment Report:

1. Receive and approve Quarterly Investment Report for fiscal quarter-ended June 30, 2025 and ratify related investment transactions. (*ACTION*)

Motion by Sylvia Tryon Oliver and seconded by Georgia Neblett. MOTION CARRIED.

c. Fiscal Year 2026 Budget:

1. Receive and discuss Nueces County FY 2026 Budget Planning Schedule. (*INFORMATION*)
2. Receive information on and discuss Nueces County RFP No. 3315-25 relating to the acquisition of Jail Medical Services. (*INFORMATION*)

2. Community Mental Health Initiatives:

- a. Receive and discuss report and information from Nueces Center for Mental Health and Intellectual Disabilities ("MHID") relating to work performed under agreements between Nueces County, MHID, and Hospital District for the fiscal quarter ended June 30, 2025. (*INFORMATION*)

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3. 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. Execution of the Medicaid-Related Network Access Improvement Program (NAIP) Intergovernmental Transfer (IGT) Responsibility Contract (HHSC Contract No. HHS001580600008) with the Texas Health and Human Services Commission benefiting participating public hospitals in Nueces County. Contract period is from August 10, 2025, through July 10, 2026. NAIP is a pass-through payment program established under Texas's Section 1115 Medicaid waiver. *(ACTION)*

Motion by Sylvia Tryon Oliver and seconded by Mariana Garza. MOTION CARRIED.

4. Administrator's Briefing:

a. Receive an update on recent changes to the Texas Open Meetings Act to extend the required public notice period for meetings and add transparency requirements when discussing or adopting budgets. *(INFORMATION)*

b. Execution of Personal Services Contract with Joel J. Romo for personal consulting services to identify state graduate medical education and other funding, and represent the Hospital District's interests when the Legislature is not in Session; Contract term July 1, 2025 through December 31, 2025. *(INFORMATION)*

c. Execution of Personal Services Contract with Patricia A. Shipton for personal consulting services to identify state graduate medical education and other funding, and represent the Hospital District's interests when the Legislature is not in Session; Contract term July 1, 2025 through December 31, 2025. *(INFORMATION)*

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

1. Finance Committee Workshop: Tuesday, August 26, 2025, 10:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street,

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Room 950-A, Corpus Christi, Texas 78401;

2. Finance Committee: Tuesday, August 26, 2025, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

3. Board of Managers: Tuesday, August 26, 2025, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

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 regarding the use of intergovernmental transfers (IGTs) related to Medicaid payment programs administered by the Texas Health and Human Services Commission and related matters.

B. Consult with attorneys on matters related to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement and related matters.

C. Consult with attorneys on matters related to the Corpus Christi Housing Authority and related matters.

D. Consult with attorneys on matters related to CPS Energy and related matters.

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

**Belinda Flores, Chair called for Closed Meeting
at 1:16 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 1:52 p.m.**

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

No Action taken.

8. ADJOURN

**Motion to adjourn by Belinda Flores, Chair
at 1:53 p.m.**

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PRESIDING OFFICER:

Belinda Flores, Chair.

ATTEST:

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

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
County Healthcare Services															
Health Dept - County	0.00	0.00	0.00	441,324.00	0.00	0.00	441,270.00	0.00	0.00	294,180.00	0.00	0.00	1,176,774.00	1,765,296.00	588,522.00
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	3,439.37	0.00	0.00	2,659.91	0.00	0.00	6,099.28	60,000.00	53,900.72
Emergency Medical Services	0.00	0.00	0.00	147,000.00	0.00	0.00	119,400.00	4,200.00	0.00	0.00	130,500.00	0.00	401,100.00	650,000.00	248,900.00
NC MHID - Fund Matching	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	242,286.00	0.00	0.00	0.00	726,846.00	969,129.00	242,283.00
NC MHID - Jail Programs	268,474.68	200,466.20	262,360.10	219,616.53	195,517.94	247,747.48	91,385.80	158,297.87	171,948.57	0.00	0.00	0.00	1,815,815.17	2,550,000.00	734,184.83
NC Juvenile Center	0.00	0.00	62,453.40	0.00	0.00	0.00	164,842.14	0.00	0.00	176,736.82	0.00	0.00	404,032.36	474,000.00	69,967.64
Nueces County Jail Infirmiry Svcs	0.00	0.00	0.00	0.00	940,086.28	0.00	0.00	0.00	0.00	2,758,698.95	0.00	0.00	3,698,785.23	5,202,850.00	1,504,064.77
Cenikor	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00	0.00	0.00	15,000.00	0.00	0.00	45,000.00	60,000.00	15,000.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00	50,000.00	25,000.00
Diabetes Program - County	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	16,227.71	0.00	0.00	17,727.71	50,000.00	32,272.29
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
Totals	268,474.68	238,466.20	567,093.50	867,940.53	1,222,104.22	490,027.48	890,337.31	162,497.87	414,234.57	3,263,503.39	130,500.00	0.00	8,515,179.75	12,114,275.00	3,599,095.25

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

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	1,595	18,534,988	1,323,366	44,276	1,279,090
ASU	84	4,950,250	479,702	2,696	477,006
Clinic	(24)	(22,951)	(6,315)	(246)	(6,069)
Obs	31	1,614,901	374,981	30,645	344,336
OP	7,382	17,156,253	4,324,430	226,341	4,098,089
Subtotal	9,068	42,233,442	6,496,163	303,712	6,192,451
IP	167	10,097,760	628,227	23,449	604,778
SNF					-
RX	61,057	24,284,862	9,269,538	286,818	8,982,720
Physician	13,146	6,969,488	1,897,815	80,763	1,817,052
Total	83,438	83,585,551	18,291,742	694,741	17,597,001

** Due to software conversion, claims for June and July are understated. Those claims will be included in August.

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	2,960,145.67	3,360,648.61	2,656,062.41	3,007,904.39		31,205,098.94
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	3,095,210.73	3,497,994.84	2,465,684.79	2,448,697.89		31,052,984.67
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	3,146,367.70	2,978,199.41	2,583,808.48	3,033,379.78	3,312,466.33		32,512,978.46
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	2,232,432.81	3,522,925.06	3,853,438.19	2,604,793.57			29,423,674.86
Week 5			2,168,904.61	2,902,616.61				2,327,308.75					7,398,829.97
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	10,260,760.14	14,883,789.62	13,295,890.12	10,759,920.55	8,769,068.61	0.00	131,593,566.90

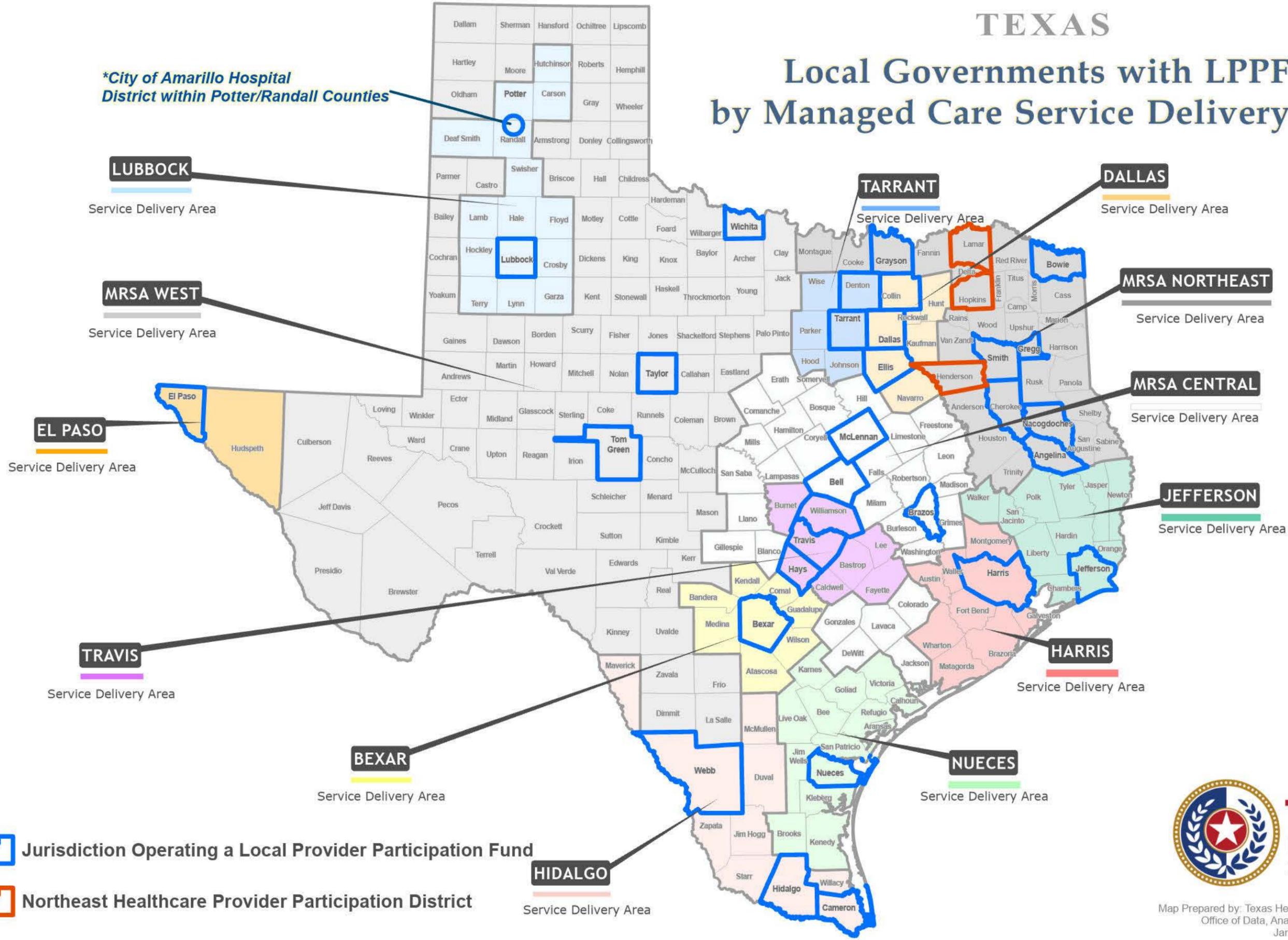
Nueces County Hospital District
Nueces LPPF Activity
Fiscal Year 2025

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	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	77,847,497.36	77,365,877.83	26,890,329.74	23,386,028.66	23,386,028.66	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		295,127.75						1,180,511.00
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	295,127.75	0.00	0.00	0.00	0.00	0.00	49,716,391.75
Interest	98,346.97	250,248.73	242,839.98	308,747.77	260,742.20	285,981.87	276,665.62	283,341.89	124,331.63	88,645.33			2,219,891.99
Transfers In	4,257,009.14		22,744,668.24	921,889.32									27,923,566.70
Total Deposits	52,728,339.11	250,248.73	22,987,508.22	1,983,790.34	555,869.95	285,981.87	571,793.37	283,341.89	124,331.63	88,645.33	0.00	0.00	79,859,850.44
<u>Inter-Governmental Transfers</u>													
UC			(10,274.91)		(2,875,437.56)	(165,959.98)		(236,791.88)		(111,307.51)			(3,399,771.84)
DSRIP													0.00
CHIRP		(6,722,453.21)							(50,599,879.72)				(57,322,332.93)
TIPPS		(591,603.55)											(591,603.55)
DSH													0.00
HARP			(1,041,691.78)	(528,169.55)				(528,169.54)					(2,098,030.87)
GME	(390,856.50)			(222,361.82)			(604,530.28)			(222,361.82)			(1,440,110.42)
ATLIS					(3,507,525.86)					(3,259,277.08)			(6,766,802.94)
Total IGT's	(390,856.50)	(7,314,056.76)	(1,051,966.69)	(750,531.37)	(6,382,963.42)	(165,959.98)	(604,530.28)	(764,961.42)	(50,599,879.72)	(3,592,946.41)	0.00	0.00	(71,618,652.55)
Transfers Out													0.00
Bank Fees													0.00
Ending Balance	67,482,313.38	60,418,505.35	82,354,046.88	83,587,305.85	77,760,212.38	77,880,234.27	77,847,497.36	77,365,877.83	26,890,329.74	23,386,028.66	23,386,028.66	23,386,028.66	23,386,028.66

TEXAS

Local Governments with LPPFs by Managed Care Service Delivery Area

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



Jurisdiction Operating a Local Provider Participation Fund

Northeast Healthcare Provider Participation District



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

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	595,839,355	271,449,808	54,617,146	162,589,150	154,656,045	3,687,187	10,474,533	26,186,370	237,577	1,672,760,768	41%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	222,601,044	0	14,571,054	0	32,524,241	0	0	838,721	719,548	319,653,467	8%
Corpus Christi Medical Center	121,850,134	173,649,063	0	47,168,955	0	196,406,090	0	8,751,223	12,844,206	15,708,426	576,378,097	14%
Driscoll Childrens Hospital	314,822,705	33,098,312	0	0	0	881,668,876	2,062,491	22,818,802	117,666,581	23,834,922	1,395,972,688	34%
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 Christ 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	411,907	413,237	0%
PAM Rehab Hospital	0	0	0	141,201	0	1,429,773	0	0	0	554,920	2,125,894	0%
Zoom Rehabilitation Inc.	0	0	0	0	0	0	0	0	0	122,992	122,992	0%
Oceans Behavioral Hospital	0	0	0	0	0	43,294	0	0	0	0	43,294	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	0	0	0	21,809,410	1%
TOTALS	924,854,508	1,072,910,930	271,449,808	133,255,675	162,589,150	1,266,728,319	5,749,678	42,044,559	157,535,877	41,713,284	4,078,831,789	100%

* 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	349,051,307	96,156,812	58,389,165	64,035,354	160,387,066	0	11,097,000	57,518,481	9,914,339	1,144,623,543
Nueces LPPF	27,902,997	69,110,934	7,478,253	0	0	331,501,660	1,780,044	4,353,223	5,080,386	6,766,803	453,974,300
TOTALS	365,977,014	418,162,241	103,635,065	58,389,165	64,035,354	491,888,726	1,780,044	15,450,223	62,598,867	16,681,142	1,598,597,843

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.

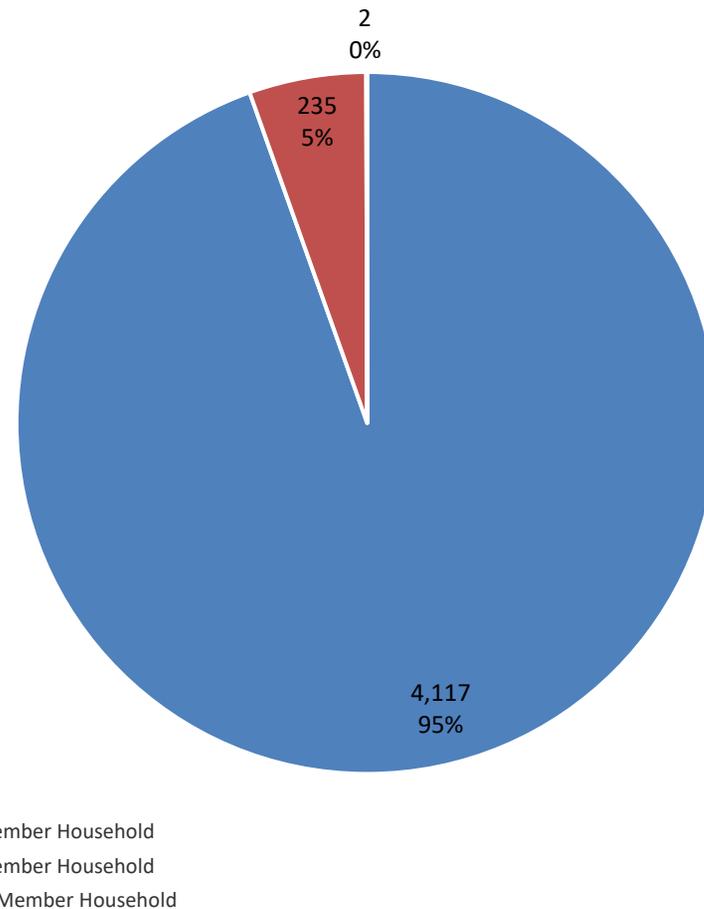
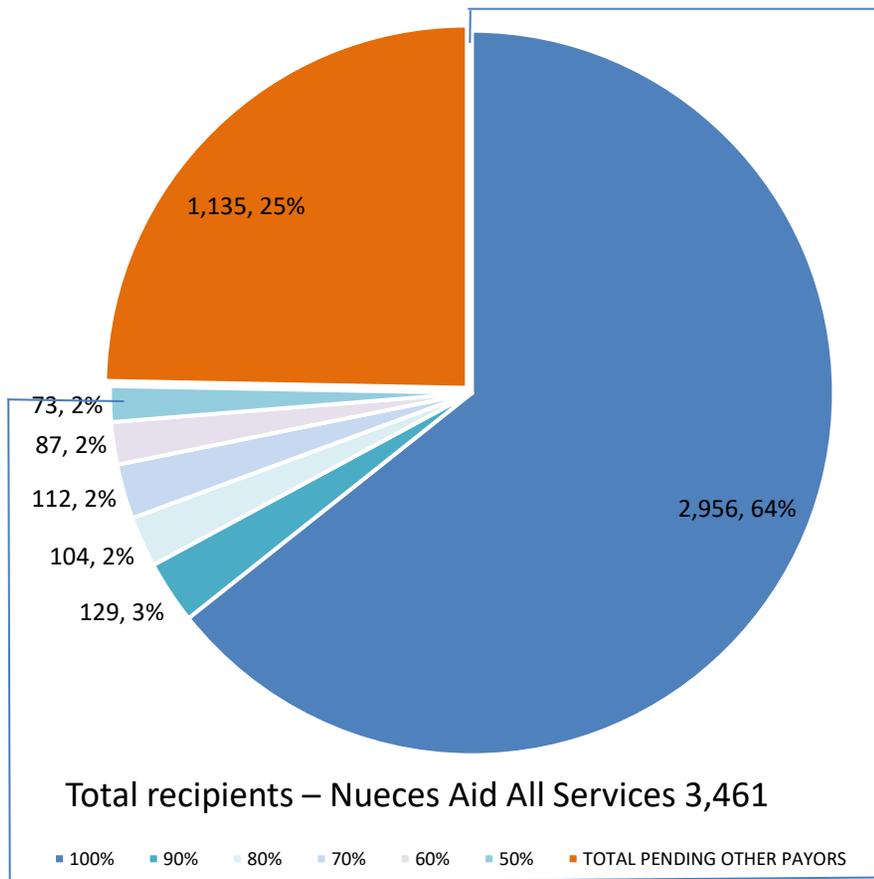
Original: 04/16/2025

July 2025

Nueces Aid Program Enrollment

Total Enrolled
4,596

Total Households
4,354



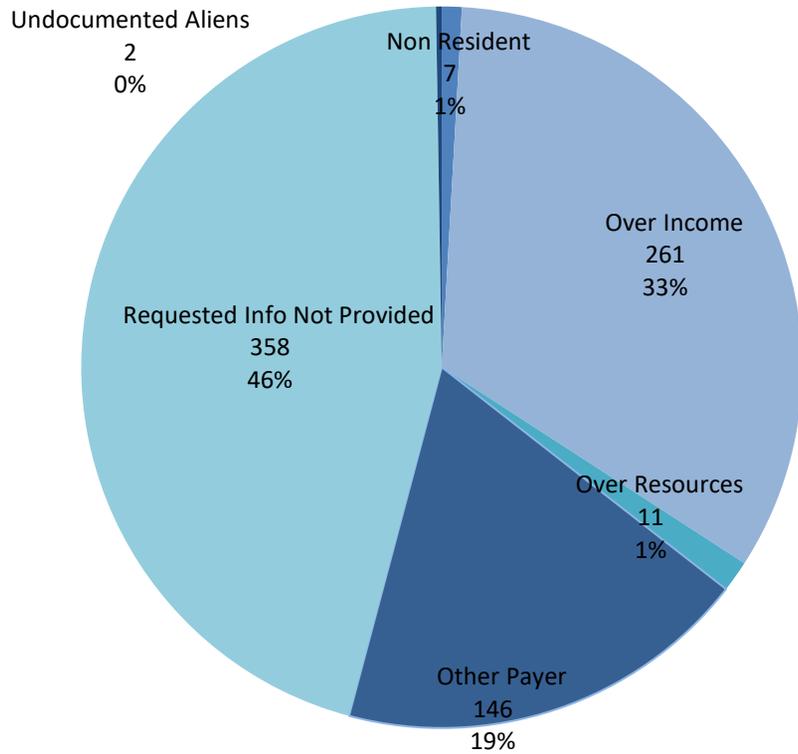
Nueces Aid Program Enrollment Summary Calendar Year 2025

	Jan	Feb	Mar	Apr	May	Jun*	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2025 Average	Comments
PENDING OTHER PAYORS														
TANF	44	47	57	63	81	78	72						63	
%	4.0%	4.2%	5.0%	5.5%	7.1%	6.8%	6.3%						5.6%	
SSI-SSID	692	686	695	711	700	693	695						696	
%	62.2%	62.0%	61.6%	62.0%	61.4%	60.7%	61.2%						61.6%	These individuals are eligible for NCHD assistance if denied assistance by other payer.
Other Payor	377	373	377	373	359	370	368						371	
%	33.9%	33.7%	33.4%	32.5%	31.5%	32.4%	32.4%						32.8%	
TOTAL PENDING OTHER PAYORS	1,113	1,106	1,129	1,147	1,140	1,141	1,135						1,130	
	24.2%	24.5%	25.0%	25.2%	25.2%	25.0%	24.7%						24.8%	
HOUSEHOLDS BY SIZE														
1 Member Household	4,177	4,085	4,078	4,115	4,077	3,889	4,117						4,077	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
%	95.1%	95.0%	95.0%	95.0%	94.9%	89.8%	94.6%						94.2%	
2 Member Household	215	214	216	215	219	431	235						249	
%	4.9%	5.0%	5.0%	5.0%	5.1%	10.0%	5.4%						5.8%	
>=3 Member Household	0	0	0	0	0	11	2						2	
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%						0.0%	
TOTAL HOUSEHOLDS	4,392	4,299	4,294	4,330	4,296	4,331	4,354						4,328	
* - Due to software conversion, some statistics may be inaccurate in June.														

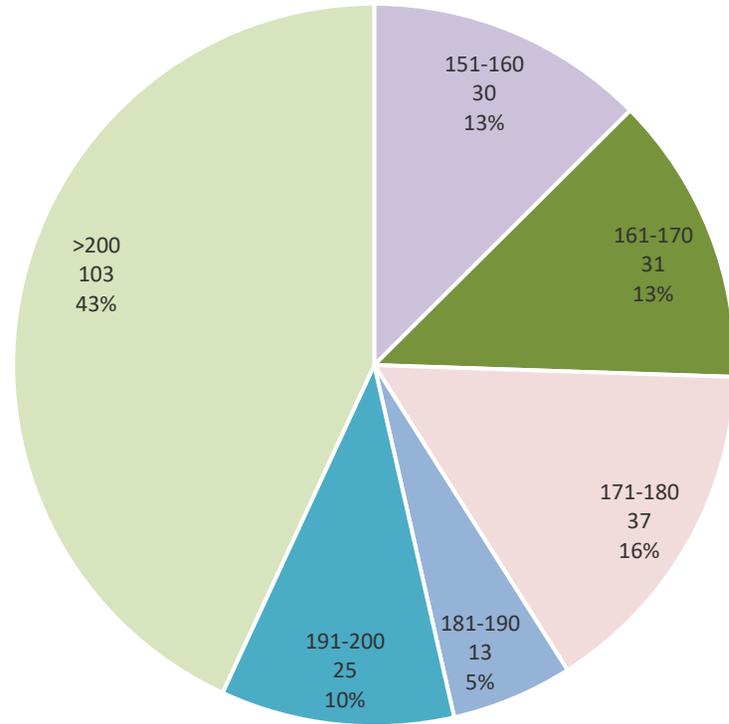
NUECES AID DENIALS

Calendar Year 2025
January-July

Denial Reasons



Comparison of Over Income Case to 2024 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
TOTAL APPLICATIONS	857	770	820	864	772	646	828						5,557	
- Approved	741	653	721	746	666	512	703						4,742	
%	86.5%	84.8%	87.9%	86.3%	86.3%	79.3%	84.9%						85.3%	Since FY 1999, the denial rate is based on all denied individuals in the household.
- Denied	116	117	99	118	106	134	125						815	
%	13.5%	15.2%	12.1%	13.7%	13.7%	20.7%	15.1%						14.7%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Services														
100%	536	463	486	50	454	440	491						2,920	
%	72.3%	70.9%	67.4%	6.7%	68.2%	85.9%	69.8%						61.6%	
90%	13	21	21	20	24	25	10						134	
%	1.8%	3.2%	2.9%	2.7%	3.6%	4.9%	1.4%						2.8%	
80%	25	9	11	28	11	15	18						117	
%	3.4%	1.4%	1.5%	3.8%	1.7%	2.9%	2.6%						2.5%	
70%	17	10	17	20	24	11	22						121	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%	2.7%	3.6%	2.1%	3.1%						2.6%	
60%	14	10	15	18	10	10	11						88	
%	1.9%	1.5%	2.1%	2.4%	1.5%	2.0%	1.6%						1.9%	
50%	8	10	13	8	10	15	12						76	
%	1.1%	1.5%	1.8%	1.1%	1.5%	2.9%	1.7%						1.6%	
TOTAL	613	523	563	144	533	516	564						3,456	
%	82.7%	80.1%	78.1%	19.3%	80.0%	100.8%	80.2%						72.9%	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	661	589	648	681	604	551	565						4,299	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%	95.4%	95.1%	85.7%	92.6%						93.3%	
2 Member Household	40	32	37	33	31	86	45						304	
%	5.7%	5.2%	5.4%	4.6%	4.9%	13.4%	7.4%						6.6%	
3 or > Member Household	0	0	0	0	0	6	0						6	Households pending other payors are not included.
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%						0.1%	
TOTAL HOUSEHOLDS APPROVED	701	621	685	714	635	643	610						4,609	

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

	Jan	Feb	Mar	Apr	May	Jun*	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2025	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident %	0 0.0%	1 0.9%	0 0.0%	2 1.7%	1 0.9%	1 0.7%	2 1.6%						7 0.9%	The percentage for each denial reason is calculated by dividing the number of
Over Income %	43 37.1%	45 38.5%	22 22.2%	43 36.4%	32 30.2%	36 26.9%	40 32.0%						261 32.0%	individuals for each reason by the total number of individuals denied.
Over Resources %	2 1.7%	2 1.7%	1 1.0%	0 0.0%	0 0.0%	3 2.2%	3 2.4%						11 1.3%	
Other Payer %	32 27.6%	16 13.7%	18 18.2%	27 22.9%	17 16.0%	13 9.7%	23 18.4%						146 17.9%	
Requested Info Not Provided %	39 33.6%	53 45.3%	58 58.6%	46 39.0%	55 51.9%	50 37.3%	57 45.6%						358 43.9%	
Undocumented Aliens %	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 0.9%	1 0.7%	0 0.0%						2 0.2%	Note: UA code eff 08/01/01
TOTAL DENIALS	116	117	99	118	106	104	125	0					785	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household %	92 86.8%	97 90.7%	87 93.5%	97 89.8%	92 92.9%	80 80.0%	111 79.9%						656 87.2%	The denial percentage for each size household is calculated by dividing the
2 Member Household %	11 10.4%	10 9.3%	6 6.5%	11 10.2%	7 7.1%	16 16.0%	28 20.1%						89 11.8%	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%	0 0.0%	0 0.0%	4 4.0%	0 0.0%						7 0.9%	Households pending other payors are not included.
TOTAL HOUSEHOLDS DENIED	106	107	93	108	99	100	139						752	
PENDING APPLICATIONS														
Pending documentation	81	77	79	69	81	72	110						81	The YTD number for incomplete applications is the average of the monthly incomplete applications.
TANF	11	17	19	20	24	15	18						18	
SSI-SSID	52	59	68	77	51	54	59						60	
Other Payor	65	54	71	47	52		62						59	
* - Due to software conversion, some statistics may be inaccurate in June.														



**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	4,544	4,767	-4.68%	-223
May	4,515	4,782	-5.58%	-267
June	4,565	4,754	-3.98%	-189
Jul	4,596	4,823	-4.71%	-227
Aug				
Sep				
Oct				
Nov				
Dec				

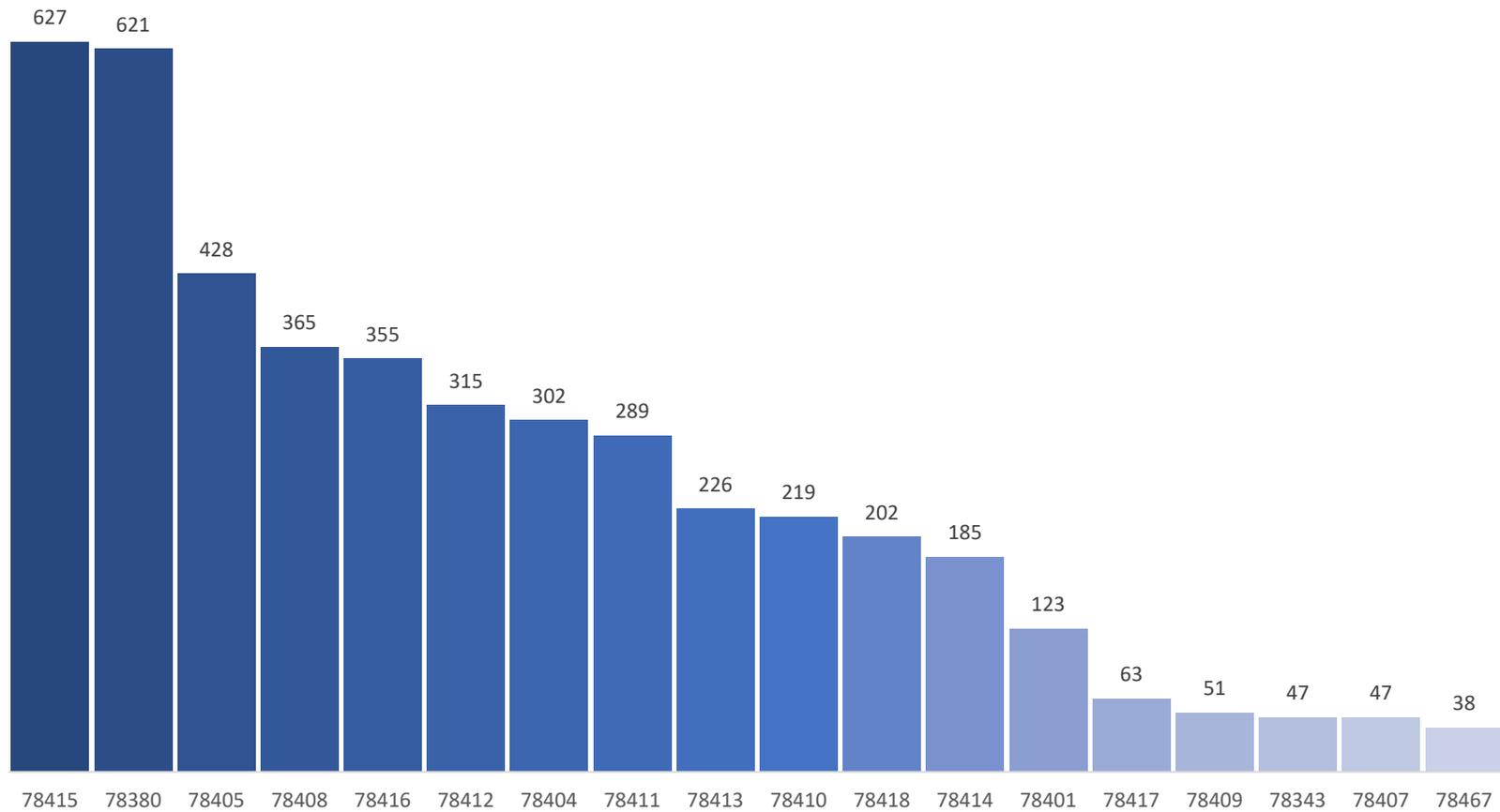
**NCHD
Eligibility History**

2018	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2019	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2020	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2021	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2022	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2023	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2024	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
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%	
2025	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,494	3,407	3,380	3,397	3,375	3,424	3,461	-	-	-	-	-	23,938	3,420	-5%
Pend	1,113	1,106	1,129	1,147	1,140	1,141	1,135	-	-	-	-	-	7,911	1,130	-3%
Total	4,607	4,513	4,509	4,544	4,515	4,565	4,596	-	-	-	-	-	31,849	4,550	-4%
% of PY	98%	95%	95%	95%	94%	96%	95%	0%	0%	0%	0%	0%	56%	96%	



Nueces County Hospital District

Enrollment by Zipcode as of July 2025

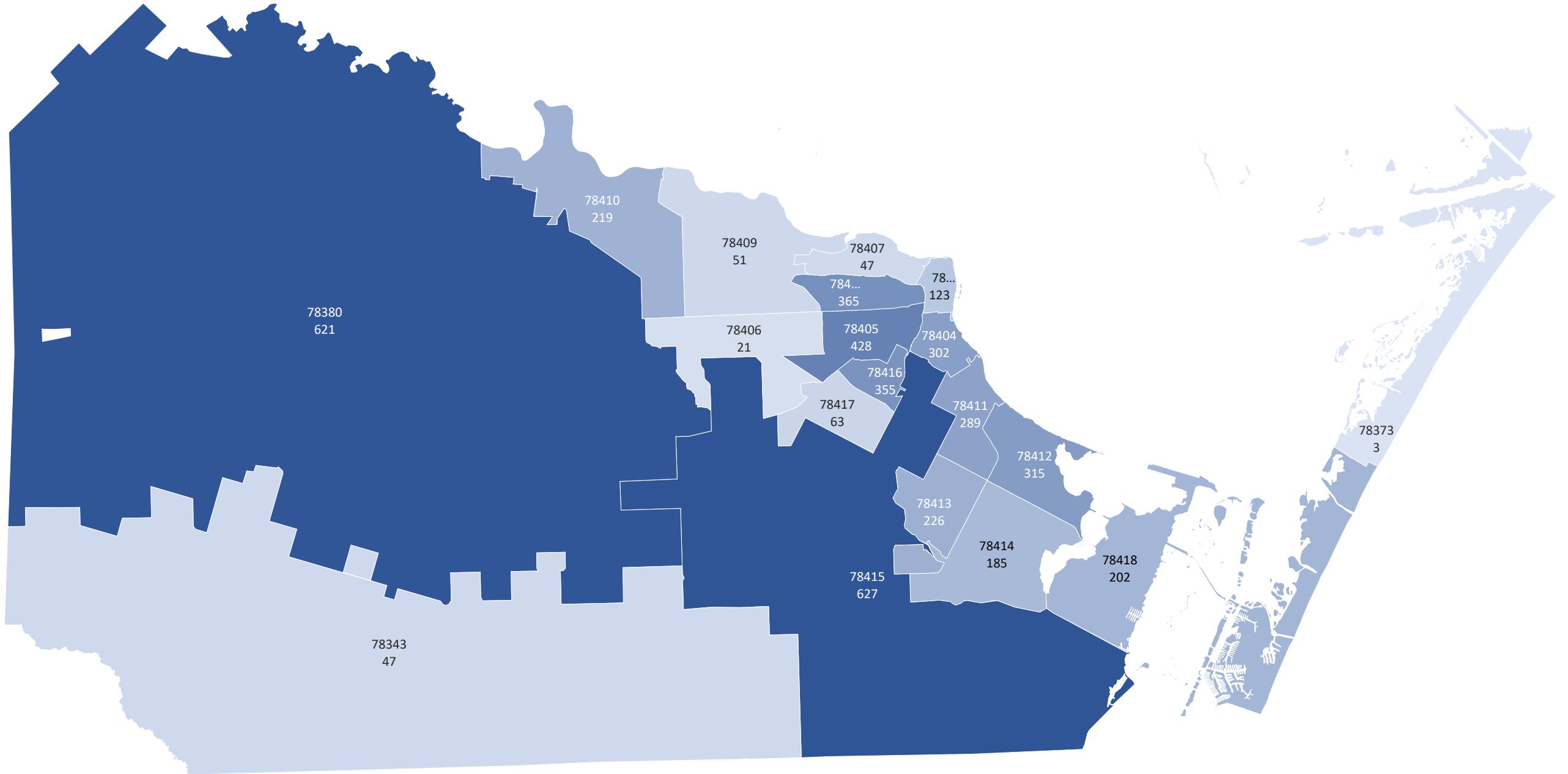


**Nueces County Hospital District
Enrollment by Zip Code
As of 7/31/2025**

Zip Code	Description	Members	% to Total
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	627	14%
78380	Robstown	621	14%
78405	CC:19th to Port Ave to Agnes, includes HPG	428	9%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	365	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	355	8%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	315	7%
78404	CC:Six Points	302	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	289	6%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	226	5%
78410	CC:Annville and Calallen	219	5%
78418	CC:Flour Bluff	202	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	185	4%
78401	CC:Downtown and Cargo Docks	123	3%
78417	CC:Old Brownsville to Ayers to Saratoga	63	1%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	51	1%
78343	Bishop + FM 665 to CR 107 W to CR 57E	47	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	47	1%
78467	CC: Leopard St Between S. Staples and Sam Rankin	38	1%
	Subtotal	4,503	98%
	Total	4,597	



Nueces County Hospital District Enrollment Map



HEALTH AND SAFETY CODE
TITLE 4. HEALTH FACILITIES
SUBTITLE D. HOSPITAL DISTRICTS
CHAPTER 298C. NUECES COUNTY HOSPITAL DISTRICT HEALTH CARE PROVIDER
PARTICIPATION PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

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

(1) "Board" means the board of hospital managers of the district.

(2) "District" means the Nueces County Hospital District.

(3) "Institutional health care provider" means a hospital that is not owned and operated by a federal or state government and provides inpatient hospital services.

(4) "Paying provider" means an institutional health care provider required to make a mandatory payment under this chapter.

(5) "Program" means the health care provider participation program authorized by this chapter.

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

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

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

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

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

SUBCHAPTER B. POWERS AND DUTIES OF BOARD

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

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

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

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

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

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

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

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

(b) Not later than the fifth day before the date of the hearing required under Subsection (a), the board shall publish

notice of the hearing in a newspaper of general circulation in the district and provide written notice of the hearing to each institutional health care provider located in the district.

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

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

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

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

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

(b) The local provider participation fund consists of:

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

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

(3) the earnings of the fund.

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

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

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

U.S.C. Section 1315);

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

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

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

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

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

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

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

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

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

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

(6) reimburse the district if the district is required by the rules governing the uniform rate enhancement program described by Subdivision (1)(C) to incur an expense or forego

Medicaid reimbursements from the state because the balance of the local provider participation fund is not sufficient to fund that rate enhancement program.

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

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

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

SUBCHAPTER D. MANDATORY PAYMENTS

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

submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. If the mandatory payment is required, the district shall update the amount of the mandatory payment on an annual basis.

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

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

(d) Subject to Subsection (c), if the board requires a mandatory payment authorized under this chapter, the board shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the district for activities under this chapter and to fund an intergovernmental transfer described by Section [298C.103\(c\)\(1\)](#). The annual amount of revenue from mandatory payments that shall be paid for administrative expenses by the district is \$150,000, plus the cost of collateralization of deposits, regardless of actual expenses.

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

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

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

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

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

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

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

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

(b) This chapter does not authorize the district to collect mandatory payments for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary to fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements for hospitals and to cover the administrative expenses of the district associated with activities under this chapter.

(c) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the board may provide by rule for an alternative provision or procedure that conforms to the

requirements of the federal Centers for Medicare and Medicaid Services. A rule adopted under this section may not create, impose, or materially expand the legal or financial liability or responsibility of the district or an institutional health care provider in the district beyond the provisions of this chapter. This section does not require the board to adopt a rule.

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

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

Nueces LPPF FY2026 Rate Proposal

Nueces LPPF FY26 Rate Calculation by Provider

Facility	System	2023 Net Patient Revenue	FY26 Rate	Quarterly Assessment
			6.00%	
Driscoll Children's Hospital	DCH	750,076,073.00	45,004,564.00	11,251,141.00
CHRISTUS Spohn Hospital Corpus Christi	CHRISTUS	665,879,261.00	39,952,756.00	9,988,189.00
Corpus Christi Medical Center	HCA	489,095,253.00	29,345,715.00	7,336,428.75
PAM Specialty Hospital of Corpus Christi	PAM	24,020,406.00	1,441,224.00	360,306.00
PAM Rehab Hospital of Corpus Christi	PAM	27,875,094.00	1,672,506.00	418,126.50
Oceans Behavioral Hospital of Corpus Christi	Oceans	10,419,306.00	625,158.00	156,289.50
Corpus Christi Rehab Hospital	Ernest Health	20,243,722.00	1,214,623.00	303,655.75
TOTAL		1,987,609,115.00	119,256,546.00	29,814,136.50

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PUBLIC NOTICES

Beer & Liquor Licenses

Application has been made with the Texas Alcoholic Beverage Commission for a Wine and Malt Beverage Retailer's On-Premise Permit (BG) by RAM & KRISHNA MANAGEMENT, LLC dba K STORE, to be located at 301 Mohawk St. Corpus Christi, TX 78405. Officers of said company are Nitu Patel and Keith R. Grant, Managers.
 August 18, 2025
 LAC00353541

Govt Bids & Proposals

The Port of Corpus Christi Authority (PCCA) hereby issues this Request for Bids (RFB) seeking Bidders interested in the Harbor Island Security Fence Improvements project. Interested Bidders must be registered on the PCCA's procurement website to obtain the complete RFB package (<https://pcca.procureware.com/home>).
 Scope of work generally consists of installing new 8-foot security fence at Harbor Island and removing and replacing existing security fence along the south-east section of Harbor Island adjacent to State Highway 361.
 This is a lump sum contract. Bidder must submit a bid bond or cashier's check for 5% of the total amount of the bid. Performance and Payment Bonds are required when the successful bidder executes this contract, each for 100% of the total contract amount.
 A pre bid meeting is scheduled at 3:00 P.M. CST on Wednesday, August 20, 2025 at the PCCA Administration Building located at 400 Harbor Drive, Corpus Christi, Texas 78401, with a site visit to follow. For virtual access to the meeting, login information will be published prior to the meeting date/time.
 One (1) original signed bid package must be received in a sealed envelope marked "Bid for Harbor Island Security Fence Improvements - Bid Opening at 3:00 P.M. CST on Thursday,

Govt Bids & Proposals

September 4, 2025" and must be addressed to Port of Corpus Christi Authority, 400 Harbor Drive, Corpus Christi, Texas 78401, Attention: Melinda Licors, Manager of Procurement Services. Bids will be publicly opened and read aloud virtually at the time bids are due. Bids may not be faxed or emailed to the PCCA office. Bids submitted by express mail service must be in a sealed envelope inside the express mail packaging. The PCCA reserves the right to accept or reject any or all bids received.
 BY AUTHORITY OF THE PORT OF CORPUS CHRISTI

Govt Public Notices

NOTICE OF PUBLIC HEARING REGARDING HEALTH CARE PROVIDER PARTICIPATION PROGRAM (HCPPP) MANDATORY PAYMENT AMOUNTS FOR FISCAL YEAR 2026.

The Nueces County Hospital District (NCHD) Board of Managers will hold a public hearing on Tuesday, August 26, 2025, at 12:00 PM in the NCHD Board of Managers Meeting Room at 555 N. Carancahua Street (Tower II), Room 950-A, Corpus Christi, Texas, to receive comments on the proposed mandatory payment amounts under the Health Care Provider Participation Program (HCPPP) for Fiscal Year 2026 (October 1, 2025 - September 30, 2026), and on the intended use of the revenue collected. The Board is considering the amount of mandatory payments to be required from institutional health care providers within the District's boundaries (coterminous with Nueces County). An institutional health care provider is defined as a hospital that provides inpatient services and is not owned or operated by the federal or state government. Representatives of affected providers and the public are invited to attend and comment either in-person or virtually. To join via Zoom, visit <https://tinyurl.com/5n7p6m9s> (Meeting ID: 574 676 5992, Passcode: 195957). To join by phone, dial +1 346 248 7799 (Houston) or +1 669 900 6833 (San Jose), or use one-tap mobile: +13462487799, 5746765992 # or +16699006833, 5746765992 #. Questions may be directed to Belinda Espinoza, Assistant Administrator, at belinda.espinoza@nchdccc.org. Meeting agenda and materials are available at <https://meetings.boardbook.org/Public/Organization/1886>.
 Publication Date: Corpus Christi Caller-Times August 19, 2025

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Govt Public Notices

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 Publication Date: Corpus Christi Caller-Times August 19, 2025

Public Sale

NOTICE OF PUBLIC SALE
 To satisfy the owner's storage lien, KO Storage LLC will sell at public lien sale on September 16, 2025. The personal property in the below-listed units, which may include but are not limited to: Household goods, boxes/totes/bags, clothing, bedding, tools and toys. The public sale of these items will begin at 10AM on September 09, 2025 and end at 2PM on September 16, 2025. The public sale will take place on www.storage-reasures.com.

KO Storage of Corpus Christi - Leopard St, 10224 Leopard St, Corpus Christi TX 78410, (952)-491-6837 Time: 02:00PM CST
 066, Parm, Shari, 068, Bueno, Elizabeth, 235, Ray, Rocky, 238, Breland, Margaret

Public sale terms, rules, and regulations will be made available on www.storage-reasures.com. All sales are subject to cancellation. We reserve the right to refuse any bid. Payment must be by credit/debit card, we do not accept checks or cash. Buyers must secure the units with their own personal locks. To claim tax-exempt status, original RESALE certificates for each space purchased is required. By KO Storage LLC, 10301 Wayzata Blvd, Minnetonka, MN 55305. (952)-491-6837. August 19, 26 2025 LAC00348796

Bids & Proposals

Construction Manager-at-Risk (CMAR) Services
 Flour Bluff Independent School District (FBISD) is soliciting proposals from qualified firms to provide Construction Manager-at-Risk (CMAR) services for 3 projects under District's 2025 Bond Program. The procurement will be conducted in accordance with Texas Government Code Chapter 2269, Subchapter F. Sealed proposals will be received until 10:00am (CS September 3rd 2025 at the Flour Bluff ISD Administration Building Attn: Arti Bhakta, Purchasing Agent, 2505 W. Road, Corpus Christi, Texas 78418. Questions regarding this solicitation must be submitted in writing to abhakta@flourbluffschools.net no later August 25th 2025 @ 1pm Responses to all questions will be posted publicly on the District's website <https://flourbluffschools.net/finance-dept/>. RFP documents may be obtained online at <https://flourbluffschools.net/finance-dept/> or request contacting abhakta@flourbluffschools.net. The District reserves the right to reject any or all proposals and to waive any formalities or irregularities in the process.

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AFFIDAVIT OF PUBLICATION

Melissa Quintanilla
Nueces County Hospital Dist.
555 N Carancahua Ste 950
Corpus Christi TX 78401-0835

STATE OF WISCONSIN, COUNTY OF BROWN

The Corpus Christi Caller-Times, a newspaper published in the city of Corpus Christi, Nueces County, State of Texas, generally circulated in Aransas, Bee, Brooks, Duval, Jim Hogg, Jim Wells, Kleberg, Live Oak, Nueces, Refugio, and San Patricio Counties, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

08/19/2025

and that the fees charged are legal.
Sworn to and subscribed before on 08/19/2025

Legal Clerk

Notary, State of WI, County of Brown

5-15-27

My commission expires

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NOTICE OF PUBLIC HEARING REGARDING HEALTH CARE PROVIDER PARTICIPATION PROGRAM (HCPPP) MANDATORY PAYMENT AMOUNTS FOR FISCAL YEAR 2026.

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NANCY HEYRMAN
Notary Public
State of Wisconsin

Jonny F. Hipp (NCHD)

From: Jonny F. Hipp (NCHD)
Sent: Wednesday, August 6, 2025 1:49 PM
To: Belinda Espinoza (NCHD); Donna Littlefield (NCHD); Jonny F. Hipp (NCHD); Angie Jones (angelajones@ernesthealth.com); Crystal West (crystalwest@ernesthealth.com); Michael Pearce (MichaelPierce@ernesthealth.com); David Irizarry Jr. (david.irizarryjr@hcahealthcare.com); Lee Lopez (Lee.Lopez@hcahealthcare.com); Becky Rios (becky.rios@christushealth.org); Dominic Dominguez (dom.dominguez@christushealth.org); Joel Vigil (joel.vigil@christushealth.org); Kristina Alldredge (kristina.alldredge@christushealth.org); Richard R. Ford (richard.ford2@christushealth.org); Eric Hamon (eric.hamon@dchstx.org); Steven E. King (steve.king@dchstx.org); Michelle C. Lozano (michelle.lozano@oceanshealthcare.com); Stuart Archer (sarcher@oceanshealthcare.com); Kevin A. Snook (ksnook@pamhealth.com)
Cc: Alex Russell (alex@ahcv.com); Corbin Pefanis (corbin@ahcv.com); Jared A. Konczal (konczal@gl-law.com); Kevin Spencer (kspencer@ahcv.com); Lance J. Ramsey (ramsey@gl-law.com); Robin Oldham (robin@ahcv.com); Adam Robison (arobison@kslaw.com); John B. Martinez (john@mrtrial.com); Mary Esther Guerra (maryesther.guerra@nuecescountytexas.gov)
Subject: Nueces Health Care Provider Participation Program - FY 2026 Mandatory Payment Rate

Administrators of Institutional Health Care Providers Located in Nueces County,

NOTICE OF PUBLIC HEARING REGARDING HEALTH CARE PROVIDER PARTICIPATION PROGRAM (HCPPP) MANDATORY PAYMENT AMOUNTS FOR FISCAL YEAR 2026.

Chapter 298C of the Texas Health and Safety Code, as amended, authorizes the Nueces County Hospital District (NCHD) to participate in a Health Care Provider Participation Program, establish a local provider participation fund, and impose mandatory payments on institutional health care providers. This public hearing notice is issued in accordance with Section 298C.101 of that Code.

Public Notice is hereby given that the NCHD Board of Managers will hold a public hearing on **Tuesday, August 26, 2025**, at **12:00 PM** in the NCHD Board of Managers Meeting Room at 555 N. Carancahua Street (Tower II), Room 950-A, Corpus Christi, Texas, to receive comments on the proposed mandatory payment amounts under the Health Care Provider Participation Program (HCPPP) for Fiscal Year 2026 (October 1, 2025 - September 30, 2026), and on the intended use of the revenue collected. The Board is considering the amount of mandatory payments to be required from institutional health care providers within the District's boundaries (coterminous with Nueces County). An institutional health care provider is defined as a hospital that provides inpatient services and is not owned or operated by the federal or state government.

Representatives of affected providers and the public are invited to attend and comment either in-person or virtually. To join via Zoom, visit <https://tinyurl.com/5n7p6m9s> (Meeting ID: 574 676 5992, Passcode: 195957). To join by phone, dial +1 346 248 7799 (Houston) or +1 669 900 6833 (San Jose), or use one-tap mobile: +13462487799,,5746765992# or +16699006833,,5746765992#.

Questions may be directed to Belinda Espinoza, Assistant Administrator, at belinda.espinoza@nchdcc.org.

Jonny F. Hipp, ScD, LFACHE

Administrator/Chief Executive Officer

Nueces County Hospital District

555 N. Carancahua, Suite 950

Corpus Christi, TX 78401-0835

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

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





NOTICE OF PUBLIC MEETING

BOARD OF MANAGERS

**Public Hearing
Tuesday, August 26, 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=T2RVWFBBpZGJYdHYyQmp1VUdZeUc3Zz09>

Meeting ID: **574 676 5992**

Passcode: **195957**

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**BOARD OF MANAGERS
Public Hearing
Tuesday, August 26, 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; AND CONFIRMATION OF PROPER POSTING OF MEETING NOTICE

A. Call to order.

B. Establish quorum.

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

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

A. Mandatory Health Care Provider Participation Program ("Program") payment rate of six percent (6%) of net patient revenue, which the Board of Managers intends to require of each institutional health care provider located within the Hospital District during Fiscal Year 2026 (October 1, 2025 – September 30, 2026), together with the proposed uses of the revenue derived from such payments; the Program is authorized by Texas Health and Safety Code Chapter 298C, as amended; the mandatory payment is authorized under §298C.051; and the required public hearing has been conducted

pursuant to §298C.101.

5. CLOSE PUBLIC HEARING

6. ADJOURN

7. Public Notice Posting Receipt

**NUECES COUNTY HOSPITAL DISTRICT
HEALTH CARE PROVIDER PARTICIPATION PROGRAM
REVISED RULES AND PROCEDURES
Effective: August 1, 2023**

General Provisions

Rule 1. Definitions. In these rules and procedures:

(a) "Mandatory payment" means a mandatory payment authorized under Texas Health and Safety Code, Chapter 298C.

(b) "Institutional health care provider" means a hospital that is not owned and operated by a federal or state government and provides inpatient hospital services.

(c) "Paying provider" or "Paying hospital" means an institutional health care provider required to make a mandatory payment under Texas Health and Safety Code, Chapter 298C.

(d) "Program" means the health care provider participation program authorized under Texas Health & Safety Code, Chapter 298C.

(e) "Hospital District" means the Nueces County Hospital District.

(f) "Board of Managers" means the Board of Managers of the Nueces County Hospital District.

Rule 2. Health Care Provider Participation Program; Participation in Program.

(a) The Program authorizes the Hospital District to collect a mandatory payment from each institutional health care provider located in the Hospital District to be deposited in a local provider participation fund established by the Hospital District. Money in the fund may be used by the Hospital District to fund certain intergovernmental transfers as provided by these rules and procedures.

(b) The Board of Managers may adopt an order authorizing the Hospital District to participate in the Program, subject to the limitations provided by these rules and procedures.

(c) To the extent any provision or procedure under Texas Health & Safety Code, Chapter 298C causes a mandatory payment to be ineligible for federal matching funds, the Hospital District may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare & Medicaid Services.

Powers and Duties of Board of Managers

Rule 3. Limitation on Authority to Require Mandatory Payment. The Hospital District may require a mandatory payment from an institutional health care provider only in the manner provided in these rules and procedures.

Rule 4. Majority Vote Required Prior to Mandatory Payment. The Hospital District may not collect a mandatory payment without an affirmative vote of a majority of the

members of the Board of Managers authorizing the Hospital District to participate in the Program.

Rule 5. Institutional Health Care Provider Reporting; Inspection of Records.

(a) The Hospital District shall require each institutional health care provider to submit to the Hospital District a copy of any financial and utilization data required by and reported to the Department of State Health Services under Texas Health & Safety Code, §311.032 and §311.033 and any rules adopted by the Executive Commissioner of the Texas Health and Human Services Commission to implement those sections.

(b) The Hospital District may inspect the records of an institutional health care provider to the extent necessary to ensure that the institutional health care provider has submitted all required data under this Rule.

General Financing Provisions

Rule 6. Hearing.

(a) Each year, the Board of Managers shall hold a public hearing on the amounts of any mandatory payments that the Board intends to require during the year and how the revenue derived from those payments is to be spent.

(b) Not later than the fifth (5th) day before the date of the hearing required under Subdivision 6(a), the Board of Managers shall publish notice of the hearing in a newspaper of general circulation in the Hospital District.

(c) A representative of a paying hospital is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments.

Rule 7. Depository and Investment of Funds.

(a) The Hospital District shall designate one or more banks as the depository for the Hospital District local provider participation fund.

(b) All income received by the Hospital District under these rules and procedures, including the revenue from mandatory payments remaining after fees for assessing and collecting the payments are deducted, shall be deposited with the Hospital District depository in the District's local provider participation fund and may be withdrawn only as provided by these rules and procedures.

(c) All funds under these rules and procedures shall be secured in the manner provided for securing other Hospital District funds.

(d) All funds received under these rules and procedures may be invested consistent with the Investment Policy of the Hospital District, except that such investment shall be limited to overnight funds.

Rule 8. Local Provider Participation Fund; Authorized Uses of Money.

(a) If the Hospital District requires a mandatory payment, it shall create a local provider participation fund.

(b) The local provider participation fund of the Hospital District consists of:

(1) all revenue received by the Hospital District attributable to mandatory payments;

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

(3) the earnings of the fund.

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

(1) fund intergovernmental transfers from the Hospital District to the State of Texas to provide the nonfederal share of Medicaid payments for:

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

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

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

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

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

(2) pay the administrative expenses of the Hospital District in administering the Program, including the collateralization of deposits;

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

(4) refund to paying providers the proportionate share of money that the Hospital District:

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

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

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

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

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

(e) An intergovernmental transfer of funds described by Subdivision (c)(1) and any funds received by the Hospital District as a result of an intergovernmental transfer described by that rule may not be used by the State, Hospital District, or other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

Mandatory Payments

Rule 9. Mandatory Payments Based on Paying Hospital Net Patient Revenue.

(a) Except as provided by Rule 11, if the Board of Managers collects a mandatory payment, it may require that a mandatory payment be assessed annually or periodically throughout the fiscal year at the discretion of the Board of Managers on the net patient revenue of each institutional health care provider located in the boundaries of the Hospital District.

(b) The Board of Managers shall provide an institutional health care provider written notice of each assessment and the mandatory payments shall be made 30 days following the date of receipt of the notice of payment.

(c) In the first year in which the mandatory payment is required, the mandatory payment is assessed based on the most recent fiscal year data collected pursuant to Subdivision 5(a). If no such data are available for an institutional health care provider, the mandatory payment may be calculated based on the institutional health care provider's Medicare cost report submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report.

(d) The net patient revenue basis of the mandatory payment may be updated during the fiscal year using the most recent fiscal year data collected pursuant to Subdivision 5(a). Use of data that is updated during the fiscal year does not require Board of Managers approval.

Rule 10. Mandatory Payment Requirements

(a) The amount of a mandatory payment must be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the Hospital District.

(b) If the Board of Managers requires a mandatory payment, it shall set the amount of the mandatory payment; the aggregate amount of the mandatory payments required of all paying providers in the Hospital District may not exceed six percent (6%)

of the aggregate net patient revenue from hospital services provided by all paying providers within boundaries of the District.

(c) Subject to the maximum amount prescribed by Rule 11(a), if the Board of Managers requires a mandatory payment, it shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the Hospital District for activities under these rules and procedures and to fund purposes described in Rule 8(c).

(i) The annual amount of revenue from mandatory payments used for administrative expenses of the Hospital District for activities under these rules and procedures is \$150,000, plus the cost of collateralization of deposits, regardless of actual expenses.

(d) The mandatory payment may not be collected for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary to fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements for hospitals to cover the administrative expenses of the Hospital District associated with the Program.

(e) To the extent any Program provision or procedure causes a mandatory payment to be ineligible for federal matching funds, the Board may provide by rule for an alternative provision or procedure that conforms to the requirements of federal Centers for Medicare & Medicaid Services.

Rule 11. Mandatory Payment Prohibitions.

(a) The amount of the mandatory payment required of each paying hospital may not exceed an amount that, when added to the amount of the mandatory payments required from all other paying hospitals located in the boundaries of the Hospital District, equals an amount of revenue that exceeds six percent (6%) of the aggregate net patient revenue of all paying hospitals in the Hospital District.

(b) A mandatory payment may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

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

(d) A mandatory payment assessed hereunder is not a tax for hospital purposes for purposes of Texas Constitution, Section 4, Article IX or Texas Health and Safety Code, §281.045.

(e) The amount of the mandatory payment required of each paying hospital may not be discounted.

Rule 12. Assessment and Collection of Mandatory Payments.

(a) The Hospital District may designate an official of the Hospital District or contract with another person to assess and collect the mandatory payments.

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

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

EXHIBIT A-1

Institutional Health Care Providers

1. CHRISTUS Spohn Hospital Corpus Christi
2. Corpus Christi Rehabilitation Hospital
3. Driscoll Children's Hospital
4. PAM Rehabilitation Hospital of Corpus Christi
5. PAM Specialty Hospital of Corpus Christi North
6. South Texas Surgical Hospital (CHRISTUS Surgical Hospital)
7. The Corpus Christi Medical Center – Bay Area



Administrative Offices

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

Office: (361) 808-3300

Fax: (361) 808-3274

www.nchdcc.org

BOARD OF MANAGERS ORDER **AUGUST 26, 2025**

Order Setting the Fiscal Year 2026 Mandatory Payment Rate for the Nueces County Hospital District Health Care Provider Participation Program

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

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

WHEREAS, pursuant to Section 298C.003 of the Health and Safety Code, the Board authorized the District's participation in the Program for Fiscal Years 2021, 2022, 2023, 2024, and 2025 on September 29, 2020; August 3, 2021; September 20, 2022; July 24, 2023; and July 23, 2024, respectively;

WHEREAS, the Board now seeks to establish the amount of mandatory payments under the Program for Fiscal Year 2026 (October 1, 2025 – September 30, 2026) and to fulfill the preliminary requirements of Chapter 298C, Health and Safety Code;

WHEREAS, under Section 298C.101(a), Health and Safety Code, the Board is required each fiscal year to hold a public hearing regarding the amounts of mandatory payments to be assessed and the intended uses of the resulting revenue, and the District conducted such public hearing on August 26, 2025;

WHEREAS, pursuant to Section 298C.101(b), Health and Safety Code, the Board must publish notice of the required hearing at least five days prior in a newspaper of general circulation within the District, and such notice was published on August 19, 2025;

WHEREAS, pursuant to Section 298C.101(b), Health and Safety Code, the Board must also provide written notice of the hearing to each institutional health care provider in the District at least five days prior, and such notice was provided on August 19, 2025;

WHEREAS, having satisfied the statutory prerequisites, the Board now desires to establish the amount of mandatory payments under the Program for Fiscal Year 2026 and to direct that such payments be applied to one or more of the authorized purposes set forth in §298C.103, Health and Safety Code; and

WHEREAS, pursuant to Rule 9(d) of the Nueces County Hospital District Health Care Provider Participation Program Rules & Procedures (effective August 1, 2023), the net patient revenue basis for calculating the mandatory payment may be updated during the fiscal year using the most recent fiscal year data collected under Subdivision 5(a) of the Rules, and such updates do not require approval by the Board of Managers.

NOW, THEREFORE, BE IT ORDERED that the Board of Managers of the Nueces County Hospital District hereby establishes the mandatory payment under the Health Care Provider Participation Program for Fiscal Year 2026 (October 1, 2025 – September 30, 2026) **at six percent (6%) of the net patient revenue** of each institutional health care provider located within the District.

BE IT FURTHER ORDERED that the mandatory payments shall be directed to one or more of the authorized uses described in §298C.103 of the Health and Safety Code.

BE IT FURTHER ORDERED that the mandatory payment amount is subject to adjustment during Fiscal Year 2026 in accordance with Rule 9(d) of the Nueces County Hospital District Health Care Provider Participation Program Rules & Procedures (effective August 1, 2023), and that such adjustment shall not require further action or approval of the Board.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
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

BOM_HCPPP_Rate_Order_FY26.docx

Nueces County Hospital District
Board of Managers Order
Set FY 2026 HCPPP Payment Rate
August 26, 2025

YEAS: ()
NAYS: ()
PRESENT NOT VOTING: ()
ABSENT: ()

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

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

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of the Hospital District on this the 26th day of August 2025.

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

{HOSPITAL DISTRICT SEAL}



BOARD OF MANAGERS RESOLUTION
AUGUST 26, 2025

**A RESOLUTION COMMITTING FISCAL YEAR-END GENERAL FUND AMOUNTS
TO INTERGOVERNMENTAL TRANSFERS IN THE SUBSEQUENT FISCAL YEAR**

WHEREAS, the Nueces County Hospital District (the “District”) is a political subdivision of the State of Texas, established under Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code (“Health Code”);

WHEREAS, under Health Code §§281.021(a), 281.047, and 281.048, the Board of Managers (the “Board”) serves as the governing body of the District, vested with authority to manage, control, administer, and adopt rules governing District operations;

WHEREAS, pursuant to Health Code §281.091(a), the District’s Administrator (the “Administrator”) prepares the annual budget under the Board’s direction;

WHEREAS, the District’s Fiscal Year 2025 runs from October 1, 2024 through September 30, 2025, and Fiscal Year 2026 runs from October 1, 2025 through September 30, 2026;

WHEREAS, during Fiscal Year 2025 the District participated in Medicaid directed and supplemental payment programs administered by the Texas Health & Human Services Commission (the “Commission”) through intergovernmental transfers (“IGTs”), including the Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS), Comprehensive Hospital Increase Reimbursement Program (CHIRP), Network Access Improvement Program (NAIP), Texas Incentives for Physicians and Professional Services (TIPPS), Disproportionate Share Hospital (DSH), Graduate Medical Education (GME), Hospital Augmented Reimbursement Program (HARP), and Hospital Uncompensated Care (UC);

WHEREAS, due to Commission delays in approving provider performance metrics for Fiscal Year 2025, requests for related IGT payments (“Unpaid FY 2025 IGTs”) will not occur until after September 30, 2025; and

WHEREAS, the Board finds it necessary and appropriate to commit up to **\$39,000,000** from the District’s General Fund balance as of September 30, 2025, to cover these Unpaid FY 2025 IGTs during Fiscal Year 2026.

[THIS SPACE INTENTIONALLY LEFT BLANK]

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

1. The Board commits an amount not to exceed **\$39,000,000** from the District's Fiscal Year-End 2025 General Fund balance to be applied during Fiscal Year 2026 to fund Unpaid FY 2025 IGTs.
2. The actual amount committed shall be determined by the Administrator on or after October 1, 2025, based on information provided by the Commission, but shall not exceed the maximum stated in Section 1.
3. The committed funds shall be drawn from General Fund subaccounts routinely used to make IGTs for Medicaid directed and supplemental payment programs, including ATLAS, CHIRP, NAIP, TIPPS, DSH, GME, HARP, and UC.
4. The Administrator shall incorporate the committed funds into the District's Fiscal Year 2026 Annual Budget.
5. The Administrator is expressly authorized and directed to take all actions and execute all documents necessary to carry out the intent of this Resolution, with such authority conclusively evidenced by the performance of those acts.
6. Acting as Secretary of the Board, the Administrator is further authorized to certify this Resolution as being in conformance with state law and the Board's Bylaws.
7. This Resolution shall take effect immediately upon passage.
8. The Board expressly retains the right to amend or repeal this Resolution.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

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 26th day of August, 2025.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



BOARD OF MANAGERS RESOLUTION
AUGUST 26, 2025

**A RESOLUTION APPROVING THE
FISCAL YEAR 2026 REVENUE ALLOCATION PERCENTAGE**

WHEREAS, the Nueces County Hospital District (the “District”) is a political subdivision of the State of Texas, established pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code (“Health Code”);

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the “Board”) has full power and authority to manage, control, administer, and adopt rules governing the operation of the District;

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

WHEREAS, Section 5.03(a) of the Membership Agreement requires the Parties to confer and agree each year on the percentage of net patient revenue to be allocated to CHRISTUS Health (the “Specified Annual Percentage”) in consideration of its contributions to support CHRISTUS Spohn, and the percentage to be allocated to the District in recognition of its ongoing support for CHRISTUS Spohn’s operations as a public, safety-net hospital in Nueces County, Texas; and

WHEREAS, the Parties have conferred and reached agreement on the Specified Annual Percentage for the period October 1, 2025 through September 30, 2026, subject to approval by the Board, as set forth in correspondence from CHRISTUS Spohn Health System to the District dated August 8, 2025, attached hereto as Exhibit “A.”

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

1. The Board acknowledges that the Parties have conferred and agreed on the Specified Annual Percentage for Fiscal Year 2026, covering the period October 1, 2025 – September 30, 2026.
2. The Board hereby approves the agreed Specified Annual Percentage as memorialized in the letter from CHRISTUS Spohn Health System to the District dated August 8, 2025, attached hereto as Exhibit “A.”

3. The Administrator, in his capacity as Secretary of the Board, is authorized and directed to perform all necessary acts, execute all related documents, and certify that this Resolution is in conformance with the laws of the State of Texas and the District's Bylaws.
4. This Resolution shall take effect immediately upon passage.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

EXHIBIT "A"

[Attach August 8, 2025 letter from CHRISTUS Spohn Health System to the District after this page]



August 8, 2025

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

Re: 2026 Specified Annual Percentage

Dear Jonny:

Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the “Membership Agreement”). The collaboration between CHRISTUS Spohn Health System Corporation (“Spohn”), CHRISTUS Health (“CHRISTUS”), and the Nueces County Hospital District (“District”) over the past few weeks served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2025 – September 30, 2026). While Section 5.03 of the Membership Agreement requires that the parties agree to the Specified Annual Percentage by July 1, the parties mutually agreed to extend this deadline.

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, Spohn prepared a hospital budget and projected Spohn’s Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn in projecting Spohn’s operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On July 24, Spohn and the District met to discuss Spohn’s proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn’s role in operating programs in the community and the District’s role as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties’ respective operations in the Ensuing Year, including (but not limited to) continuation of the Texas 1115 Demonstration Waiver and directed payment programs, uses of the clinic sites and other properties, and physician residency programs.

Jonny Hipp
August 8, 2025
Page 2

Based on these discussions, the parties agreed, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be eighty-three percent (83%), and the remaining seventeen percent (17%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,



Dominic "Dom" Dominguez
Chief Executive Officer
CHRISTUS Spohn Health System Corporation

#255504

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 26th day of August, 2025.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



BOARD OF MANAGERS RESOLUTION
AUGUST 26, 2025

**A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2026
NUECES COUNTY HEALTHCARE EXPENDITURES**

WHEREAS, the Nueces County Hospital District (the “District”) is a political subdivision of the State of Texas, created pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code (“Health Code”);

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the “Board”) possesses full authority to manage, control, administer, and adopt rules governing the District;

WHEREAS, under Health Code §281.091(a), the District’s Administrator (the “Administrator”) must prepare an annual budget under the direction of the Board, with Fiscal Year 2026 running from October 1, 2025 through September 30, 2026;

WHEREAS, the District maintains certain funds from sources other than a tax levy (“Non-Tax Funds”) pursuant to Health Code §281.094(a), and expenditures from these funds for statutorily authorized healthcare services qualify as eligible claims for tobacco settlement distributions under 25 Texas Administrative Code §102.3(e)(2);

WHEREAS, on January 19, 1999, the Board created the restricted Tobacco Settlement Fund to hold all proceeds from the litigation styled *The State of Texas v. The American Tobacco Co., et al., No. 5-96CV-91, U.S. District Court, Eastern District of Texas*, with such proceeds also considered Non-Tax Funds under §281.094(a);

WHEREAS, since Fiscal Year 2000, at the request of the Nueces County Commissioners Court (the “Commissioners Court”), the Board has annually allocated Non-Tax Funds and Tobacco Settlement Funds in the District’s budget to support County-related healthcare services authorized under §281.094(a);

WHEREAS, for Fiscal Year 2026, the Commissioners Court has again requested that the Board allocate funding in the District’s Annual Budget to support specified County healthcare services as detailed in the attached schedule, “County Healthcare Services Funding Schedule – Fiscal Year 2026” (Attachment A);

WHEREAS, the Board finds it appropriate to allocate such funds in the amount of **\$14,421,894** (the “FY 2026 County Healthcare Services Funding Amount”) to support the healthcare services described in Attachment A, subject to the continuing availability of Non-Tax Funds and Tobacco Settlement Funds; and

WHEREAS, under Health Code §§281.026(d) and (e), the Administrator is authorized to carry out the actions directed herein.

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

1. The foregoing recitals are true and correct and are adopted as findings of fact.
2. The Board declares that the FY 2026 County Healthcare Services Funding Amount of **\$14,421,894** shall be paid from the District's Non-Tax Funds and Tobacco Settlement Fund, constituting statutorily authorized expenditures under §281.094(a) of the Health Code and qualifying as claims for tobacco settlement distributions under 25 TAC §102.3(e)(2)).
3. The Administrator is directed to incorporate the FY 2026 County Healthcare Services Funding Amount into the District's Fiscal Year 2026 Annual Budget, allocated as shown in Attachment A.
4. Nueces County shall ensure that funds disbursed for FY 2026 County Healthcare Services are used solely for their intended purposes or related efforts.
5. The Administrator is authorized to disburse the funding in such manner, schedule, and basis as he deems reasonable and appropriate following the commencement of Fiscal Year 2026.
6. The Administrator is expressly authorized to take all actions and execute all documents necessary to carry out the intent and provisions of this Resolution.
7. In his capacity as Secretary of the Board, the Administrator is authorized to certify this Resolution as being in conformance with the Board's Bylaws and Texas law.
8. This Resolution shall take effect immediately upon its passage.

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[BOARD OF MANAGERS SIGNATURE PAGE FOLLOWS]

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

ATTACHMENT "A"

**NUECES COUNTY HEALTHCARE SERVICES
FUNDING SCHEDULE - FISCAL YEAR 2026**

Program #	Program Description	Amount
1a	Local match and other funding for the Nueces Center for Mental Health and Intellectual Disabilities.	\$969,129
1b	Nueces Center for Mental Health and Intellectual Disabilities and/or Nueces County for: [i] Jail Diversion Program, [ii] Crisis Intervention Team (CIT), [iii] Mobile Crisis Outreach Team (MCOT), [iv] Walk-in-Crisis, [v] Jail-Based Competency Restoration (JBCR), and [vi] Forensic Assertive Community Treatment Team (FACT) programs.	1,500,000
2	Nueces County's expense share for City/County Public Health District, Robstown public health salaries and benefits, and mobile clinic.	1,860,000
3	Emergency medical services provided by City of Robstown, City of Port Aransas and Emergency Services Districts 1, 2, 4, and 6 for services performed in Nueces County outside their jurisdictions.	650,000
4	Detainee healthcare services at the Nueces County Juvenile Justice Center and elsewhere where juvenile detainees are held.	474,000
5	Inmate healthcare services provided by Wexford at the Nueces County Jail and McKenzie Jail Annex.	8,532,015
6a	Nueces County for contribution to the Alcohol and Drug Rehabilitation Center (Cenikor).	60,000
6b	Nueces County for contribution to the Council on Alcohol and Drug Abuse.	50,000
7	Nueces County for programs impacting juvenile and adult diabetes.	60,000
8	HALO-Flight nonprofit air ambulance service.	15,750
9	Public Health Grants for Coastal Bend Wellness Foundation, Nueces County Jail Medivan, and University of Texas Health Science Center-San Antonio Area Health Education Center.	251,000
Total		\$14,421,894

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 26th day of August, 2025.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



BOARD OF MANAGERS RESOLUTION
AUGUST 26, 2025

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2026 FOR THE NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

WHEREAS, the Nueces County Hospital District (the “District”) is a political subdivision of the State of Texas, created under Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code (“Health Code”), and is governed in accordance with state law;

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the “Board”) has full authority to manage, control, and administer the District and adopt rules for its operation;

WHEREAS, under Health Code §281.091(a), the District’s Administrator (the “Administrator”) is required to prepare an annual budget under the Board’s direction, with Fiscal Year 2026 running from October 1, 2025 through September 30, 2026;

WHEREAS, the District maintains funds from sources other than a tax levy (“Non-Tax Funds”) pursuant to Health Code §281.094(a), and expenditures of these funds for statutorily authorized purposes qualify for tobacco settlement distribution claims under 25 Texas Administrative Code §102.3(e)(2);

WHEREAS, the Nueces Center for Mental Health and Intellectual Disabilities (“NCMHID”) is a state-authorized provider of mental health and intellectual disability services established under Health Code Chapter 534, Subchapter A, and is recognized as a governmental unit and local government entity under Texas law;

WHEREAS, since Fiscal Year 2000, at the request of the Nueces County Commissioners Court (“Commissioners Court”), the Board has allocated funding for NCMHID and other authorized health services in the District’s annual budgets;

WHEREAS, for Fiscal Year 2026, the Commissioners Court has requested that the District provide funding to support NCMHID services, and the Board finds it appropriate to allocate such funding from the District’s Non-Tax Funds;

WHEREAS, the Board desires to appropriate **\$969,129** (the “NCMHID Services Funding Amount”) in the District’s FY 2026 Annual Budget for the NCMHID services described in Attachment A (“Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule – Fiscal Year 2026”); and

WHEREAS, the Administrator is authorized under Health Code §§281.026(d) and (e) to carry out the acts directed herein.

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

1. The foregoing recitals are adopted as findings of fact.
2. The Board finds that the NCMHID Services Funding Amount of \$969,129, appropriated from the District's Non-Tax Funds, constitutes a statutorily authorized expenditure under Health Code §281.094(a) and qualifies for tobacco settlement distribution claims under 25 TAC §102.3(e)(2).
3. The Administrator is directed to incorporate **\$969,129** into the District's FY 2026 Annual Budget to fund NCMHID services, as set forth in Attachment A.
4. The Administrator is authorized to disburse the NCMHID Services Funding Amount to NCMHID in equal quarterly payments, or on such schedule as he determines reasonable and appropriate during FY 2026.
5. The Administrator may establish any additional procedures or requirements necessary for disbursement, including financial reporting and accountability measures for NCMHID.
6. The Administrator is authorized to take all actions and execute all documents necessary to implement this Resolution.
7. Acting as Secretary of the Board, the Administrator is further authorized to certify this Resolution as being consistent with the Board's Bylaws and Texas law.
8. This Resolution shall take effect immediately upon passage.

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[BOARD OF MANAGERS SIGNATURE PAGE FOLLOWS]

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

ATTACHMENT "A"

**NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES
FUNDING SCHEDULE - FISCAL YEAR 2026**

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

MH means Mental Health
IDD means Intellectual and Developmental Disabilities

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 26th day of August, 2025.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}



BOARD OF MANAGERS RESOLUTION
AUGUST 26, 2025

**A RESOLUTION APPROVING
FISCAL YEAR 2026 ANNUAL BUDGET**

WHEREAS, the Nueces County Hospital District (the “District”) is a political subdivision of the State of Texas, established pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code (“Health Code”);

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the “Board”) is vested with authority to manage, control, administer, and adopt rules governing the District;

WHEREAS, Health Code §281.091(a) assigns to the District’s Administrator (the “Administrator”) responsibility for preparing an annual budget under the direction of the Board;

WHEREAS, pursuant to Health Code §281.091(b), the annual budget must be approved by the Board before submission to the Commissioners Court for final approval;

WHEREAS, the District’s Fiscal Year 2026 begins October 1, 2025 and ends September 30, 2026;

WHEREAS, the Administrator has prepared, under Board direction, the proposed Fiscal Year 2026 Annual Budget (the “FY 2026 Annual Budget”), attached hereto as Exhibit A and incorporated by reference;

WHEREAS, the FY 2026 Annual Budget includes the District’s General Fund, Tobacco Fund, Opioid Settlement Fund, and Indigent Care Fund;

WHEREAS, the Board has separately resolved to allocate District funds for “Nueces County Healthcare Services” and the “Nueces Center for Mental Health and Intellectual Disabilities,” and desires to ensure those funds are applied solely to their intended purposes or logical extensions thereof;

WHEREAS, the effective operation of the District requires that the Administrator, as chief executive officer, be vested with authority to control, manage, and expend funds appropriated in the FY 2026 Annual Budget, consistent with state law, Board policy, and the District’s financial policies; and

WHEREAS, the Board finds it necessary and proper to approve the FY 2026 Annual Budget and authorize expenditures consistent therewith.

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

1. The FY 2026 Annual Budget, attached hereto as Exhibit A, is hereby approved.
2. The Administrator shall submit the approved FY 2026 Annual Budget to the Nueces County Commissioners Court for final approval.
3. Nueces County shall ensure that District funds disbursed for “Nueces County Healthcare Services,” as separately resolved, are used solely for their intended purposes or logical extensions thereof.
4. The Administrator is authorized to control, manage, and expend funds appropriated in the FY 2026 Annual Budget to carry out District operations, programs, and responsibilities. This authority includes taking all actions necessary to implement and administer the Budget for such purposes.
5. The Administrator is expressly authorized to take all actions and execute all documents necessary to carry out the provisions of this Resolution, with such acts conclusively evidencing authority.
6. Acting as Secretary of the Board, the Administrator is authorized to certify this Resolution as being consistent with Texas law and the District’s Governing Board Bylaws.
7. This Resolution shall take effect immediately upon its passage.

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**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Belinda Flores, R.N.
Chairman

Vishnu V. Reddy, M.D.
Vice Chairman

Sylvia Tryon Oliver
Member

Mariana Garza, J.D.
Member

Efrain Guerrero, Jr.
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

EXHIBIT "A"

[Attach budget package after this page]



NUECES COUNTY HOSPITAL DISTRICT
OPERATING BUDGET
FISCAL YEAR 2026



GENERAL FUND

SPECIAL REVENUE - TOBACCO FUND

SPECIAL REVENUE – OPIOID SETTLEMENT FUND

SPECIAL REVENUE – INDIGENT CARE FUND



NUECES COUNTY HOSPITAL DISTRICT
BUDGET - GENERAL FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2026

	Column 1		Column 2		Column 3	Column 4		Column 5
	Fiscal 2026 Budget		Fiscal 2025 Budget		Budget 2026 vs. 2025	Fiscal 2025 Est. Actual		Est. Act vs F2026 Bud
Explanation								
REVENUES								
Property Taxes:								
1 Current	40,066,206	29.17%	39,196,133	23.89%	870,073	40,413,862	22.01%	(347,656)
2 Delinquent	426,236	0.31%	421,464	0.26%	4,772	427,264	0.23%	(1,028)
3 Penalties & Interest	400,662	0.29%	391,961	0.24%	8,701	386,501	0.21%	14,161
4 Total Property Tax Revenue	40,893,104	29.77%	40,009,558	24.39%	883,546	41,227,627	22.46%	(334,523)
5 Spohn Corporate Membership Revenue	95,200,000	69.31%	122,980,000	74.97%	(27,780,000)	138,324,498	75.34%	(43,124,498)
6 Investment Income	1,111,518	0.81%	904,124	0.55%	207,394	3,853,486	2.10%	(2,741,968)
7 Other Income	150,000	0.11%	150,000	0.09%	0	184,778	0.10%	(34,778)
8 Total Other Revenues	96,461,518	70.23%	124,034,124	75.61%	(27,572,606)	142,362,762	77.54%	(45,901,244)
9 TOTAL REVENUES	137,354,623	100%	164,043,683	100%	(26,689,060)	183,590,389	100%	(46,235,766)
OPERATING EXPENSES								
10 Intergovernment Transfers	135,159,558	84.80%	153,092,697	87.45%	(17,933,139)	166,477,626	89.04%	(31,318,068)
11 Emergency Residency Program Support	3,198,125	2.01%	1,763,750	1.01%	1,434,375	1,763,751	0.94%	1,434,374
12 County Healthcare Services	14,421,894	9.05%	12,114,275	6.92%	2,307,619	13,095,667	7.00%	1,326,227
13 Salaries	2,235,456	1.40%	2,183,502	1.25%	51,955	1,903,968	1.02%	331,488
14 Benefits	1,121,884	0.70%	1,055,671	0.60%	66,213	914,627	0.49%	207,257
15 Legal & Professional Fees	891,500	0.56%	1,817,000	1.04%	(925,500)	921,308	0.49%	(29,808)
16 Purchased Services	731,000	0.46%	711,850	0.41%	19,150	564,276	0.30%	166,724
17 Tax Assessor / Appraisal Collection Fees	830,000	0.52%	815,000	0.47%	15,000	796,285	0.43%	33,715
18 Supplies & Materials	26,000	0.02%	24,000	0.01%	2,000	21,387	0.01%	4,613
19 Rent & Leases	159,000	0.10%	157,000	0.09%	2,000	137,733	0.07%	21,267
20 Repairs & Maintenance	14,000	0.01%	12,000	0.01%	2,000	5,103	0.00%	8,897
21 Telephone & Utilities	102,400	0.06%	59,500	0.03%	42,900	50,314	0.03%	52,086
22 Insurance	48,500	0.03%	48,000	0.03%	500	37,018	0.02%	11,482
23 Administrative & General	226,000	0.14%	975,000	0.56%	(749,000)	180,155	0.10%	45,845
24 Capital Outlay	210,000	0.13%	229,000	0.13%	(19,000)	104,526	0.06%	105,474
25 Extraordinary	5,000	0.00%	5,000	0.00%	0	0	0.00%	5,000
26 TOTAL EXPENDITURES	159,380,317	100%	175,063,245	100%	(15,682,927)	186,973,744	100%	(27,593,427)
27 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES	(22,025,695)		(11,019,562)		(11,006,133)	(3,383,355)		(18,642,340)
NON-OPERATING SOURCES (USES)								
28 Operating Transfer In (Tobacco Fund)	700,000		650,000		50,000	856,000		(156,000)
29 Operating Transfer Out (Indigent Care Fund)	0				0	0		0
30 TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,325,695)		(10,369,562)		(10,956,133)	(2,527,355)		(18,798,340)
31 FUND BALANCE, BEGINNING OF PERIOD	79,318,697		57,334,764			81,846,052		
32 FUND BALANCE, END OF PERIOD	57,993,002		46,965,202			79,318,697		
33 FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)	45,239,260		28,514,599			44,318,697		

NUECES COUNTY HOSPITAL DISTRICT
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2026

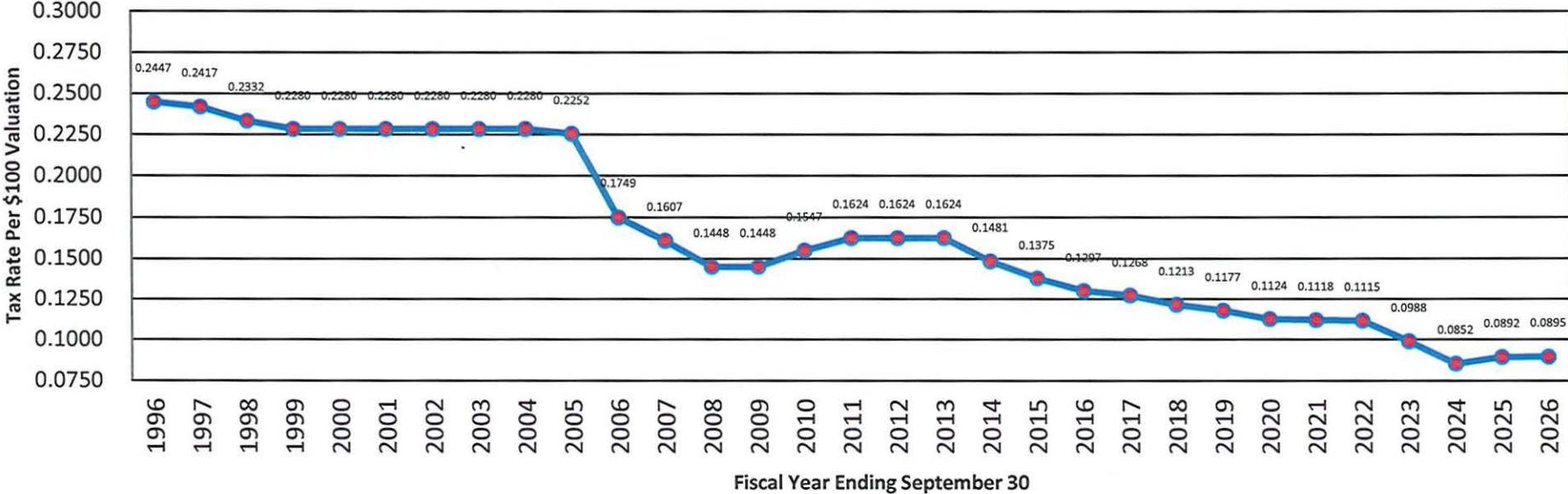
Tax Rate: 0.089495 (No-New-Revenue Rate)

	Explanation	General Fund	Tobacco Settlement Fund	Opioid Settlement Fund	Indigent Care Fund	Total
	REVENUES					
1	Property Taxes	40,893,104	0	0	0	40,893,104
2	Spohn Corporate Membership Revenue	95,200,000	0	0	0	95,200,000
3	Investment Income	1,111,518	0	34,351	943,306	2,089,176
4	Other Income	150,000	0	0	0	150,000
5	Tobacco Settlement Proceeds	0	700,000	0	0	700,000
6	Opioid Settlement Proceeds	0	0	0	0	0
7	TOTAL REVENUES	137,354,623	700,000	34,351	943,306	139,032,280
	OPERATING EXPENSES					
8	Intergovernmental Transfers	135,159,558	0	0	0	135,159,558
9	Emergency Residency Program Support	3,198,125	0	0	0	3,198,125
10	County Healthcare Services	14,421,894	0	0	0	14,421,894
11	Salaries	2,235,456	0	0	0	2,235,456
12	Benefits	1,121,884	0	0	0	1,121,884
13	Legal & Professional Fees	891,500	0	0	36,000	927,500
14	Purchased Services	731,000	0	1,200,000	0	1,931,000
15	Tax Assessor / Appraisal Collection Fees	830,000	0	0	0	830,000
16	Supplies & Materials	26,000	0	0	0	26,000
17	Rent & Leases	159,000	0	0	0	159,000
18	Repairs & Maintenance	14,000	0	0	0	14,000
19	Telephone & Utilities	102,400	0	0	0	102,400
20	Insurance	48,500	0	0	0	48,500
21	Administrative & General	226,000	0	0	0	226,000
22	Capital Outlay	210,000	0	0	0	210,000
23	Extraordinary/Tax Refund	5,000	0	0	0	5,000
24	Debt Service	0	0	0	0	0
25	TOTAL EXPENDITURES	159,380,317	0	1,200,000	36,000	160,616,317
26	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES	(22,025,695)	700,000	(1,165,649)	907,306	(21,584,037)
	NON-OPERATING SOURCES (USES)					
27	Operating Transfers In	700,000	0	0	0	700,000
28	Operating Transfers Out	0	(700,000)	0	0	(700,000)
29	TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,325,695)	0	(1,165,649)	907,306	(21,584,037)
30	FUND BALANCE, BEGINNING OF PERIOD	79,318,697	0	2,922,883	62,800,375	145,041,955
31	FUND BALANCE, END OF PERIOD	57,993,002	0	1,757,234	63,707,682	123,457,917
32	FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)	45,239,260	0	1,757,234	63,707,682	110,704,176

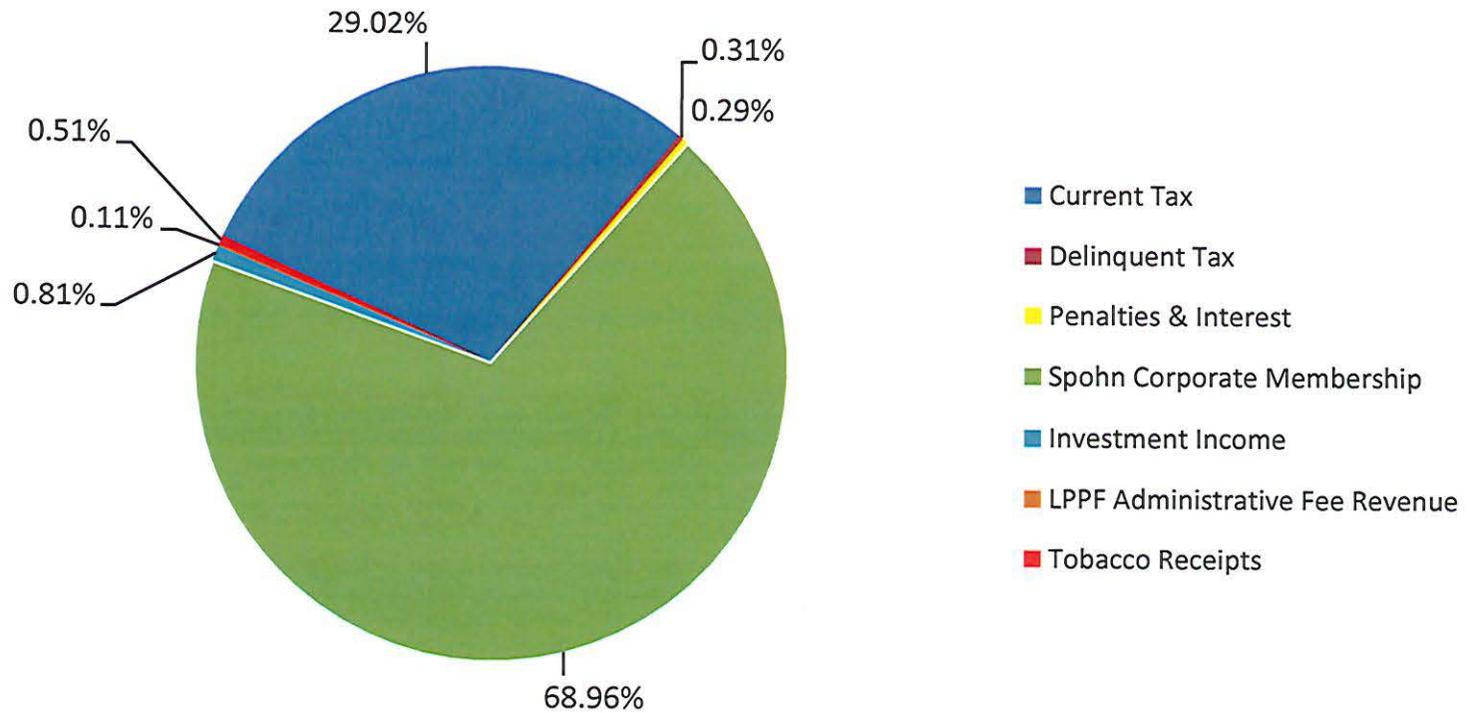
Nueces County Hospital District
 County Healthcare Department Expenditures
 Fiscal Year 2026

Program	Budget 2026	%	Budget 2025	Difference	Projected 2025	Difference Bud26 v. Proj
<u>Mental Healthcare Services</u>						
1 a MHID (State Match Program)	969,129	6.7%	969,129	0	969,129	0
b MHID - Jail Programs	1,500,000	10.4%	2,550,000	(1,050,000)	2,449,701	(949,701)
Subtotal Mental Healthcare Services	2,469,129	17.1%	3,519,129	(1,050,000)	3,418,830	(949,701)
<u>Health Department (Operating Expenditures)</u>						
Health Department	1,800,000	12.5%	1,765,296	34,704	1,765,296	34,704
Robstown Public Health Salaries & Benefits	0	0.0%	38,000	(38,000)	38,000	(38,000)
Mobile Clinic	60,000	0.4%	60,000	0	60,000	0
	1,860,000	12.9%	1,863,296	(3,296)	1,863,296	(3,296)
<u>Emergency Medical Services</u>						
City of Robstown	650,000		650,000		650,000	
City of Port Aransas						
Emergency Services District #1 (Annaville)						
Emergency Services District #2 (Flour Bluff)						
Emergency Services District #4 (Bluntzer)						
Emergency Services District #6 (Bishop)						
	650,000	4.5%	650,000	0	650,000	0
<u>Juvenile Detention Center-Health Services</u>						
Various Health-related Services	474,000	3.3%	474,000	0	474,000	0
<u>County Jail Healthcare Services</u>						
Armor/Wexford Correctional Healthcare Services	8,532,015	59.2%	5,202,850	3,329,165	6,284,541	2,247,474
6a Cenikor	60,000	0.4%	60,000	0	60,000	0
6b Council on Alcohol & Drug Abuse	50,000	0.3%	50,000	0	50,000	0
7 County Diabetes Awareness Program	60,000	0.4%	50,000	10,000	50,000	10,000
8 HALO-Flight Funding	15,750	0.1%	15,000	750	15,000	750
<u>Public Health Grants</u>						
Coastal Bend Wellness Foundation	85,000	0.6%	85,000	0	85,000	0
Amistad Community Health Center	0	0.0%	85,000	(85,000)	85,000	(85,000)
Nueces County Jail Medivan	101,000	0.7%	0	101,000	0	101,000
Area Health Education Center (AHEC)	65,000	0.5%	60,000	5,000	60,000	5,000
	251,000	1.7%	230,000	21,000	230,000	21,000
TOTALS	14,421,894	100.0%	12,114,275	2,307,619	13,095,667	1,326,227

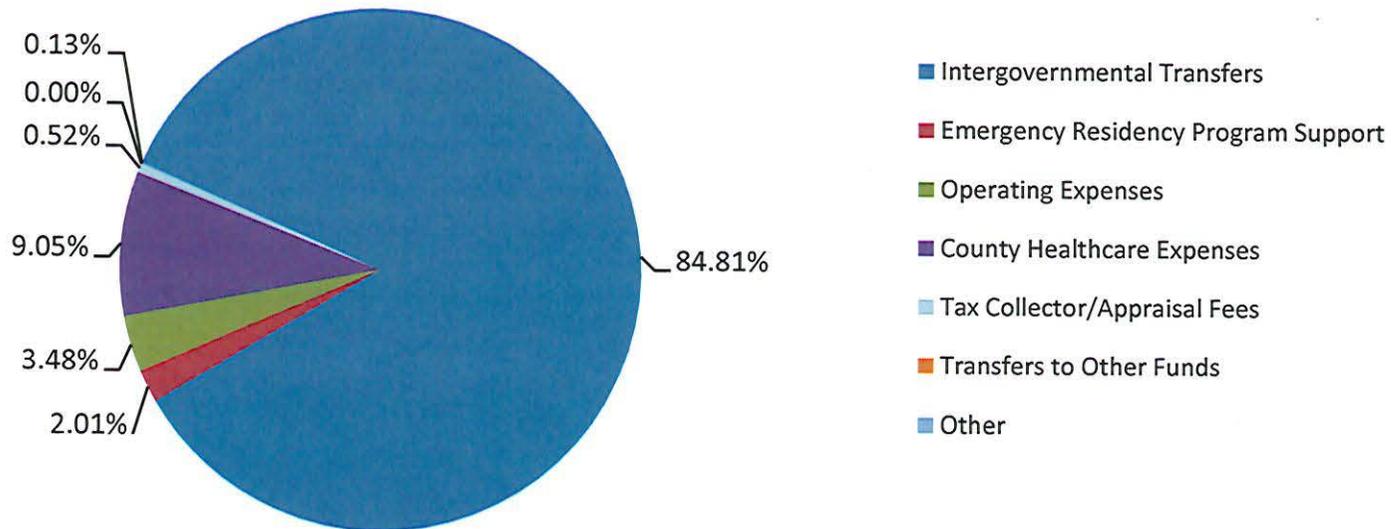
Nueces County Hospital District Tax Rate History FY 1996-2026



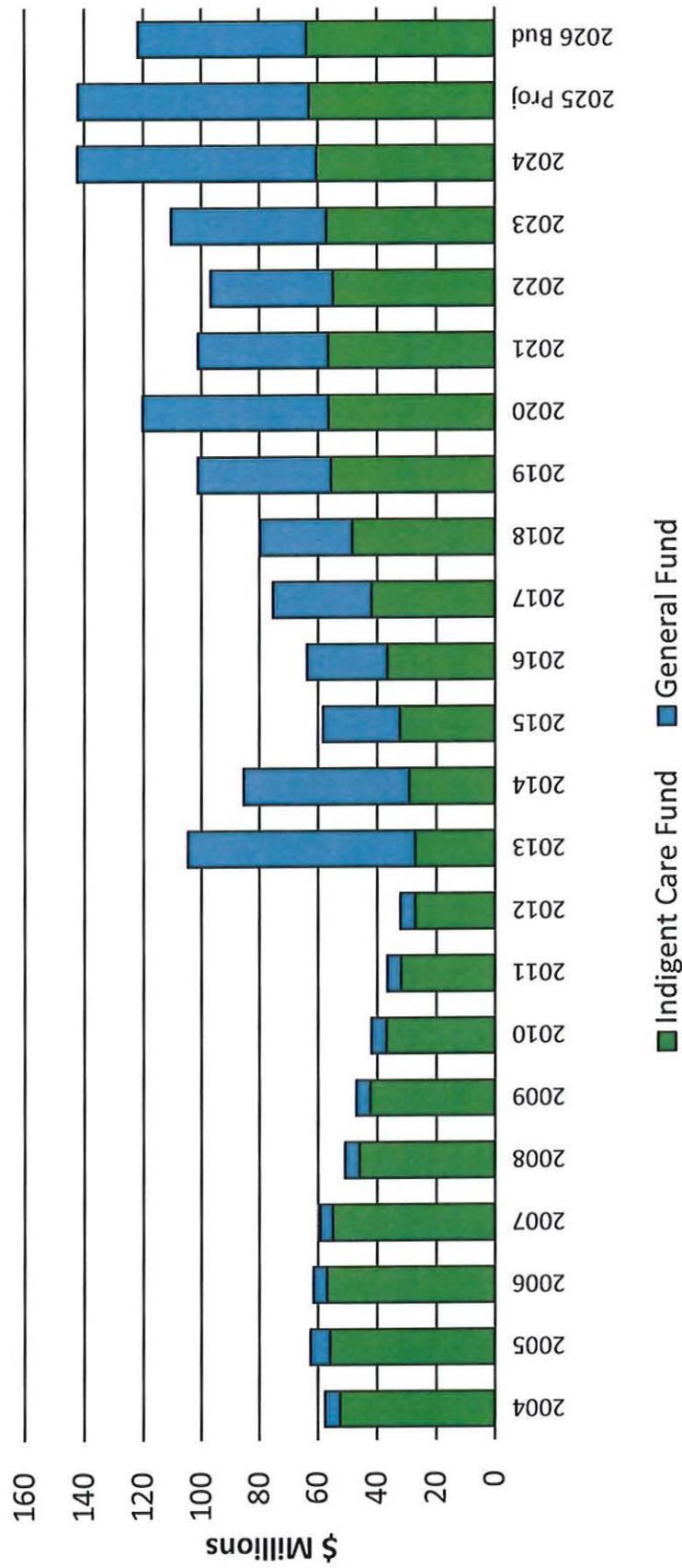
Nueces County Hospital District General Fund FY 2026 Revenue Sources



Nueces County Hospital District General Fund FY 2026 Expenditures



**Nueces County Hospital District
FY 2004- 2026
Indigent Care & General Fund**



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 26th day of August, 2025.

ATTEST:

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}

**Nueces County Hospital District
 Combined Balance Sheet - All Fund Types & Account Groups
 As of 07/31/2025
 (In Whole Numbers)**

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	84,514,434	47,111,734	30,665	0	0	131,656,833
Investments	8,841,977	18,369,226	0	0	0	27,211,203
Accrued Interest	0	160,923	110	0	0	161,033
Taxes Receivable, Net of Allowance	1,931,622	0	0	0	0	1,931,622
Other Receivables	0	0	0	0	0	0
Due from Other Funds	23,842	0	0	0	0	23,842
Prepaid Expenditures	127,448	0	0	0	0	127,448
Restricted Cash & Cash Equivalents - LPPF	23,386,029	0	0	0	0	23,386,029
Fixed Assets	0	0	0	14,222,120	0	14,222,120
Amt to be Provided for Retirement of LT Debt	0	0	0	0	39,952	39,952
Total Assets	118,825,351	65,641,883	30,775	14,222,120	39,952	198,760,082
Liabilities						
Accounts Payable	4,162,928	0	0	0	0	4,162,928
Accrued Payroll & Related Liabilities	338,825	0	0	0	0	338,825
Intergovernmental Transfer Obligations	23,386,029	0	0	0	0	23,386,029
Due to Other Funds	0	10,376	13,466	0	0	23,842
Deferred Revenue	1,931,622	0	0	0	0	1,931,622
Long Term Paid Time Off	0	0	0	0	39,952	39,952
Total Liabilities	29,819,403	10,376	13,466	0	39,952	29,883,197
Fund Equity						
Fund Balance	58,730,802	0	17,309	14,222,120	0	72,970,231
Committed to:						
Intergovernmental Transfers	30,275,147	0	0	0	0	30,275,147
Indigent Care	0	62,711,905	0	0	0	62,711,905
Opioid Abatement	0	2,917,611	0	0	0	2,917,611
Assigned to:						
County Health Care	0	1,991	0	0	0	1,991
Total Fund Equity	89,005,948	65,631,507	17,309	14,222,120	0	168,876,885
Total Liabilities & Fund Equity	118,825,351	65,641,883	30,775	14,222,120	39,952	198,760,082

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Taxes	98,844	40,780,702
Penalties & Interest - Taxes	34,275	386,501
Spohn Corporate Member Revenue	10,759,921	122,824,498
Investment Income	340,467	3,603,486
Other Income	25	34,237
Total Revenues	<u>11,233,530</u>	<u>167,629,425</u>
Current Expenditures		
Intergovernmental Transfers	7,170,156	145,177,626
Emergency Residency Support	237,292	1,289,167
County Healthcare Funding	1,023,195	10,537,957
Salaries	131,581	1,386,231
Benefits	59,889	722,734
Legal & Professional Fees	23,098	702,535
Purchased Services	97,029	1,128,177
Supplies & Materials	1,146	15,868
Rent & Leases	11,740	112,520
Repairs & Maintenance	0	701
Utilities	3,974	38,945
Insurance	2,643	28,942
Administrative & General	30,786	136,088
Capital Outlay	19,513	48,039
Total Current Expenditures	<u>8,812,042</u>	<u>161,325,528</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>2,421,489</u>	<u>6,303,897</u>
Other Financing Sources & Uses		
Operating Transfers In	<u>0</u>	<u>(856,000)</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>(856,000)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>2,421,489</u>	<u>7,159,897</u>
Fund Balance, Beginning of Year		81,846,052
FUND BALANCE, END OF YEAR		<u><u>89,005,948</u></u>

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	244,511	2,375,782
Tobacco Settlement Proceeds	0	852,026
Opioid Settlement Proceeds	0	540,319
Total Revenues	<u>244,511</u>	<u>3,768,127</u>
Current Expenditures		
Legal & Professional Fees	0	9,235
Total Current Expenditures	<u>0</u>	<u>9,235</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>244,511</u>	<u>3,758,893</u>
Other Financing Sources & Uses		
Operating Transfers Out	0	856,000
Total Other Financing Sources & Uses	<u>0</u>	<u>856,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>244,511</u>	<u>2,902,893</u>
Fund Balance, Beginning of Year		62,728,614
FUND BALANCE, END OF YEAR		<u>65,631,507</u>

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

	<u>Current Period Actual</u>	<u>Current Year Actual</u>
Revenues		
Investment Income	<u>110</u>	<u>1,122</u>
Total Revenues	<u>110</u>	<u>1,122</u>
Current Expenditures		
Benefits	<u>749</u>	<u>11,884</u>
Administrative & General	<u>13</u>	<u>1,439</u>
Total Current Expenditures	<u>762</u>	<u>13,323</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>(652)</u>	<u>(12,201)</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>(652)</u>	<u>(12,201)</u>
Fund Balance, Beginning of Year		29,510
FUND BALANCE, END OF YEAR		<u>17,309</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	98,844	63,234	35,610	40,780,702	39,486,120	1,294,582
Penalties & Interest - Taxes	34,275	45,750	(11,475)	386,501	307,555	78,946
Spohn Corporate Member Revenue	10,759,921	10,248,333	511,588	122,824,498	102,483,334	20,341,164
Investment Income	340,467	65,254	275,213	3,603,486	779,234	2,824,252
Other Income	25	0	25	34,237	150,000	(115,763)
Total Revenues	<u>11,233,530</u>	<u>10,422,571</u>	<u>810,959</u>	<u>167,629,425</u>	<u>143,206,243</u>	<u>24,423,182</u>
Current Expenditures						
Intergovernmental Transfers	7,170,156	5,051,570	(2,118,586)	145,177,626	137,523,168	(7,654,458)
Emergency Residency Support	237,292	237,292	0	1,289,167	1,289,167	0
County Healthcare Funding	1,023,195	980,940	(42,255)	10,537,957	10,152,409	(385,548)
Salaries	131,581	170,226	38,645	1,386,231	1,839,690	453,459
Benefits	59,889	83,258	23,369	722,734	871,807	149,073
Legal & Professional Fees	23,098	109,750	86,652	702,535	1,597,504	894,969
Purchased Services	97,029	103,407	6,378	1,128,177	1,320,084	191,907
Supplies & Materials	1,146	1,999	853	15,868	20,006	4,138
Rent & Leases	11,740	13,084	1,344	112,520	130,840	18,320
Repairs & Maintenance	0	1,000	1,000	701	10,004	9,303
Utilities	3,974	4,959	985	38,945	49,590	10,645
Insurance	2,643	4,000	1,357	28,942	40,004	11,062
Administrative & General	30,786	61,249	30,463	136,088	852,518	716,430
Capital Outlay	19,513	0	(19,513)	48,039	229,000	180,961
Extraordinary	0	417	417	0	4,170	4,170
Total Current Expenditures	<u>8,812,042</u>	<u>6,823,151</u>	<u>(1,988,891)</u>	<u>161,325,528</u>	<u>155,929,961</u>	<u>(5,395,567)</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>2,421,489</u>	<u>3,599,420</u>	<u>(1,177,931)</u>	<u>6,303,897</u>	<u>(12,723,718)</u>	<u>19,027,615</u>
Other Financing Sources & Uses						
Operating Transfers In	0	0	0	(856,000)	(650,000)	206,000
Total Other Financing Sources & Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>(856,000)</u>	<u>(650,000)</u>	<u>206,000</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>2,421,489</u>	<u>3,599,420</u>	<u>(1,177,931)</u>	<u>7,159,897</u>	<u>(12,073,718)</u>	<u>19,233,615</u>
Fund Balance, Beginning of Year				81,846,052	0	81,846,052
FUND BALANCE, END OF YEAR				<u>89,005,948</u>	<u>(12,073,718)</u>	<u>101,079,666</u>

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	7	0	7	4,182	0	4,182
Tobacco Settlement Proceeds	0	0	0	852,026	650,000	202,026
Total Revenues	7	0	7	856,208	650,000	206,208
Excess of Revenues Over Expenditures Before Sources/Uses	7	0	7	856,208	650,000	206,208
Other Financing Sources & Uses						
Operating Transfers Out	0	0	0	856,000	650,000	(206,000)
Total Other Financing Sources & Uses	0	0	0	856,000	650,000	(206,000)
Excess of Revenues Over Expenditures After Sources & Uses	7	0	7	208	0	208
Fund Balance, Beginning of Year				1,783	0	1,783
FUND BALANCE, END OF YEAR				1,991	0	1,991

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Opioid Settlement Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	10,646	0	10,646	91,604	0	91,604
Opioid Settlement Proceeds	0	0	0	540,319	0	540,319
Total Revenues	10,646	0	10,646	631,923	0	631,923
Excess of Revenues Over Expenditures Before Sources/Uses	10,646	0	10,646	631,923	0	631,923
Excess of Revenues Over Expenditures After Sources & Uses	10,646	0	10,646	631,923	0	631,923
Fund Balance, Beginning of Year				2,285,688	0	2,285,688
FUND BALANCE, END OF YEAR				2,917,611	0	2,917,611

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	233,858	75,676	158,182	2,279,996	752,575	1,527,421
Total Revenues	233,858	75,676	158,182	2,279,996	752,575	1,527,421
Current Expenditures						
Legal & Professional Fees	0	1,000	1,000	9,235	10,000	765
Total Current Expenditures	0	1,000	1,000	9,235	10,000	765
Excess of Revenues Over Expenditures Before Sources/Uses	233,858	74,676	159,182	2,270,762	742,575	1,528,187
Excess of Revenues Over Expenditures After Sources & Uses	233,858	74,676	159,182	2,270,762	742,575	1,528,187
Fund Balance, Beginning of Year				60,441,144	0	60,441,144
FUND BALANCE, END OF YEAR				62,711,905	742,575	61,969,330

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 7/1/2025 Through 7/31/2025
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Year Actual	Total Budget	Total Budget Remaining	% Remaining
Revenues					
Taxes	98,844	40,780,702	39,617,597	1,163,105	3 %
Penalties & Interest - Taxes	34,275	386,501	391,961	(5,460)	(1)%
Spohn Corporate Member Revenue	10,759,921	122,824,498	122,980,000	(155,502)	(0)%
Investment Income	340,467	3,603,486	904,124	2,699,362	299 %
Other Income	25	34,237	150,000	(115,763)	(77)%
Total Revenues	<u>11,233,530</u>	<u>167,629,425</u>	<u>164,043,682</u>	<u>3,585,743</u>	<u>2 %</u>
Current Expenditures					
Intergovernmental Transfers	7,170,156	145,177,626	153,092,697	7,915,071	5 %
Emergency Residency Support	237,292	1,289,167	1,763,750	474,583	27 %
County Healthcare Funding	1,023,195	10,537,957	12,114,275	1,576,318	13 %
Salaries	131,581	1,386,231	2,183,502	797,271	37 %
Benefits	59,889	722,734	1,055,671	332,937	32 %
Legal & Professional Fees	23,098	702,535	1,817,000	1,114,465	61 %
Purchased Services	97,029	1,128,177	1,526,850	398,673	26 %
Supplies & Materials	1,146	15,868	24,000	8,132	34 %
Rent & Leases	11,740	112,520	157,000	44,480	28 %
Repairs & Maintenance	0	701	12,000	11,299	94 %
Utilities	3,974	38,945	59,500	20,555	35 %
Insurance	2,643	28,942	48,000	19,058	40 %
Administrative & General	30,786	136,088	975,000	838,912	86 %
Capital Outlay	19,513	48,039	229,000	180,961	79 %
Extraordinary	0	0	5,000	5,000	100 %
Total Current Expenditures	<u>8,812,042</u>	<u>161,325,528</u>	<u>175,063,245</u>	<u>13,737,717</u>	<u>8 %</u>
Excess of Revenues Over Expenditures Before Sources/Uses	<u>2,421,489</u>	<u>6,303,897</u>	<u>(11,019,563)</u>	<u>17,323,460</u>	<u>(157)%</u>
Other Financing Sources & Uses					
Operating Transfers In	<u>0</u>	<u>(856,000)</u>	<u>(650,000)</u>	<u>206,000</u>	<u>(32)%</u>
Total Other Financing Sources & Uses	<u>0</u>	<u>(856,000)</u>	<u>(650,000)</u>	<u>206,000</u>	<u>(32)%</u>
Excess of Revenues Over Expenditures After Sources & Uses	<u>2,421,489</u>	<u>7,159,897</u>	<u>(10,369,563)</u>	<u>17,529,460</u>	<u>(169)%</u>
Fund Balance, Beginning of Year					
		81,846,052	0	81,846,052	0 %
FUND BALANCE, END OF YEAR		<u>89,005,948</u>	<u>(10,369,563)</u>	<u>99,375,511</u>	<u>(958)%</u>

Memorandum

To: Board of Managers
From: Jonny F. Hipp, Administrator
Date: August 26, 2025
Re: Notification of Performance Goal Achievements and Related Goal Achievement Pay

Board Members:

Pursuant to the 2024–2028 Administrator Employment Agreement (“Agreement”) between the Hospital District (“District”) and myself, I am notifying the Board of Managers (“Board”) that certain Performance Goals established under the Agreement have been achieved. As a result, Goal Achievement Pay is due in accordance with the Agreement’s provisions. Supporting details and documentation are provided below and in the attached exhibits.

For reference, a copy of the Agreement is attached as **Exhibit 1**. The provisions regarding Performance Goal Pay are set forth in **Paragraph 3(b)** of the Agreement, while the specific Performance Goals and their associated achievement pay amounts, expressed as a percentage of salary, are contained in **Attachment A** at the end of the Agreement.

Additionally, I have included an analysis of the Performance Goals achieved through the quarter ending **June 30, 2025**, along with the corresponding amounts of Goal Achievement Pay to be disbursed (**Exhibit 2**). Detailed documentation supporting each achieved goal is provided in **Exhibits A–G**.

As required by the Agreement, prior to disbursement of any Goal Achievement Pay, the Board must be furnished with documentation substantiating the Administrator’s achievement of the specified Performance Goals. The relevant information is summarized on the following page and supported by the attached exhibits.

Jonny F. Hipp

Performance Goals Achieved – Fiscal Year 2024

A. Financial Audit Results

Goal: Achieve uneventful financial audit results with no significant management letter comments for the fiscal year ending September 30, 2024.

Documentation: Audited financial statements for the year ended September 30, 2024, issued by Adamson & Company, LLC on February 26, 2025.

B. Emergency Medicine Residency Program Dispute

Goal: Resolve dispute relating to CHRISTUS Spohn’s Emergency Medicine Residency Program.

Documentation: Emergency Medicine Support Letter Agreement dated December 14, 2023.

Performance Goals Achieved – Fiscal Year 2025

C. Escrow Payment Dispute

Goal: Resolve escrow payment dispute related to achievement of the final milestone.

Documentation: Executed Disbursement Request dated January 7, 2025.

D. Legislative Session Objectives

Goal: Pursue the District’s objectives during the 89th Legislative Session.

Documentation: HB 4801 and SB 2666.

E. Medical Needs Assessment

Goal: Conduct the Nueces County Medical Needs Assessment.

Documentation: Excel files titled *NCHD Market Surplus and Patient Access* and PowerPoint presentation *NCHD Patient Access Study*.

F. Indigent Care System Upgrade

Goal: Upgrade the Nueces Aid indigent care software system.

Documentation: IHS Professional Services Agreement.

G. Inmate Care Agreement

Goal: Assist Nueces County in negotiating an extension of the Wexford inmate care agreement.

Documentation: Contract for Professional Services between Nueces County and Wexford.

Exhibit # 1

**NUECES COUNTY HOSPITAL DISTRICT
ADMINISTRATOR EMPLOYMENT AGREEMENT
October 1, 2024 – September 30, 2028**

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

W I T N E S S E T H:

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

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

[THIS SPACE INTENTIONALLY LEFT BLANK]

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

(a) **Salary.** Considering the level of expertise, education, and experience required of the Administrator by the Board, the adequacy of which is hereby confirmed by the Board, and the Board’s desire to fairly compensate the Administrator for such qualities, the Board has surveyed other similarly situated hospital districts in the State concerning the salary and benefits paid for positions comparable with that of the Administrator. The Board, acknowledging and considering (i) the Administrator’s performance in carrying out the requirements of prior employment agreements with the District; (ii) the Administrator’s achievement of prior Performance Goals; (iii) the Administrator’s doctoral education, collectively all of which have directly benefited and continue to benefit the taxpayers, District, community, and the region; (iv) the compensation and benefits paid and made available to administrators in similarly-situated hospital districts in the State; (v) the Board’s desire that the Administrator be fairly compensated; (vi) that the greater than ever complexities of healthcare administration, quality, financing, and governmental regulations require the expertise of the Administrator; and (vii) the Board’s desire to achieve consistency, stability and longevity in the Administrator’s position, the Board hereby determines and agrees that the Hospital District shall pay the Administrator a salary amount of two hundred ninety one thousand five hundred dollars (\$291,500.00) per twelve-month period during the Term (the “Salary”). The Salary shall be prorated for twenty-six (26) biweekly pay periods during each twelve-month period of the Term and for any partial employment period. The Salary shall be subject to withholding taxes prescribed by applicable statutes and as additionally authorized by Administrator.

(b) **Performance Goal Pay.** The Board desires that in addition to the Hospital District’s primary responsibility of ensuring medical care and hospital care for the indigent residents of the County, that the Administrator promote and continue to develop awareness of the Nueces Aid Program, achieve uneventful financial audit results, maintain modern and efficient healthcare facilities, remove facilities that are beyond their useful life, pursue needed state legislation, prepare a succession plan, divest specified real properties, and pursue other goals that benefit and promote the growth of the Hospital District as determined by the Board. Accordingly, the Board hereby determines and agrees that each calendar quarter during the Term, the District shall, in addition to the Salary above, pay the Administrator a lump sum amount equal to the amount(s) associated with the Administrator’s reasonable achievement of Performance Goal(s) as set forth in Attachment “A” during the previous calendar quarter (the “Goal Achievement Pay”). The Performance Goals set out are subject to annual modification and written approval by both parties. Performance Goals not achieved in any year may be carried over to succeeding years with Board approval. The Goal Achievement Pay shall be subject to withholding taxes prescribed by applicable statutes and as additionally authorized by the Administrator. Prior to disbursement of any Goal Achievement Pay, the Administrator shall present to the Board relevant documentation supporting his achievement of the specific Performance Goals being relied upon for that particular year’s Goal Achievement Pay.

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

(a) **Automobile Allowance.** To facilitate performance of Administrator’s duties and achievement of his Performance Goals under this Agreement, the Hospital District agrees to pay the Administrator an allowance of two hundred sixty-five dollars (\$265.00) each biweekly pay period during the Term for his use of his personal automobile. (the “Automobile Allowance”). The Automobile Allowance shall be prorated for any partial employment period.

(b) **Telephone Allowance.** To facilitate performance of Administrator’s duties and achievement of his Performance Goals under this Agreement, the Hospital District agrees to pay the Administrator an allowance of sixty-five dollars (\$65.00) each biweekly pay period during the Term for use of his personal communications device(s) (the “Telephone Allowance”). The Telephone Allowance shall be prorated for any partial employment period.

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

(d) **Individual Retirement Account Contribution.** The Hospital District agrees to annually deposit into an Individual Retirement Account (“IRA”) designated by the Administrator an amount equal to the then IRC current calendar year’s annual contribution limit for IRAs for persons older than age 50 (the “IRA Contribution”). The IRA Contribution shall be made as a lump sum payment and deposited during the first week of December.

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

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

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

(ii) Reasonable reimbursable expenses incurred while outside of Nueces County shall include automobile mileage, airfare, toll charges, overnight accommodations, business meals, personal meals, taxicab and shuttle fares, limousine fares, bus fares, train fares, rental car, parking, office supplies, photocopying expense, overnight letters, telephone calls, facsimiles and any other reasonably incurred business-related expenses;

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

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

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

Following approval by the Board Authorities above, the Hospital District shall reimburse Administrator within five (5) working days.

Reimbursement of Administrator's expenses under Paragraphs 4(e)(ii) and (iii) above shall be limited as follows. The aggregate amount of the Administrator's personal meal expenses shall not exceed seventy-five dollars (\$75.00) per day (excluding tips, which should not exceed fifteen percent [15%] of the bill) and the Administrator is responsible for payment of any personal meal expenses in excess of that limit. To the extent possible, Administrator's airfare expenses should not exceed Coach fare. Administrator's automobile mileage reimbursement shall be based on actual mileage incurred and paid at the Internal Revenue Service standard mileage rate for business miles in effect at the time the mileage was incurred. The Hospital District shall not reimburse the Administrator for any expenses not specifically described and permitted above, including alcoholic beverages and entertainment.

(g) **Provision of Indemnification and Cost of Defense.** To the extent allowed by law, and if the Administrator was acting within the course and scope of his employment with the Hospital District, excluding any criminal acts, the District agrees to hold harmless and indemnify Administrator from any and all demands, claims, suits, actions, legal proceedings, and defense arising from the performance of his duties, both past and present, which are or expected to be brought against him, either in his individual capacity, or in his official capacity as agent and employee of the Board and/or Hospital District. However, in no case will any individual Board member or members be considered personally liable for indemnifying Administrator against such demands, claims, suits, actions, legal proceedings, and defense. This provision shall survive termination of this Agreement.

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

5. **Term and Termination.** The Administrator's term of employment shall be for four (4) years beginning October 1, 2024 and ending September 30, 2028 (the "Term"). Except for good cause, or for other than good cause as described below, a majority vote of the entire Board may terminate this Agreement not more than ninety (90) days and not less than sixty (60) days prior to the end of the Term upon written notice of such to the Administrator.

For good cause, or for other than good cause, the Board may terminate this Agreement upon sixty (60) days written notice of such to the Administrator. For purposes of this Agreement, the phrase "for good cause" shall mean: (i) the Administrator willfully breaches or habitually neglects the duties he is required to perform under terms of this Agreement; (ii) the Administrator refuses to obey reasonable Board directives; (iii) the Administrator commits clearly dishonest acts toward the Hospital District; and (iv) the Administrator is formally charged for any crime involving moral turpitude. The phrase "for other than good cause" shall mean: (i) occurrence of circumstances that make it impossible or impracticable for the business of the District to be continued; (ii) the death of the Administrator; (iii) the loss by Administrator of his legal capacity;

(iv) the continued incapacity on the part of the Administrator to perform his duties for a continuous period of ninety (90) days, unless waived by the Board; and (v) the Administrator becomes permanently disabled because of sickness, physical or mental disability, or any other reason, such that it reasonably appears that he will be unable to perform his duties under this Agreement.

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

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

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

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

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

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

agrees the District will provide the Administrator such documentation if needed.

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

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

9. **Ratification.** Upon execution of this Agreement by both parties, the Administrator's compensation for any services provided to the Hospital District prior to execution of this Agreement shall be calculated pursuant to the terms of this Agreement and are herein ratified. All terms and conditions as set out in this Agreement shall apply to such ratified compensation and services.

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

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

12. **Mediation.** In the event of a dispute or disagreement regarding the performance of duties or obligations as set forth in this Agreement, the parties agree that they will participate in mediation, for the purpose of resolving any such disputes or disagreements. Each party shall pay its own legal and other costs relating to the mediation regardless of the outcome of the mediation.

Attachment “A”

PERFORMANCE GOALS		
Goal	Description	Pay as Percent of Salary
Fiscal Year 2024 (10/01/2023 – 09/30/2024) - Additional Goal		
1	Resolve dispute relating to CHRISTUS Spohn’s Emergency Medicine Residency Program and secure commitment to continue the Program for an additional six years through the 2029-2030 Academic Year.	10%
Fiscal Year 2025 (10/01/2024 – 09/30/2025)		
2	Resolve Escrow payment dispute relating to achievement of final milestone.	7%
3	Initiate marketing campaign promoting the Nueces Aid Program.	5%
4	Pursue 89 th Legislative Session objectives.	3%
5	Conduct Nueces County Medical Needs Assessment.	2%
6	Assess the benefit of switching from Nueces County-provided employee health insurance to an open-market employee health insurance plan.	1%
7	Successfully upgrade Nueces Aid data processing system.	1%
8	Assist Nueces County with negotiating extension terms of Nueces County Inmate Healthcare Services Agreement with Wexford.	2%
9	Select and implement program(s) from Opioid Abatement Fund Council’s approved programs listing.	1%
10	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2025.	5%
Fiscal Year 2026 (10/01/2025 – 09/30/2026)		
11	Expand marketing campaign promoting the Nueces Aid Program.	3%
12	Assist Nueces County develop RFP for Inmate Health Care Services.	2%
13	Conduct employee wage survey.	3%
14	Assess need for additional mental health infrastructure.	2%
15	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2026.	5%
Fiscal Year 2027 (10/01/2026 – 09/30/2027)		
16	Expand marketing campaign promoting the Nueces Aid Program.	3%
17	Pursue 90 th Legislative Session objectives.	3%
18	Secure space for Administrative Offices; negotiate extension or new lease.	2%
19	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2027.	5%
Fiscal Year 2028 (10/01/2027 – 09/30/2028)		
20	Expand marketing campaign promoting the Nueces Aid Program.	3%
21	Propose Administrator succession plan.	5%
22	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2028.	5%
During Any Fiscal Year		
23	Accomplish sale of Memorial Medical Center property.	10%
24	Accomplish sale of non-Memorial Medical Center property.	5%

APPROVED & ACCEPTED

BY: 
NAME: VISHNU REDDY, M.D.
TITLE: VICE CHAIRPERSON
DATE: 1/14/2024

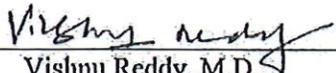
APPROVED & ACCEPTED

Digitally signed by Jonny F. Hipp
Hipp
Date: 2025.01.12 22:15:48 -06'00'

BY: Jonny F. Hipp
NAME: JONNY F. HIPPI
TITLE: ADMINISTRATOR/CHIEF EXECUTIVE OFFICER
DATE: _____

IN WITNESS WHEREOF, the parties have hereunto undertaken this Agreement and executed it as of the 13th day of January 2025.

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

By: 
Vishnu Reddy, M.D.,
Vice Chairman Board of Managers

JONNY F. HIPPIE
("Administrator")

By: Jonny F. Hipp
Jonny F. Hipp, ScD, FACHE

Digitally signed by Jonny F. Hipp
Date: 2025.01.12 22:15:04 -06'00'

APPROVED AS TO FORM:


Jenny P. Dorsey
Nueces County Attorney
1/13/2025

Exhibit # 2

**NUECES COUNTY HOSPITAL DISTRICT
ADMINISTRATOR'S EMPLOYMENT AGREEMENT ANALYSIS
FOR THE FISCAL QUARTER ENDED 06/30/2025**

Goal	Description	% Salary	Amount
<u>FY2024</u>			
A. 11	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2024	2.0%	\$5,830.00
B. 1	Resolve dispute relating to CHRISTUS Spohn's Emergency Medicine Residency Program and secure commitment to continue the Program for an additional six years through the 2029-2030 academic year.	10.0%	\$29,150.00
<u>FY2025</u>			
C. 2	Resolve Escrow payment dispute relating to achievement of final milestone.	7.0%	\$20,405.00
D. 4	Pursue 89th Legislative Session objectives	3.0%	\$8,745.00
E. 5	Conduct Nueces County Medical Needs Assessment	2.0%	\$5,830.00
F. 7	Successfully upgrade Nueces Aid data processing system	1.0%	\$2,915.00
G. 8	Assist Nueces County with negotiation extension terms of Nueces County Inmate Healthcare Services Agreement with Wexford.	2.0%	\$5,830.00
Total			\$78,705.00

Jonny H Hipp
Administrator, Jonny Hipp

8/12/25
Date

Compiled By:

Donna Littlefield
Donna Littlefield

08/12/25
Date

Reviewed by:

Belinda Espinoza
Belinda Espinoza

8/12/25
Date

A

ANNEX I
FORM OF DISBURSEMENT REQUEST

January 7, 2025

Argent Institutional Trust Company
5901 Peachtree Dunwoody Road
Suite C-495
Atlanta, GA 30328
Attention: Erik Benson
Email address: ebenson@argentfinancial.com

DISBURSEMENT REQUEST
Escrow Account Number

Ladies and Gentlemen:

We refer you to that certain Escrow Agreement (the "*Agreement*"), dated as of November 30, 2015, among the District, Spohn, and Argent Institutional Trust Company, as Escrow Agent. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

Pursuant to the provisions of the Agreement, you are hereby directed to disburse Escrow Fund held in the Escrow Account as follows:

- (i) *Disbursement Date: January 14, 2025*
- (ii) *Dollar Amount: \$3,224,053.26 and any residual interest**
- (iii) *Beneficiary Name: CHRISTUS Health*
- (iv) *Beneficiary Address: 919 Hidden Ridge, Irving, TX 75038*
- (v) *Beneficiary Bank Name: Bank of America*
- (vi) *Beneficiary Bank ABA/Routing # (9 digits):*
- (vii) *Beneficiary Account Number.*
- (viii) *Reference: Disbursement*
- (ix) *Section of Agreement pursuant to which the Disbursement Request is being made: Article III*

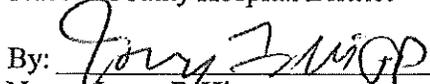
**The parties intend that this Disbursement Request authorize the disbursement of all remaining Escrow Funds as of the Disbursement Date. To the extent the Escrow Account earns residual interest, the parties authorize a subsequent disbursement to close the Escrow Account.*

Very truly yours,

Spohn:
CHRISTUS Spohn Hospital System

By: 
Name: Dominic Dominguez
Title: Chief Executive Officer

District:
Nueces County Hospital District

By: 
Name: Jonny F. Hipp
Title: Administrator/CEO

B

December 14, 2023

Dominic Dominguez
CEO
CHRISTUS Spohn Health System Corporation
613 Elizabeth St., Suite 300
Corpus Christi, Texas 78404

Re: Emergency Medicine Support Letter Agreement

Mr. Dominguez,

This Letter Agreement (“Letter Agreement”), effective December __, 2023 (the “Effective Date”), is entered into by and between CHRISTUS Spohn Health System Corporation (“Spohn”) and Nueces County Hospital District (“NCHD”) (hereinafter each referred to as a “Party” and collectively as the “Parties”) to set forth the terms and conditions upon which NCHD shall provide Support (as defined below) for Spohn’s Emergency Medicine Residency Program (“EM Program”) subject to the terms and conditions set forth herein.

As you know, the NCHD Board of Managers (the “Board”) determined that, among other things, (i) the provision of Support to Spohn’s EM Program is in furtherance of NCHD’s constitutional and statutory mission and purpose to provide or arrange for indigent care to the community; (ii) the public is receiving adequate consideration from the Support; and (iii) there are adequate controls in place to ensure that the Support is, in fact, used in furtherance of the NCHD’s constitutional and statutory mission and purpose.

Now, therefore, in consideration of the premises, the mutual benefits to be derived from this Letter Agreement, and other good and valuable consideration, including the convenience of the Parties, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that this Letter Agreement shall be performed and executed by the Parties as follows:

During the Term (as defined below) of this Letter Agreement, Spohn shall (i) maintain its EM Program; (ii) seek in good faith to match a minimum of twelve (12) EM Program residents (“EM Residents”) for the 2024 – 2025 through the 2029 – 2030 Academic Years,¹ subject to the

¹ The term “Academic Year” means July 1st through June 30th of each year during the Term.

maintenance of historical qualification and credential standards;² (iii) maintain an academic university-affiliated teaching affiliation for EM Program faculty; (iv) provide the level of academic faculty administrative support needed to maintain Accreditation Council for Graduate Medical Education (“ACGME”) accreditation; and (v) provide market-competitive compensation subject to “fair market value” and other requirements of applicable exception under the Physician Self-Referral Law at 42 U.S.C. §§ 1395nn and implementing regulations for EM Program faculty and EM Residents (collectively, the “EM Program Commitment”).

In consideration of and subject to Spohn’s performance EM Program Commitment, NCHD agrees to provide the following support payments to Spohn each of the following Academic Years (collectively “Support”):

- **2024 – 2025 Academic Year** – The lesser of (i) \$1,402,500 or (ii) Spohn’s Actual Costs
- **2025 – 2026 Academic Year** – The lesser of (i) \$2,847,500 or (ii) Spohn’s Actual Costs
- **2026 – 2027 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn’s Actual Costs
- **2027 – 2028 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn’s Actual Costs
- **2028 – 2029 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn’s Actual Costs
- **2029 – 2030 Academic Year** – The lesser of (i) \$4,250,000 or (ii) Spohn’s Actual Costs

Spohn’s “Actual Costs” shall mean Spohn’s direct expenses, overhead allocations using generally accepted Medicare reimbursement principles, and indirect medical education (“IME”) expenses determined as fifty percent (50%) of Spohn’s IME reimbursement.

At the end of each Academic Year Quarter,³ NCHD will pay Spohn one-fourth (1/4) of the Support for the applicable Academic Year. Within five (5) months after the conclusion of Spohn’s Medicare cost reporting year (“Cost Reporting Year”), Spohn shall provide NCHD with a report reflecting its Actual Costs for the preceding Cost Reporting Year. In the event Spohn’s Actual Costs for such Cost Reporting Year are less than the estimated Support paid by NCHD for such Cost Reporting Year, then Spohn shall refund such surplus within thirty (30) days of its provision of the report to NCHD.

The term of this Letter Agreement will be six (6) years commencing with the 2024 – 2025 Academic Year (i.e., July 1, 2024) and ending following the 2029 – 2030 Academic Year (i.e., June 30, 2030) (the “Term”). However, this Letter Agreement will automatically terminate in the event (i) Spohn does not match a single Resident to the EM Program for the 2024 – 2025 Academic Year, or (ii) the EM Program loses its accreditation as a graduate medical education (“GME”) program at any time during the Term. In the event this Letter Agreement is terminated, Spohn’s

² In the event Spohn is unable to match 12 EM Residents, the Support shall be proportionately reduced as outlined below.

³ “Academic Year Quarter” means the three-month periods during each Academic Year ending on September 30th, December 31st, March 31st, and June 30th.

obligation to comply with the EM Program Commitment and NCHD's obligation to provide Support shall cease.

In the event (i) Spohn decides it wants to discontinue the EM Program during the Term and NCHD does not oppose such decision, (ii) Spohn decides not to continue the EM Program for the 2030 – 2031 Academic Year, or (iii) Spohn is unable to meet ACGME sponsoring institution requirements during the Term, NCHD may identify an alternate sponsoring institution within Nueces County ("Sponsoring Institution") to accept transfer of the EM Program. If NCHD identifies an alternate Sponsoring Institution willing to accept transfer of the EM Program, Spohn will timely transfer sponsorship of the EM Program to such alternate Sponsoring Institution in accordance with published ACGME sponsorship guidelines. Neither Party shall have any obligation to fund the EM Program if Spohn transfers the EM Program to another Sponsoring Institution as provided herein. Notwithstanding the foregoing, if NCHD is unable to identify an alternate Sponsoring Institution, Spohn shall have no obligation to transfer the sponsorship of the EM Program.

In the event Spohn is unable to match twelve (12) EM Residents annually that meet the EM Program Commitment during the Term, Spohn will meet with NCHD in good faith and apply a proportionate reduction to the Support to ensure NCHD receives a benefit from program cost savings, and Spohn will not be considered in breach of this Letter Agreement. By way of illustration, in the event Spohn matches six (6) EM Residents for the 2024 – 2025 Academic Year instead of twelve (12) EM Residents, NCHD's Support to Spohn shall be proportionately reduced to the lesser of \$701,250 or Spohn's Actual Costs (i.e., 50% of the amount of Support set forth above for the 2024 – 2025 Academic Year).

In the event Spohn obtains incremental funding from a third-party with respect to any Academic Year during the Term in excess of the funding it is receiving as of the Effective Date of the Letter Agreement in support of the EM Program, the Parties will reduce NCHD's Support by an amount equivalent to such incremental third-party funding. The Parties acknowledge that Texas Medicaid has proposed and plans to implement a Medicaid GME reimbursement program. In calculating a reduction to NCHD Support attributable to Medicaid GME, (i) only Medicaid GME amounts attributable to periods on or after the 2024 – 2025 Academic Year will apply to the reduction; and (ii) the reduction will be limited to the federal share of any Medicaid GME payments Spohn receives, multiplied by the number of EM Residents divided by total residents.

The Parties agree to conduct a medical needs assessment for the Nueces County community ("Community Needs Assessment") within one (1) year of the Effective Date of this Letter Agreement. The Parties agree to meet in good faith within six (6) months of the completion of the Community Needs Assessment to (i) discuss how best to address the medical needs identified by the Community Needs Assessment and (ii) identify resources to address such medical needs.

Neither Party has any obligation to fund any needs identified through the Community Needs Assessment.

The Parties agree that this Letter Agreement is a standalone agreement and separate and apart from the Parties' other agreements.

Sincerely,



Jonny Hipp, Administrator, CEO

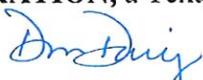
IN WITNESS WHEREOF, the Parties hereto by their duly authorized representatives have executed this Letter Agreement on the 14th day of December, 2023.

NUECES COUNTY HOSPITAL DISTRICT,
a political subdivision of the State of Texas

By: 

Jonny F. Hipp, Administrator, CEO

**CHRISTUS SPOHN HEALTH SYSTEM
CORPORATION,** a Texas non-profit corporation

By: 

Dominic Dominguez, CEO

C

ANNEX I
FORM OF DISBURSEMENT REQUEST

January 7, 2025

Argent Institutional Trust Company
5901 Peachtree Dunwoody Road
Suite C-495
Atlanta, GA 30328
Attention: Erik Benson
Email address: ebenson@argentfinancial.com

DISBURSEMENT REQUEST
Escrow Account Number

Ladies and Gentlemen:

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- (ii) *Dollar Amount: \$3,224,053.26 and any residual interest**
- (iii) *Beneficiary Name: CHRISTUS Health*
- (iv) *Beneficiary Address: 919 Hidden Ridge, Irving, TX 75038*
- (v) *Beneficiary Bank Name: Bank of America*
- (vi) *Beneficiary Bank ABA/Routing # (9 digits):*
- (vii) *Beneficiary Account Number.*
- (viii) *Reference: Disbursement*
- (ix) *Section of Agreement pursuant to which the Disbursement Request is being made: Article III*

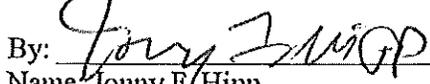
**The parties intend that this Disbursement Request authorize the disbursement of all remaining Escrow Funds as of the Disbursement Date. To the extent the Escrow Account earns residual interest, the parties authorize a subsequent disbursement to close the Escrow Account.*

Very truly yours,

Spohn:
CHRISTUS Spohn Hospital System

By: 
Name: Dominic Dominguez
Title: Chief Executive Officer

District:
Nueces County Hospital District

By: 
Name: Jonny F. Hipp
Title: Administrator/CEO

D

By: Villalobos

H.B. No. 4801

Substitute the following for H.B. No. 4801:

By: Bell of Montgomery

C.S.H.B. No. 4801

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

8 (a) With the approval of the Nueces County Commissioners
9 Court, the board of the Nueces County Hospital District may use
10 funds made available to the district from sources other than a tax
11 levy to fund:

12 (1) health care services, including public health
13 services, mental health services, intellectual disability
14 services, emergency medical services, health services provided to
15 persons confined in jail facilities, and for other health related
16 purposes; and

17 (2) a grant program established under Section
18 281.0941.

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

21 Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT PHYSICIAN
22 RECRUITMENT AND RETENTION GRANT PROGRAM. (a) The board of the
23 Nueces County Hospital District may establish and administer a
24 grant program for hospitals located in the hospital district to

1 provide the funding necessary to:

2 (1) allow hospitals in the district to:

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

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

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

11 (b) If the board of the hospital district establishes a
12 grant program under this section, the board shall adopt rules to
13 ensure the grant is used in a manner that is consistent with the
14 public purpose of providing medical aid and hospital care for the
15 indigent and needy individuals residing in the district, including
16 rules:

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

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

21 (3) establishing accountability controls for
22 hospitals awarded a grant under this section to ensure the district
23 receives a benefit in return for the award of the grant; and

24 (4) relating to any other aspect of the program the
25 board determines necessary for the program's administration.

26 (c) The board of the hospital district may not use money
27 received by the district under Chapter 298C to fund a grant awarded

1 under this section.

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

By: Hinojosa of Hidalgo

S.B. No. 2666

A BILL TO BE ENTITLED

AN ACT

1
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.

E

Consulting Agreement

Client Information

Name: Nueces County Hospital District
Phone: 361-808-3800
Contact Person: Jonny Hipp

3Dhealth, a Wisconsin corporation ("3D"), agrees to provide consulting services ("Consulting Services") to Nueces County Hospital District ("Client"), in connection with Client's project ("Project") of completing a comprehensive physician needs assessment and patient access analysis for Nueces County, Texas. 3D and Client (collectively, "Parties") understand and agree that 3D shall perform the following Consulting Services, which are of a ministerial nature in support of Client in its Project.

Project Scope

Activities

- ✓ Conduct a Kick-Off Meeting with a designated contact at Client and any additional key stakeholders to:
 - Confirm project objectives and approach
 - Discuss 3Dhealth's approach, methodology, data sources, timing and deliverables
 - Agree on the Project Plan and timing for key milestones including:
 - Physician Supply Verification
 - Draft Surplus/Deficit Analysis
 - Patient Access Study
 - Nueces County Physician Needs Assessment Presentations
- ✓ Estimate the demand for office-based physician services for Nueces County.
 - Utilize 3Dhealth's proprietary Physician Demand Model to determine the projected demand for physician services for Nueces County.
 - The model was developed with utilization data purchased from the leading actuarial firm Milliman.
 - The commercial physician encounter rates are based on Milliman's proprietary database from nationwide commercial group data representing encounters from over 550-million-member months.
 - Medicare encounter rates are based on the Center for Medicare and Medicaid Services' 5% sample data file, which is comprised of data representing encounters from over 13.8-million-member months.
 - Considers age and gender distribution of the Nueces County population
 - Includes 45 office-based physician specialties and 25 pediatric sub-specialties.
 - Assumes physician productivity utilizing a five-year rolling average of the MGMA median physician productivity benchmarks
- ✓ Compile and verify the physician supply database for Nueces County.
 - Develop a comprehensive physician supply database for Nueces County utilizing a number of public and private sources
 - To further increase the accuracy of the database, verify records with primary research and telephone calls to physicians' offices as needed. Additional research is typically completed in the following circumstances:
 - Age: If a physician's age was not uncovered during the database compilation, 3Dhealth gathers estimates using medical school graduation dates, birth years, or birth dates as available



- Locations: Physician FTEs are adjusted for physicians that spend time practicing at multiple offices - both inside and outside of Nueces County - based on the days of the week spent at each office (e.g. two days at office 1 and two days at office 2 equate to a 50%/50% location split)
 - Specialties: If a physician practices multiple sub-specialties, his or her FTE is split between the sub-specialties
 - Productivity: Physician FTEs are adjusted for time spent performing non-clinical duties, such as teaching, research, or administrative duties. In the absence of actual FTE data or information, academic physicians are assigned a 0.67 FTE (or portion thereof if explicitly identified as a part-time provider)
- ✓ Complete the Patient Access Study.
 - For all office-based physicians within Nueces County, place phone calls to the practice to test for:
 - Whether practices are open or closed to new patients
 - The next available new patient appointment wait time
 - Whether the practice offered an alternative appointment - e.g., APP or physician partner, or alternative site
 - Call scenarios can be customized by specialty and payer type at Client's discretion.
 - Collect and tabulate the results of the Patient Access Study:
 - Number and percentage of physicians by specialty open, closed or selectively open to new patients
 - Minimum, maximum, and average wait times for the next available new patient appointment by specialty, practice, and/or physician
 - The number of practices that offered an alternative if they were closed to new patients or if wait times were excessive
 - Benchmark the results of the Patient Access Study against patient expectations and 3Dhealth's national experience based on our work across the country.
- ✓ Calculate current physician FTE supply by specialty for Nueces County
- ✓ Calculate the resulting current and five-year projected surplus or deficit of community physicians for the Nueces County population.
- ✓ Conduct a conference call to review the draft surplus/deficit results and physician supply database.
- ✓ Incorporate any feedback.
- ✓ Compile the results of the Patient Access Study.
- ✓ Issue the final Nueces County Physician Needs Assessment.
- ✓ Conduct in-person and virtual meetings/presentations, as needed.

Deliverables

- Draft Surplus/Deficit Results and Physician Supply Database (Excel file with initial results and physician supply detail)
- Patient Access Detail
- Patient Access Study
- Nueces County Physician Needs Assessment
- Provider Supply Database

Timing

- Six Weeks to Draft Results
- Ongoing In-Person and Virtual Meetings/Presentations as Needed

Quipp

Specialties Included in the Assessments

Primary Care Specialties

Advanced Practice Provider
Family Medicine
Geriatric Medicine
Internal Medicine
Nurse Midwife
Obstetrics & Gynecology
Pediatrics

Medical Sub-Specialties

Allergy & Immunology
Cardiology - Electrophysiology
Cardiology - Interventional
Cardiology - Medical
Dermatology
Endocrinology
Gastroenterology
Hematology/Oncology
Infectious Disease
Nephrology
Neurology
Pain Management
Physical Medicine & Rehab
Psychiatry
Pulmonary
Reproductive Endocrinology
Rheumatology
Sleep Medicine
Sports Medicine

Surgical Sub-Specialties

Bariatric Surgery
Breast Surgery
Cardiac Surgery
Colon and Rectal Surgery
General Surgery
Maternal Fetal Medicine
Neurosurgery - Cranial
Neurosurgery - Spine

Oncology Surgery
Ophthalmology
Orthopedic Surgery - General
Orthopedic Surgery - Hand
Orthopedic Surgery - Spine
Otolaryngology
Plastic Surgery
Podiatry
Thoracic Surgery
Urology
Vascular Surgery

Pediatric Medical Sub-Specialties

Pediatric Allergy & Immunology
Pediatric Cardiology
Pediatric Dermatology
Pediatric Developmental-Behavioral
Pediatric Endocrinology
Pediatric Gastroenterology
Pediatric Genetics
Pediatric Hematology/Oncology
Pediatric Infectious Disease
Pediatric Nephrology
Pediatric Neurology
Pediatric Pain Management
Pediatric Psychiatry
Pediatric Pulmonary
Pediatric Rehabilitation Medicine
Pediatric Rheumatology
Pediatric Sports Medicine

Pediatric Surgical Sub-Specialties

Pediatric Cardio/Thoracic Surgery
Pediatric Neurosurgery
Pediatric Ophthalmology
Pediatric Orthopedic Surgery
Pediatric Otolaryngology
Pediatric Plastic Surgery
Pediatric Surgery
Pediatric Urology



Fees for Services

Professional fees for the project are based upon the proposed scope of work, include a 20% new client discount and total \$19,200.00.

Out-of-pocket expenses including travel, copies and binding, and other reasonable project-related expenses will be billed as incurred at cost. 3D follows the IRS recommended guidelines for travel.

Data purchases include Milliman physician utilization rates and Claritas service area demographics and total \$1,500.00.

25% of the professional fees and 100% of the data costs are due upon signing of a Consulting Agreement. The remainder of the professional fees and out of pocket expenses will be billed monthly over the course of the engagement and are payable within 30 days of being billed.

Client hereby acknowledges that it has read and understands the Terms & Conditions attached hereto and any other attachments hereto, all of which are incorporated herein by reference, and it agrees to be bound hereby.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the later of the dates set forth below.

Nueces County Hospital District

By: Jonny F. Hiop
Print Name: Jonny F. Hiop
Title: Administrator/CEO
Date: 12/20/2024

3Dhealth

By: Ronald R. Flower
Print Name: Ronald R. Flower
Title: President & CEO
Date: December 20, 2024

GENERAL TERMS & CONDITIONS

1. **GENERAL.** The General Terms & Conditions set forth herein are incorporated in and part of that certain Consulting Agreement ("Agreement") to which it is attached by and between the Parties thereto, which shall be referred to herein as 3Dhealth ("3D") and Client respectively.

2. **ACCEPTANCE; TERM.** This Agreement is not binding upon 3D, and its term (the "Term") shall not commence, until (a) 3D's actual receipt of the Agreement signed by an authorized representative of the Client adopting all of the Terms & Conditions without qualification and (b) execution of the Agreement by an authorized representative of 3D. The Term shall continue until the Project (as defined in the Agreement) is completed, unless terminated earlier as provided below.

3. **TERMS OF PAYMENT.** Client shall be invoiced 25% of the professional fee and 100% of the data cost upon signing the Consulting Agreement and then monthly as the project progresses. Invoices shall be due and payable within 30 days of receipt of the invoice by Client.

4. **EXPENSES.** Client shall promptly reimburse 3D at cost for all out-of-pocket expenses attributable to the Project or incurred in connection with the Consulting Services (as defined in the Agreement), including travel, accommodation, meals, photocopying, courier, telephone, facsimile and other related expenses.

5. **WARRANTY.** 3D warrants that it shall perform all Consulting Services competently and in a timely and professional manner, exercising all of the diligence and care normally exercised in the performance of comparable tasks. 3D has been engaged to collect, analyze, interpret and explain various data, and make recommendations to Client. 3D cannot guarantee its recommendations or Client's success in implementing the same. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, 3D MAKES NO WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OR OTHERWISE.

6. **INDEPENDENT CONTRACTOR.** The relationship of the parties under this Agreement is one of independent contractors, and no joint venture, partnership, agency, employer-employee, or similar relationship is created in or by this Agreement. Neither party may assume or create obligations on the other party's behalf, and neither party may take any action that creates the appearance of such authority. 3D has the sole right to control and direct the means, details, manner, and methods by which the Consulting Services will be performed, and the right to perform the Consulting Services at any time, place, or location.

7. **ASSIGNMENT.** Each party shall not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

8. **NON-SOLICITATION.** During this Agreement and for a period of 12 months following the termination of this Agreement, each party shall not, directly or indirectly, for their own account or for any other person or entity, solicit, hire or otherwise engage the services of any personnel of the other party without the prior written consent of the party.

9. **CONFIDENTIAL INFORMATION.** 3D recognizes and acknowledges that, in performing Consulting Services, it may come into possession of certain confidential information of Client ("Confidential Information"). 3D agrees that, except as directed by the Client, it shall not at any time during or after the Term disclose any Confidential Information to any person. It is understood that the Confidential Information does not include information that (a) becomes generally available to the public other than as a result of disclosure by 3D, (b) becomes available to 3D from a source other than Client if that source is not subject to a confidentiality obligation regarding such information, or (c) must be disclosed by order of court or other process of law.

10. **TERMINATION BY CLIENT.** This Agreement is based on the Client's commitment to the Project. However, the Client may cancel this agreement upon two weeks prior written notice, *provided, however*, that client agrees to pay for all Consulting Services rendered and expenses incurred through the effective date of termination.

11. **TERMINATION BY 3D.** 3D may terminate this Agreement upon two weeks prior written notice to Client if (a) Client is unwilling or unable to accept delivery of the services necessary to complete the Project on the delivery date agreed upon by the parties and (b) the parties are unable to agree upon another date for delivery.

12. **LIMITATION OF LIABILITY.** Client's sole and exclusive remedy for breach or any other claim in connection with the Agreement or the Consulting Services provided pursuant thereto shall be for a refund of any part of the Total Project Cost paid by Client. In no event shall 3D be liable to Client or any third-party for any special, indirect, incidental or consequential damages in

connection with or as a result of the performance, non-performance, delivery or non-delivery of the services of 3D, or for any charges or expenses of any nature incurred without 3D's written consent, and Client indemnifies and holds 3D harmless from any and all such claims of damage by Client or others.

13. **DELIVERY DATES; FORCE MAJEURE.** All delivery, start and completion dates are approximate and 3D shall not be responsible for any damage of any kind resulting from any delay. 3D shall not be liable for any default or delay in performance if caused, directly or indirectly, by acts of God or terrorists, the elements, labor disputes, accidents, any governmental action, prohibition or regulation, shortage or breakdown of or inability to obtain or non-arrival of any labor, material or equipment used in the Project, failure of any party or third-party to perform any contract with 3D or Client relative to the Project, or from any other cause whatever beyond 3D's control (collectively, the "Force Majeure Conditions").

14. **MISCELLANEOUS.**

(a) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties, their respective successors, legal representatives and permitted assigns.

(b) **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of the Client location, without regard to conflict of laws principles. Client and 3D agree that any cause of action that may arise in any way under or due to this Agreement shall be brought and have venue in the County of the Client.

(c) **Notices.** All notices which are required to be given shall be in writing and delivered to the address set forth on the Agreement attached hereto. Any such notice shall be delivered by hand or by certified first class mail, postage prepaid, return receipt requested, and shall be deemed given upon the date hand delivered or three days after mailing.

(d) **Severability.** The invalidity or unenforceability of any of the provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. If any provision of this Agreement is for any reason held by a court of competent jurisdiction to be invalid or unenforceable, it shall be construed to make it valid and enforceable by limiting it as to time, subject or geographical scope as required under applicable law.

(e) **No Waiver.** All rights, privileges and remedies afforded 3D shall be deemed cumulative and not exclusive, and the exercise of any one of such remedies shall not be deemed a waiver of any other right, privilege or remedy.

(f) **Non-Exclusivity.** Client agrees and acknowledges that 3D is performing the Consulting Services hereunder on a non-exclusive basis and 3D is free to contract with any other parties to perform consulting services.

(g) **Entire Agreement.** These General Terms and Conditions and the Agreement attached hereto and any other attachments thereto together constitute the entire final, complete and exclusive understanding and agreement between the Client and 3D regarding the subject matter and supersedes all prior representations, proposals or understandings. The Agreement may be amended, modified or supplemented only in writing as agreed to by the Parties.

F

PROFESSIONAL SERVICES AGREEMENT FOR
NON-EXCLUSIVE LICENSE

This Professional Services Agreement for a Non-Exclusive License (this “Agreement”) is by and between Indigent Healthcare Solutions with offices at 2040 N. Loop 336 W. Suite 304, Conroe, TX 77304 (the “Company”), and the Nueces County Hospital District, with offices at 555 N. Caranchaua Street, Suite 950, Corpus Christi, TX 78401 (“Licensee”). The Parties enter into this Professional Services Agreement for designated Licensee’s Departments’ access to and use of the Company software-as-a-service (“SAAS”) offerings described herein for a designated data processing system of the Licensee by specified Users, and for designated Services (defined below) to be provided by the Company, according to the terms and conditions specified in this Agreement. This Agreement has an effective date of 06/01/, 2025.

1.0 DEFINITIONS

- 1.01 “**Concurrent User**” means a User who is accessing and using a particular Department Service at the same time as one or more other Users authorized to access and use an authorized Department Service. “**Concurrent User Number**” means the maximum number of Users authorized to access and use a particular Department Service at any given time. The authorized Concurrent User Number for each Department Service is stated in **Exhibit 1**.
- 1.02 “**Department**” means a particular specifically identifiable sub-unit of the Licensee governmental entity, for example, a distinct department, division, or physical office of the Licensee; or an appointed or independently elected official (“**Government Official**”), or a distinct department, division or physical office operating under that Government Official and subject to that Government Official’s supervision or authority.
- 1.03 “**Department Services**” means the specific Service(s) that a particular Licensee Department is authorized to use or access under this Agreement. A Department may be authorized to use more than one Service, as specified in **Exhibit 1**.
- 1.04 “**Documentation**” means any manuals, instructions, or other documents or materials that the Company provides or makes available to Licensee in any form or medium and which describe the functionality, components, features, or requirements of the Services or Provider Materials, including any aspect of the installation, configuration, integration, operation, use, support, or maintenance thereof.
- 1.05 “**Intellectual Property Rights**” means any and all registered and unregistered rights granted, applied for, or otherwise now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection, or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.

- 1.06 “**Licensee**” means the Licensee governmental entity, including but not limited to the individual Licensee Departments specifically identified in **Exhibit 1** that are authorized by this Agreement to use the Services.
- 1.07 “**Licensee Data**” means information, data, and other content, in any form or medium, that is collected, downloaded, or otherwise received, directly or indirectly, from Licensee by or through the Services or that incorporates or is derived from the processing of such information, data, or content by or through the Services.
- 1.08 “**Provider Materials**” means the Services, Documentation, and Provider Systems and any and all other information, data, documents, materials, works, and other content, devices, methods, processes, hardware, software, and other technologies and inventions, including any deliverables, technical or functional descriptions, requirements, plans, or reports, that are provided or used by the Company in connection with the Services or otherwise comprise or relate to the Services or Provider Systems. For the avoidance of doubt, Provider Materials include any information, data, or other content derived from Provider's monitoring of Licensee's access to or use of the Services, but do not include Licensee Data.
- 1.09 “**Provider Systems**” means the information technology infrastructure used by or on behalf of the Company in performing the Services, including all facilities, computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated directly by the Company or through the use of third-party services.
- 1.10 “**Public Records Law**” means any applicable public open records law, or, as applicable, the Federal Freedom of Information Act (“FOIA”), 5 U.S.C. § 552, and the Texas Public Information Act, chapter 552 of the Texas Government Code.
- 1.11 “**Services**” means: (a) the SAAS offerings identified in **Exhibit 1** to this Agreement; (b) remote (cloud-based) hosting; (c) data backup, if any; (d) Special Services, if any; (e) maintenance, support, training; and orientation; (f) any other services provided by the Company under this Agreement; and (g) any and all enhancements, modifications, patches, upgrades, releases, developments, adaptations, and derivative works related thereto, no matter by whom developed, this does not include any item developed, adapted, or a derivative of Licensee.
- 1.12 “**Special Services**” is defined in Section 11.10.
- 1.13 “**User**” means a particular individual person that is authorized to use or access a particular Department Service under this Agreement. “**User Number**” shall mean, if specified in **Exhibit 1**, the total number of authorized Users for which Licensee has the right to permit access and use of a particular Department Service, not to exceed the permitted number of Concurrent Users authorized. Licensee shall provide a list of all authorized Users to the Company, updated from time to time as necessary to keep the Company advised of all authorized Users. The identification of all authorized Users shall be in a form and format

acceptable to the Company. Licensee has a continuing duty to update the Company regarding any changes to its authorized Users including, but not limited to the resignation, death, or termination of employment or services of any User.

2.0 LICENSE

2.01 Grant of License

The Company hereby grants Licensee a non-exclusive, non-sublicensable, non-transferable, limited, revocable license to use the Services identified in **Exhibit 1** during the Term solely for Licensee's internal use, subject to timely payment of all fees and charges specified. Each Licensee Department identified in **Exhibit 1** may use the Services authorized in **Exhibit 1** specifically for that Department, and none other; by no more than the number of Users authorized in **Exhibit 1** specifically for that Department for that Department Service; and by no more at any given time than the number of Concurrent Users authorized in **Exhibit 1** specifically for that Service and that Department. Each Licensee Department must use its identified Department Service(s) and related materials only in the regular course of its lawful business, within its usual governmental capacity without abuse, only at the sites and only on the networks and workstations or other equipment authorized, and in the manner contemplated by, and under the terms and conditions of, this Agreement. The Company hereby grants to Licensee a non-exclusive, non-sublicensable, non-transferable license to use the Documentation during the Term solely for Customer's internal business purposes in connection with its use of the Services.

2.02 Users, Concurrent Users

Licensee has the right to permit access and use of the Service(s) by authorized Licensee Department employees who have been identified to the Company as authorized Users, up to the User Number specified in **Exhibit 1** for the applicable Service; *provided*, that no more than the authorized Concurrent User Number of Users may access or use the particular Service(s) at any given time.

2.03 Ownership of Services and Provider Materials; Right to Modify

Nothing in this Agreement grants any right, title, or interest in or to (including any license under) any Intellectual Property Rights in or relating to, the Services or Provider Materials whether expressly, by implication, estoppel, or otherwise. All right, title, and interest in and to the Services and Provider Materials are and shall remain vested in, and shall vest solely with, the Company. This Agreement does not create or transfer any right, title, or interest in or to the Services or any related materials in favor of Licensee or any third party. The Company reserves the right, in its sole discretion, to make any changes to the Services and Provider Materials that it deems necessary or useful to: (a) maintain or enhance: (i) the quality or delivery of the Company's services to its customers; (ii) the competitive strength of or market for the Company's services; or (iii) the Services' cost efficiency or performance; or (b) to comply with applicable Law. Company shall advise Licensee prior to making any changes to the Services and Provider Materials which alter the

representations or services, which Company represented to Licensee and /or is obligated to perform hereunder.

2.04 No Alterations or Derivative Works

This Agreement does not grant Licensee the right to knowingly make derivative works or otherwise alter, modify, or adapt the Services or related materials. Licensee may not itself, or by the actions of any third party, volunteer, or contractor (hereinafter referred to as “**Licensee’s Designee**”), inspect, work on, improve, reverse engineer, enhance, adapt, develop, or otherwise use or exploit any of the Services, Provider Materials or other Company Intellectual Property Rights (collectively “**Alterations**”) in any manner whatsoever not authorized expressly by this Agreement, without express written permission from the Company. Licensee shall not knowingly make any replacements or substitutions to the Services and other Provider Materials without the written consent of the Company. Any such replacements or substitutions, or any derivative works, in whole (or part if incomplete), shall become the exclusive property of the Company as of the time of their creation and be subject to this Agreement unless the Company otherwise agrees in writing. If knowingly Licensee or anyone acting on Licensee’s behalf, directly or indirectly, modifies the Services or other Provider Materials without the Company’s written consent, the Company’s obligation to provide maintenance and provide support, at the Company’s option, will terminate; and any warranty of functionality will be voided.

2.05 Ownership of Alterations Including Derivative Works

If necessary, Licensee may request Company’s consent to Alterations, including but not limited to Alterations that may constitute copyrightable or patentable derivative works, by Licensee or any Licensee’s Designee.

2.06 No Removal of Proprietary Legends or Notices

Licensee agrees not to remove or destroy any proprietary or confidential legends or markings (including but not limited to copyright or trademark notices) placed upon or contained within the Services, Documentation, and other Provider Materials.

2.07 Licensee Data

Licensee retains all rights in and to its Licensee Data. At the termination of this Agreement, or at any other time upon written request by Licensee and as a Special Service, the data will be exported by the Company to Licensee in a symbol-delimited ASCII format with an accompanying record layout, or in such other format appropriate for Licensee and which the Company is practically capable of producing and to which the Company agrees; provided, that use of such non-ASCII format does not infringe any Intellectual Property Rights of the Company or any third party.

If Licensee provides Licensee Data in a non-ASCII format, Licensee agrees it will pay for such programming, conversion, reformatting, manipulation, or other processing, as Special

Services pursuant to Section 11.10, at the Company's then-prevailing time and materials rates, including reasonable travel costs and per diem expenses. If requesting conversion of Licensee Data to a non-ASCII format, Licensee must specify in writing to the Company what data records Licensee desires to be converted, the format requested, and the media on which the converted data is requested to be written or recorded. The Company will be given an opportunity and reasonable time to present Licensee with a scope of work/proposal regarding such programming, conversion, reformatting, manipulation, or other processing of non-ASCII format Licensee Data which scope of work/proposal and pricing shall be approved in writing by Licensee prior to the Company beginning such Special Services.

NOTE: A symbol- or tab-delimited ASCII file would be provided upon normal termination without charge, but there would be a charge for any other format, or if any reformatting, processing, or other manipulation of such a file were requested by Licensee or Licensee's new provider.

If this Agreement has been terminated under Section 8.0 on the basis that funds have not been appropriated, the Company will have no obligation under this section or otherwise to provide any transfer or conversion assistance to Licensee unless and until Licensee (i) certifies in writing that funds are available for such services from current funding sources and (ii) Licensee commits in writing to pay the Company for such services from such current funding sources.

Licensee will be solely responsible for obtaining, and for the costs of, any applicable third-party licenses or consents, or for the costs of any additional equipment or software required by the Company, that may be needed to accomplish or permit the conversion of Licensee Data to the agreed export format and using the agreed media.

2.08 No Access by Unauthorized Persons or Entities

Licensee will not knowingly permit, and warrants to the Company it will not permit, the Services or other Provider Systems to be used, accessed, inspected, reviewed, or viewed either directly or indirectly by any unauthorized person or entity. Licensee will not knowingly provide copies of any reports or other output by the Provider Systems and Services to any person or entity not authorized to receive them under this Agreement, or to which Licensee is not otherwise required by applicable law to provide. This is a material condition of this Agreement.

2.09 No Sublicenses or Unauthorized Extensions of License

Licensee may not knowingly grant or extend, and warrants to the Company it will not knowingly grant or extend, sublicenses or other rights in or to the Services or other Provider Materials to others not authorized by this Agreement to receive them, including but not limited to Departments not expressly authorized in **Exhibit 1** to use the specific Service; or assign or transfer the License in whole or part, or any rights in or to the Service, to any unauthorized third party or to unauthorized Licensee Department or person. This is a

material condition of this Agreement.

3.0 LICENSEE FEES; INITIAL MIGRATION OF DATA

3.01 Fees.

The fees for this Agreement shall be the amounts specified in **Exhibit 1**, to be paid over the Term of this Agreement or otherwise as specified in **Exhibit 1**. Addition of (i) Users or Concurrent Users within a Department, (ii) Departments, (iii) Department Services, or (iv) increases in User Numbers or Concurrent User Numbers specific to a particular Department Service, must be agreed in writing by both Parties, and may result in additional fees, including fees for additional installations or authorizations, and increases in any annual or monthly fees, as specified by the Company.

3.02 Services

Subject to payment of stated fees by Licensee as specified in **Exhibit 1**, the Company will provide the Services specified in **Exhibit 1** and **Exhibit 2**, as those Exhibits may be amended in writing from time to time.

3.03 Initial Migration of Licensee Data to Provider Systems.

(a) Licensee is responsible, at its own cost, for providing the Company with Licensee's existing Licensee Data and any other data for which the Company services will be provided, in a format acceptable to the Company and which the Company is readily able to import into and use with Provider Systems ("**Acceptable Data Migration Format**"). An Acceptable Data Migration Format includes a corresponding record layout for the data.

(b) If Licensee Data is in the possession of a third party (e.g., a prior service provider other than the Company), Licensee is responsible for obtaining Licensee Data from the third party in an Acceptable Data Migration Format. All costs of and charges by the third party to provide Licensee Data in such a format will be borne fully by Licensee.

(c) Licensee's tender of its Licensee Data to the Company for initial installation into Provider Systems (the initial migration of Licensee Data), or other additional data tendered for input (including input by Licensee Users) (all being "**Tendered Data**"), will be Licensee's representation to the Company that the Tendered Data is validated by Licensee as being Licensee Data and that it is accurate for the purposes of the Company's provision of Services under this Agreement.

(d) The Company will not be responsible in any way for any errors in the Tendered Data provided by Licensee for either: (i) initial migration (including but not limited to inaccuracies in the data themselves and any errors arising from or traceable to formatting errors, failure to properly populate identified fields or to populate in formats other than those specified for the file, or other irregularities or inconsistencies) ("**Initial Data Errors**"), or in any later-tendered data ("**Later Data Errors**"), including any errors, inconsistencies, incompleteness, or other deficiencies of data reasonably traceable to such

Data Errors or other inadequacies of the Tendered Data or the format in which tendered, or (ii) errors, inconsistencies, incompleteness, or other deficiencies discovered by Licensee's independent auditors ("**Audit Errors**", and along with Initial Data Errors and Later Data Errors, the "**Errors**") during any annual or special audit undertaken by or on behalf of Licensee.

(e) If any Tendered Data file provided by Licensee requires any Company conversion, manipulation, reformatting, verification, or other work or processing required for or convenient to installation of any Tendered Data and to use it in Provider Systems and Services ("**Data Conversion**"), including but not limited to correcting any Errors, that Data Conversion shall be a Special Service (see Section 11.10), for which, in addition to any other fees specified or authorized under this Agreement, Licensee shall pay the Company's reasonable costs and expenses, on a time-and-materials basis at the Company's then-prevailing rates, including reasonable travel costs and per diem expenses. The Company shall be entitled to fees for Data Conversion service provided whether or not Licensee re-tenders Licensee Data before completion of Data Conversion by the Company of previously tendered data. Further, Licensee acknowledges and agrees that Licensee shall be solely responsible for the costs and expenses of any third-party CPAs, consultants, and other experts engaged to resolve any Errors or other issues encountered by such Licensee including the time and expense of the Company incurred in engaging with such CPAs, consultants, and other experts.

(f) In practice, the process of successfully (and as accurately as possible) importing Licensee Data into Provider Systems may take several iterations. E.g., the third party previously storing Licensee Data (or Licensee, as the case may be) ("**Prior Data Holder**") may provide a data output and associated record layout, but an initial data migration test (or full importation attempt by the Company) may show that adjustments or manipulations of the Prior Data Holder's output data file are required for successful importation. The Prior Data Holder's initial response to the Company's request for assistance, if provided, may or may not resolve the migration issues. If not, the process of attempting to obtain adjusted data files or other assistance from the Prior Data Holder may require multiple iterative attempts of this kind before a readable, usable, reliable import data file is obtained. Even then, the Company may be required to perform data import tests, data manipulations, and accuracy testing. Licensee recognizes that such iterations may be required and agrees to bear all costs for obtaining the assistance of the Prior Data Holder. If the Prior Data Holder does not fully cooperate, Licensee will bear the costs incurred by the Company to correct any data formatting errors, irregularities, or inaccuracies that must be made by the Company to effect successful migration of Licensee Data. Note that multiple iterations have a benefit, to provide Licensee the opportunity to validate Licensee Data for the Company.

4.0 TERM AND SURVIVAL

4.01 Term

This Agreement shall come into and be in effect as of the Effective Date and shall have the initial term specified in **Exhibit 2** to terminate at 11:59:59 p.m. on the last day of the specified initial term (“**Initial Term**” along with any Renewal Terms as defined below, the “**Term**”).

Unless otherwise specified in **Exhibit 2**, this Agreement shall automatically renew for successive Renewal Terms of duration equal to the Initial Term (“**Renewal Term**”) unless either party notifies the other in writing not later than ninety (90) days before the end of the Initial Term or the then-current Renewal Term, as applicable, either (a) that the Agreement shall terminate at the end of the said applicable Term instead of being renewed; or (b) requesting a Renewal Term of lesser duration, which request shall be subject to the agreement of the other Party, not to be unreasonably withheld, conditioned, or delayed; provided, however, that the total duration of this Agreement shall not exceed twenty-five (25) years or such other total duration as permitted from time to time under applicable law unless earlier terminated pursuant to Section 10.0.

4.02 Post-Expiration Assistance

Upon termination of this Agreement in part or in full by action of the terms herein, or upon action of the Parties as provided in this Agreement, unless otherwise provided in this Agreement including Section 10.0, the Company will assist in the transferal of the Licensee Data files in the possession of the Company according to the terms of this Agreement, as specified in Section 2.07.

Licensee will be responsible for reasonable Company fees, and for any costs or expenses incurred by the Company for such assistance, as Special Services (see Section 11.10), including but not limited to transferal or reformatting of data, at the Company’s then-prevailing rates for time and materials, and including any costs and expenses of associated travel, including reasonable per diem expenses.

4.03 Obligations Survive

Upon termination of this Agreement, all rights and obligations of the Parties shall cease, except that Licensee’s obligations regarding (i) confidentiality, including provisions regarding any Public Records Law; (ii) return, and warranty of complete return, of all Documentation and other Provider Materials received by Licensee during the term of this Agreement to the Company; (iii) venue, consent to suit, and choice of laws; (iv) payment of license fees, costs, and Taxes that were incurred prior to the date of termination or fees for post-expiration assistance by Company as specified in Section 4.02 herein ; (v) limitations of liability; and (vi) indemnity by Company shall survive termination of this Agreement, as well as any obligations to pay accrued fees or to reimburse costs or expenses to the Company incurred by Licensee prior to date of termination of this Agreement.

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5.0 PAYMENTS

5.01 Payment Due Upon Invoice

All sums due hereunder shall be payable upon receipt by Licensee of a Company invoice. Timely payment in full of fees and other costs when due is a material obligation of Licensee. Payments are due within thirty (30) days of the date of a Company invoice unless otherwise expressly provided in **Exhibit 1**. Payments are deemed made when received by the Company. The terms of the Texas Prompt Payment Act shall apply to all invoices submitted.

5.02 Manner and Mode of Payment

All payments due hereunder shall be made in U.S. Dollars, and all payments shall be made to the Company at its address stated herein, or at such other address as the Company specifies in writing from time to time. Payment may be made by check drawn on a Licensee account, certified check, postal money order, or by wire transfer to an account of the Company's designation.

5.03 Taxes

In addition to the fees or other amounts due and payable under this Agreement, Licensee is responsible for and shall fully pay any and all local, state or federal sales, use, excise, privilege taxes, or other taxes and duties, tariffs, assessments or levies of any kind, however designated, assessed or levied, resulting from or related to this Agreement or any activities conducted hereunder, including attorney fees, and any interest, fines or penalties associated with or assessed for non-payment or late payment thereof (all collectively, "Taxes"). .

If Licensee is tax exempt, a copy of the tax-exempt certificate must be provided to the Company by Licensee.

6.0 CONFIDENTIALITY, NONDISCLOSURE, SECURITY

6.01 Confidentiality; Protection and Non-Disclosure

Licensee recognizes the Services and other Provider Materials are subject to the Company's Intellectual Property Rights and protected in part by three United States patents (US 9,558,163 B1 - US 9,558,288 B1 - US 9,514,107. B1); and recognizes and agrees that the Services and other Provider Materials related to them are: (i) considered by the Company to be trade secrets, (ii) provided to Licensee in confidence; and (iii) the exclusive and proprietary property and information of the Company. **Licensee represents and warrants** that it will not knowingly disclose Services or any other Provider Materials or any other Company confidential or proprietary information to any unauthorized person or entity, including but not limited to third parties or Departments or Users not expressly authorized by this Agreement, directly or indirectly, without express written authorization from the Company. In the event a request is made for Licensee to disclose Services,

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Documentation or other Provider Materials or information to a third party, Licensee promptly shall give written notice to the Company identifying the requesting persons or entities and, if known to Licensee, stating the reasons such requests have been made.

6.02 **Proprietary, Trade Secret Character of Provider Materials**

Licensee hereby expressly recognizes the proprietary and trade secret nature of the Services and Provider Materials, and expressly agrees as follows:

- (a) To use the Services and other Provider Materials solely at the place(s) of installation specified in this Agreement, and solely for the lawful business of Licensee.
- (b) To ensure that specific Department Services and other Provider Materials are used solely by the Department(s) expressly authorized to use them, and that no more than the authorized number of Department Users use or have access to the relevant Department Services(s) and, as applicable, that no more than the authorized Concurrent User Number of Users accesses or uses the Department Service(s) at any given time;
- (c) To knowingly make no unauthorized copies of the Provider Materials, or any component or portion thereof, by any means for any purpose whatsoever, without prior written consent of the Company;
- (d) To knowingly make no unauthorized dissemination of the Documentation or other Provider Materials or any parts thereof;
- (e) To instruct Licensee's Government Officials, employees, officers, agents or representatives, or any others, having access to the Services or other Provider Materials that they may not copy or disseminate the Provider Materials, in part or in whole, to unauthorized persons or entities, including to unauthorized Licensee Departments and personnel; that they may not provide access to the Services or other Provider Materials to any unauthorized person or entity, including to unauthorized Licensee Departments and personnel; and to require compliance with these instructions as a condition of employment;
- (f) To effect security measures, adequate to reasonably safeguard the Services and other Provider Materials from unauthorized use or access by persons other than Licensee's employees authorized to use the Services for Licensee's own requirements; and

- (g) To knowingly reproduce the Company’s copyright, trademark, patent notices, or other marks, and any other embedded proprietary or confidentiality notices or marks, on all materials related to or part of the Services and other Provider Materials on which the Company displays, or in which are embedded or written, such notices or marks, including on any copies made pursuant to this Agreement.

6.03 No Unauthorized Copying, Modification, Dissemination

Licensee shall not copy, reproduce, reverse assemble, reverse compile, compare, modify, merge, transfer, or distribute the Services or other Provider Materials, or knowingly allow any other person to do so in any way or manner, without the prior written authorization of the Company.

6.04 Public Records Law

Licensee and its Departments shall immediately inform the Company in writing (which may include transmission by facsimile or electronic mail) of any request under a Public Records Law for inspection or copying of any source code, software applications, Company documentation or other items protected by the Company’s Intellectual Property Rights, in whole or part so that Company has notice of the Public Information Request received by Licensee and Company may assert an exception to the release of such information requested to be released. Release of information by Licensee shall be in accordance with the Public Information Act under Chapter 552 of the Texas Government Code.

6.05 Compliance with Privacy Laws including HIPAA

Licensee is responsible that its networks, databases, and other records; its workstations or other computers or equipment of any kind used by Licensee staff or others to access, send, receive, print, write or record, manipulate, store, backup, restore, or otherwise use (collectively hereinafter “Access”) individually identifiable personal information, or other protected private information no matter how denoted (e.g., personally identifiable information, protected personal information, protected healthcare information records, protected healthcare information, individually identifiable healthcare information, etc.); its security and security procedures and controls, and Access and authorization procedures and controls; and any other relevant Licensee functions or procedures concerning such data or Access thereto, are compliant with applicable federal, state and local law, regulatory rules and guidelines regarding the handling, confidentiality or privacy of such information, as those laws and regulations may be amended from time to time including any successor laws or regulations (“Privacy Laws”). This scope of this provision includes, but is not limited to, Licensee compliance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), and all applicable regulatory rules or guidelines implementing HIPAA (“HIPAA Regulations”) (collectively, “HIPAA” unless otherwise stated), as the statute or such regulatory rules or guidelines may be amended from time to time, and including any successor statutes or regulatory rules or guidelines, regarding Licensee’s

handling of protected health information, also sometimes referred to as individually identifiable health information).

The Company is providing the Services on an “as is” basis with respect to the handling of such confidential Licensee Data. If additional equipment, software or other programming beyond the Services’ “as is” status, or procedures are required so that the data processing services provided by the Company hereunder for the Licensee may achieve compliance with Privacy Laws, considering Licensee’s network, operating systems, and equipment, and their configuration, deployment and other characteristics, Licensee’s program, applications and data access practices and procedures, staffing, access, and other security rules and procedures, or other relevant factors, comply with applicable Privacy Laws, Licensee shall be responsible for the costs of achieving compliance by the Company, as Special Services pursuant to Section 11.10, on a time and materials basis at the Company’ then-prevailing rates, and costs and expenses of any associated the Company travel, including reasonable per diem expenses.

The Company’s compliance with written requests by Licensee for reports of any type covered by HIPAA or other Privacy Laws, including their implementing rules and regulations, whether through a Public Records Law or otherwise, shall be considered a Special Service and costs of compliance by the Company will be charged to the Licensee on a time and materials basis at the Company’ then-prevailing rates.

7.0 LIMITED LIABILITY; DISCLAIMER OF WARRANTIES; FORCE MAJEURE; INDEMNITY

7.01 LIMITATION OF LIABILITY

THE COMPANY’S LIABILITY FOR DAMAGES TO LICENSEE FOR ANY CAUSE WHATSOEVER RELATED TO THIS AGREEMENT OR ANY ACTIVITIES ARISING IN OR RELATED TO ITS PERFORMANCE, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT INCLUDING NEGLIGENCE, SHALL BE STRICTLY AND UNCONDITIONALLY LIMITED TO, AND NOT TO EXCEED, THE FEES, COSTS, AND EXPENSES PAID OR REIMBURSED TO THE COMPANY BY LICENSEE UNDER THIS AGREEMENT IN THE TWELVE MONTH PERIOD PRECEDING SUCH EVENT. IN NO EVENT WILL THE COMPANY BE LIABLE TO LICENSEE FOR ANY LOST PROFITS OR REVENUES, LOST SAVINGS, OR OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION HEREBY, FOR LOSS OR INTERRUPTION OF USE, LOSS OF DATA, INTERRUPTION OF BUSINESS ACTIVITIES, OR FAILURE TO REALIZE SAVINGS OR OTHER BENEFITS ANTICIPATED BASED ON USE OF THE SERVICE(S), OR FOR PUNITIVE OR EXEMPLARY DAMAGES, EVEN IF THE COMPANY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM ASSERTED AGAINST OR BY ANY OTHER PARTY, IN CONNECTION WITH THE DELIVERY, INSTALLATION,

ACCESS TO, TESTING, USE, PERFORMANCE OR NONPERFORMANCE OF THE SERVICES AND OTHER PROVIDER MATERIALS, OR THE ACT OR FAILURE TO ACT OF THE COMPANY, OR OTHERWISE ARISING OUT OF, RELATED TO, OR IN CONNECTION WITH THIS AGREEMENT. THIS LIMITATION OF LIABILITY WILL NOT APPLY TO THIRD PARTY CLAIMS AGAINST THE COMPANY, OR AGAINST LICENSEE FOR USE OF THE SERVICES AS PERMITTED BY AND IN COMPLIANCE WITH THE TERMS OF THIS AGREEMENT, FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS, EXCEPT AS SET FORTH IN SECTION 7.03(F).

7.02 **LIMITED WARRANTY/DISCLAIMER OF ADDITIONAL WARRANTIES**

THE COMPANY PROVIDES THE SERVICES AND OTHER PROVIDER MATERIALS TO LICENSEE WITH ONLY A LIMITED WARRANTY, NAMELY, THAT THE SERVICES WILL HAVE THE FUNCTIONALITY DESCRIBED IN THIS AGREEMENT. BEYOND THAT LIMITED WARRANTY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE COMPANY MAKES NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE CONDITION OF THE SERVICES, THEIR MERCHANTABILITY, OR THEIR FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, AND EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES. THE COMPANY DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SERVICES WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE SERVICES OR OTHER PROVIDER MATERIALS WILL ALWAYS BE ACCURATE, UNINTERRUPTED, OR ERROR FREE. NO ADVICE OR REPRESENTATIONS BY THE COMPANY OR ITS PERSONNEL SHALL CREATE ANY SUCH WARRANTY. THE COMPANY DOES NOT WARRANT THAT ANY PROVIDER SYSTEMS USED TO RUN OR ACCESS THE SERVICES OR OTHER PROVIDER MATERIALS, OR THE DATA USED TO GENERATE REPORTS, OR THE REPORTS GENERATED, WILL BE AT ALL TIMES FREE OF VIRUSES, WORMS, TROJAN HORSES, OR OTHER HARMFUL COMPONENTS. LICENSEE IS SOLELY RESPONSIBLE FOR THE ACCURACY OF ANY AND ALL LICENSEE DATA, AND THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS ABOUT SUCH LICENSEE DATA OR ANY CALCULATIONS OR REPORTS THAT DEPEND ON OR UTILIZE SUCH LICENSEE DATA, PROVIDED HOWEVER, THAT THE COMPANY WILL USE ITS COMMERCIALY REASONABLE EFFORTS TO EVALUATE ANY ISSUES WITH THE SERVICES BROUGHT TO ITS ATTENTION BY LICENSEE AND MAKE RECOMMENDATIONS TO LICENSEE WITH RESPECT TO THE RESOLUTION OF SUCH ISSUES.

If a Service does not provide the described functionality, the Company will use commercially reasonable efforts to cure the deficiency. If the Company is unable to do so, or to provide a replacement module or a satisfactory work-around, Licensee may request a refund of a portion of fees it has paid for the use of that Service corresponding to the period

for which Licensee's business has been adversely affected by the defect; any such refund will be based on the relative proportion the defective Service bears to the whole of the Services provided, as the case may be, for which the fee is attributed, as measured by comparing the number of lines of code of the applicable module or subroutine that are added, deleted, or changed to remedy the defect, to the total number of lines of code in the applicable module or subroutine before correction to remedy the defect.

7.03 **Infringement Indemnification**

(a) The Company agrees to indemnify and to hold harmless Licensee from any damages finally awarded as a result of any third party claim of infringement of Intellectual Property Rights asserted against Licensee by reason of Licensee's use of the Services as delivered by the Company or used by Licensee, where such use by Licensee has complied with the terms and conditions of this Agreement regarding use, dissemination, and copying of the Services and other Provider Materials, access to them, and protection and handling of them, and does not result from the events described in Section 7.03(f) below.

(b) The Company's obligation to indemnify and hold harmless will apply provided that the Company is promptly given notice in writing by Licensee of any such third party claim and that the Company has the right to elect to defend and settle, at its expense, any such claims; and further provided, that Licensee fully cooperates with the Company in connection with any defense by the Company of such claims or attempt to settle such claims.

(c) Failure of Licensee to provide such notice or assistance shall be a material breach of this Agreement, for which the Company shall have the right immediately to terminate this Agreement.

(d) The Company is not obligated to defend such third-party claims but may do so at its election. Licensee may elect to participate in any formal proceedings regarding such claims but shall bear its own costs of such participation and its costs to assist the Company.

(e) This obligation of the Company to indemnify Licensee will not apply if the claim of infringement is based in whole or material part on: (i) the development or use of any derivative work developed by or for Licensee by other than the Company or its designated contractors; (ii) Licensee's use of the Service(s) with devices or products not provided or approved by the Company; (iii) use by a person or entity not authorized under this Agreement to use or access the Services(s); (iv) the event giving rise to the claim of infringement is based on use of a version of the Service(s) modified without the consent of the Company; (v) Licensee's use constitutes willful infringement, including but not limited to Licensee's continued use of a Service after it has been notified or otherwise being aware there is or is likely to be a claim of third party infringement concerning that Service or its use by Licensee; (vi) Licensee's use of the Service after termination of this Agreement; (vii) Licensee uses or applies the Service in ways or for purposes for which it was not designed or for which its use was not contemplated by the Company, and Licensee's use or application as intended by the Company would not have given rise to the third-party claim; (viii) the alleged infringing use was by persons or entities other than as expressly

authorized under this Agreement; (ix) for onsite installations, Licensee was using a previous version of Service(s) and the third party claim would have been avoided had Licensee been using a more recent version; or, (x) for onsite installations, Licensee has combined use of a Service with devices or products not provided or approved by the Company and the third party claim would have been avoided but for such combined use.

(f) The Company shall have no obligation to indemnify Licensee and hold it harmless as to any damages, costs, or expenses (including attorneys' fees) that are based in whole or part on actions by Licensee that do not comply with the terms and conditions of this Agreement.

7.04 Force Majeure

The Company shall not be responsible for performance hereunder, and its obligation to perform hereunder shall be suspended, for the duration of any events of force majeure, including but not limited to: Acts of God, including fire, explosion, storm and other weather events, earthquakes, floods or other natural catastrophes; cable or power outages, cable cuts or other loss of necessary Internet or other connectivity, including failure of networks; failure or loss of any third party supplies, or termination or rescission of any third party licenses necessary for the provision of the Services; terrorism, vandalism, sabotage, theft of components, hacking or other interference with software or operating system or network operations, including worms, viruses, Trojan horses or other malware or harmful agents, denial of service attacks, ransomware attacks, or interference with, alteration, or destruction of Licensee Data; any action, law, order, regulation, directive, or request of the United States government or of any state or local government, or of any agency, commission, court, regulatory body, or other instrumentality of such government, or of any civil or military authority, which requires cessation, directly or indirectly, of such performance or any part thereof; war, national emergency or civil insurrection, riot or other civil disorder; strike, work stoppage or lockout; failure of Licensee systems, processes, equipment, facilities, funding, or personnel with the result that the Company's performance hereunder is adversely affected in whole or part; or any other event outside the control of the Company or its reasonable ability to have avoided or prevented; and such excuse by reason of force majeure shall last until the Company by the exercise of reasonable diligence might remove, avoid, or otherwise cure such impediment if it is within the Company's ability to cure.

8.0 NECESSITY OF FUNDING APPROPRIATION

8.01 Term Subject to Appropriation

Except as provided in this Agreement for earlier termination, this Agreement will continue in force for its stated Initial Term and any Renewal Term(s) as set forth in Section 4.01, subject to the following limitation: The term of this Agreement is subject to annual appropriation by the Licensee in its budget of sufficient funds to make the payments called for herein for the coming contract year, and failure of such appropriation will permit Licensee to terminate

this Agreement at the end of the then-current Term or Licensee fiscal year, as applicable; provided, that the required notice of termination is timely given to the Company.

8.02 Termination for Non-Appropriation

Except as described below, in the event funds for this Agreement are or become unavailable due to non-appropriation, this Agreement will terminate without penalty to or further obligation hereunder of either Party as of the last date for which funds have been appropriated; provided, that Licensee will remain responsible for costs and fees accrued hereunder for periods prior to such termination for non-appropriation. The Improper Termination Amount shall be due and payable upon determination by the parties that an Improper Termination has occurred.

8.03 Licensee Certification of Funding; Licensee Notice of Non-Appropriation

(a) By executing this Agreement, Licensee certifies that it has available funds for payment of all fees stated in this Agreement during the initial fiscal year of the Licensee in the Term of this Agreement.

(b) Upon request by the Company, Licensee must certify to the Company at least thirty (30) days in advance of the beginning of any Renewal Term that Licensee has appropriated and has available sufficient funds for payment of all fees called for by this Agreement during the initial Licensee fiscal year of the Renewal Term.

(c) Upon request by the Company, Licensee must certify to the Company at least thirty (30) days in advance of the beginning of a new Licensee fiscal year during the Initial Term or a Renewal Terms that Licensee has appropriated and has available sufficient funds to pay all fees stated in this Agreement during that new fiscal year.

(d) Failure of Licensee to timely give such notices or certifications upon request by the Company is a basis for the Company to consider that the Agreement will terminate as of the end of the current Licensee fiscal year or then-current Term, as applicable, and to begin any pre-termination winding up procedures or tasks. If, having failed timely to give a required or requested notice of non-renewal or of termination, or failing timely to request renewal, as the case may be, Licensee later provides such notice and wishes the Agreement to continue for the applicable Term or fiscal year, as the case may be, and if the Company has begun any pre-termination winding up preparations, the Agreement may continue if Licensee agrees in writing that it will reimburse the Company, as Special Services pursuant to Section 11.10, and upon substantiated proof of the costs and expenses incurred by the Company for such pre- termination preparation, and any costs and expenses that will be incurred by Licensee to reverse such preparations and permit Services to continue uninterrupted, at the Company's then-current rates for time and materials, including any associated travel, and, further, certifies in writing that there are current Licensee funds appropriated and available to reimburse Licensee.

(e) Licensee must notify the Company in writing at least ninety (90) days prior to the end of any current Licensee fiscal year if Licensee does not intend to make such appropriation for its next-occurring fiscal year.

9.0 REPRESENTATIONS

9.01 Status of Licensee; Authority to Make Agreement; Compliance with State Law

Licensee represents, covenants, and warrants to the Company that Licensee is a Hospital District of the State of Texas; and that as a Hospital District of the State it is a public and local governmental body of the State, corporate and politic, and is authorized by the Constitution and other laws of the State to enter into the transactions contemplated by this Agreement and to carry out its obligation hereunder. Licensee further represents, covenants, and warrants that it has complied with all procedures required by local or state law so that this Agreement is enforceable under the laws of the State, including that Licensee has complied with all applicable bidding or other procurement requirements or that this Agreement is within the scope of appropriate exceptions to the competitive or other procurement requirements applicable to Licensee.

9.02 Disclaimer of Reliance on Other Understandings or Practices

Each Party represents and warrants to the other Party that, in entering into and performing its obligations under this Agreement, it does not and will not rely on any promise, inducement, or representation allegedly made by or on behalf of the other Party with respect to the subject matter hereof, nor on any prior or current course of dealing or of performance between the Parties concerning or related to other agreements or undertakings, nor on any custom and usage in the trade, except as such promise, inducement, representation, or custom or usage may be expressly set forth herein.

10.0 DEFAULT AND REMEDIES

10.01 Default

Without limitation hereby, the following shall constitute a default by Licensee (“Default”):

- (a) Failure timely to pay when due any payment under this Agreement or timely to perform any Licensee obligation thereunder;
- (b) Failure by Licensee to comply with or perform any provision of this Agreement;
- (c) Infringement of the Company’s Intellectual Property Rights;
- (d) An Improper Termination;

- (e) False or misleading representations or warranties as to Licensee's status and the current or next-occurring fiscal year's appropriations of funds for this Agreement made or given by Licensee; or
- (f) Any reduction in the value of the Services and related materials caused by any act of Licensee in violation of its obligations under this Agreement, or that materially diminishes the prospect of full performance or satisfaction of Licensee's obligations herein.

Except as otherwise specified elsewhere in this Agreement including Section 10.02, the Company has the right to suspend Services immediately under this Agreement upon the occurrence of any event of Default as specified above; and upon Licensee's failure to remedy such Default within a period of thirty (30) days after notice of such Default by the Company to Licensee, the Company shall have the right to pursue any one or more of the following remedies without any further demand or notice to Licensee:

- (i) Terminate this Agreement, and demand Licensee return any copies of Provider Materials in the possession of Licensee, and/or destroy or cause to be destroyed all copies thereof on such premises or other Licensee computers or other equipment, no matter where located. Licensee shall certify in writing that it has complied in all respects with this Section 10.01(i);
- (ii) Take whatever action at law or in equity the Company in its sole judgment may consider to be necessary or desirable to collect the payments then due from Licensee, and/or to enforce performance and observance for any obligation, agreement, or covenant of Licensee under this Agreement and to recover the Company's reasonable attorneys' fees and costs associated this Section 10.0; and
- (iii) Seek any other relief to which the Company may be entitled at law or in equity.

10.02 The Company's Right to Terminate for Infringement Claims

The Company reserves the right immediately to terminate this Agreement if any claims for copyright or patent infringement, or infringement or misappropriation of any Intellectual Property Rights, or for unfair competition or trade practices or other misuse, relating to the Services or other Provider Materials, or any parts thereof, are asserted against the Company, any relevant Company licensor, or Licensee or any of Licensee's employees, officers, agents, representatives or contractors. Such determination shall be in the sole discretion of the Company. Termination on this basis shall be effective on notice in writing to Licensee by the Company, stating the reason for such termination. This Section 10.02 is not subject to the notice and cure provisions of Section 10.01. Termination on this basis shall impose no penalty or cost on the Company, shall release the Company of any further obligations of performance under this Agreement and shall not constitute breach of this Agreement by the Company or the Licensee.

10.03 Remedies Cumulative

The rights of termination under this Section 10.0 shall be in addition to any other right or remedy the Company or the Licensee may have at law or in equity.

10.04 Termination is Licensee's Sole Remedy

Licensee's termination of this Agreement shall be an option for any claim of breach of this Agreement by the Company asserted by Licensee, except as may be expressly provided elsewhere in this Agreement: provided, that Licensee shall first give the Company written notice of such alleged breach, with sufficient particularity that the Company may reasonably ascertain the nature of the default alleged, and the Company shall have at least thirty (30) days to cure such alleged default, or such other longer time as is mutually agreed to by the Parties or as otherwise specified elsewhere in this Agreement.

11.0 MISCELLANEOUS

11.01 Assignment

None of Licensee's rights regarding the Services and other Provider Materials may be assigned, sublicensed, or transferred voluntarily, by operation of law or otherwise, without (a) the Company's prior written consent, which may be withheld in its sole discretion, and (b) the execution of a new Agreement.

11.02 Notices

Any notice required to be given hereunder shall be in writing, and shall be deemed delivered (i) three (3) business days after deposit in the U.S. Mail, postage prepaid, sent by registered mail; (ii) one (1) business day after being sent for overnight delivery by a reputable commercial courier capable of tracking shipment and delivery; or (iii) upon hand delivery or receipt of facsimile transmission, to the address or facsimile number designated in this Agreement and to the attention of the person named herein as designated for receipt of notice by the receiving Party, or to such other address, facsimile number or person as the receiving Party may designate in writing to the sending Party from time to time.

If to the Company:

Indigent Healthcare Solutions
Robert Baird
President
2040 N. Loop 336 W. - Suite 304
Conroe, TX 77304

If to the Licensee:

Nueces County Hospital District
Jonny F. Hipp
Administrator / CEO
555 N. Caranchaua Street – Suite 950
Corpus Christi, TX 78401

11.03 Severability

In the event that any provision of this Agreement is determined by a court or other tribunal with appropriate authority and jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the maximum extent permitted by applicable law, to the extent such enforcement still gives effect to the meaning and intent of the Parties as inferred from all the terms of this Agreement.

11.04 Entire Agreement; Modification

This Agreement, including the Exhibits attached hereto, constitutes the entire agreement between the Parties concerning the licensing and use of the Services and other Provider Materials, and supersedes all oral or written proposals or understandings concerning such licensing. This Agreement may be modified only by a writing duly executed by both Parties. Should Licensee issue a purchase order or any similar document for its own internal purposes, any conflict between the terms and conditions of the purchase order or other document and this Agreement shall be controlled by this Agreement. No purchase order or other document of Licensee or any Licensee Department unilaterally issued or presented without the written agreement of the Company to all its terms and conditions shall have the effect of creating a conflict with or a variance of the terms of this Agreement, or of augmenting, modifying, limiting, expanding, or qualifying the terms of this Agreement.

11.05 Actions

In the event of litigation or other dispute proceedings arising under, concerning, or related to this Agreement, each party will bear its own costs and expenses, including attorneys' fees.

11.06 Governing Law

This Agreement shall be governed by and enforced in accordance with the laws of the State of Texas, [without giving effect to its choices of law principles,] and federal law, as applicable. Venue shall be in Nueces County, Texas.

11.07 Confidentiality

Subject to the requirements of the Public Information Act, Chapter 552 of the Texas Government Code, each Party shall keep strictly confidential the terms of this Agreement and the proprietary or other confidential information of the other Party that may be acquired or provided in the course of performance of this Agreement, to the full extent permitted by applicable law. Each Party shall promptly notify the other in writing of any discovered or required compromise of such confidentiality. Licensee shall use their best efforts to ensure that no unauthorized copies of or access to Services and other Provider Materials provided by the Company is accessed, obtained, copied, provided to, or inspected by persons or entities not authorized by this Agreement.

11.08 No Waiver of Rights

No term or provision of this Agreement shall be deemed to be waived and no consent to any breach or default shall be deemed unless such waiver or consent is in writing signed by the Party against which such waiver or consent is asserted; the terms of this Agreement shall not be deemed to be amended by any such waiver or consent unless in a writing expressly stating such amendment; and any waiver by either Party, whether express or implied, shall not imply a consent or waiver of any term or provision on any other occasion, or any consent to any different breach or default or future or past similar breach or default.

11.09 Responsibility for Cyber Attacks

(a) Licensee hereby represents and warrants that its employees and contractors have completed Cybersecurity Awareness Training as required by state law, if applicable.

(b) The Company shall have no liability to Licensee for any kind or form of cyber damage caused by third parties to Licensee Data, systems, networks, property, or other facilities, including from, without limitation hereby, cyberattacks (as hereinafter defined):

(i) that are directed against Licensee's facilities (including equipment, networks, software, operating systems, security methods or mechanisms, or other instrumentalities);

(ii) where the attack has gained access to Licensee's facilities as a result of acts or omissions of Licensee, its Users, or any third party; or

(iii) against the Provider Systems which have been enabled or permitted in whole or substantial part by acts of omissions of Licensee or its Users and the resulting malware or other harmful agent or action also migrates to or affects the Provider Systems.

(iv) Such acts or omissions of Licensee or its Users may include, without limitation hereby: (A) where Licensee employee, agent, guest, or other person using Licensee equipment clicks on a link, or opens an email or other document, or imports documents or data from a thumb drive or other source, including third party sources, that introduces a virus or other malicious agent that in turn infects Licensee systems and/or data, and/or migrates to the Company's systems; or (B) where a third-party gains unauthorized access to Licensee's systems by other means, such as but not limited to hacking into Licensee equipment, by accessing Licensee equipment that has inadequate security, or by otherwise penetrating Licensee's security systems.

Licensee will be responsible for payment of any costs to cure or correct the effects of such events, to Licensee's data, systems, networks, property, or other Licensee facilities including, without limitation hereby, costs of experts including for forensics, and payments made in response to demands for cyber ransom or other payments to malicious third-party

actors.

(c) Upon request in writing by Licensee, the Company will assist Licensee to remedy or work around any adverse effects of the Cyberattack on Licensee's ability to conduct business. Such assistance by the Company will be a Special Service, the costs, and expenses of which will be borne by Licensee, including not only for the Company's time, costs and expenses, but also for the costs and expenses of any third parties from which the Company obtains assistance to address the attack, and for any ransom or other amounts the Company may pay on Licensee's behalf. If the attack creates any kind of operational or other emergency, unless the requirement of the Company's giving of an estimate for the Special Service is waived in writing by Licensee (email will suffice), the Company will follow the Special Services estimate-and-approval procedure (see Section 11.10), notwithstanding any need for immediate responsive diagnosis and action to cure or work around the Cyberattack effects. If Licensee opts to permit the Company to begin diagnosis, including forensics if needed, and to address the problem before the estimate-and-approval procedure is completed, the Company will present an estimate as soon as practical, for discussion and approval or rejection in whole or part by Licensee; but Licensee agrees that its waiver or postponement of the estimate-and-approval procedure will not relieve Licensee of its obligation to pay the Company its costs and expenses reasonably incurred prior to conduct and conclusion of the estimate-and-approval procedure.

(d) The Company will work at the Company's cost to remedy or work around any effects of any Cyberattack directed against the Provider Systems that adversely affect the provision of Services to Licensee, and to ensure continuation or restoration of services as soon as possible. Licensee will provide full assistance to the Company in this effort.

(e) For the purposes of this Section 11.09, "Licensee" includes Licensee and Licensee's Government Officials, officers, employees, agents, representatives, and contractors.

(f) Without limitation hereby, "Cyberattacks" include, but not limited to: denial of service attacks, theft or corruption of data, operation of ransom ware or other data denials, hacking, operation of malware or other harmful agents, and any other electronic interference with equipment, databases, software, operating systems, networks, or other facilities, adversely affecting or with the potential to adversely affect Licensee Data or Services provided under this Agreement, caused in whole or part by third parties.

(g) Although scope of coverages available are limited and different, insurance is available commercially, that can provide some protection against adverse effects of Cyberattacks and other harmful events. Licensee is encouraged to obtain and maintain cyber insurance coverage to protect its systems, data, and facilities from harmful third-party actions.

11.10 Special Services

(a) Licensee may from time-to-time request that the Company provide Special Services, which are services outside the stated scope of the Agreement, but which are

related thereto. All requests for Special Services must be made in writing. Special Services include, but are not limited to, special data entry services, including program and test data keypunching, and other data entry; computer runs; industrial or system engineering services; data modeling; or other handling of data to be maintained or utilized by the Company under this Agreement, whether such data is provided to the Company by Licensee, or on Licensee's behalf by a previous or other third party provider; training by the Company after Licensee's go-live date or otherwise in excess of that provided for as part of the relevant license fee(s); unusual or special maintenance tasks, other than as necessary to provide and maintain the functionality and performance of the Service(s); forensic accounting services; bookkeeping services; and any other services not explicitly described in this Agreement as included with the stated Service fees.

(b) For custom programming (i.e., any programming not identified in **Exhibit 1**), investigating whether the Services will integrate or otherwise interface well with any third party vendor software currently used or proposed to be used by Licensee, or any other Special Service requested by Licensee that the Company agrees to provide, the Company will give Licensee a written estimate of the time and materials, and any other anticipated costs and expenses (such as travel), likely to be required to accomplish the Special Service, based on the Company's then-current prevailing rates for work and materials. If Licensee provides a written authorization to proceed with the Special Service, including a certification that adequate current fiscal year funds are available to pay for the Special Service, the Company will perform the Special Service. The Company will have no obligation to provide, or to begin to provide, any Special Services until such authorization and certification are provided.

(c) Requests for work by the Company or products outside the stated functionality of the Services to be provided hereunder by the Company (e.g., responding to requests by regulatory or administrative agencies for data or reports not capable of generation by Licensee using the existing functionality of the Services, or for litigation or other purposes; or responding to open records requests) will constitute a Special Service. Such requests from such third parties must be directed to Licensee, not the Company, which will not respond directly to the third party. Upon written agreement by Licensee that it will compensate the Company for the Special Service required to assist Licensee to respond, and will reimburse the Company for incurred costs and expenses, and certification that funds exist to pay the Company's compensation, costs, and expenses, the Company will undertake the Special Service; provided, further, that if the response is to be provided in a short period of time, the Company's compensation may include a component reflecting that the Company personnel will be required to work more than their ordinary number of hours per day, or to work on weekends or holidays, and be compensated accordingly.

11.11 **Mediation**

Before either Party may seek judicial relief regarding any claim or dispute arising under, related to, or concerning this Agreement, except for the Company's seeking equitable relief pursuant to Section 10.05 or as otherwise permitted at law, the Parties agree to engage in non-binding mediation in Nueces County and with a mediator acceptable to both Parties.

The Parties will share equally the costs and expenses of mediation, except that each Party will bear its own costs of participation and any legal or other representation.

11.12 No Arbitration

Neither Party may be compelled to arbitrate any claim or dispute arising under, related to, or concerning this Agreement without its express written consent.

11.13 Headings and Captions

Descriptive headings and captions are for convenience only and shall not affect the construction or application of this Agreement. Words having established technical, or trade meanings shall be so construed. Words of any gender are deemed to include any other genders; and use of the singular or plural shall include the other, unless otherwise required or apparent by context. This Agreement shall be construed according to fair meaning and not for or against either Party.

11.14 Designation of Materiality Not Exclusive

Some provisions of this Agreement bear the explicit designation of being material obligations. Materiality of a provision in this Agreement is not exclusive to such explicitly designated provisions; those designations are made to ensure Licensee is aware that the obligation of Licensee so designated is considered a material obligation under the Agreement.

11.15 Tex. Gov't Code Ch. 2270 Verification

The Company's execution of this Agreement includes written verification that the Company does not boycott Israel and will not during the Term of this Agreement.

[End of main body of document.]

APPROVALS AND EXECUTION OF AGREEMENT

Each person signing below represents that he or she has read this Non-Exclusive License Agreement in its entirety; understands its terms; is duly authorized to execute this Non-Exclusive License Agreement on behalf of the Party indicated below by his or her name; and agrees on behalf of such Party that such Party will be bound by those terms.

Executed the dates written below, to be effective as of 06/01, 2025 (the "Effective Date").

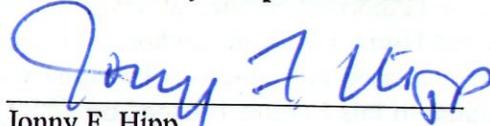
Indigent Healthcare Solutions



Robert Baird
President

Date: 6/5, 2025

Nueces County Hospital District



Jonny F. Hipp
Administrator/Chief Executive Officer

Date: 6/6, 2025

Exhibit 1 – Departments, Services, and Users

To Non-Exclusive License Agreement Between The Nueces County Hospital District And Indigent Healthcare Solutions

The Licensee Departments identified in this Exhibit 1 are authorized to use the specific Department Service(s) stated below. The number of authorized Users and the Concurrent User Number for each such Department and each Service authorized for that Department are specified in this Exhibit. No more than the authorized Concurrent User Number of Users may access and use the applicable authorized Service at any given time. Monthly fees are not based on the number of authorized Users, but on the authorized Concurrent User Number. The Concurrent User Number may be increased on request of Licensee with the consent of the Company, with an approved Addendum to this Exhibit 1 signed by both Parties. Each additional authorized Concurrent User will result in an increased license fee as specified below, per additional authorized Concurrent User, per month. The License fee includes all new releases and versions of the specified Service. The Company connections are protected by certified RSA 2048-bit (SHA 256 with RSA) encryption.

SAAS Applications – Departments

1. Nueces County Hospital District

	Monthly License Fee	# Concurrent User Licenses	Extended Total Monthly License Fee
1 st User License	\$950.00	1	\$945.00
Additional User Licenses	\$160.00	15	\$2,400.00
AMA Licensing (CPT/ICD)	\$14.00	16	\$224.00
Document Scanning	\$50.00	16	\$800.00
SMS Text Messaging	\$50.00	1	\$50.00
Provider Pipeline	\$250.00	1	\$250.00
On-Line Application Portal	\$275.00	1	\$275.00
Total Licensing			\$4,944.00

Fees

Unless otherwise expressly provided in this Exhibit 1, monthly fees are due and payable in advance of the first day of each month by Licensee at the Company's Conroe, Texas, office (or at such other place for payment designated in writing by the Company from time to time) by 5:00 p.m. Central Time. Payment must be in U.S. Dollars, by check drawn on Licensee's account, certified check, or wire transfer to an account specified by the Company. Payment is deemed made when the Company receives payment. Payment is to be made in United States dollars.

Additional Departments or Department Services

Upon written request of Licensee, additional Departments or Department Services may be added, subject to consent of the Company and mutual agreement regarding any applicable additional fees. Additional fees for deployment of additional or different Services, or installation, training, or

additional data conversion/formatting, and other costs, including but not limited to travel and reasonable per diem expenses, may apply.

Additional Concurrent Users

Additional Concurrent Users may be added upon request of Licensee with the approval of the Company, to be documented in an Addendum to this **Exhibit 1** executed by Licensee and the Company, for an increase in the license fee stated for that Department Service equal to \$160.00 per month per additional Concurrent User during the Initial Term, and thereafter at agreed fee rates.

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SaaS Services Software Deliverables

Administrative Menu:

- Active User List
- Budget Tracking
- Change Batch Dates
- General Ledger Maintenance
- Hidden Clients
- Hidden Vendors
- Message Center
- Posting Check Numbers
- System Setup
- Voiding Records

Administrative Reports:

- Bill Processing Time Report
- Case Entry Statistics
- Case Management Detail Report
- Case Processing Time Report
- CPT Usage Reports
- Dashboard Report
- Diagnosis Class Report
- Diagnosis Detail Report
- Diagnosis Usage Reports
- DRG Usage Reports
- Generic Drug Lookup
- Productivity Report
- Trends Reports

Bill Management:

- Adjustment Codes for claim denials
- Automatic CPT/HCPCS Rates Updated from Medicaid and/or Medicare Fee Schedules
- Bill Entry and Re-pricing
- Client Program/Status Display and Validation
- Duplicate Invoice Screening
- Envelope/Label Printing
- Invoice Validation Checks
- Real-Time Expenditure Tracking

Bill Reports:

- Amount Paid to Clients
- Amount Paid to Vendors
- Bill Data Export
- Claim Denial EOB
- Client Explanation of Benefits (EOB)
- Date of Service (DOS) Report
- GL Totals Report
- Hospital Utilization Report
- Daily Invoice List
- Invoice List by Group
- Monthly Adjustment Code Report
- NCHD Imputed Claims Report
- NCHD Reversals Report
- Provider Explanation of Benefits (EOB)
- Referrals Report
- Single Invoice Print
- Vendor Directory
- TMF Report by Place of Service
- Top 10 Diagnosis Report by Place of Service
- Claims Paid by Place of Service
- Claims Detail by Place of Service
- Check Register by Month

Client Management

- Address Validation & Search
- Case Document Scanning
- Case Management with Assessments and Goal Tracking
- Custom Client Letters
- Duplicate Client Checks
- Eligibility Determination
- Envelope/Label Printing
- Extensive Notes Tools
- Phone Number Information Display
- Printable Forms History
- Quick Income Calculator
- Referral Authorization Tracking
- Tracking of Previous Diagnoses

Client Reports:

- Active Client List
- Application Data Export
- Case Management Goals Report
- Case Management Time Report
- Case Notes Report
- Client Data Export
- Clients/Applicants by Group Report
 - Denial Reason
 - HH Size
 - Pending Other Pay Sources
 - Program
 - Zip Code
- Client FY History
- Client Information Report
- Client YTD Report
- Identifiable /Completed Application Report
- NCHD Application Analysis Report
- Rapid Registration by Group Report
- Rapid Registration Information
- Termination List
- Worksheet Report

Codes Menu:

- Ability to Set Codes for Custom Software Configuration
- Administrative Codes Setup
- Appointment Settings & Preferences
- Bill Rates & Preferences
- Client Letter Setup
- Client Group Tracking
- Client SAAS Setup
- Fee Schedule Reference:
 - CPT/HCPCS Codes (Procedure Codes)
 - ICD-10 (Diagnosis Codes)
 - MS-DRG/APR-DRG Codes (Inpatient Grouping Codes)
 - NDC Codes (Drug Codes)

Electronic Claims and Electronic Transfers:

- Ability to import E-claims received in 837i and 837p format
- Ability to override E-claim payables if needed
- Ability to generate 835 files for submission back to providers
- Generate eligibility file sent to Christus
- Real-time eligibility file sent to Pharmacy

Forms:

- 3064 Application Form
- 3065 Worksheet
- 3066 Report of Changes
- 3067 Appointment Notice
- 3068 Request for Information
- 3069 Health Care Services Form
- 3072 Monthly Activity Report
- 3076 Case Information Release Form
- 3077 Batch Eligibility Notice
- 3078 Claim Processing Notification Form
- 3080 SSI Appellant Notification Form
- 3081 Appellant/Provider Form
- 3082 Ineligibility Notice
- 3083 Optional Services Form
- 3084 Employment Verification Form
- 3085 Self Employment Form
- 3086 End of Year Report
- 3088 Request for State Assistance
- Custom Client Letters
- Provider Reimbursement Form
- Referral Authorization Form
- Statement of Personal and Business Income & Expenses

Other Functionality:

- AMA Licensed Updates for CPT Procedure and ICD-9/ICD-10 Diagnosis Terminology
- Application Portal for Online Application Submission – (this is new)
- Appointment Screen
- Appointment Reports
- User Dashboard with Live User and System Reminders
- Client Support Portal
- Ad-hoc Data Export Menu for Application, Client Provider and Invoice Data Elements – new)
- Integrated Imaging: Scanning/Importing Within Management Screens –(this is new)
- Live Remote Support
- Online Documentation for Procedures
- Provider Management
- Provider Pipeline for Bill Status
- Provider Pipeline for Eligibility Checks Rapid Registration (Client Pre-Screening)
- Referral Authorization Form
- Reimbursement Request Tracking
- Self-Study Training Videos
- Secure File Transfer Interface
- SMS Text Messaging
- System Activity Audit Reports

Exhibit 2 – Term and Scope of Services

To Non-Exclusive License Agreement Between Nueces County Hospital District And Indigent Healthcare Solutions

Nueces County Hospital District

Term of Agreement; Renewals

Initial Term:

Start Date 06/01, 2025

End Date 05/31, 2027

Unless notice is given in writing by either Party to the other on or before ninety (90) days before the end of the Initial Term (or, as applicable, the then-current Renewal Term), this Agreement will automatically renew for a Renewal Term of the same length as the Initial Term (or, as applicable, the current Renewal Term), for up to three (3) Renewal Terms.

Hosted SAAS Services – Cloud-Based Computing and Data Management

No SAAS applications will be installed on Licensee's site. The Services will be hosted remotely at the Company's facilities located at 4100 Smith School Road, Austin, Texas 78744. Upon execution of the Agreement, the Company will configure its hosting servers and other facilities to provide Licensee access to and use of the authorized Services and to store Licensee Data.

Licensee is wholly responsible for obtaining and maintaining appropriate workstations and other equipment, and software and operating systems (e.g. the Company might specify use of Windows 10 or later); having and maintaining appropriate and secure internal and external networks, including appropriate Internet or other connectivity having sufficient bandwidth and speed to permit suitable working access to and communication with the Company's cloud-based servers. Licensee's Internet connectivity must have at least the minimum upload and download rates required by the Company. Company will provide Licensee with notice of the necessary equipment, networks, or connectivity adequate for use with the Company's SAAS, 60 days prior to any installation by Company. The Company is not responsible for failure of or unsatisfactory performance of the Service(s) where Licensee's equipment, networks, or connectivity are not adequate for use with the Company's SAAS Services. In the event that Licensee's present internet connectivity does not have minimum upload and download rates, Company will advise Licensee of the deficiency in writing 30 days prior to any installation by Company.

Licensee is wholly responsible for having, applying, and maintaining security systems and

procedures necessary to ensure the integrity of Licensee's operations utilizing the Service(s) and security of Licensee's transmission and receipt of data to and from the Company's hosted servers. The Company will not be responsible or liable for any failures of such security that result in interruption of any kind of the access to or use of the Service(s), or loss, corruption, or theft of, or other adverse effects on, Licensee's data arising in whole or part because of inadequacies in Licensee's security systems or procedures.

Licensee is wholly responsible for ensuring that its security is adequate to prevent intrusion into or access by unauthorized third parties of Licensee's equipment, networks, and other systems, including without limitation hereby third-party hacking into or other unauthorized access to Licensee or Licensee contractor equipment connected to or through networks or other means of access to Provider Systems.

Maintenance

The Company will provide maintenance during the Term of the Agreement. For cloud-based hosted services, the Company will provide maintenance to its hosting servers and other equipment. For onsite installations, after initial installation, access to and maintenance of the Services by the Company will be by remote access. In the event that maintenance by remote access is insufficient Licensee shall advise Company in writing within 10 business days of any problems persisting after Company's remote maintenance. If Company's failure to remedy such occurrence persists after 30 days, such failure shall be considered Default by Company and shall be subject to Section 10.0 Default and Remedies herein.

Licensee Requests and Trouble Notices

Licensee must submit all requests for services of any kinds, including any Special Services ("Service Requests"), and submit all complaints or reports of errors or malfunctions ("Error Reports") in writing to the Company. The Company is not responsible for responding to Licensee Error Reports or Service Requests that are not timely submitted in writing. Emails properly addressed to Robertb@indigenthealthcaresolutions.com are acceptable; and any period of time required for or stated under this Agreement for response or cure by the Company of asserted errors, or for the provision of requested services, shall not be deemed to have begun until and unless such Error Report or Service Request has been received by the Company. The purpose for this procedure is to provide a record of Licensee requests and error reports, with Licensee's own descriptions, as well as to ensure that Licensee's concerns are addressed and not inadvertently overlooked.

Data Backup

For remote installation (cloud-hosted service), unless otherwise agreed, the Company will be responsible to conduct daily and monthly backup of Licensee Data kept on the hosted services server(s), by means consistent with industry standards, or as may be otherwise specifically described. Licensee may request other backup procedures or frequencies, which the Company may agree to provide in its sole discretion, and for which there may be additional fees or costs (including possibly treatment as a Special Service). Orientation

The Company will provide training to Licensee when in the opinion of both Parties, it will further
Nueces County Hospital District - 2024

the intent of this Agreement and facilitate and expedite the provisions of the Services. Initial access to the Services will occur after the initial orientation of appropriate Licensee personnel by the Company, at a time and location to be arranged by and agreed to by the Company. Orientation and training shall be at no additional cost to Licensee beyond reasonable expenses of the Company as defined in **Exhibit 1**.

The Company will provide Licensee with up to Ten (10) days of onsite training at no additional cost other than reimbursable travel and per diem expenses. It is Licensee's responsibility to identify personnel to be trained, and to provide space for, and to schedule training at times agreed by the Company, to occur in time for Licensee's personnel to be able to perform their functions without interference with or delay of Licensee business functions dependent on the Services.

Expenses and Out-of-Pocket Costs

Licensee shall reimburse the Company for reasonable costs and expenses incurred by the Company other than as included in stated License fees for use of the authorized Services and related materials. The Company will ask Licensee to pre-approve all anticipated Company expenses, the costs of which are to be reimbursed by Licensee, except where Licensee agrees in writing to forgo pre-approval of Company's anticipated expenses to be reimbursed by Licensee due to the need to respond quickly to Licensee's unanticipated situation. The Company will submit to Licensee an invoice supported by original receipts supporting the costs and expenses requested to be reimbursed by Licensee.

Unless otherwise agreed, the Company will be reimbursed.

- At then-current government rates for the applicable region;
- For hotel room categories corresponding to Courtyard by Marriott or Hampton Inn;
- For mid-size car rental;
- For mileage at the current legal reimbursement rate; and
- For the then-current daily federal per diem rate for the area, plus applicable tax, plus fifteen percent (15%) meal gratuity per ACA 19-4-925(b).

Licensee Input

The Company sends each Licensee customer an annual survey seeking Licensee comments, to which the Company strongly encourages you to respond.

The Company also periodically holds a customer advisory meeting. All current Licensees are invited and are encouraged to attend. (Attendance is at the Licensee's expense.) Software performance is discussed, new software features and/or enhancements are demonstrated, and clients are asked to identify any improvements, modifications, or enhancements they may desire. Based on the clients' interests and priorities of those in attendance, the Company identifies improvements, modifications and/or enhancements it will seek to make to the Services over the next year. Any improvements, modifications, or enhancements the Company makes as a result of the customer survey or advisory meeting will be provided in new software releases at no cost to Licensee. Additionally, any software changes / enhancements mandated by state or federal law will be provided at no cost to Licensee.

[END]

BUSINESS ASSOCIATE AGREEMENT

(Intended to be an Amendment or Addendum to an Agreement
For Services Involving the Use, Creation or Transmission of
Protected Health Information)

This Business Associate Agreement (“Agreement”) effective on 06/01, 2025 (“Effective Date”) is entered into by and between Indigent Healthcare Solutions (“Business Associate”) and Nueces County Hospital District (“Covered Entity”).

RECITALS

A. The purpose of this Agreement is to comply with the Standards for Privacy of Individually Identifiable Health Information (“protected health information”) published on December 28, 2000 by the Secretary of the U.S. Department of Health and Human Services (“HHS”) to amend 45 C.F.R. Part 160 and Part 164 (the “Privacy Rule”) under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and to comply with Health Insurance Reform: Security Standards published on February 20, 2003 by the Secretary of HHS to amend 45 C.F.R. Parts 160, 162, and 164 (the “Security Rule”) under HIPAA.

B. The parties have a prior agreement (the “Non-Exclusive License Agreement” or “NELA”) under which the Business Associate regularly uses protected health information (PHI) in its performance of services for the Covered Entity.

C. This Agreement sets forth the terms and conditions pursuant to which protected health information that is provided by, or created or received by, the Business Associate from or on behalf of the Covered Entity will be handled.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter addressed, the parties agree as follows:

1. Services. The Business Associate provides services for the Covered Entity that involve the use of protected health information. Except as otherwise specified herein, the Business Associate may make any and all uses of protected health information necessary to perform its obligations under the NELA between the parties provided that such use or disclosure would not violate the Privacy Rule or the Security Rule if done by the Covered Entity or the minimum necessary policies and procedures of the Covered Entity. Additionally, Business Associate may disclose protected health information for the purposes authorized by this Agreement only to its employees, subcontractors, and agents, in accordance with Section 2(b) or (d) as directed by the Covered Entity.

2. Responsibilities of Business Associate. With regard to its use of protected health information, the Business Associate hereby agrees to do the following:

(a) Use the protected health information only as permitted or required by this Agreement or as otherwise required by law;

(b) Report to the designated privacy officer of the Covered Entity, in writing, any use of the protected health information that is not permitted or required by this Agreement, including breaches of unsecured Protected Health Information as required by 45 C.F.R. 164.410, and any security incident of which Business Associate becomes aware within fifteen (5) days of the Business Associate's discovery of such unauthorized use;

(c) Use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information other than as provided by this Agreement;

(d) Require all of its employees, representatives, subcontractors or agents that receive or use or have access to protected health information under this Agreement to agree to adhere to the same restrictions and conditions on the use of protected health information that apply herein, including the obligation to return or destroy the protected health information;

(e) Make available all records, books, agreements, policies and procedures relating to the use and/or disclosure of protected health information to the Secretary of HHS for purposes of determining the Covered Entity's compliance with the Privacy Regulation;

(f) Business Associate agrees not to use or disclose Protected Health Information in a manner other than as provided in this Business Associate Agreement, as permitted under the Privacy Rule, or as required by law. Business Associate will use or disclose Protected Health Information, to the extent practicable as a limited data set or limited to the minimum necessary amount of Protected Health Information to carry out the intended purpose of the use or disclosure in accordance with Section 13405(b) of the HITECH Act (codified at 42 USC §17935(b)) and any of the act's implementing regulations adopted by HHS, for each use or disclosure of Protected Health Information.

(g) Business Associate agrees to document disclosures of protected health information and information related to such disclosures as would be required for the Covered Entity to respond to a request by an individual for an accounting of disclosures of protected health information in accordance with 45 C.F.R §164.528.

(h) Business Associate agrees to make any amendment(s) to protected health information in a designated record set that the Covered Entity directs or agrees to pursuant to 45 C.F.R §164.526 at the request of the Covered Entity or an individual, and in a reasonable time and manner.

(i) Business Associate agrees to provide access, at the request of the Covered Entity, and in a reasonable time and manner, to protected health information in a designated record

set, to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the requirement under 45 C.F.R §164.524.

(j) Business Associate agrees to document any disclosures of Protected Health Information made by it to account for such disclosures as required by 45 CFR §164.528. Business Associate also will make available information related to such disclosures as would be required for Covered Entity to respond to a request for an accounting of disclosures in accordance with 45 CFR §164.528. At a minimum, Business Associate will furnish Covered Entity the following with respect to any covered disclosures by Business Associate: (i) the date of disclosure of Protected Health Information; (ii) the name of the entity or person who received the Protected Health Information and if known, the address of such entity or person; (iii) a brief description of the Protected Health Information disclosed; and (iv) a brief statement of the purpose of the disclosure which includes the basis for such disclosure

(k) Business Associate agrees that within fifteen (15) days of receiving a written request from the Covered Entity, provide to the Covered Entity such information as is requested by the Covered Entity to permit the Covered Entity to respond to a request by the subject individual for amendment and accounting purposes of the disclosures of the individual's protected health information in accordance with 45 C.F.R. §164.526 and §164.528. Business Associate will provide an accounting of its disclosures of Protected Health Information upon request of the Individual, if and to the extent that such accounting is required under the HITECH Act or under U.S. Department of Health and Human Services regulations adopted in connection with the HITECH ACT

(l) Return to the Covered Entity or destroy, as requested by the Covered Entity, within thirty (30) days of the termination of this Agreement, the protected health information in Business Associate's possession and retain no copies. Upon a determination by the Business Associate that return, or destruction of protected health information is infeasible, Business Associate shall extend the protections of this Agreement to such protected health information and limit further uses and disclosures of such protected health information to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such protected health information.

3. Responsibilities of the Covered Entity. With regard to the use of protected health information by the Business Associate, the Covered Entity hereby agrees:

(a) To inform the Business Associate of any changes in the form of notice of privacy practices that the Covered Entity provides to individuals pursuant to 45 C.F.R. §164.520 and provide the Business Associate a copy of the notice currently in use;

(b) To inform the Business Associate of any changes in, or withdrawal of, the consent or authorization provided to the Covered Entity by individuals whose protected health information may be used by Business Associate under this Agreement pursuant to 45 C.F.R. §164.506 or §164.508; and

(c) To notify the Business Associate, in writing and in a timely manner, of any restrictions on the use of protected health information agreed to by the Covered Entity as provided for in 45 C.F.R. §164.522 to the extent such restriction may affect Business Associate's use or disclosure of protected health information.

(d) To notify Business Associate of any limitation(s) in its notice of privacy practices in accordance with 45 C.F.R §164.520 to the extent that such limitation may affect Business Associate's use or disclosure of protected health information.

(e) Not to request Business Associate to use or disclose protected health information in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity.

4. Mutual Representation and Warranty. Each party represents and warrants to the other party that all of its employees, agents, representatives, and members of its work force, who services may be used to fulfill obligations under this Agreement, are or shall be appropriately informed of the terms of this Agreement.

5. Termination. As provided for under 45 C.F.R. §164.504(e)(2)(iii), the Covered Entity may immediately terminate this Agreement if it determines that the Business Associate has breached a material provision of this Agreement, and that cure is not possible. Alternatively, the Covered Entity may choose to: (i) provide the Business Associate with thirty (30) days written notice of the existence of an alleged material breach; and (ii) afford the Business Associate an opportunity to cure said alleged material breach upon mutually agreeable terms. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of this Agreement. If termination or cure is not feasible, the Covered Entity shall report the breach to the Secretary of HHS. This Agreement will automatically terminate without any further action of the parties upon the termination or expiration of the NELA.

6. Amendment. This Agreement may not be modified or amended, except in writing as agreed to by each party. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule, and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

7. Regulatory References. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended.

8. Survival. The respective rights and obligations of Business Associate under Section 2 (j) of this Agreement shall survive the termination of this Agreement.

9. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule and the Security Rule.

10. No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is
Nueces County Hospital District - 2024

intended to confer, nor anything herein shall confer, upon any person other than the parties hereto any rights, remedies, obligations, or liabilities whatsoever.

11. Notices. Any notices to be given hereunder shall be made via U.S. mail or express courier, or hand delivery to the other party's address given below as follows:

If to Business Associate: Indigent Healthcare Solutions
2040 N. Loop 336 W. – Suite 304
Conroe, Texas 77304

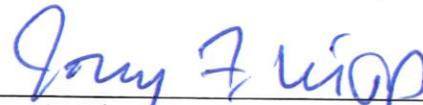
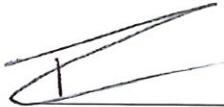
If to Covered Entity: Jonny F. Hipp Administrator/Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua Street – Suite 950
Corpus Christi, Texas 78401

HITECH Act Compliance. The Parties acknowledge that the HITECH Act includes significant changes to the Privacy Rule and the Security Rule. The privacy subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under HIPAA and these changes may be further clarified in forthcoming regulations and guidance. Each Party agrees to comply with the applicable provisions of the HITECH Act and any U.S. Department of Health and Human Services regulations issued with respect to the HITECH Act. The Parties also agree to negotiate in good faith to modify this Business Association Agreement as reasonably necessary to comply with the HITECH Act and its regulations as they become effective but, in the event that the Parties are unable to reach agreement on such a modification, either Party will have the right to terminate this Business Association Agreement upon 30 days' prior written notice to the other Party.

IN WITNESS WHEREOF, the parties hereto hereby set their hands and seals as
IN PRESENCE OF:

Business Associate

Nueces County Hospital District (Covered Entity)



Robert Baird
President

Jonny F. Hipp
Administrator / Chief Executive Officer

Date: 6/5, 2025

Date: 6/6, 2025

G



NUECES COUNTY PURCHASING

MICHAEL ROBINSON
COUNTY PURCHASING AGENT

December 1, 2023

Wexford Health Sources, Inc.
Attn: Daniel L. Conn, CEO
501 Holiday Drive
Foster Plaza Four
Pittsburgh, PA 15220

Subject: Letter of Executed Contract #20230676-11/29 for Medical Services for the Nueces County Jail

Dear Mr. Conn,

This letter serves as notification on the above-mentioned project that all documents are in order. Attached is a signed copy of your Agreement.

Please let us know if you have any questions.

Best Regards,

A handwritten signature in blue ink, appearing to read "Michael Robinson", is written over a horizontal line.

Michael Robinson
Procurement Director
(361) 888-0426

cc: Connie Scott – Nueces County Judge
Jonny Hipp – CEO Nueces County Hospital District
John Hooper – Nueces County Sheriff

CONTRACT FOR PROFESSIONAL SERVICES

AGREEMENT made as of 12/1/2023, between Nueces County ("County") and Wexford Health Sources, Inc. ("Consultant" or "Vendor").

WHEREAS, the County owns and operates Nueces County Jail Facilities comprised of the County Jail located at 901 Leopard Street and the McKenzie Annex Jail located at 745 North Padre Island Drive, both units situated in Corpus Christi, Nueces County, Texas;

WHEREAS, County requires certain professional services for the Nueces County Jail Work ("Project");

WHEREAS, on November 29, 2023, the Commissioners Court of Nueces County adopted an order determining that Jail Medical Services are necessary to preserve and protect the public health and safety of the residents of Nueces County, and a contract for such services is thereby exempt from the competitive bidding or proposal requirements of Section 262.023 of the Texas Local Government Code; and

WHEREAS, Consultant represents that it has the necessary expertise to provide such services in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. **Services.** Consultant shall perform the work described in the Exhibit A, Scope of Work, in a competent and professional manner to the satisfaction of County, in accordance with these Contract Documents. The Scope of Work and the Consultant's schedule and fee proposal dated 12/1/2023, described in Exhibit B, are attached hereto and by this reference incorporated herein. If any incorporated term is inconsistent with the Agreement, this Agreement shall control.
2. **Consultant's Expertise.** Consultant warrants that it has the ability, authority, capacity and professional expertise to perform this Agreement. Consultant shall provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of the work to be performed hereunder. Consultant shall assign specific individuals to key positions. Once assigned to work under this Agreement, key personnel shall not be removed or replaced without County's prior written approval.
3. **Independent Contractor.** Consultant acknowledges that it is an independent contractor. Neither party is or shall purport to be an agent, employee, partner, joint venture or associate of the other. An employee or agent of one party shall not be deemed an employer or agent of the other party for any purpose. Taxes or Social Security contributions will not be withheld from any payment by County, and Consultant shall be solely responsible for such matters

4. **Subcontracts.** Consultant shall not enter into any subcontract with respect to any of the work to be performed hereunder without County's prior written approval. All subcontracts shall comply with applicable federal and state laws and regulations and shall impose on the subcontractor substantially the same obligations as are imposed on Consultant by this Agreement with respect to those matters covered by Sections 8, 9, 10, 12, 15 and 18. Consultant is responsible for full performance of this Agreement regardless of whether subcontractors are used.

5. **Time for Completion.** Consultant's services will be provided in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Consultant's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project, and in accordance with an agreed upon schedule for the performance of the Services hereunder. Time limits established by a schedule approved by County shall not, except for reasonable cause, be exceeded by County or Consultant. The Schedule shall be adjusted, if necessary, as the Project proceeds. The date for final performance shall be extended by the number of days that performance is delayed by governmental approval or review procedures or other causes beyond Consultant's reasonable control, as jointly confirmed in writing by the parties' representatives.
6. **Payment.** County shall pay to Consultant as outlined in the attached fee proposal. Payments shall be made within 30 days of County's receipt of Consultant's monthly invoices. Each invoice shall detail the work performed during the billing period.
7. **Defects in Work.** County may reject any work product that fails to meet customary professional standards or Project specifications. Consultant agrees to promptly remedy all such deficiencies. The parties shall make a good faith effort to resolve any controversy or claim through informal negotiation as set forth in Section 12. No compensation shall be paid for any rejected work until such issues have been resolved.

8. **Insurance Requirements.**

A. Without in any way affecting the indemnity herein provided and in addition thereto, the Vendor shall secure and maintain, throughout the Agreement, the following types of insurance with limits as shown:

1. Workers' Compensation and Employer's Liability: A program of Workers' Compensation and Employer's Liability insurance or a state-approved self-insurance program covering all persons providing services on behalf of Vendor and all risks to such persons under this Agreement. Limits shall be as follows:

Workers' Compensation	Statutory
Employer's Liability	
Each Accident	\$1,000,000

Disease-Each Employee	\$1,000,000
Disease-Policy Limit:	\$1,000,000

2. Commercial General Liability: This coverage to include bodily injury, property damage, and broad form contractual liability coverage:

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

3. Business Automobile Liability: Shall include Bodily Injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL)	\$1,000,000
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4. Professional Liability/Medical Malpractice Insurance (Errors and Omission Liability Insurance): (\$1,000,000.00) each claim with an annual aggregate of (\$3,000,000).

- a. In the event that any professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

- B. Additional Named Insured:** All policies, except for the Workers' Compensation, Professional Liability and Errors and Omissions policies shall contain additional endorsements naming County, the Nueces County Jail (including all facilities), and their officers, employees, agents and volunteers as additional named insureds with respect to liabilities arising out of the performance of services hereunder.
- C. Workers' Compensation and Commercial General Liability policies shall contain a Waiver of Subrogation in favor of Nueces County, the Nueces County Jail (including all facilities), and their departments, agencies, officers, officials, agents, employees and volunteers for losses arising from work performed by or on behalf of the Contractor.
- D. Contractor's subcontractors shall be subject to the same minimum requirements identified above. Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectible insurance as evidenced by the certificates of insurance and endorsements for each subcontractor.

- E. Certificate of Insurance: Any policy endorsements that restrict or limit coverage shall be clearly noted on the Certificate of Insurance. Prior to commencing services under this contract, Contractor shall furnish County with a Certificate of Insurance and formal endorsements as required by the contract as issued by contractor's insurer(s) as evidenced that policies providing the required coverages, conditions, and limits required by this contract are in full force and effect. Such certificates shall identify this project by name and shall provide for not less than (30) days advanced notice of Cancellation, Termination, or Material Alteration. Such certificates shall be sent directly to:

Connie Scott
Nueces County Judge
901 Leopard Street, Room 303
Corpus Christi, Texas 78401

- F. Insurance Review; The above insurance requirements are subject to periodic review by the County. The Sheriff or designee is authorized, but not required, to reduce or waive any of the above insurance requirements when a determination is made that any of the above insurance is not available, is unreasonably priced or is not needed to protect the interests of the County.
- G. Performance Bond. Consultant shall provide the County with a performance bond equal to fifty percent (50%) of the annual base price as forth herein for the term of the Agreement. New bonds will be required for each renewal (if any) in one (1) year increments, not to exceed two (2) additional years past the initial term. Such performance bond must be written by a Texas Licensed company, or companies.
9. Indemnity. To the fullest extent allowable by law, Consultant shall defend, indemnify and hold harmless County and its representatives, officers, officials and employees (the "Indemnitees") from and against any and all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the costs of appellate proceedings) relating to, arising out of or resulting from Consultant's negligent acts, errors, mistakes or omissions in the performance of this Agreement. Consultant's duty to defend, hold harmless and indemnify the Indemnitees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any negligent act, error, mistake or omission in the performance of this Agreement (including those by any person for whose negligent acts, errors, mistakes or omissions Consultant may be liable) to the extent of Consultant's negligence or fault. The amount and type of insurance coverage requirements set forth above shall not limit the scope of the indemnity in this paragraph.

CONSULTANT SHALL PROMPTLY NOTIFY THE COUNTY OF ANY INCIDENT, ACCIDENT, CLAIM OR LAWSUIT OF WHICH CONSULTANT BECOMES AWARE THAT DOES OR MAY POTENTIALLY INVOLVE THE COUNTY, AND SHALL FULLY COOPERATE IN THE DEFENSE OF SUCH CLAIM. COUNTY MAY RETAIN SOLE CONTROL OF THE DEFENSE WHILE THE ACTION IS PENDING SHOULD IT SO CHOOSE. THESE PROVISION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

10. Records. Consultant shall retain, and shall require each subcontractor to retain, all books, accounts, reports, files and other records relating to this Agreement for a period of five years after completion of the work. All such documents shall be subject to inspection and audit by County upon reasonable notice during normal business hours. A legible copy of any or all such documents shall be produced by Consultant at the request and expense of County.

Consultant shall maintain complete and accurate medical records for each inmate who receives health care services from Consultant. Each medical record will be maintained in accordance with applicable laws, Texas Commission on Jail Standards related to health services, NCCHC standards, and ACA standards if the County acquires such accreditation. The medical records shall be property of the County, and Consultant shall be custodian of all County inmate medical records during the term of this Agreement. Further, no County personnel shall make any medical decisions or perform any health care services based upon ownership of the records. The medical records shall be kept separate from the inmate's confinement records. Medical records shall be kept confidential in accordance with applicable law. During the term of this Agreement, Consultant shall assist the County in responding to any information request concerning the medical records, including gathering information for requests and preparing responses when disclosure would not be permissible under law, regardless of whether such request is pursuant to HIPAA, FOIA, the Texas Public Information Act, or any similar law. At the termination or expiration of this Agreement, such electronic medical records and any paper copies in existence at the termination or expiration of this Agreement shall be delivered to the County, and Consultant shall cooperate with the County's new inmate health care services provider at the Facilities in the transfer of such medical records, in electronic format and paper copies. However, the County or the County's designee provider shall, within the limits of applicable law, provide Consultant with reasonable ongoing access to all medical records even after the termination of this Agreement for the purposes of defending claims and litigation subject to payment of actual costs.

11. **Non-Assignment.** Consultant shall not assign any right or interest in this Agreement without County's prior written approval, nor shall Consultant delegate any duty hereunder without County's prior written approval.
12. **Negotiation of Disputes.** The parties shall make a good faith effort to resolve any claim or controversy or claim through informal negotiation. Notice of any claim or controversy shall be provided in writing, with supporting documentation, to the recipient designated in Section 21. The recipient shall have seven calendar days to prepare and deliver a written response. If the parties fail to resolve the disputes within a reasonable period of not less than ten days, either party may pursue available legal remedies.
13. **Suspension and Termination by County:**
 - A. **Suspension.** County may, without cause, order Consultant in writing to suspend, delay or interrupt its performance in whole or part. An adjustment shall be made to the completion date and for any increase in the cost of performance resulting from the suspension, delay or interruption. No adjustment shall be made to the extent that performance is or would have been suspended, delayed or interrupted by another cause for which Consultant is responsible.
 - B. **Termination for Cause.** County may terminate this Agreement for cause if Consultant refuses or fails to supply enough properly skilled workers to perform this Agreement; fails to make required payments to subcontractors; disregards laws, ordinances, rules, regulations or orders of a public authority having jurisdiction; or otherwise commits a material breach of this Agreement. When any of the foregoing causes exist, County shall give Consultant written notice and a ten-day opportunity to cure the default. If the default remains uncured, County may (without prejudice to any other rights or remedies it may have) terminate this Agreement and finish the work or cause it to be finished. If the unpaid balance of the Agreement exceeds the cost of finishing the work (including any expenses incurred by County as a result of Consultant's default), Consultant shall be entitled to payment for its performance up to the amount of such excess.
 - C. **Termination for Convenience.** County, by written notice to Consultant, may terminate this Agreement in whole or part upon no less than 60 days-notice when in the sole discretion of County it is in County's best interests to do so. Consultant shall be paid for all material, equipment and services provided, as well as reasonable termination expenses and a reasonable allowance for profit and overhead, provided that such payments, exclusive of termination expenses, shall not exceed the total amount payable pursuant to Section 6 less any payments previously made to Consultant. Consultant shall not be entitled to profit and overhead on material, equipment and services which were not provided.
 - D. **Consultant's Responsibilities.** Upon receipt of a termination notice, Consultant shall (a) promptly discontinue all services (unless the notice directs otherwise), and (b) deliver or otherwise make available to County copies of all data, design calculations, drawings, specifications, reports, estimates, summaries and other information and materials developed or accumulated by Consultant in performing this Agreement.

14. **Termination by Consultant.**
- A. **Termination for Cause.** Consultant may terminate this Agreement upon written notice to County if performance is made impossible for a period of 30 consecutive calendar days for any of the following reasons through no act or fault of Consultant or its agents, employees or subcontractors: issuance of an order by a court or other public authority having jurisdiction; an act of government, such as a declaration of national emergency; or a natural disaster or other Act of God. Consultant may also terminate this Agreement upon written notice and a ten-day opportunity to cure if County fails to make any payment within the time set forth in Section 6. Consultant may also terminate this Agreement upon written notice if suspensions, delays or interruptions by County equal in the aggregate more than 100% of the total number of days scheduled for completion.
- B. **Termination for Convenience.** Consultant, by written notice to County, may terminate this Agreement in whole or part upon no less than 60 days-notice when in the sole discretion of the Consultant. Consultant shall be paid for all material, equipment and services provided, as well as reasonable termination expenses and a reasonable allowance for profit and overhead, provided that such payments, exclusive of termination expenses, shall not exceed the total amount payable pursuant to Section 6 less any payments previously made to Consultant. Consultant shall not be entitled to profit and overhead on material, equipment and services which were not provided.
15. **Governing Law.** This Agreement shall be governed by the law of the State of Texas. Any suit arising out of this Agreement shall be brought in the state courts of Texas (with venue in Nueces County) or the United States District Courts in the Southern District of Texas, Corpus Christi Division, but only after informal negotiation pursuant to Section 12.
16. **Incorporation of Applicable Laws.** Every provision of law required by statute or regulation to be in this Agreement will be read and enforced as though included herein. Each party shall promptly notify the other upon discovery that any such provision has been omitted.
17. **One-Year Limitation on Actions.** No action shall be maintained by Consultant on any claim based upon or arising out of this Agreement unless such action is commenced within one year after County's final payment hereunder.
18. **Term.** This Contract for Professional Service is valid for one (1) year from the date the agreement was made between the two parties.
19. **Entire Agreement.** This Agreement and those documents incorporated by reference represent the entire understanding between the parties. No amendment shall be effective unless executed by both parties with the same formality as this Agreement. Provided, however, that the County's project manager is authorized to modify the Scope of Work, in writing, with the concurrence of Consultant so long as the project is not changed substantially or significant additional compensation is not required.

20. **Other Contracts and Third-Party Beneficiaries.** The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of any non-party who might otherwise claim to be deemed to constitute a third-party beneficiary hereof.
21. **Severability.** The provisions of this Agreement are severable. Any provision held to be invalid or unenforceable shall not affect the validity or enforceability of any other provision.
22. **Notices.** All notices, invoices and payments shall be in writing and may be given by personal delivery or certified mail. The designated recipients are as follows:

To Consultant: Daniel L. Conn, CEO
 Wexford Health Sources Inc.
 501 Holiday Drive
 Foster Plaza Four
 Pittsburgh, PA
 15220

To Nueces County: County: Connie Scott
 Nueces County Judge
 901 Leopard Street, Room 303
 Corpus Christi, Texas 78401

With a copy to: John Hooper Sheriff
 Nueces County Sheriff's Office
 901 Leopard Street
 Corpus Christi, Texas 78401

Nueces County Attorney
 901 Leopard Street, Room 207
 Corpus Christi, Texas 78401

23. Responsibility for Off-Site Medical Care. Off-site specialty clinics, ambulance transportation (including emergency ambulance transportation), off-site radiology services, emergency room visits, hospitalization (including physician charges) and any other services provided by licensed medical professionals which are not provided on-site at the jail facilities shall be arranged for by Consultant but not paid for by Consultant unless otherwise indicated. Except for emergency ambulance, Consultant shall arrange all other Off-Site Medical Care with the Hospital District's indigent health care contractor, Christus Spohn Health System Corporation. Emergency ambulance transportation shall be the financial responsibility of Consultant and the financial responsibility for all other Offsite Medical Care shall be governed by the terms of the Hospital District's indigent care agreement with Christus Spohn Health System Corporation but shall not be the financial responsibility of Consultant. The Hospital District will designate a Christus Spohn Healthcare Corporation liaison to coordinate and arrange Off-Site Medical Care with Consultant. Any Off-Site Medical care not arranged with Christus Spohn Health System Corporation shall be the sole financial responsibility of Consultant. NOTHING HEREIN MAKES THE HOSPITAL DISTRICT A PARTY TO THIS AGREEMENT. NOTHING HEREIN CREATES AN ENFORCEABLE RIGHT TO ANY PARTY AGAINST THE HOSPITAL DISTRICT.

24. Additional Attachments. The Business Associate Agreement, Debarment Statement, and Texas Government Verifications are incorporated herein in their entirety. Furthermore, Consultant will comply with the Trivett Order attached herein and incorporated in its entirety.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement as of the date first written above.

Nueces County

By: _____

Connie Scott

Title: Nueces County

Judge _____

ATTEST:

Consultant.

By _____

John M. Froelicher

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IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement as of the date first written above.



ATTEST:

Kara Sandoz

Nueces County

By: Connie Scott

Connie Scott

Title: Nueces County

Judge _____

Consultant.

By John M. Furdlik

Scope of Work

A. Responsibilities

1. Contractor shall be the sole supplier and/or coordinator of the system that delivers inmate medical services at the Facilities.
2. Contractor shall be responsible for provision of ambulatory and infirmary medical services at the Jail and ambulatory medical services at the Annex using the Existing Medical Units.
3. Contractor shall be responsible for all medical care of all inmates incarcerated at Facilities, including Work Release inmates.
4. The Contractor's responsibility for inmate health care delivery commences with the commitment of the inmate to the custody of the Facilities and ends with the release of the inmate. When the prisoner arrives at the facility, they are official booked, responsibility starts at the time of arrival.
5. The Contractor is not responsible for inpatient or outpatient inmate healthcare services that cannot be reasonably provided within the Facilities.
6. The Contractor will be responsible for maintaining a liaison with and coordinating offsite inmate healthcare services with the Hospital District's indigent health care contractor.

The term "medical services" in the above paragraph means the provision of twenty-four (24) hours a day, seven (7) days a week of inmate medical, dental, mental health, and nursing services, including but not limited to (i) intake health assessments, health care services for chronic, infirmary, and sick call care, routine and preventive care, including health assessments; and acute and emergency care; (ii) laboratory, radiology, pharmacy, physical therapy, and other supporting ancillary services and supplies; and (iii) other related non-ancillary support services.

B. Specifications and Program Requirements

1. Administrative Requirements:

- a. A singular designated Texas-licensed physician (M.D. or D.O.) Medical Director with responsibility for assuring the quality, appropriateness, timeliness, and adequacy of inmate health care services. If the Medical Director provides direct health care services, he/she shall maintain active medical staff membership with delineated clinical privileges at Christus Spohn Health System hospitals located in Nueces County, Texas.
- b. A full-time on-site Health Services Administrator shall be provided who shall have the general responsibility for the successful delivery of health care pursuant to this solicitation and final contract.
- c. The Contractor shall, upon request, provide to the County proof of Texas licenses and/or certificates for all professional staff. In addition, malpractice insurance must be on file for all physicians, psychiatrists, dentists, mental health practitioners, Nurse Practitioners, Physician Assistants, and other employees, if applicable.

d. Copies of staffing schedules encompassing all health care staff are to be submitted to the Health Services Administrator on the fifteenth of each month for the upcoming month. Daily Updates should be supplied if there are changes.

e. Monthly and daily statistics will be required as follows:

i. A statistical report with narrative on noteworthy accomplishments or events will be due on the fifth calendar day of each month to the Contract Administrator that includes, but is not limited to, the following:

- Inmates seen at sick call
- Inmates seen by physician
- Inmates seen by dentist
- Inmates seen by psychiatrist
- Medical specialty consultation referrals
- Off-site hospital admissions
- Emergency Room visits
- Infirmiry admissions, patient days, average length of stay
- Intake medical screening
- Fourteen (14) day physicals
- Lab Work
- MHMR active care list

ii. A report of the previous twenty-four (24) hours that captures but is not limited to, the following data. This report shall be submitted to the Contract Administrator on a daily basis:

- Transfers to off-site hospital emergency departments
- Communicable disease reporting
- Suicide data (i.e., attempts and precautions taken)
- Report of status of inmates in local hospitals
- Report of status of inmates in jail infirmiry
- Submit completed medical incident report copies

f. Grievances shall be monitored to detect areas of concern. Inmate grievances shall be documented on a log and a response shall be prepared within three working days of receipt. Completed responses will be returned to the inmate through the Chief Jail Administrator or his designee.

g. The establishment of a comprehensive quality improvement activity that will monitor the health/medical services provided.

h. The establishment of an infection control activity that monitors the incidence of infectious and communicable diseases, seeks to prevent their incidence and spread, and provides for the care and treatment of inmates so infected.

i. Contractor is to arrange ambulance service from the local providers.

j. The Contractor shall, in times of emergency, disaster, or threat thereof, whether accidental, natural or man-made, provide medical assistance to the County Sheriff's Office to the extent or degree required by

County Sheriff's Office policies and procedures. Contractor will be responsible for care and treatment during exigent circumstances. The Contractor shall be prepared to operate without assistance for at least five (5) days during the hurricane season. All Contractor personnel will be considered as essential personnel. The Contractor shall be prepared with a schedule that will provide medical care 24/7 or until the incident/hurricane is over. If the Sheriff institutes a recall during emergency situations (i.e. hurricane) all Contractor personnel shall report to the jail as soon as possible after receiving notification.

2. Personnel requirements:

a. Adequate health care personnel required to provide those services listed in the contract must be provided for twenty-four (24) hours, seven (7) days per week inmate health services at the Facilities.

b. Physician services must be available to provide for the following:

i. Must be sufficient to provide the required needs of the inmates and assure medical evaluation/follow up within twenty-four (24) hours of post nursing triage referral (including weekends and holidays).

ii. In addition, twenty-four (24) hour physician on-call services with the availability for consultation and the ability to meet the on-site needs are required.

iii. Communication conducted via cell phone.

iv. The physician providing such services shall maintain active medical staff membership with delineated clinical privileges at Christus Spohn Health System hospitals located in Nueces County, Texas.

c. Nursing services must be available to provide for the following:

i. Medical unit coverage at all times, including sick call and medication administration periods at the Facilities;

ii. 24-hour intake screening, including medical histories and tuberculosis testing on all inmates at the time of admission at the Jail;

iii. HIV testing as directed by court order. It is mandated for certain penal code offenses through direction of the court;

iv. Health Assessments on all inmates within fourteen (14) days after booking at the Facilities;

v. Distribution of medications as prescribed at the Facilities;

vi. Sick call triage and follow-up on a daily basis to include weekends and holidays at the Facilities;

vii. Appropriate and timely response to inmate medical needs and emergencies at the Facilities;

viii. Physician, nurse practitioner, and physician assistant support services at the Facilities;

ix. 24-hour infirmary care at the Jail as needed; and

x. 24-hour application and removal of stitches/suture as needed.

- d. The Contractor shall provide sufficient clerical staff to support the medical contract.
- e. Telemedicine is an option.
- f. The County Sheriff or his designee may request replacement of any Contractor personnel or contractors he believes whose actions are against the law or contrary to the security, safety or health of others or does not comply with the Facilities' policies and procedures. The County Sheriff or his designee shall approve all appointments to the position of the Medical Director and Health Services Administrator. Proposer must staff position these two positions at all times. County will not waive the positions.
- g. Written job description and protocols to define specific duties and responsibilities for all assignments must be provided to the County Sheriff or his designee.

3. Pharmaceutical Services:

- a. Pharmaceutical services to assure the availability of prescribed medications within eight (8) hours of the order of issue being written for all formulary approved medications and twenty-four (24) hours for all non-formulary medications except where such medications are not readily available in the local community.
- b. Pharmaceutical services shall be consistent with State and Federal regulations and must be monitored by a qualified and Texas-licensed pharmacist.
- c. A copy of the formulary to be used in this contract shall be provided to the Sheriff or his designee.
- d. Service shall provide for the purchasing, dispensing, administering and storage of all pharmaceuticals by qualified personnel and for the proper storage of psychotropic medications as prescribed to inmates. Medications are to be administered by nurses at the Facilities. Some medications are administered within the Medical Units and others are administered within the jail pods.
- e. The County is not aware that pharmacy technicians can administer medications in Texas. However, the Contractor has the final responsibility for determining whether pharmacy technicians can legally administer medications in Texas.
- f. Standard medication passes are conducted at 8:00am and 8:00pm, with additional passes of special needs medication as ordered by physician.
- g. Provide for the recording of the administration of medications in a manner and on a form approved by the Medical Director to include documentation of the fact that inmates are receiving and ingesting their prescribed medications. Documentation will also be required when an inmate's ordered medication was not administered, and the reason given. There is to be no self-administration or "keep-on-person" medication system.

4. Dental Services:

The Contractor shall provide routine and emergency dental care for each inmate under the direct supervision of a licensed dentist and shall establish a defined scope of available dental services including emergency dental care which includes the following:

- a. A dental screening conducted within 14 days of admission, unless completed within the last six months, conducted on initial intake with instructions on dental hygiene.

- b. A dental examination by a dentist within 12 months of admission, supported by diagnostic x-rays, if necessary.
- c. A treatment plan with x-rays for those inmates who request care with more than 12 months detention.
- d. A defined charting system that identifies the oral health condition and specifies the priorities for treatment by category.
- e. Development of an individualized treatment plan for each inmate receiving dental care.
- f. Consultation and referral to dental specialist, including oral surgery, when necessary.

5. Care and Treatment Requirements:

- a. The Contractor shall provide for twenty-four (24) hour a day, seven (7) days per week emergency health care services to include on-site emergencies with one physician or more health care providers. On call services are required 24/7. However, the County expects that the physician will come on-site if the inmate's medical condition(s) warrant it.
- b. In addition to twenty-four (24) hour a day, seven (7) days per week emergency services coverage, the hours for routine nurse sick call shall be at levels which allow for all inmates needing medical services to be seen within twenty-four (24) hours from the time of the request for such services. The inmates shall be triaged by an RN within 24 hours and seen by an MD or PA/NP at next clinic. However, if the inmate's medical condition warrants, the inmate shall be seen by an MD or PA/NP prior to the next clinic. Sick call occurs in the medical unit. Sick calls are made daily by staff or medical observation along with inmate communication forms.
- c. A written manual of standardized policies and defined procedures, approved by the Medical Director and the County Sheriff, must be reviewed at least annually and revised as necessary under the direction of the Medical Director and with the approval of the County Sheriff.
- d. The Contractor shall provide for necessary laboratory and x-ray services (take and read) 24 hours 7 days a week. All abnormal laboratory and x-ray results are to be reviewed and signed by a physician with a follow up plan of care outlined as needed.
- e. The Contractor shall provide for mental health services which shall include as a minimum:
 - i. Screening for mental health problems on intake as provided in NCCHC, ACA standards, and Texas Commission on Jail Standards.
 - ii. On-site evaluation by the Proposer's psychiatrist for the detection, diagnosis, and treatment of mental illness. There are 12 caged units within the jail pods that are utilized for inmates suffering mental disabilities and those on mental health watch.
 - iii. Crisis intervention and management of acute psychiatric episodes.
 - iv. Stabilization of the mentally ill and the prevention of psychiatric deterioration in the correctional setting.
 - v. Assist in the referral and admission to licensed mental health facilities for inmates whose psychiatric needs exceed the treatment capability of the Facilities.

- vi. Obtaining and documenting informed consent.
 - vii. Allow for Nueces Center for Mental Health and Intellectual Disabilities "NCMNID" to review care of its clients while in the facilities.
 - viii. The Proposer ensures inmates referred for mental health treatment receive a comprehensive evaluation by a licensed mental health professional. The evaluation shall be completed within 14 days of the referral request date.
 - ix. Not responsible for conducting psychological evaluations for parole or probation.
- f. The Contractor shall provide a program for meeting the special needs of the female population; e.g., pregnancy.
- g. The Contractor shall provide documented inmate health screening with history forms immediately upon arrival at the Facilities based on structured inquiry and observation and performed by qualified health care personnel, twenty-four (24) hours a day, seven (7) days a week. This will ensure that anyone taken into custody receives the necessary medical attention prior to admission into our system. At a minimum, the screening must include inquiry into:
- i. Current illness and health problems including medical, dental, and communicable diseases.
 - ii. Medications taken and special health requirements.
 - iii. Use of alcohol and drugs, including the types, methods, amounts, frequency, and date/time of last use and history of problems related to withdrawal.
 - iv. For females, a gynecological history, including pregnancies.
 - v. Observations of behavior, including the state of consciousness, mental status, appearance, conduct, tremors and sweating.
 - vi. Notations of body deformities, trauma markings, ease of movement, bruises and jaundice.
 - vii. Condition of skin and body orifices, including rashes and infestations, needle marks or other indications of drug abuse.
- h. The Contractor will provide specialized inmate transportation for emergency ambulance care; the proposer will provide inmate transportation for specialized healthcare needs; the County provides all other transportation relating to the provision of health services.
- i. The Contractor shall provide a total pharmaceutical system for the Facilities beginning with the Physician's prescribing, the administration of medication, and the necessary record keeping. The system shall include prescription medications and over-the-counter medications. All prescription medications shall be prescribed by the responsible physician or psychiatrist and shall be administered and dispensed by a licensed nurse.
- j. Over the counter (OTC) drugs may be available in the commissary from time to time. However, all medications, OTC or otherwise, that are ordered by the physician shall be provided by the Proposer.

k. Insulin treatment is received in the medical unit. Diabetics are housed in close proximity to the medical ward

l. All controlled substances, syringes, needles and surgical instruments will be stored under security conditions acceptable to the Facilities.

m. Inmates will not be used to provide any health care services, including record keeping.

n. The Proposer is responsible for assessing the availability of "free" services offered by any providers.

6. Medical Records Requirements:

a. A medical record consistent with state regulations and community standards of practice shall be maintained on each inmate held beyond the first appearance in court. These records shall be kept separate from the jail confinement records of the inmate.

b. Individual inmate health care records, including relevant records of outpatient visits, will be initiated and maintained for every inmate regarding medical, dental, or mental health services received as a result of the inmate screening process and for services rendered following the inmate's assignment to a housing area.

c. In any case where medical care is at issue, or where the physical or mental condition of an inmate is at issue, the Contractor shall make all records accessible to the Sheriff, County's Chief of Jail Administration, District Attorney, or County Attorney. The Contractor additionally acknowledges compliance with and understanding of all applicable provisions of the federal Health Insurance Portability and Accountability Act (HIPAA). If in the future Contractor terminates the Agreement or does not intend to extend the Agreement with the County, Contractor understands and shall make available medical records of inmates to any new correctional health provider.

d. Included in the inmate population are inmates incarcerated on behalf of the Texas Department of Criminal Justice, U.S. Marshals Service, U.S. Immigration and Customs Enforcement, various agencies, counties, and municipalities. The Contractor shall promptly notify the County's Sheriff or designee of the need for other than routine medical care for such inmates and shall provide documentation of required treatment to the Department of Criminal Justice or U.S. Marshal, or the applicable municipality, as requested.

e. The Contractor shall submit monthly detailed inmate-specific statements to the Nueces County Hospital District to support the Hospital District in securing reimbursement for all medical care costs provided by Contractor to inmates who are not residents of Nueces County, Texas. The Proposer shall submit to the Hospital District related inmate administrative information including, but not limited to intake, demographic, residency, and health insurance information. Additionally, the Proposer shall execute a HIPAA-related Business Associate Agreement with the Hospital District.

f. The Contractor shall prepare health summaries to be sent with inmates transferred to the Texas Department of Criminal Justice. The Proposer will ensure that inmates and health summaries are appropriately prepared for transfer within 24 hours of receiving the list of inmates being transferred, or as necessary.

g. The Contractor will examine and provide medical clearance for all inmate workers, as requested by the County's Sheriff or his designee. The medical clearance process will be completed within 24 hours of receiving the list of inmates to be cleared unless laboratory testing necessarily increases the time required to be cleared.

h. If an inmate medical record cannot be located within twenty-four (24) hours of a discovered loss, the County's Sheriff or his designee shall be immediately notified.

i. Inactive medical records will be maintained in accordance with the laws of the State of Texas and the American Medical Association.

j. Contractor shall ensure that inmate health information is available to meet the needs of continued patient care, legal requirements, research, education, and other legitimate uses.

7. Supplies, Office and Medical Equipment

a. The Contractor should provide whatever stock supplies are required to perform under the contract. Contractor will also supply all other supplies required to carry out its performance. Said supplies will include, but not be limited to, forms, books, manuals, medical record folders, alpha indexes and forms, pharmaceuticals, laboratory fees, prosthetics, hand instruments, needles and sharps, special medical items, testing devices, containers and clinical waste receptacles, inmate information brochures, individual and group materials, gloves and coverings, and disinfectants.

b. The Contractor is responsible for assessing the office and medical equipment needs. All equipment purchased under the contract shall be the property of the County and shall remain on site at the termination of the contract. All supplies purchased for use in the performance of the contract, shall be the property of the County and shall remain on site at the termination of the contract.

c. Medical equipment will be provided by the Nueces County Hospital District for use by the Contractor. The Contractor shall be responsible for ongoing repair and maintenance of all medical and office equipment provided and owned by the County or the District for use by the Contractor. Should such equipment become non-serviceable due to routine use, then the County or District will be responsible for its replacement. Non-serviceable medical and office equipment shall be returned to the County or District as appropriate.

d. Nueces County provides phone land lines or two-way radios. Contractor can provide cell phones to their staff at their own expense.

e. County does not provide a photo copier.

f. County will provide Internet services at no cost to the Contractor.

8. Services to Staff:

a. Emergency services including first aid, assessment, stabilization and the coordination of transport of employees or visitors who become ill or injured in the Facilities and provide appropriate incident report.

b. The Contractor shall provide health education for security staff not to exceed fifty (50) hours of instruction per year in such areas as: airborne pathogens, blood borne pathogens, recognizing and

responding to medical emergencies, recognizing and responding to suicide, recognizing and responding to mental health concerns emergency procedures.

c. The Contractor shall provide management of the Hepatitis B vaccination program and tuberculosis screen for all Facilities' staff.

9. Training

Contractor employees will be required to attend training on Basic Jail Orientation, radio procedures, interpersonal communication skills and other security topics made available several times each year by the Sheriff's Office at no cost to the Contractor. The total classroom time for these subjects is approximately ten hours per FTE. Training hours are considered part of contract hours.

10. Testimony

Contractor personnel should be aware that they might, from time to time, be subpoenaed to testify in court regarding medical treatment.

11. Compliance with Sheriff's Office

Proposer will be required to comply with all Sheriff's Office policies, procedures, protocols and post orders.

Wexford Health is pleased to present our proposal to Nueces County (“County”) for inmate health care services.

We recognize the unique operational and financial challenges faced by government agencies—especially detention agencies. Wexford Health is strategically positioned to meet the County’s needs in the most efficient and effective manner possible. Given the uncertainty regarding the current costs required to operate the contract, Wexford Health proposes a model in which the County is billed the actual cost for services plus a fixed monthly management fee. This pricing model would allow the County to only pay for actual services being provided while providing financial flexibility and meeting all relevant standards of care. The term of this initial contract is twelve months.

Staffing

Wexford Health will maintain the staffing levels currently in place at the Nueces County jail facilities.

Offsite Care

Wexford Health will manage offsite services in conjunction with CHRISTUS Spohn Hospital, per the arrangements currently in place.

Pharmaceutical Services and Medication

The County will reimburse Wexford Health for the full costs associated with the acquisition of all pharmaceuticals.

Telehealth and Technology Requirements

Wexford Health will work with the County to ensure that telehealth capabilities are sufficient to meet the needs of the inmates when required and to minimize required offsite referrals. The costs associated with the purchase of equipment, required licenses and the Electronic Health Records system currently in use are the responsibility of the County.

Medical Malpractice and Professional Liability Items

To the extent authorized by the laws and Constitution of the State of Texas, the County is responsible for the costs associated with Wexford Health’s medical malpractice, professional liability and worker’s compensation insurance premiums as well as any legal costs, judgments or settlements for cases regarding the provision of healthcare with an incident date that occurs during the period of the contract including claims made after the contract period ends.

Other Expenses

All other expenses encompassed by the pricing presented here including, but not limited to, medical, dental and office supplies and medical waste disposal are the responsibility of the County.

Administrative Expenses

Wexford Health's costs related to direct quality assurance, regional, and corporate oversight will also be billed to the County.

Management Fee

A management fee of \$70,000 per month will be invoiced to the County monthly. This fee covers corporate support costs including human resources (recruiting, labor relations, payroll, benefits); risk management; purchasing; accounting and finance; information technology; marketing and communications; utilization management; pharmacy management; claims review; and provider contracting and credentialing; and profit.

For the first 3 months of this agreement, the cost-plus model described above shall govern the contract. During that time, the County shall provide information to Wexford Health so that the Parties can determine the full-risk cost for providing the listed services. After operating the contract for 3 months, Wexford Health will provide a full-risk price for the County's consideration. If the proposed full-risk price is mutually agreeable, the parties will execute a contract amendment to change from a cost-plus model to a full-risk model.

Wexford Health looks forward to building a partnership with Nueces County that will allow us to jointly provide a system that meets the health care services requirements of the inmates in custody.

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "Agreement") is by and between County of Nueces, Texas ("Covered Entity") and Wexford Health Sources, Inc. ("Business Associate").

WHEREAS, Covered Entity is considered a "Covered Entity" and Business Associate is considered a "Business Associate" as such terms are defined under the Health Insurance Portability and Accountability Act of 1996 (as amended, modified or superseded from time to time, "HIPAA") and the final Privacy Rule and Security Rule issued pursuant thereto (*codified* at 45 CFR Parts 160, 162 and 164 as amended, modified, or superseded from time to time, the "Privacy Rule") (collectively, HIPAA, the Privacy Rule, the Security Rule and any other state or federal legislation relating to the protection of health information is referred to herein as "Applicable Privacy and Security Law");

WHEREAS, Covered Entity and Business Associate desire to enter into this Agreement in order to comply with Applicable Privacy and Security Law;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, Covered Entity and Business Associate agree as follows:

1. Defined Terms. Unless otherwise indicated below or elsewhere in this Agreement, all capitalized terms shall have the meanings provided in 45 CFR 160.103 and 164.501.

a. "Individual" means the person who is the subject of protected health information and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

b. "Protected Health Information" or "Electronic Protected Health Information, "EPHI" or "PHI" means individually identifiable health information as defined in 45 CFR 164.501, limited to the information received by Business Associate from Covered Entity or created or received by Business Associate on behalf of Covered Entity.

c. "Unsecured Protected Health Information" or "UPHI" shall mean all Protected Health Information not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology specified by the HITECH Act and any implementing regulations.

d. "Secretary" means the Secretary of the Department of Health and Human Services or his or her designee.

e. "Administrative Safeguards" shall mean administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic protected health information and to manage the conduct of the covered entity's workforce in relation to the protection of that information (45 C.F.R. § 164.304).

f. "Availability" shall mean that data or information is accessible and useable upon demand by an authorized person (45 C.F.R. § 164.304).

g. "Confidentiality" shall mean that data or information is not made available or disclosed to unauthorized persons or processes (45 C.F.R. § 164.304).

h. "Integrity" shall mean that data or information have not been altered or destroyed in an unauthorized manner (45 C.F.R. § 164.304).

i. "Physical Safeguards" shall mean physical measures, policies, and procedures to protect a covered entity's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion (45 C.F.R. § 164.304).

j. "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system (45 C.F.R. § 164.304).

k. "Discovery" means the time at which the unauthorized acquisition, access, use or discovery is known, or in the exercise of reasonable diligence, should have been known, to a person (other than the person committing the Breach) who is a member of Business Associate's workforce or that of any of Business Associate's agents.

l. "Technical Safeguards" shall mean the technology and the policy and procedures for its use that protect electronic protected health information and control access to it (45 C.F.R. § 164.304).

2. Privacy Compliance. All personally identifiable information about Covered Entity's Members or any health information of any other individuals in the possession of Covered Entity ("Protected Health Information" or "PHI") is subject to state and federal statutory and regulatory privacy standards, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), and regulations adopted thereunder by the U.S. Department of Health and Human Services, 45 C.F.R. Parts 160, 162, 164 ("the HIPAA Rules"). The parties shall treat all such information in accordance with those standards, and shall use or disclose PHI received from the other only for the purposes stated in this Agreement, or to comply with judicial process or any applicable statute or regulation. Business Associate recognizes and agrees that it is obligated by law to comply with the applicable provisions of HIPAA and HITECH and their regulations.

3. Business Associate Provisions. The following restrictions shall apply to all uses and disclosures of all PHI.

a. Business Associate's use, disclosure or request of Protected Health Information shall utilize a Limited Data Set, if practicable. Otherwise, Business Associate will, in its performance of the functions, activities, services, and operations specified in this Agreement, use, disclose, and request only the minimum amount of Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request. In addition, Business Associate agrees to implement and follow appropriate minimum necessary policies in the performance of its obligations under this Agreement.

b. Business Associate shall use the PHI only to perform the functions required by any agreements between Covered Entity and Business Associate and to perform such functions as required by this Agreement and for no other purpose.

c. Business Associate shall:

1. Not use or further disclose PHI other than as permitted or required by this Agreement, or to comply with law;

2. Not use or disclose Covered Entity's Protected Health Information in a manner that would violate 45 C.F.R. Part 164, Subpart E, "Privacy of Individually Identifiable Health Information" ("Privacy Rule"), if done by Covered Entity;

3. Notify Covered Entity in advance of any disclosure of PHI that Business Associate is required to make under any judicial or regulatory directive or requirement;

4. Notify Covered Entity and obtain Covered Entity's written consent prior to engaging a subcontractor to which Business Associate intends to provide PHI;

5. Store Covered Entity's PHI and confidential data only in secure data facilities located in the United States, and adopt security measures to assure that no person or entity physically located in or outside of the United States can access, acquire, use or disclose any such data;

6. Develop, implement, maintain and use administrative, technical and physical safeguards reasonably and appropriately protect the privacy, integrity, confidentiality and availability of PHI, and to prevent the non-permitted use or disclosure of PHI. When so required:

- a. The safeguards must reasonably protect Covered Entity's PHI from any intentional or unintentional unauthorized use or disclosure in violation of the HIPAA Privacy Rule, 45 C.F.R. Part 164, Subpart E and this Agreement, and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.
- b. Such safeguards shall comply with applicable requirements of 45 C.F.R. Part 164, Subpart C, pertaining to the security of Electronic Protected Health Information ("E PHI"), and as required by the HITECH Act. Business Associate also shall develop and implement policies and procedures and maintain documentation of such policies and procedures to assure compliance with the Security Rule standards as required by the HITECH Act;
- c. Business Associate shall ensure that any agent, including a subcontractor, to whom Business Associate provides E PHI agrees to implement safeguards that reasonably and appropriately protect the E PHI; and
- d. Business Associate shall report to Covered Entity any use or disclosure of Protected Health Information of which Business Associate becomes aware that is not permitted by law or this Agreement.

7. Report to Covered Entity any use or disclosure of PHI not provided for in this Agreement of which Business Associate becomes aware within five (5) business days following discovery of the non-permitted use or disclosure. In addition, Business Associate shall report, following discovery and without unreasonable delay, but in no event later than five (5) business days following discovery, any acquisition, access, use or disclosure of "Unsecured Protected Health Information" (as defined by the HITECH Act and any implementing regulations) in a manner not permitted by the HIPAA Privacy Rule (45 C.F.R. Part 164, Subpart E). Business Associate shall cooperate with Covered Entity in investigating such unauthorized use or disclosure and in meeting Covered Entity's obligations under the HITECH Act and any other security breach notification laws. For purpose of this section, "discovery" shall mean the time at which the unauthorized acquisition, access, use or disclosure is known, or in the exercise of reasonable diligence should have been known, to a person (other than the person committing the breach) who is a member of the workforce of Business Associate, is an agent of Business Associate, or is a member of the workforce of such agent.

Any such report shall include the identification (if known) of each individual whose Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed. Business Associate's report shall at least:

- a. Identify the nature of the non-permitted access, use or disclosure, including the date of the event and the date of discovery of the event;
- b. Identify Protected Health Information accessed, used or disclosed (e.g., full name, social security number, date of birth, etc.);

- c. Identify who made the non-permitted access, use or disclosure and who received the non-permitted disclosure;
 - d. Identify what corrective action Business Associate took or will take to prevent further non-permitted access, uses or disclosures;
 - e. Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted access, use or disclosure; and
 - f. Provide such other information, including a written report, as Covered Entity may reasonably request.
8. Ensure that any agents, including any subcontractor approved by Covered Entity under subsection D. above, to whom Business Associate provides PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate with respect to the protection of information under this Agreement;
9. If Business Associate holds any PHI in a Designated Record Set (as defined by HIPAA), make PHI available to individuals as required by 45 C.F.R. Section 164.524, and, where applicable, the HITECH Act. Business Associate shall make such information available in an electronic format where directed by Covered Entity;
10. If Business Associate holds any PHI in a Designated Record Set (as defined by HIPAA), make PHI available for amendment and incorporate any amendments in accordance with 45 C.F.R. Section 164.526;
11. Document such disclosures of PHI and information relating to the disclosures of PHI as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI;
12. In the event of a Breach by Business Associate or any of its officers, directors, employees, subcontractors or agents, cooperate with Ceridian to notify, at Business Associate's expense, the affected individuals in accordance with the requirements of law.
13. Make available to Covered Entity the information required to provide an accounting of disclosures in accordance with 45 C.F.R. Section 164.528, and, where applicable, the HITECH Act;
14. Ensure that any of Business Associate's personnel, subcontractors or agents who may come into contact with Covered Entity's PHI undergo any privacy and security training required by Covered Entity prior to receiving PHI from Covered Entity Business Associate may substitute its own training for these purposes; however, all Business Associate training materials are subject to prior review and approval by Covered Entity;
15. Complete and promptly return to Covered Entity any affirmation or certification requested by Covered Entity to monitor Business Associate's compliance with these provisions, which certification shall not be required more than once in any twelve (12) -month period;
16. Upon reasonable notice, make its internal practices, facilities, books and records relating to the use and disclosure of PHI received from Covered Entity, or created or collected by Business Associate on behalf of Covered Entity, available to the Secretary of Health and Human

Services and/or Covered Entity when called upon for purposes of determining Covered Entity's and/or Business Associate's compliance with these Business Associate provisions and applicable requirements of the HIPAA Privacy and Security Rules; and

17. To the extent the Business Associate has been engaged to perform any obligation of the Covered Entity that is described in 45 CFR, Part 164, Subpart E, Business Associate will comply with the requirements of that Subpart that would apply to the Covered Entity in the performance of that obligation.

d. At termination of this Agreement, or upon return to Business Associate of any equipment leased or used at any time by Covered Entity, return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form, and retain no copies of such information, or, if such return or destruction is not feasible, continue to treat all such information in accordance with applicable law and with the limits provided in this Agreement, and limit further uses and disclosures to those purposes that make the return or destruction of the information unfeasible.

e. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI. Nor shall Business Associate receive payment directly or indirectly for any use or disclosure of PHI for marketing purposes.

f. Notwithstanding any provision to the contrary contained in this Agreement, if the HIPAA regulations governing PHI are modified in any way affecting the Business Associate Provisions of this Agreement, as soon as reasonably possible, but no later than the compliance date for any regulation, Covered Entity shall modify this Agreement to incorporate relevant provisions. Covered Entity shall provide Notice to Business Associate of the modifications (Notice of Amendment), and this Agreement shall be deemed to be amended in accordance with the Notice of Amendment unless Business Associate objects in writing within ten (10) days of receipt of the Notice.

g. If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which Covered Entity has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Covered Entity that:

1. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
2. Adds any data element or segment to the maximum defined data set;
3. Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or
4. Changes the meaning or intent of the Standard Transaction's implementation specification.

h. If Covered Entity determines that Business Associate has violated a material term of these Business Associate Provisions, Covered Entity is authorized, pursuant to 45 C.F.R. Section 164.504(e)(2)(iii), to terminate this Agreement. If Covered Entity determines that termination of the Agreement is not feasible, it may report such breach of this Agreement to the U.S. Department of Health and Human Services.

i. The terms and conditions of these Business Associate Provisions shall override and control any conflicting term or condition of this Agreement. All non-conflicting terms and conditions of this Agreement remain in full force and effect.

j. If practicable and feasible, written notices to report the use or disclosure of PHI as required under this Agreement, or questions regarding the handling of PHI, shall be made by secure email to comply with timeliness requirements, followed by a hard copy notice by U.S. mail or overnight delivery service. All notices should be addressed as follows:

If to Covered Entity: Connie Scott
County Judge
901 Leopard Rm 303
Corpus Christi, TX 78401
connie.scott@nuecescountytx.gov

If to Business Associate:

k. The requirements of the HITECH Act do not preempt more stringent requirements of the Centers for Medicare & Medicaid Services ("CMS") applicable to Medicare Parts C and D. In the event Business Associate becomes aware of a "security incident" that presents a threat to the integrity or security of CMS data on any data system Business Associate controls or accesses which houses CMS data, Business Associate is required to report to Covered Entity as soon as possible. For purposes of this section, the definition of "security incident" is: the attempted or successful unauthorized access, use, disclosure, modification or destruction of information, or interference with system operations in an information system. Security incident also means the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

l. Business Associate will indemnify and hold harmless Covered Entity and any Covered Entity affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted use or disclosure of Covered Entity's Protected Health Information or other breach of this Agreement by Business Associate or any subcontractor or agent under Business Associate's control.

m. In any case in which Business Associate's improper use or disclosure of PHI subject to the Agreement or the occurrence of a security breach or other event while such PHI is in Business Associate's (or any of its Subcontractors') possession or control subjects Covered Entity to an obligation to provide breach notification to affected individuals under state or federal law, Business Associate shall be solely responsible for any and all costs incurred by Covered Entity in satisfying the breach notification requirements or other related provisions of state or federal law.

n. The terms "Electronic Protected Health Information," "Protected Health Information," "Standard," "Trading Partner Agreement" and "Standard" have the meanings set out in 45 C.F.R. § 160.103. The term "Standard Transaction" has the meaning set out in 45 C.F.R. § 162.103. The term "Limited Data Set" has the meaning set out in 45 C.F.R. § 164.514(e). The term "use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Business Associate. The terms "disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Business Associate. For purposes of this Agreement, Covered Entity's Protected Health Information encompasses Covered Entity's Electronic Protected Health Information. Any other capitalized terms not identified here shall have the meaning as set forth in the HIPAA Rules.

4. Termination.

(a) Termination for Cause. Upon Covered Entity's knowledge of a material breach of this

Agreement by Business Associate, Covered Entity may (i) provide an opportunity for Business Associate to cure the breach and then terminate this Agreement and the then-existing business relationship with Covered Entity if Business Associate does not cure the breach to Covered Entity's satisfaction within the time specified by Covered Entity, or (ii) immediately terminate this Agreement and the then-existing business relationship with Covered Entity

(b) Effect of Termination of Agreement for Any Reason. Business Associate shall extend the protections of this Agreement to any PHI retained after termination of this Agreement and shall limit further uses and disclosures of such PHI to those allowable by law.

5. Indemnification. Business Associate will indemnify and hold harmless Covered Entity and any Covered Entity affiliate, officer, director, employee or agent (each an "Covered Entity Indemnified") from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted or violating use or disclosure of PHI or other breach of this Agreement by Business Associate or any subcontractor, agent, or person under Business Associate's control. If a Covered Entity Indemnified is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted or violating use or disclosure of PHI or other breach of this Agreement by Business Associate or any subcontractor, agent, or person under control of, Business Associate, Covered Entity will have the option at any time to either (i) tender the defense of such Covered Entity Indemnified to Business Associate, in which case Business Associate will provide qualified attorneys, consultants and other appropriate professionals to represent Covered Entity Indemnified's interests at Business Associate's expense, or (ii) undertake its own defense, choosing the attorneys and other professionals to represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys and appropriate professionals. Covered Entity will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Covered Entity may have tendered its defense to Business Associate.

6. Miscellaneous.

(a) Regulatory References. A reference in this Agreement to a section in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) means the section then in effect or as amended.

(b) Amendment. The Parties agree that if Applicable Privacy and Security Law changes, this Agreement shall be deemed to incorporate such changes as necessary in order for Covered Entity to operate in compliance with the amended or modified requirements of Applicable Privacy and Security Law.

(c) Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with Applicable Privacy and Security Law.

(d) No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer upon any person other than Covered Entity, Business Associate and their respective successors and assigns, any rights, remedies, obligations or liabilities.

IN WITNESS WHEREOF, the parties hereto have caused this Business Associate Agreement to be effective as of the last date written below.

COVERED ENTITY:
COUNTY OF NUECES, TEXAS

BUSINESS ASSOCIATE:
WEXFORD HEALTH SOURCES, INC.

Connie Scott

SIGNATURE

Connie Scott

NAME

Nueces County Judge

TITLE

11/30/2023

DATE

John M Froehlich

SIGNATURE

John M. Froehlich

NAME

Senior VP & Chief Financial Officer

TITLE

November 30, 2023

DATE



Attest:

Kara Sands

Kara Sands
Nueces County Clerk

DEBARMENT STATEMENT:

I certify that the applicant firm is not currently debarred or otherwise declared ineligible by any public agency from bidding to furnish materials, supplies or services. I further certify that no principal, officer or director of the applicant firm has been employed by or associated with any firm which is currently debarred or otherwise declared ineligible by any public agency from bidding for furnishing materials, supplies or services.

I certify that the applicant firm has never been debarred, or otherwise declared ineligible by any public agency from bidding or furnishing materials, supplies or services. I further certify that no principal, officer or director of the applicant firm has ever been employed by or associated with any firm which has ever been debarred or otherwise declared ineligible by any public agency from bidding for furnishing materials, supplies or services.

BY: John M Froehlich (Signature)
John M. Froehlich, Senior VP & Chief Financial Officer Printed Name & Title
Wexford Health Sources, Inc. Company
501 Holiday Drive, Suite 300, Pittsburgh, PA 15220 Business Address
November 30, 2023 Date

VERIFICATION OF NO BOYCOTT OF ISRAEL REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2271

By signing below, the signatory hereby verifies that they, or the company they represent:

1. Does not boycott Israel; and,
2. Will not boycott Israel during the term of the contract.

SIGNED BY: *John M. Froehlich*
Print Name: John M. Froehlich
Title: Senior VP & Chief Financial Officer

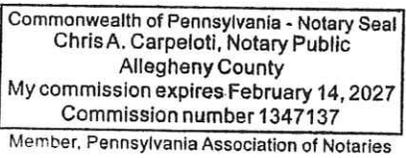
THE STATE OF Pennsylvania §
COUNTY OF Allegheny §

NOTARIZATION

BEFORE ME, the undersigned notary public on this day personally appeared John M. Froehlich, who, being duly sworn, stated under oath that they have read the foregoing verification required by Texas Government Code Section 2271.002 and said statements contained therein are true and correct.

SWORN TO AND SUBSCRIBED before me on this the 12 day of December, 2023

Chris A. Carpeloti
Notary Public
In and for the State of Pa



Pursuant to Texas Government Code Section 2271.001:
(1) "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
(2) "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

VERIFICATION OF NO DISCRIMINATION AGAINST FIREARM AND AMMUNITION INDUSTRIES REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2274

By signing below, the signatory hereby verifies that they, or the company they represent:

- 1) Does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- 2) Will not discriminate during the term of the contract against a firearm entity or firearm trade association.

SIGNED BY: *John M. Froehlich*
 Print Name: John M. Froehlich
 Title: Senior VP & Chief Financial Officer

NOTARIZATION

THE STATE OF Pennsylvania §
 COUNTY OF Allegheny §

BEFORE ME, the undersigned notary public on this day personally appeared John M. Froehlich, who, being duly sworn, stated under oath that they have read the foregoing verification required by Texas Government Code Section 2274.002 and said statements contained therein are true and correct.

SWORN TO AND SUBSCRIBED before me on this the 10 day of December, 2023

Commonwealth of Pennsylvania - Notary Seal
 Chris A. Carpeloti, Notary Public
 Allegheny County
 My commission expires February 14, 2027
 Commission number 1347137
 Member, Pennsylvania Association of Notaries

Chris A. Carpeloti
 Notary Public
 In and for the State of PA

Pursuant to Texas Government Code §2274.001(3): "Discriminate against a firearm entity or firearm trade association" means, with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association.

Pursuant to Texas Government Code §2274.001(6):

"Firearm entity" means:

- (A) wholesaler, supplier, or retailer; and
- (B) a sport shooting range as defined by Section 250.001, Local Government Code.

Pursuant to Texas Government Code §2274.001(7):

"Firearm trade association" means any person, corporation, unincorporated association, federation, business league, or business organization that:

- (A) is not organized or operated for profit and for which none of its net earnings inures to the benefit of any private shareholder or individual;
- (B) has two or more firearm entities as members; and
- (C) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
ENTERED

AUG 11 1992

Jesse E. Clark, Clerk
By Deputy.

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

RICKY PAUL TRIVETT, ET AL, §
PLAINTIFFS §
VS. §
JAMES T. HICKEY, SHERIFF, NUECES §
COUNTY, TEXAS; ROBERT N. BARNES §
COUNTY JUDGE, NUECES COUNTY §
TEXAS, ET AL, DEFENDANTS §

CIVIL ACTION NO. C-86-267

ORDER

This case has been pending before this Court since Ricky Paul Trivett and 70 other inmates filed a hand-written pro se petition in this Court complaining of conditions that existed in the Nueces County Jail in November of 1986. Since that time, agreements of the parties to this cause, orders of this Court, response to Federal Orders in unrelated but similar type cases, and actions of the Defendants themselves have resulted in substantial changes of conditions within the Nueces County Jail. In issuing the orders that today conclude this case, this Court believes that it is necessary to set forth the background of facts and findings heretofore made by this Court and to provide the basis for orders that are today entered.

I.

BACKGROUND OF THE CASE

In November of 1986, Ricky Paul Trivett joined by 70 fellow inmates filed a "class action" on behalf of past, present and future inmates of the Nueces County Jail. This Court also received numerous hand-written "complaints", generally in letter form, from

many inmates within the Nueces County Jail. This Court appointed counsel for the "pro se" class and directed counsel to both investigate complaints made by inmates and present claims which in good faith counsel for Plaintiffs believed arose to constitutional levels.

After the joinder of appropriate parties, it became clear to both the litigants and to this Court that conditions of confinement of inmates within the Nueces County Jail were in fact unconstitutional.

The most urgent and pressing problem was the overcrowded conditions of the Nueces County Jail. At that time, the Nueces County Jail was designed to house 270 inmates. On a regular basis, the Nueces County Jail housed more than 400 inmates, thus taxing not only use of all available space, but all facilities of the jail. The conditions of overcrowding created problems in health and sanitation, made the delivery of food service difficult and lead to the serving of foods in relatively unsanitary conditions. Segregation of violent and nonviolent inmates became difficult, if not impossible. The medical care units of the jail facility were overcrowded and thus presented the risk of exposing inmates in the Nueces County Jail to other inmates that may be suffering from infectious or contagious diseases.

Visitation of inmates became difficult simply by reason of the fact that facilities were unavailable to allow visitation for all inmates on an adequate or regular basis. Access to legal materials was excessively restricted by reason of the implementation of

regulations forced upon jail administration by the sheer numbers of the population of the jail. In short, all areas of jail life felt the press of overcrowding.

During this same period of time, the Texas Department of Corrections implemented and continued its policy of refusing to accept sentenced felons into the population of the Texas Department of Corrections. This refusal was based upon Federal Court directives and orders which prohibited the continuation of conditions of unconstitutional confinement within the Texas Department of Corrections. That dispute is well documented and well known within Federal Courts and continues to this day. It is noted here only to the extent that it is well recognized that such policy severely taxed both the physical and monetary capabilities of Nueces County.

Faced with these conditions and circumstances, Nueces County admitted that the conditions of confinement within the Nueces County Jail were, in fact, violative of inmates' rights under the United States Constitution. This Court entered an Order on December 21, 1987, acknowledging such agreement by the parties Defendant and directing that:

1. The Nueces County Commissioners Court bring the Nueces County Jail into compliance with Article 5115 V.A.T.S. (now Chapter 351 of the Local Government Code of the State of Texas);

2. That the Commissioners Court develop and implement a plan of action to prevent future overcrowding of the Nueces County Jail;
3. That the Commissioners Court develop and implement a plan to provide the Nueces County Jail with an adequate law library and space therefore;
4. That the Commissioners Court develop and implement a plan for adequate medical and dental care for inmates; and
5. That the Commissioners Court and Sheriff develop and implement a plan for the resolution of inmate grievances.

II.

REMEDIAL ACTIONS

Since the entry of the initial orders by this Court, the Defendants have taken significant actions in order to alleviate the many of the problems that have existed and to comply with the prior orders of this Court.

One of the most significant actions taken by Nueces County has been the construction and occupancy of additional jail facilities. Initially after the entry of orders by this Court, investigation of the availability of and use of alternative jail facilities was implemented by the Sheriff of Nueces County. Thereafter, construction of the first phases of a minimum security facility known as "the McKenzie Annex" was begun and completed. The Annex facility was thereafter expanded with use of such facility beginning in 1989 and becoming fully operational by early 1990. Thereafter, the "Waco Street" facility was completed and occupied

in June of 1991. At present, excluding juvenile facilities, the Nueces County Jail has a design capacity for 902 inmates and its current population is 715.

The implementation of a personal recognizance bond program by the County Attorney's office and by County Courts with respect to misdemeanor offenses significantly reduced misdemeanor population and all but eliminated long term detention of "pre-trial misdemeanants" from the jail population.

In cooperation with the County Commissioners Court and with agreement of parties Plaintiff, the Sheriff of Nueces County agreed to an order implementing a procedure to be used by the Sheriff's Department to control jail population. Additionally, the Nueces County Commissioners Court agreed to and was ordered to establish a Nueces County Jail Commission to ensure compliance with jail standards that are established by the Texas Commission on jail standards.

The Commissioners Court has established a committee, the sole function of which is to monitor jail conditions and population so as to hopefully avoid future overcrowding.

Significantly, Nueces County instituted a suit against the State of Texas whereby Nueces County sought to recoup expenses incurred by housing sentenced felons. The parties to this cause were in agreement with respect to the institution of such claim as both parties acknowledged that, if successful, at least a partial solution of funding problems that existed might be achieved. While the parties acknowledged the existence of undisputed law that holds

that monetary constraints do not relieve state officials of their constitutional duties, neither party to this cause was ignorant of the practical need for funds to house prisoners. This Court applauds the efforts of Nueces County and the Defendants with respect to the institution, prosecution and settlement of its case in that regard.

The parties and this Court have readily acknowledged that conditions of overcrowding adversely affected every other aspect of jail life. The relieving of overcrowding has, to a great extent, relieved many of the pressures that were placed on the Nueces County Jail facilities and its staff, and have at least temporarily resolved many of the problems which existed in the early days of this litigation. Other matters, however, were also subject of the initial order of this Court and of the parties agreement that certain conditions within the Nueces County Jail violated inmates rights.

The Court notes that the Nueces County Commissioners Court pursuant to the agreement of parties and order of this Court has formulated a jail commission's committee and notes that its sole function is to monitor jail conditions including overcrowding and to address problems as they arise.

The Court further notes that since the institution of this suit, the Nueces County Jail has established and implemented a policy of grievance procedure for inmates. Rules and regulations are in fact provided to inmates on their admission and procedures exist for advising inmates of the availability of grievances.

Monitoring of the grievance procedure by Plaintiff's counsel and by this Court indicates that such grievances are normally responded to appropriately within a reasonable time.

Initially this Court was also concerned with the adequacy and availability of law library facilities within the Nueces County Jail and was also concerned with the development and implementation of a plan for adequate medical and dental care for inmates. While those matters have been addressed by the parties, they have not yet been fully resolved.

III.

NEED FOR FURTHER ORDERS

This Court notes that since the institution of this case, and since the initial findings of this case, a significant opinion has been rendered by the United States Supreme Court in Wilson v. Seiter, 59 U.S.L.W. 4617 (June 17, 1991). The Seiter Court has specifically held that inquiry into public officials state of mind is compelled when there is a claim that the official has inflicted cruel and unusual punishment with respect to confinement of inmates within a jail. This Court further notes that liability findings in the case of Alberti v. Sheriff of Harris County were remanded for additional evidence by the 5th Cir. in its opinion on June 25, 1991, such Court noting that an inquiry into state of mind of public officials was required.

This Court further notes, however, that claims of the Plaintiffs herein are not limited to claims of Eighth Amendment violations. Additionally, this Court notes that the parties

agreement with respect to the existence of certain unconstitutional conditions within the Nueces County Jail was not an agreement limited to overcrowding, but also the unresolved issues of access to an adequate law library and the providing of adequate medical and dental care.

More significantly, however, the Court notes that this class action has been maintained as a class action where the Plaintiffs seek injunctive relief, that is, the issuance of orders not only to relieve current unconstitutional conditions of confinement, but also to prevent them in the future. Throughout the course of this litigation, parties Plaintiff and Defendant have attempted to resolve matters by agreement where possible and by implementation of policies and procedures that not only remedy unconstitutional conditions but may assure establishment of procedures that will hopefully prevent unconstitutional conditions from existing again in the future. On occasion, the parties have noted the difficulty in the implementation of procedures by reason of disagreements of various public officials or employees and have turned to this Court for the issuance of Orders to assist in the implementation of programs designed to relieve unconstitutional conditions. For example, the parties found it necessary to request an order of this Court to compel the immediate occupancy of a portion of the jail annex when the only reason for the continued vacancy of such additional jail space was bureaucratic dispute. Both parties acknowledged that the continual prodding by the Federal Court throughout the history of this case has contributed to the ability

of parties to arrive at a resolution of the issues. This Court, therefore, does not believe that it is inappropriate to issue final orders which will not only conclude an agreement that resolves constitutional issues that were originally presented some five years ago and but which is sought by the parties to try to prevent future constitutional deprivations.

IT IS THEREFORE ORDERED that the Nueces County Commissioners Court establish and maintain within each freestanding jail facility which it operates, a law library with minimum requirements for contents as set forth herein. It is further ORDERED, that the Sheriff of Nueces County implement procedures for the use of such libraries by inmates.

The minimum requirements for contents of an adequate law library accessible to inmates shall be as follows:

1. At least one copy of current state criminal statutes including the Penal Code and Code of Criminal Procedure.
2. At least one copy of the current Family Code.
3. At least one general digest regarding state law.
(Examples include Texas Digest and Texas Jurisprudence.)
4. At least one set of "State" form books with particular emphasis to be given to "criminal forms".
5. At least one set of "Federal" form books, with particular emphasis given to "criminal forms".

6. At least one copy of each of the following:

"Texas Rules of Civil Procedures"; and

"Federal Rules of Civil Procedure and Rules"

Access to the Nueces County law library may be made under such terms and conditions as the Sheriff may see fit so long as such terms and conditions allow reasonable use of both jail law library facilities, and county law library facilities.

The Sheriff of Nueces County shall implement a procedure to insure reasonable access by inmates to Federal statutes. The Sheriff of Nueces County is permanently enjoined from adopting any rules and regulations that restrict inmate access to law library materials to less than three books at a time, or which restrict use of the library facilities for less than one hour at a time.

The Commissioners Court and Sheriff shall develop, implement and maintain a policy of health services that comply with requirements of the Texas Commission on jail standards with respect to administration, adoption of policies and procedures, internal quality assurance, peer review, consultation on special needs of patients, appropriate staffing and training and the providing of support services that, as a minimum, meet the requirements set forth below:

MINIMUM STANDARDS FOR HEALTH AND DENTAL CARE

I. Responsible Health Authority

A. The Nueces County Commissioners Court independently or through the Nueces County Sheriff Department shall designate a health authority, i.e. an individual to whom

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will be delegated the responsibility for the facilities health care services including arrangements for all levels of health care and ensuring the quality and accessibility of health care services provided to inmates.

- B. The health authority shall ensure that a responsible physician is available in compliance with minimum standards set by the Texas Commission on Jail Standards.

II. Medical Autonomy

- A. The Commissioners Court and/or Sheriff shall ensure that although health service staff is subject to same security regulations as are other staff members, matters of medical and dental judgment are the sole province of responsible clinicians.

III. Administrative Meetings and Reports

- A. The health care authority shall ensure that health care services are reviewed by the Sheriff's Department at least on a monthly bases and by the Commissioners Court at least on a quarterly bases. Such administrative review shall also ensure the continued licensing and training of clinical staff personnel.

IV. A Manual of Written Policies and Procedures

- A. A manual of written policies and procedures shall be developed in compliance with the Texas Commission on Jail Standards. The policies and procedures of the health care program shall be reviewed at least on an annual basis by the Commissioners Court.

V. Internal Quality Assurance

- A. Written policies and procedures shall set forth and prescribe a system of quality assurance whereby medical records of inmates are preserved and receipt of medications are charted.
- B. The written policies and procedures shall specifically address housing assignments, quarantine provisions and admissions to and transfers from medical institutions.
- C. The written policies and procedures shall also designate and delineate a system of notification for inmates next of kin or legal guardian in the case of serious illness injury or death.

- D. Policies and procedures requiring monthly sanitation and inspections of the jail shall be instituted and written reports of such inspection shall be maintained by the jail administrator and/or health authority.

VI. Personnel

- A. The Nueces County Commissioners Court and Sheriff shall ensure that an adequate number of health care staff members are available to inmates of the Nueces County Jail. An adequate health care staff shall include not less than the minimum requirements set forth by the Texas Commission on jail standards.
- B. Access to psychological and psychiatric counseling and participation by inmates and drug abuse and alcohol abuse programs shall be provided.
- C. Policies and procedures shall provide for participation of health service personnel in initial orientations and ongoing in-service training appropriate for their positions.
- D. Correctional officers shall be trained in the administration of first aid, the recognition of the need for emergency care and life threatening situations, and shall be familiar with procedures or notification of health care personnel in the event of a medical emergency.

VII. Services

- A. First aid equipment shall be readily available in designated areas throughout the facility in compliance with the requirements of the Texas Commission on Jail Standards.
- B. The jail facility shall maintain adequate space for a clinic to provide adequate health care delivery in the following areas:
 - 1. Examination and treatment for medical and dental conditions;
 - 2. Sufficient space for necessary pharmaceutical, medical supplies and mobile emergency medical equipment; and
 - 3. The storage of medical records.

The written policies and procedures shall maintain a list of the type of laboratory and diagnostic services that

can be maintained and are maintained within the Nueces County Jail. Such policies and procedures shall also designate the diagnostic and laboratory services that must be provided outside the confines of the Nueces County Jail.

VIII. Care and Treatment

- A. Written policies and procedures shall require a receiving screening to be performed by health trained or qualified health care personnel on all inmates, including transferee, immediately upon their arrival at the Nueces County Jail and prior to their introduction into the general population of the jail. Arrestees who are unconscious, semi-conscious, bleeding, or otherwise urgently in need of medical attention, shall be immediately referred for emergency care. Receiving health screening findings shall be recorded and maintained on a printed form.
- B. Policies and procedures shall require that information concerning access to health care services be communicated orally and in writing to inmates upon their arrival.
- C. The policies and procedures shall provide that within 14 days after inmate induction into the Nueces County Jail, such inmate receives a review of the receiving screening and is provided the opportunity to supply additional medical, dental and psychiatric history.

Necessary laboratory and/or diagnostic test to detect communicable diseases including venereal disease, tuberculosis and other tests to determine by the responsible physician upon consultation with the inmate shall be allowed if necessary in the physician's opinion.
- D. A record of comments concerning mental and dental conditions shall be maintained.
- E. The policies and procedures shall ensure that all inmates have the opportunity for a daily request for medical assistance and that those requests are documented in writing. Inmates requests are to be received and acted upon by qualified health care personnel and where indicated, followed by appropriate treatment by qualified medical or dental personnel.
- F. Sick call may be conducted by a physician or other qualified health care personnel but shall be at a minimum not less than five times a week.

The policies and procedures shall address the adoption of approved methods of control of infectious diseases and shall provide for health education and training with respect to self-care skills to be given to inmates within the jail.

The written policies and procedures shall require the jail to provide twenty-four hour emergency medical and dental care in compliance with requirements of the Texas Commission on Jail Standards.

IX. Dental Care

Written policies and procedures shall require a dental screening upon admission. For inmates incarcerated within the jail for more than three months, arrangements for a dental examination shall be made and dental treatment, not limited to extraction, shall be provided in accordance to a system of treatment which in a dentist's judgment is necessary to ensure the inmates health.

X. Refusal of Treatment

The written policies and procedures may allow an inmate to refuse, in writing, medical treatment and care. Any such refusal of treatment must be documented in writing.

Policies and procedures shall require that medical records be made available to inmates.

It further appears to the Court that the Texas statutes have been amended since the original filing of this action. Pursuant to Texas statutes, inmates are entitled to injunctive relief from State Courts to compel compliance with jail standards. It is therefore further ORDERED, ADJUDGED AND DECREED, that counsel for Plaintiffs cause to be distributed within the confines of the Nueces County Jail, a notice advising the inmates of their right to seek injunctive relief in State Court to compel compliance with Texas Commission on Jail Standard requirements with respect to living conditions within a County Jail.

It is further noted that the parties have previously agreed as to the adoption of a procedure to prevent future overcrowding of the Nueces County Jail. Such procedure as herein modified is approved by this Court and it is therefore ordered:

1. Safety of the public being of primary concern, the Sheriff of Nueces County shall notify the Commissioners Court in writing on the first of the month following any month in which the population of the jail surpasses 95% of its rated capacity that the "Population Reduction Provisions" of this order may become effective, so that the Commissioners Court may take any actions it may then deem necessary, if any.
2. If, at any time, the population of the Nueces County Jail exceeds the capacity limitations of the Nueces County Jail as established by the Texas Commission on Jail Standards or by the Local Government Code, or its successor, the Sheriff of Nueces County shall notify the Commissioners Court that the provisions of the "Population Reduction Provisions" of this Order are in effect, and the Sheriff of Nueces County shall comply with the Population Reduction Provisions" of this Order until such time as the population of the Nueces County Jail is brought into compliance with the capacity limitations established by the Texas Commission on Jail Standards, or its successor.

3. This paragraph 3 and its subparts constitute the "Population Reduction Provisions" of this Order.

If at any time the population of the Nueces County Jail exceeds the capacity limitations for such jail as established by the Texas Commission on Jail Standards or the Local Government Code, the Sheriff of Nueces County is ordered to, and shall, in addition to any other actions he may deem appropriate, take such of the following actions he may see fit in order to reduce jail population:

- A. The Sheriff of Nueces County may refuse to receive into the Nueces County Jail any Federal prisoners delivered by a Federal law enforcement officer (as defined by 5 U.S.C. § 8331 (20)), if the receipt of any such prisoner would violate capacity requirements of the Nueces County Jail as established by the Texas Commission on Jail Standards or by the Local Government Code.
- B. Arrange for alternative housing for any person or persons then confined within the Nueces County Jail under protective custody;
- C. Arrange for "scheduled reporting" for any person or persons confined or to be confined for civil contempt as a result of a civil action;

- D. Arrange for "scheduled reporting" of any person or persons to be confined as a result of a criminal contempt.

"Scheduled reporting" as used herein shall mean that the Sheriff of Nueces County shall schedule a specific date and time for any such person as defined in Paragraphs C and D herein above to report to and serve any sentence for contempt.

- E. Should "scheduled reporting" be required, the Sheriff of Nueces County may refuse to receive into the confines of Nueces County Jail any prisoner from any law enforcement official or judicial officer until such time as "scheduled reporting" as defined herein and service of a contempt sentence by such person to be so confined does not cause a violation of the capacity restrictions as set forth by the Texas Commission on Jail Standards or Local Government Code;
- F. The Sheriff of Nueces County shall arrange for use of alternative facilities for the housing of inmates including the use of half-way houses, monitoring, or other alternative housing methods.

- G. The Sheriff of Nueces County may refuse to receive for pre-trial confinement from any law enforcement officer, any person charged with a non-violent misdemeanor.
- H. The Sheriff of Nueces County may refuse to receive for pre-trial confinement, from any law enforcement officer, any person charged with a commission of a non-violent felony;
- I. Upon application to a judge of a court of competent jurisdiction, the Sheriff of Nueces County may release from custody, any person or persons confined, pre-trial, charged with a misdemeanor;
- J. Upon application to a judge of a court of competent jurisdiction, the Sheriff of Nueces County may release from custody, any person or persons confined, pre-trial, charged with non-violent felonies.

The above outlined procedures relating to population reduction shall be effective in the event that the population of the Nueces County Jail exceeds population restrictions established by the Texas Commission on Jail Standards. Such procedures shall be taken by the Sheriff of Nueces County only to the extent necessary to bring the jail in compliance with such jail standards population requirements.

It further appearing to the Court that the entry of the Orders today should resolve this matter between the parties, counsel for Plaintiff is directed to submit a final fee bill.

SIGNED, ORDERED AND ENTERED this the 21 day of

July, 1992.

H. H. H.
Judge Presiding

APPROVED AS TO FORM AND CONTENT:

Richard W. Crews, Jr.
RICHARD W. CREWS, JR.
ATTORNEY FOR PLAINTIFFS

Carlos Valdez
CARLOS VALDEZ
ATTORNEY FOR NUECES COUNTY

Tony Fletcher
TONY FLETCHER
ATTORNEY FOR SHERIFF HICKEY

THE STATE OF TEXAS §

COUNTY OF NUECES §

ORDER (RESOLUTION) AUTHORIZING APPROVAL OF PROPOSED TEXAS STATEWIDE OPIOID SETTLEMENT AGREEMENTS

BE IT REMEMBERED, at a regular meeting of the Board of Managers of the Nueces County Hospital District, Texas, held on the 26th day of August, 2025, on motion made by _____ and seconded by _____, the following Order (Resolution) was adopted:

WHEREAS, the Nueces County Hospital District obtained information indicating that certain drug companies and their corporate affiliates, parents, subsidiaries, and such other defendants as may be added to the litigation (collectively, "Defendants") have engaged in fraudulent and/or reckless marketing and/or distribution of opioids that have resulted in addictions and overdoses;

WHEREAS, these actions, conduct and misconduct have resulted in significant financial costs in the past to the Nueces County Hospital District and will undoubtedly result in significant financial costs in the future;

WHEREAS, the Nueces County Hospital District brought or has investigated claims against Purdue Pharma L.P., Purdue Pharma Inc., et al. ("Purdue Defendants"), Amneal Pharmaceuticals, LLC and West-Ward Pharmaceuticals Corp n/k/a Hikma Pharmaceuticals USA Inc., and certain other defendants ("Certain Manufacturer Defendants"), related to potentially released claims; and (2) other defendants in the opioid supply chain on behalf of the Nueces County Hospital District in *In Re: Texas Opioid Litigation*, MDL No. 2018-63587, currently pending in the 152nd District Court of Harris County, Texas and/or removed pending remand;

WHEREAS, on June 17, 2025, the Purdue Defendants and on April 4, 2025 the Certain Manufacturer Defendant¹ in the opioid litigation brought by the Hospital District, the State of Texas, through the Office of the Attorney General, and a negotiation group for Texas political subdivisions entered into an Agreement entitled Purdue Opioid Settlement Agreement and Release (hereinafter

¹ Alvogen, Inc., Amneal Pharmaceuticals Inc., Apotex Corp., Hikma Pharmaceuticals USA, Inc., Indivior Inc., Mylan, Sun Pharmaceutical Industries, Inc., and Zydus Pharmaceuticals (USA) Inc.

collectively the “Texas Agreement”);

WHEREAS, Special Counsel and the State of Texas have recommended that the Nueces County Hospital District Board of Managers support the adoption and approval of the Texas Agreement in its entirety; and

WHEREAS, even though the payments from the settlements reflect partial compensation to the Nueces County Hospital District for the past damages it has suffered or the future damages it is likely to incur, given the risks of litigation, the fact that it is to the benefit of Texas and the Nueces County Hospital District and its residents, and that it reduces the risks associated with protracted litigation;

NOW, THEREFORE, BE IT RESOLVED that we, the Board of Managers of the Nueces County Hospital District:

1. Support the adoption and approval the Texas Agreement;
2. Authorizes the Nueces County Hospital District to execute the Texas Release for the Texas Subdivision Participation Form and Release; and
3. Finds as follows:
 - a. There is a substantial need for repayment of past opioid-related expenditures and payment to help abate current and future opioid-related harms in and about Nueces County Hospital District, Texas; and
 - b. The Nueces County Hospital District Board of Managers supports in its entirety the Texas Agreement. The Nueces County Hospital District Board of Managers understands that the purpose of each Settlement is to effectuate resolution of the Opioid Litigation against the Purdue and Certain Manufacturer Defendants. We also understand that an additional purpose is to ensure the effective means of distributing any potential settlement funds obtained under settlements in Texas and under the jurisdiction of Texas Courts in a manner and means that would promote an effective and meaningful use of the funds in abating the opioid epidemic in Nueces County and throughout Texas.

The Nueces County Hospital District is hereby authorized to approve and accept the Texas Agreement as set forth herein.

The Administrator/Chief Executive Officer of the Nueces County Hospital is hereby authorized to execute and deliver the settlement documents recommended for approval by Special Counsel in the

above referenced case and to approve such terms and provisions for the full and final settlement of all matters set forth therein.

DONE IN OPEN SESSION on this the 26th day of August 2025.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Jonny F. Hipp, Secretary



VG-12-2025-2025000377

Nueces County
Kara Sands
Nueces County Clerk

Instrument Number: 2025000377

Public Notice

PUBLIC NOTICES

Recorded On: August 22, 2025 09:21 AM

Number of Pages: 10

" Examined and Charged as Follows: "

Total Recording: \$0.00



STATE OF TEXAS

Nueces County

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

Kara Sands
Nueces County Clerk
Nueces County, TX

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

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

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Kara Sands

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

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1	Public Notice	PBN	2025000377	10	\$0.00	
				Order Total	(1)	\$0.00

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

NUECES COUNTY HOSPITAL DISTRICT

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



**Nueces County
Hospital District**

RECEIVED

AUG 22 2025

KARA SANDS
CLERK OF THE COUNTY COURT
NUECES COUNTY, TEXAS

NOTICE OF PUBLIC MEETING

BOARD OF MANAGERS

**Board of Managers - Regular Meeting
Tuesday, August 26, 2025 at 12:15 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=T2RVWFBBpZGJYdHYyQmp1VUdZeUc3Zz09>

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/u/kbKxLl8Eq4>



**BOARD OF MANAGERS
Board of Managers - Regular Meeting
Tuesday, August 26, 2025 at 12:15 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, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:

A. Call to order.

B. Establish quorum.

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

D. Notice is hereby provided that the Board of Managers may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST – Any Conflict of Interest, or Appearance of a Conflict of Interest, relating to items on this agenda shall be disclosed at this time. Members declaring a conflict shall abstain from voting and are requested to refrain from participation in discussion of the affected item. Any conflicts identified during the course of the meeting shall be disclosed immediately upon discovery.

5. REGULAR SESSION

A. **PUBLIC COMMENT** – Opportunity for members of the public to address the Board on matters within its jurisdiction. In-person attendees must sign the “Agenda Item Request to Speak” form at least five (5) minutes before the meeting begins. Remote attendees must notify the presiding officer when called upon. Comments are limited to three (3) minutes (six [6] minutes with translator). The presiding officer may further limit the number of speakers or time allowed. The Board may act only on items listed on the agenda. Materials submitted will not be returned; at least ten (10) copies, labeled with the commenter’s name and agenda item number, must be provided for distribution.

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 July 1 and August 5, 2025.
2. 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. *(Finance Committee)*
3. Receive summary of imputed claims information for medical and hospital services provided to the Nueces Aid Program population, consistent with the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, for fiscal year-to-date periods ending June 30 and July 31, 2025. *(Finance Committee)*
 4. Receive fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. *(Finance Committee)*
 5. Receive statement of fiscal year-to-date deposits to and withdrawals from the Local Provider Participation Fund, made pursuant to the Board of Managers Order authorizing participation in a health care provider participation program under Texas Health and Safety Code, Chapter 298C, as amended. *(Finance Committee)*
 6. 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 to HHSC for Medicaid managed care payments to providers that promote 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 to HHSC for Medicaid payments to hospitals, made separately from and in addition to base payments, to incentivize achievement of specified goals or to support providers serving significant numbers of uninsured or low-income patients:
 1. Disproportionate Share Hospital (DSH);
 2. Graduate Medical Education (GME);
 3. Hospital Augmented Reimbursement Program (HARP); and
 4. Hospital Uncompensated Care (UC). *(Finance Committee)*

7. Receive reports relating to Nueces Aid Program enrollment for the months-ended June 30 and July 31, 2025:

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

C. REGULAR AGENDA – Items that are non-routine, non-administrative, or require individual attention. Each item will be considered and, if action is needed, voted on separately:

1. Finance Committee:

a. Fiscal Year 2026 Health Care Provider Participation Program:

1. Review and discuss Texas Health and Safety Code, Chapter 298C, relating to the Nueces County Hospital District Health Care Provider Participation Program and its requirements—including authority, mandatory payments, rules and procedures, hearing and notice obligations, permitted uses, payment schedule, and operational provisions—for the FY 2026 Program (October 1, 2025–September 30, 2026). (*INFORMATION*)
2. Review and discuss the proposed FY 2026 Program mandatory rate and payment schedule. (*INFORMATION*)
3. Confirm satisfaction of conditions precedent to establishing the FY 2026 Program mandatory payment rate, including publication of notice to the public, provision of written notice to each institutional health care provider within the Hospital District, and the holding of a public hearing regarding the proposed mandatory payment rate and the intended uses of the resulting revenue. (*ACTION*)
4. Confirm the continued applicability of the Nueces County Hospital District Health Care Provider Participation Program Revised Rules and Procedures, effective August 1, 2023, for the FY 2026 Program. (*ACTION*)
5. Adopt an Order of the Board of Managers establishing the FY 2026 Program mandatory payment rate at six percent (6%) of the net patient revenue of each institutional healthcare provider within the Hospital District, as authorized by Texas Health and Safety Code §298C.151. (*ACTION*)

b. Fiscal Year 2026 Budget:

1. Adopt a Resolution of the Board of Managers committing a specified portion of the General Fund balance as of September 30, 2025, to the subsequent fiscal year for payment of obligated but unrequested intergovernmental transfers associated with Supplemental and/or Directed payment programs administered by the Texas Health and Human Services Commission during Fiscal Year 2025. *(ACTION)*

2. Adopt Board of Managers Resolution approving FY 2026 Member Revenue Allocation Percentage, as determined under Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. *(ACTION)*

3. Adopt Board of Managers Resolutions adding specified funding to the FY 2026 Annual Budget (October 1, 2025 – September 30, 2026) for:
a. Nueces County Healthcare Expenditures; and
b. Nueces Center for Mental Health and Intellectual Disabilities matching funds. *(ACTION)*

4. Discuss and consider adopting a Resolution of the Board of Managers approving the FY 2026 Annual Budget (October 1, 2025 – September 30, 2026), pursuant to Texas Health and Safety Code §281.091(b), with the Budget comprised of the General Fund, Tobacco Settlement Fund, Opioid Settlement Fund, and Indigent Care Fund. *(ACTION)*

c. Financial Statements:

1. Consider receipt and approval of unaudited financial statements for the month and fiscal year-to-date ending July 31, 2025. *(ACTION)*

2. Legislative Matters:

a. Receive and discuss reports from Legislative Consultants on the 89th Texas Legislature's Special Sessions and related matters. *(INFORMATION)*

3. Administrator's Briefing:

a. Next scheduled regular meetings of the Board of Managers and Board Committees (all meeting dates, times, and locations are subject to change):

1. Finance Committee: Tuesday, September 23, 2025, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room

950-A, Corpus Christi, Texas 78401;

2. Board of Managers: Tuesday, September 23, 2025, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. **(INFORMATION)**

4. **Other Business:**

a. Receive documentation of the Administrator's achievement of Employment Agreement performance goals during Fiscal Year 2024 and approve the related payment. **(ACTION)**

6. **CLOSED MEETING** – The Board of Managers may, at any point during this meeting, convene in closed session to deliberate any agenda item as permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551. The Board reserves the right to discuss any listed agenda item in closed session when legally authorized, regardless of prior practice distinguishing items for public deliberation from those for executive session. The presiding officer will announce the statutory authority under the Act for each closed session. Any final action, decision, or vote will be taken in open session either upon reconvening of this meeting or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to §551.071 of the Texas Government Code.

A. Consult with attorneys on matters related to the Corpus Christi Housing Authority and associated issues.

B. Consult with attorneys on matters related to CPS Energy and associated issues.

C. Consult with attorneys on matters relating to Nueces County Hospital District v. Purdue Pharma, Inc., et al., MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas.

7. **OPEN MEETING** – The Board will reconvene in open session following the Closed Meeting before taking action on Closed Meeting matters or adjourning.

A. Consider authorizing the Administrator to execute the Settlement participation and release forms regarding settlement offers from Purdue, Amneal, West-Ward n/k/a HIKMA, and other certain Defendants in the matter of Nueces County Hospital District v. Purdue Pharma, Inc., et al., MDL PRETRIAL CAUSE NO. 2018-63587, in the 152d District Court of Harris County, Texas. **(ACTION)**

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

8. ADJOURN

9. Public Notice Posting Receipt