BOARD OF MANAGERS
Board of Managers - Regular Meeting
Monday, August 17, 2026 at 12:30 PM

AGENDA

1. **WELCOME**

2. **ROLL CALL OF MEMBERS**

___ Vishnu V. Reddy, Chairman
___ Sylvia Tryon Oliver, Vice Chair
___ Mariana Garza
___ Georgia Neblett, Legislative Committee Chair
___ Karen O'Connor Urban
___ Pamela Brower, Finance Committee Chair
___ Sunil Reddy

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. **NOTICE REGARDING BUDGET.** The Hospital District's Fiscal Year 2026 Budget ("FY26 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Board may discuss the FY26 Budget at this meeting. The adopted FY26 Budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at: [https://www.nchdcc.org/public_notices/finance.php](https://www.nchdcc.org/public_notice

s/finance.php).

The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") is currently under development and may be discussed by the Board at this meeting. Because the FY27 Budget has not yet been adopted, a taxpayer impact statement for Fiscal Year 2027 is not currently available.

5. **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.

6. **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 June 23, 2026. 10

2. Approve Board of Managers Workshop minutes of June 23, 2026. 20

3. Receive listing of new vendors as of August 12, 2026; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176. 23

4. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date: 41

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)*

5. 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 2026 year to date. *(Finance Committee)* 42

6. Receive Fiscal Year 2026 year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. *(Finance Committee)* 44

7. Receive fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. *(Finance Committee)* 45

8. Receive statement of Fiscal Year 2026 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)* 46

9. 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: 49

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)*

10. Receive reports relating to Nueces Aid Program enrollment for the months ended June 30 and July 31, 2026:
a. Referral Sources; 54
b. Total Persons and Households Enrolled; 58
c. Enrollment Summary; 60
d. Denials; 62
e. Application Processing Summary; and 64
f. Enrollment by Zip Code. *(Finance Committee)* 72

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. Financial Statements:

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended June 30, 2026. ***(ACTION)*** 78

b. Investment Report:

1. Receive and approve Quarterly Investment Report and ratify related investment transactions for fiscal quarter-ended June 30, 2026 pursuant to Texas Government Code, §2256.023. ***(ACTION)*** 88

c. Investment Policy:

1. Adopt Board of Managers Resolution relating to annual review of investment policy and investment strategies; adopt changes to policy and strategies to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.005(e). ***(ACTION)*** 120

2. Adopt Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted listing to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.025. ***(ACTION)*** 159

d. CHRISTUS Spohn Health System:

1. Adopt Board of Managers Resolution approving the Member Revenue Specified Annual Percentage for the period October 1, 2026 – September 30, 2027, pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. ***(ACTION)*** 169

2. Discuss and consider authorizing the Administrator to execute an Intergovernmental Transfer (IGT) Responsibility Contract with the Texas Health and Human Services Commission (HHSC), Contract No. HHS001711400008, for the transfer of public funds as the non-federal share of Network Access Improvement Program (NAIP) payments benefiting 178

CHRISTUS Spohn Health System for the period September 1, 2026 through August 31, 2027, in an amount not to exceed $3,347,716.00. ***(ACTION)***

e. Fiscal Year 2027 Budget:

1. Adopt Board of Managers Resolution committing a specified amount of the September 30, 2026, fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 2026. ***(ACTION)*** 190

2. Adopt Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2027 Annual Budget (October 1, 2026 – September 30, 2027) for:
   a. County Healthcare Expenditures; and 197
   b. Nueces Center for Mental Health and Intellectual Disabilities matching funds. ***(ACTION)*** 205

3. Adopt Board of Managers Resolution approving Fiscal Year 2027 Annual Budget (October 1, 2026–September 30, 2027), approval pursuant to Texas Health and Safety Code, §281.091(b); Budget includes: 213
   a. General Fund;
   b. Tobacco Fund;
   c. Opioid Settlement Fund; and
   d. Indigent Care Fund. ***(ACTION)***

2. **Legislative Committee:**

a. Receive information from Legislative Consultants on 90th Texas Session Legislative Agenda. ***(INFORMATION)***

b. Receive a briefing on, discuss, and consider action regarding the potential use of the YourTexasBenefits.com website, operated by the Texas Health and Human Services Commission to additionally facilitate enrollment in the Nueces Aid Program. ***(ACTION)*** 230

c. Discuss and consider action on proposed amendments to the Nueces County Hospital District's Draft 90th Texas Legislative 240

Session Agenda. ***(ACTION)***

3. **Nueces Aid Program:**

a. Receive and discuss a briefing on community engagement and outreach strategies, partnerships, enrollment initiatives, client engagement, and related plans and goals to increase awareness of, access to, and participation in the Nueces Aid Program. ***(INFORMATION)*** 266

b. Receive and discuss a presentation from the Nueces County Sheriff's Office regarding a new prisoner medical transport van funded by the Hospital District. ***(INFORMATION)***

4. **Opioid Settlement Funds:**

a. Discuss and consider approval of an Interlocal Cooperation Agreement with the Nueces Center for Mental Health and Intellectual Disabilities to implement the Hospital District's use of distributions received from the Texas Opioid Abatement Fund Council; Agreement term October 1, 2026, through September 30, 2027; receipt and use of funds pursuant to Texas Government Code §403.508(a)(2) and applicable program requirements under Texas Administrative Code §16.22. ***(ACTION)*** 278

5. **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): 298

1. Execution of Amendment No. 2 to Letter Agreement with John B. Martinez (Martinez Reilly PLLC) for General Counsel Services for term June 1, 2026 - May 31, 2027. ***(ACTION)*** 299

6. **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. Legislative Committee: Tuesday, September 22, 2026, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street,

Room 950-A, Corpus Christi, Texas 78401; and

2. Finance Committee: Tuesday, September 22, 2026, 11:30 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, September 22, 2026, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. ***(INFORMATION)***

7. **CLOSED MEETING** – The Board of Managers may convene in closed session at any time during this meeting to deliberate any agenda item, as authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board reserves the right to discuss any agenda item in executive session when legally permitted, regardless of whether the item is customarily considered in open session. The presiding officer will announce the applicable statutory authority under the Act prior to each closed session. Any final action, decision, or vote will be taken in open session, either upon reconvening or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to Sections 551.071 and 551.074 of the Texas Government Code, as applicable.

A. Consult with attorneys regarding CPS Energy's proposed tax-exemption settlement Agreements related to the Barney Davis and Nueces Bay Power Plants and related matters.

B. Consult with attorneys on legal issues regarding Corpus Christi Housing Authority's workforce housing contracts, tax exemptions, potential open meetings violations, and related matters.

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

D. Consult with attorneys regarding matters related to eligibility for indigent health care under current law.

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

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

9. **ADJOURN**

10. Public Notice Posting Receipt. 307

DRAFT

BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR MEETING
JUNE 23, 2026

The Nueces County Hospital District Board of Managers met at 12:45 p.m., June 23, 2026 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
Mary Esther Guerra	Assistant County Attorney – via Zoom
John B. Martinez	General Counsel
Adam Robison	Legal Counsel
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

OTHERS PRESENT:

Andrea Kovarik	NCMHID
Mark Hendrix	NCMHID
Dom Dominguez	Christus Spohn Hospital

BOARD OF MANAGERS
REGULAR MEETING
MINUTES
JUNE 23, 2024

1. **WELCOME**

2. **ROLL CALL OF MEMBERS**

_Y__ Vishnu V. Reddy, Chairman
_X__ Sylvia Tryon Oliver, Vice Chair
_X__ Mariana Garza
_Y__ Georgia Neblett, Legislative Committee Chair
_Y__ Karen O'Connor Urban
_Y__ Pamela Brower, Finance Committee Chair
_X__ Sunil Reddy

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

A. Call to order – Vishnu V. Reddy, Chairman.
The meeting was called to order by Vishnu V. Reddy, Chairman at 12:56 p.m.

B. Establish quorum – Vishnu V. Reddy, Chairman.
A quorum was present with four members in attendance.

4. **Vishnu V. Reddy, Chairman – PRESENT**
Georgia Neblett, Member – PRESENT
Karen O'Connor Urban, Member – PRESENT
Pamela Brower, Member – PRESENT
Sylvia Tryon Oliver, Member – ABSENT
Mariana Garza, Member – ABSENT
Sunil Reddy, Member – ABSENT

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

B. 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.

5. **NOTICE REGARDING BUDGET.** The Hospital District's Fiscal Year 2026 budget has been duly adopted by the Board and approved by Commissioners Court. At this meeting, the Board may discuss the budget. The budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at:

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

6. **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.

7. **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.

Dom Dominguez

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 April 28, 2026.

2. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2026 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 2026 year to date. *(Finance Committee)*

4. Receive Fiscal Year 2026 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 information on State Comptroller of Public Accounts' 2026 pro-rata distributions of Calendar Year 2025 income from Tobacco Permanent Settlement Trust Account; distributions pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.2. *(Finance Committee)*

6. Receive fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. *(Finance Committee)*

7. Receive statement of Fiscal Year 2026 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)*

8. 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)*

9. Receive reports relating to Nueces Aid Program enrollment for the months ended April 30 and May 31, 2026:
a. Referral Sources;
b. Total Persons and Households Enrolled;
c. Enrollment Summary;
d. Denials;
e. Application Processing Summary; and
f. Enrollment by Zip Code. *(Finance Committee)*

Consent Agenda Approved. Motion by Georgia Neblett and seconded by Karen O'Connor Urban.
MOTION CARRIED.

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. Financial Statements:

1. Receive and approve unaudited financial statements for the months and fiscal year-to-dates ended April 30 and May 31, 2026. ***(ACTION)***

Motion by Karen O'Connor Urban and seconded by Pamela Brower. MOTION CARRIED.

2. **Legislative Committee:**

a. Receive and discuss information relating to the upcoming 90th Texas Legislative Session:

1. Receive and discuss reports from Legislative Consultants; and

2. Receive information on interim matters. ***(INFORMATION)***

3. **Community Mental Health Initiatives:**

a. Receive and discuss information from the Nueces Center for Mental Health and Intellectual Disabilities (MHID) relating to:

1. Work performed under agreements between Nueces County, MHID, and the Hospital District, or directly between MHID and the Hospital District; and

2. Completion and opening of an MHID community mental health services diversion center funded by federal American Rescue Plan Act funds allocated by Nueces County. ***(INFORMATION)***

Mark and Andrea from NCMHID added presentation to the workshop.

4. **Office Lease:**

a. Approve Fifth Amendment to Lease Agreement with ERF Tower II, Inc. for office space at 555 N. Carancahua Street, Suite 950, Corpus Christi, Texas for the five-year term June 1, 2026 - May 31, 2031; and authorize the Administrator to execute Amendment. ***(ACTION)***

Motion by Georgia Neblett and seconded by Karen O'Connor Urban. MOTION CARRIED.

Vishnu V. Reddy, Chairman called for a break at 1:33 p.m.

Vishnu V. Reddy, Chairman called for meeting to commence after break at 1:45 p.m.

5. **Employee Retirement Plans:**

a. Adopt a Board of Managers Resolution concerning the administration and compliance of the Hospital District's employer-sponsored retirement plans, including the restatement of the 457(b) Plan, amendment of the 403(b) Plan, and authorization and ratification of related actions. ***(ACTION)***

Motion by Pamela Brower and seconded by Georgia Neblett. MOTION CARRIED.

6. **Other Business:**

a. Receive supporting documentation relating to Administrator's achievement of certain Employment Agreement-related performance goals for the Fiscal Year 2026 fiscal quarters ended December 31, 2025 and March 31, 2026 and approve related payment. ***(ACTION)***

Motion by Pamela Brower and seconded by Karen O'Connor Urban. MOTION CARRIED.

7. **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. Legislative Committee: July 28, 2026, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

2. Finance Committee: July 28, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401;

3. Board of Managers Workshop: July 28, 2026, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and

4. Board of Managers Regular Meeting: July 28, 2026, 1:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. ***(INFORMATION)***

8. **CLOSED MEETING** – The Board of Managers may convene in closed session at any time during this meeting to deliberate any agenda item, as authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board reserves the right to discuss any agenda item in executive session when legally permitted, regardless of whether the item is customarily considered in open session. The presiding officer will announce the applicable statutory authority under the Act prior to each closed session. Any final action, decision, or vote will be taken in open session, either upon reconvening or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to Sections 551.071 and 551.072 of the Texas Government Code, as applicable.

A. Consult with attorneys regarding CPS Energy's proposed tax-exemption settlement Agreements related to the Barney Davis and Nueces Bay Power Plants and related matters.

B. Consult with attorneys on legal issues regarding Corpus Christi Housing Authority's workforce housing contracts, tax exemptions, potential open meetings violations, and related matters.

C. Deliberate value of certain Hospital District-owned real property and related matters.

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

E. Consult with attorneys concerning legal matters related to the Hospital District's Health Care Provider Participation Program and uses of related Local Provider Participation Funds.

Vishnu V. Reddy, Chairman called for Close Session at 2:02 p.m.

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

Vishnu V. Reddy, Chairman called for Open Session at 2:19 p.m.

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

No Action Taken.

10. **ADJOURN**

Vishnu V. Reddy motion to adjourn.
Meeting adjourned at 2:19 p.m.

PRESIDING OFFICERS:

_____

Vishnu V. Reddy, Chairman

ATTEST:

_____

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

DRAFT

BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
WORKSHOP
JUNE 23, 2026

The Nueces County Hospital District Board of Managers met at, 12:00 p.m. June 23, 2026 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
Mary Esther Guerra	Assistant County Attorney – via Zoom
John B. Martinez	General Counsel
Adam Robison	Legal Counsel
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

OTHERS PRESENT:

Andrea Kovarik	NCMHID
Mark Hendrix	NCMHID
Dom Dominguez	Christus Spohn Hospital
Becky Rios	Christus Spohn Hospital – via Zoom
read.ai meeting notes	- via Zoom

BOARD OF MANAGERS
WORKSHOP MEETING
MINUTES
JUNE 23, 2026

1. **WELCOME**

2. **ROLL CALL OF MEMBERS**

_Y__ Vishnu V. Reddy, Chairman
_X__ Sylvia Tryon Oliver, Vice Chair
_X__ Mariana Garza
_Y__ Georgia Neblett, Legislative Committee Chair
_Y__ Karen O'Connor Urban
_Y__ Pamela Brower, Finance Committee Chair
_X__ Sunil Reddy

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

A. Call to order – Vishnu V. Reddy, Chairman.
The meeting was called to order by Vishnu V. Reddy, Chairman at 12:05 p.m.

B. Establish quorum – Vishnu V. Reddy, Chairman.
A quorum of present with four members in attendance.

Vishnu V. Reddy, Chairman – PRESENT
Georgia Neblett, Member – PRESENT
Karen O'Connor Urban, Member – PRESENT
Pamela Brower, Member – PRESENT
Sylvia Tryon Oliver, Member – ABSENT
Mariana Garza, Member – ABSENT
Sunil Reddy, Member – ABSENT

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

4. **NOTICE REGARDING BUDGETS.** The Hospital District's Fiscal Year 2026 budget has been duly adopted by the Board and approved by Commissioners Court. At this meeting, the Board may discuss the budget. The budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at: https://www.nchdcc.org/public_notices/finance.php.

5. **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.

6. **WORKSHOP SESSION** - Workshop Session is an open meeting for the purposes of information gathering and discussion between the Board of Managers and staff on the Workshop's listed agenda item(s) without taking action on the listed item(s) during the Workshop. Public comment may be accepted during the Workshop Session.

A. Programs for potential funding consideration in the Fiscal Year 2027 budget, including, but not limited to, initiatives addressing mental health services and physician workforce needs.

7. **ADJOURN**

Vishnu V. Reddy, Chairman motion to adjourned.
Meeting adjourned at 12:55 p.m.

terms, with as nearly as possible to one-third of the members' terms expiring each year.

2. Resignations must be submitted in writing, tendered to the Nueces County Judge on behalf of the Nueces County Commissioners Court, and the Chairman of the NCHD, and state the effective date of resignation.

3. Removal of member of the Board of Managers:

A member may be removed from office pursuant to the mandates of Article V, Section 24 of the *Texas Constitution*, and Chapter 87, *et seq.*, of the *Texas Local Government Code*, as amended, and other causes defined by law, including but not limited to:

(a) Bribery and corrupt influence (*Texas Penal Code*, Section 36, *et seq.*);

(b) Abuse of official capacity (*Texas Penal Code*, Section 39, *et seq.*); or,

(c) Nepotism (*Texas Government Code*, Chapter 573 *et seq.)*

B. Conflicts of Interest

1. A member shall follow the conflicts of interest law as provided in *Texas Local Government*, Chapter 171, *et seq.*, as amended.

C. Indemnity

Members of the Board of Managers shall be indemnified and held harmless to the full extent permitted by Texas and United States law at NCHD's sole expense, and such indemnification may be extended, at the discretion of the Board of Managers or as required by law, to NCHD employees and agents, from and against all suits, actions, or claims of any character, type or description brought or made for or on account of any injuries or damages, received or sustained by any person or persons or property, arising out of, or occasioned by the acts and/or omissions of the officers and members (and at the discretion of the Board or as required by law, employees and/or agents of NCHD) when performing their public duties as members (and/or employees or agents) of the NCHD Board of Managers and within the course and scope of such duties.

LOCAL GOVERNMENT CODE

TITLE 5. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES

SUBTITLE C. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES OF MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 171. REGULATION OF CONFLICTS OF INTEREST OF OFFICERS OF MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

Sec. 171.001. DEFINITIONS. In this chapter:

(1) "Local public official" means a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district (including a school district), county, municipality, precinct, central appraisal district, transit authority or district, or other local governmental entity who exercises responsibilities beyond those that are advisory in nature.

(2) "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 171.002. SUBSTANTIAL INTEREST IN BUSINESS ENTITY. (a) For purposes of this chapter, a person has a substantial interest in a business entity if:

(1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or $15,000 or more of the fair market value of the business entity; or

(2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

(b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of $2,500 or more.

(c) A local public official is considered to have a substantial interest under this section if a person related to the official in the first degree by consanguinity or affinity, as

determined under Chapter 573, Government Code, has a substantial interest under this section.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 561, Sec. 37, eff. Aug. 26, 1991; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(27), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 849, Sec. 1, eff. Sept. 1, 1997.

Sec. 171.0025. APPLICATION OF CHAPTER TO MEMBER OF HIGHER EDUCATION AUTHORITY. This chapter does not apply to a board member of a higher education authority created under Chapter 53, Education Code, unless a vote, act, or other participation by the board member in the affairs of the higher education authority would provide a financial benefit to a financial institution, school, college, or university that is:

(1) a source of income to the board member; or

(2) a business entity in which the board member has an interest distinguishable from a financial benefit available to any other similar financial institution or other school, college, or university whose students are eligible for a student loan available under Chapter 53, Education Code.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 41(a), eff. Aug. 28, 1989.

Sec. 171.003. PROHIBITED ACTS; PENALTY. (a) A local public official commits an offense if the official knowingly:

(1) violates Section 171.004;

(2) acts as surety for a business entity that has work, business, or a contract with the governmental entity; or

(3) acts as surety on any official bond required of an officer of the governmental entity.

(b) An offense under this section is a Class A misdemeanor.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.004. AFFIDAVIT AND ABSTENTION FROM VOTING REQUIRED. (a) If a local public official has a substantial

interest in a business entity or in real property, the official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

(1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or

(2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with the official record keeper of the governmental entity.

(c) If a local public official is required to file and does file an affidavit under Subsection (a), the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.005. VOTING ON BUDGET. (a) The governing body of a governmental entity shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a member of the governing body has a substantial interest.

(b) Except as provided by Section 171.004(c), the affected member may not participate in that separate vote. The member may vote on a final budget if:

(1) the member has complied with this chapter; and

(2) the matter in which the member is concerned has been resolved.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Renumbered from Sec. 171.006 and amended by Acts 1989, 71st Leg.,

ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.006. EFFECT OF VIOLATION OF CHAPTER. The finding by a court of a violation under this chapter does not render an action of the governing body voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed the governing body without the vote of the person who violated the chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Renumbered from Sec. 171.008 by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.007. COMMON LAW PREEMPTED; CUMULATIVE OF MUNICIPAL PROVISIONS. (a) This chapter preempts the common law of conflict of interests as applied to local public officials.

(b) This chapter is cumulative of municipal charter provisions and municipal ordinances defining and prohibiting conflicts of interests.

Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.009. SERVICE ON BOARD OF CORPORATION FOR NO COMPENSATION. It shall be lawful for a local public official to serve as a member of the board of directors of private, nonprofit corporations when such officials receive no compensation or other remuneration from the nonprofit corporation or other nonprofit entity.

Added by Acts 1989, 71st Leg., ch. 475, Sec. 2, eff. Aug. 28, 1989.

Sec. 171.010. PRACTICE OF LAW. (a) For purposes of this chapter, a county judge or county commissioner engaged in the private practice of law has a substantial interest in a business entity if the official has entered a court appearance or signed court pleadings in a matter relating to that business entity.

(b) A county judge or county commissioner that has a substantial interest in a business entity as described by Subsection (a) must comply with this chapter.

(c) A judge of a constitutional county court may not enter a court appearance or sign court pleadings as an attorney in any matter before:

(1) the court over which the judge presides; or

(2) any court in this state over which the judge's court exercises appellate jurisdiction.

(d) Upon compliance with this chapter, a county judge or commissioner may practice law in the courts located in the county where the county judge or commissioner serves.

Added by Acts 2003, 78th Leg., ch. 227, Sec. 21, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1206, Sec. 3, eff. June 20, 2003.

LOCAL GOVERNMENT CODE

TITLE 5. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES

SUBTITLE C. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES OF MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL GOVERNMENT OFFICERS; PROVIDING PUBLIC ACCESS TO CERTAIN INFORMATION

Sec. 176.001. DEFINITIONS. In this chapter:

(1) "Agent" means a third party who undertakes to transact some business or manage some affair for another person by the authority or on account of the other person. The term includes an employee.

(1-a) "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

(1-b) "Charter school" means an open-enrollment charter school operating under Subchapter D, Chapter 12, Education Code.

(1-c) "Commission" means the Texas Ethics Commission.

(1-d) "Contract" means a written agreement for the sale or purchase of real property, goods, or services.

(2) "Family member" means a person related to another person within the first degree by consanguinity or affinity, as described by Subchapter B, Chapter 573, Government Code.

(2-a) "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code.

(2-b) "Gift" means a benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest. The term does not include a benefit offered on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.

(2-c) "Goods" means personal property.

(2-d) "Investment income" means dividends, capital gains, or interest income generated from:

(A) a personal or business:

(i) checking or savings account;

(ii) share draft or share account; or

(iii) other similar account;

(B) a personal or business investment; or

(C) a personal or business loan.

(3) "Local governmental entity" means a county, municipality, school district, charter school, junior college district, water district created under Subchapter B, Chapter 49, Water Code, or other political subdivision of this state or a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, the mayor of a municipality, or the governing body of a municipality. The term does not include an association, corporation, or organization of governmental entities organized to provide to its members education, assistance, products, or services or to represent its members before the legislative, administrative, or judicial branches of the state or federal government.

(4) "Local government officer" means:

(A) a member of the governing body of a local governmental entity;

(B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or

(C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.

(5) "Records administrator" means the director, county clerk, municipal secretary, superintendent, or other person

responsible for maintaining the records of the local governmental entity or another person designated by the local governmental entity to maintain statements and questionnaires filed under this chapter and perform related functions.

(6) "Services" means skilled or unskilled labor or professional services, as defined by Section 2254.002, Government Code.

(7) "Vendor" means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 1, eff. May 25, 2007.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 1, eff. September 1, 2015.

Sec. 176.002. APPLICABILITY TO VENDORS AND OTHER PERSONS. (a) This chapter applies to a person who is:

(1) a vendor; or

(2) a local government officer of a local governmental entity.

(b) A person is not subject to the disclosure requirements of this chapter if the person is:

(1) a state, a political subdivision of a state, the federal government, or a foreign government; or

(2) an employee or agent of an entity described by Subdivision (1), acting in the employee's or agent's official capacity.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 2, eff.

May 25, 2007.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 2, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 3, eff. September 1, 2015.

Sec. 176.003. CONFLICTS DISCLOSURE STATEMENT REQUIRED. (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(1) the vendor enters into a contract with the local governmental entity or the local governmental entity is considering entering into a contract with the vendor; and

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor; or

(C) has a family relationship with the local government officer.

(a-1) A local government officer is not required to file a conflicts disclosure statement in relation to a gift accepted by the officer or a family member of the officer if the gift is:

(1) a political contribution as defined by Title 15,

Election Code; or

(2) food accepted as a guest.

(a-2) A local government officer is not required to file a conflicts disclosure statement under Subsection (a) if the local governmental entity or vendor described by that subsection is an administrative agency created under Section 791.013, Government Code.

(b) A local government officer shall file the conflicts disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Subsection (a).

(c) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(1), eff. September 1, 2015.

(d) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(1), eff. September 1, 2015.

(e) The commission shall adopt the conflicts disclosure statement for local government officers for use under this section. The conflicts disclosure statement must include:

(1) a requirement that each local government officer disclose:

(A) an employment or other business relationship described by Subsection (a)(2)(A), including the nature and extent of the relationship; and

(B) gifts accepted by the local government officer and any family member of the officer from a vendor during the 12-month period described by Subsection (a)(2)(B) if the aggregate value of the gifts accepted by the officer or a family member from that vendor exceeds $100;

(2) an acknowledgment from the local government officer that:

(A) the disclosure applies to each family member of the officer; and

(B) the statement covers the 12-month period described by Subsection (a)(2)(B); and

(3) the signature of the local government officer acknowledging that the statement is made under oath under penalty

of perjury.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 3, eff. May 25, 2007.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 4, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 5, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 9(1), eff. September 1, 2015.

Sec. 176.006. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER PERSONS; QUESTIONNAIRE. (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract

with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

(b) The commission shall adopt a conflict of interest questionnaire for use under this section that requires disclosure of a vendor's business and family relationships with a local governmental entity.

(c) The questionnaire adopted under Subsection (b) must require, for the local governmental entity with respect to which the questionnaire is filed, that the vendor filing the questionnaire:

(1) describe each employment or business and family relationship the vendor has with each local government officer of the local governmental entity;

(2) identify each employment or business relationship described by Subdivision (1) with respect to which the local government officer receives, or is likely to receive, taxable income, other than investment income, from the vendor;

(3) identify each employment or business relationship described by Subdivision (1) with respect to which the vendor receives, or is likely to receive, taxable income, other than investment income, that:

(A) is received from, or at the direction of, a local government officer of the local governmental entity; and

(B) is not received from the local governmental entity; and

(4) describe each employment or business relationship with a corporation or other business entity with respect to which a local government officer of the local governmental entity:

(A) serves as an officer or director; or

(B) holds an ownership interest of one percent or

more.

(d) A vendor shall file an updated completed questionnaire with the appropriate records administrator not later than the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in the questionnaire incomplete or inaccurate.

(e) A person who is both a local government officer and a vendor of a local governmental entity is required to file the questionnaire required by Subsection (a)(1) only if the person:

(1) enters or seeks to enter into a contract with the local governmental entity; or

(2) is an agent of a person who enters or seeks to enter into a contract with the local governmental entity.

(f) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(g) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(h) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(i) The validity of a contract between a vendor and a local governmental entity is not affected solely because the vendor fails to comply with this section.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 6, eff. May 25, 2007.

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 9, eff. May 25, 2007.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.005, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 6, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 9(3), eff. September 1, 2015.

Sec. 176.0065. MAINTENANCE OF RECORDS. A records

administrator shall:

(1) maintain a list of local government officers of the local governmental entity and shall make that list available to the public and any vendor who may be required to file a conflict of interest questionnaire under Section 176.006; and

(2) maintain the statements and questionnaires that are required to be filed under this chapter in accordance with the local governmental entity's records retention schedule.

Added by Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 8, eff. May 25, 2007.

Redesignated and amended from Local Government Code, Section 176.011 by Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 7, eff. September 1, 2015.

Sec. 176.008. ELECTRONIC FILING. The requirements of this chapter, including signature requirements, may be satisfied by electronic filing in a form approved by the commission.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Sec. 176.009. POSTING ON INTERNET. (a) A local governmental entity that maintains an Internet website shall provide access to the statements and to questionnaires required to be filed under this chapter on that website. This subsection does not require a local governmental entity to maintain an Internet website.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 847, Sec. 3(b), eff. January 1, 2014.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 7, eff. May 25, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 76, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 847 (H.B. 195), Sec. 3(b), eff. January 1, 2014.

Sec. 176.010. REQUIREMENTS CUMULATIVE. The requirements of this chapter are in addition to any other disclosure required by law.

Added by Acts 2005, 79th Leg., Ch. 1014 (H.B. 914), Sec. 1, eff. June 18, 2005.

Sec. 176.012. APPLICATION OF PUBLIC INFORMATION LAW. This chapter does not require a local governmental entity to disclose any information that is excepted from disclosure by Chapter 552, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 226 (H.B. 1491), Sec. 8, eff. May 25, 2007.

Sec. 176.013. ENFORCEMENT. (a) A local government officer commits an offense under this chapter if the officer:

(1) is required to file a conflicts disclosure statement under Section 176.003; and

(2) knowingly fails to file the required conflicts disclosure statement with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement.

(b) A vendor commits an offense under this chapter if the vendor:

(1) is required to file a conflict of interest questionnaire under Section 176.006; and

(2) either:

(A) knowingly fails to file the required questionnaire with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the vendor becomes aware of the facts that require the filing of the questionnaire; or

(B) knowingly fails to file an updated questionnaire with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in a

questionnaire previously filed by the vendor incomplete or inaccurate.

(c) An offense under this chapter is:

(1) a Class C misdemeanor if the contract amount is less than $1 million or if there is no contract amount for the contract;

(2) a Class B misdemeanor if the contract amount is at least $1 million but less than $5 million; or

(3) a Class A misdemeanor if the contract amount is at least $5 million.

(d) A local governmental entity may reprimand, suspend, or terminate the employment of an employee who knowingly fails to comply with a requirement adopted under this chapter.

(e) The governing body of a local governmental entity may, at its discretion, declare a contract void if the governing body determines that a vendor failed to file a conflict of interest questionnaire required by Section 176.006.

(f) It is an exception to the application of Subsection (a) that the local government officer filed the required conflicts disclosure statement not later than the seventh business day after the date the officer received notice from the local governmental entity of the alleged violation.

(g) It is an exception to the application of Subsection (b) that the vendor filed the required questionnaire not later than the seventh business day after the date the vendor received notice from the local governmental entity of the alleged violation.

Added by Acts 2015, 84th Leg., R.S., Ch. 989 (H.B. 23), Sec. 8, eff. September 1, 2015.

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

Vendor ID	Vendor Name	Address	City	State	ZIP
2132	Winfrey, Jaylan	3937 Jayden Dr	Corpus Christi	TX	78410
2133	Garcia, Skyler	1500 Choctaw Road	Sinton	TX	78387

Nueces County Hospital District
County Health Care Department Expenditures
Cash Disbursements Relating to
Fiscal Year 2026

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal YTD	Budget 2026	Balance
County Healthcare Services															
Health Dept - County	0.00	0.00	450,000.00	0.00	0.00	300,000.00	0.00	0.00	600,000.00	0.00	0.00	0.00	1,350,000.00	**1,800,000.00**	450,000.00
Mobile Medical Clinic	0.00	0.00	176.28	0.00	0.00	549.36	0.00	0.00	120.15	0.00	0.00	0.00	845.79	**60,000.00**	59,154.21
Emergency Medical Services	0.00	0.00	114,600.00	0.00	0.00	128,400.00	0.00	0.00	0.00	0.00	0.00	0.00	243,000.00	**650,000.00**	407,000.00
NC MHID - Fund Matching	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	0.00	726,840.00	**969,129.00**	242,289.00
NC MHID - Jail Programs	82,275.04	97,058.26	108,821.22	137,908.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	426,062.63	**1,500,000.00**	1,073,937.37
NC Juvenile Center	0.00	0.00	107,521.00	0.00	0.00	129,837.85	0.00	0.00	135,302.78	0.00	0.00	0.00	372,661.63	**474,000.00**	101,338.37
Nueces County Jail Infirmary Svcs	563,401.59	103,680.13	669,987.28	640,084.17	664,806.31	682,100.04	666,031.23	629,908.58	671,255.39	0.00	0.00	0.00	5,291,254.72	**8,532,015.00**	3,240,760.28
Cenikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00	60,000.00	**60,000.00**	0.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00	50,000.00	**50,000.00**	0.00
Diabetes Program - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,215.27	0.00	0.00	0.00	12,215.27	**60,000.00**	47,784.73
HALO-Flight Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,750.00	0.00	0.00	0.00	0.00	15,750.00	**15,750.00**	0.00
County Public Health Grants	85,000.00	0.00	0.00	65,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00	**336,000.00**	186,000.00
Totals	730,676.63	200,738.39	1,693,385.78	842,992.28	664,806.31	1,483,167.25	666,031.23	645,658.58	1,661,173.59	110,000.00	0.00	0.00	8,698,630.04	**14,506,894.00**	5,808,263.96

Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2026
As if Adjudicated January 1, 2026 through June 30, 2026

Service	Claims	Billed	Contract Amt.	Co Insurance	Co Pay	Net
ER	2,557	2,172,127	260,099	10,000		250,099
ASU	3	53,404	7,652	99		7,553
Clinic	3,741	2,341,490	745,234	38,203		707,031
Obs	-	-	-	0		-
OP	13,713	35,850,032	9,214,210	526,993		8,687,217
Subtotal	20,014	40,417,052	10,227,195	575,294	-	9,651,901
IP	511	54,821,695	2,367,549	42,750		2,324,799
SNF	-					-
RX	46,958	3,276,073	2,850,498	114,428		2,736,070
Physician	17,123	49,717,326	4,798,828	211,932		4,586,896
Total	84,606	148,232,146	20,244,069	944,403	-	19,299,666

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
Imputed Claims Experience for Calendar Year 2026
As if Adjudicated January 1, 2026 through July 31, 2026

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	3,450	3,317,459	341,194	13,125	328,069
ASU	3	53,404	7,652	99	7,553
Clinic	4,205	2,600,859	823,615	44,793	778,823
Obs	-	-	-	0	-
OP	5,223	40,379,125	10,383,300	590,164	9,793,136
Subtotal	12,881	46,350,847	11,555,761	648,180	10,907,581
IP	574	60,403,643	2,607,291	53,524	2,553,767
SNF	-				-
RX	54,963	3,997,198	3,469,141	140,108	3,329,033
Physician	20,173	56,743,388	5,499,822	239,826	5,259,995
Total	88,591	167,495,076	23,132,015	1,081,638	22,050,377

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 2026

Member Revenue % 17.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Membership Revenue Deposits													
Week 1	1,511,157.21	2,417,944.61	1,630,641.06	1,526,816.31	1,589,308.71	2,052,269.03	1,995,149.15	2,453,481.92	2,471,713.49	2,234,594.13	1,735,805.14		21,618,880.76
Week 2	1,403,285.99	2,163,527.85	2,308,254.99	1,672,309.25	1,712,675.50	2,060,253.40	2,077,508.23	2,290,298.87	2,403,073.04	1,951,151.20			20,042,338.32
Week 3	1,495,552.66	2,470,202.03	2,292,403.21	2,104,939.01	1,973,974.33	1,919,955.83	2,076,907.99	2,472,459.73	2,390,859.98	2,271,415.51			21,468,670.28
Week 4	2,559,686.42	holiday	2,039,849.68	1,855,237.00	2,098,068.57	2,084,883.65	2,066,306.32	2,189,102.49	2,212,622.21	1,676,578.74			18,782,335.08
Week 5	1,904,908.74		2,125,558.12	2,017,332.89				1,793,695.92		2,043,609.38			9,885,105.05
Subtotal	8,874,591.02	7,051,674.49	10,396,707.06	9,176,634.46	7,374,027.11	8,117,361.91	8,215,871.69	11,199,038.93	9,478,268.72	10,177,348.96	1,735,805.14	0.00	91,797,329.49

Nueces County Hospital District
Opioid Settlement Fund Activity
Fiscal Year 2026

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	2,938,513.01	2,948,849.83	2,958,516.90	2,968,133.15	2,977,485.17	2,985,891.97	2,995,205.01	3,427,116.81	3,437,665.37	3,447,969.69	3,419,653.08	3,419,653.08	2,938,513.01
Deposits													
Distribution #3							421,974.39						421,974.39
													0.00
													0.00
Interest	10,336.82	9,667.07	9,616.25	9,352.02	8,406.80	9,313.04	9,937.41	10,548.56	10,304.32	10,684.10			98,166.39
Total Deposits	**10,336.82**	**9,667.07**	**9,616.25**	**9,352.02**	**8,406.80**	**9,313.04**	**431,911.80**	**10,548.56**	**10,304.32**	**10,684.10**	**0.00**	**0.00**	**520,140.78**
Programs													
Outpatient Substance Abuse										(39,000.71)			(39,000.71)
													0.00
													0.00
													0.00
													0.00
													0.00
													0.00
													0.00
Total Expenditures	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**(39,000.71)**	**0.00**	**0.00**	**(39,000.71)**
													0.00
Ending Balance	**2,948,849.83**	**2,958,516.90**	**2,968,133.15**	**2,977,485.17**	**2,985,891.97**	**2,995,205.01**	**3,427,116.81**	**3,437,665.37**	**3,447,969.69**	**3,419,653.08**	**3,419,653.08**	**3,419,653.08**	**3,419,653.08**

Texas Local Provider Participation Fund (LPPF) Programs

Overview

The Texas Local Provider Participation Fund (LPPF) is a locally administered financing mechanism authorized under Texas law that permits counties, hospital districts, and certain multi-jurisdictional entities to impose mandatory assessments on participating hospitals. Funds collected through an LPPF are used to finance the non-federal share of Medicaid supplemental and directed payment programs, thereby leveraging federal matching funds. These supplemental and directed payment programs are established, administered, and overseen by the Texas Health and Human Services Commission.

Purpose

LPPFs exist to support Medicaid payments without relying on state general revenue or local property taxes. By pooling hospital assessments locally and transferring them to the state through intergovernmental transfers (IGTs), local governments enable hospitals to receive significantly higher Medicaid reimbursements.

How LPPFs Work

Hospitals within an authorized jurisdiction are assessed a uniform mandatory payment, typically based on net patient revenue. These payments are deposited into a segregated Local Provider Participation Fund. The local government then transfers funds to the Texas Health and Human Services Commission to serve as the non-federal share for Medicaid payments. Federal matching funds are drawn down and redistributed back to hospitals through approved Medicaid payment programs.

Programs Supported

LPPF-supported funds are commonly used for Medicaid supplemental and directed payment programs, including uncompensated care payments and uniform rate enhancements. These programs are designed to support hospitals that serve a large share of Medicaid and uninsured patients.

Benefits

LPPFs allow local dollars to leverage substantial federal Medicaid funding, strengthen the financial stability of safety-net hospitals, and avoid increasing property taxes. They provide local control over healthcare financing while supporting access to care.

Legal Framework

The Nueces County Hospital District's LPPF is authorized under Texas Health and Safety Code, Chapter 298C, and is implemented pursuant to approval by the Board of Managers of the associated Health Care Provider Participation Program. Funds

deposited into the LPPF are restricted to authorized health care–related purposes and may not be used to expand Medicaid eligibility. The program is subject to applicable federal oversight to ensure compliance with Medicaid financing requirements.

Policy Considerations

Key considerations include the financial impact of mandatory assessments on participating hospitals; the administrative and compliance complexity associated with operating an LPPF; and reliance on ongoing state legislative authority and federal policy. While many LPPFs are subject to statutory sunset provisions requiring periodic legislative renewal, the Nueces County Hospital District LPPF is not subject to a sunset provision.

Summary

LPPFs are a central component of Texas's Medicaid financing strategy, enabling local governments and hospitals to maximize federal Medicaid funding while maintaining local control and minimizing taxpayer impact.

# # #

01/28/2026

Nueces County Hospital District
Nueces LPPF Activity
Fiscal Year 2026

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	36,037,687.34	88,352,681.09	46,775,249.76	46,889,995.07	47,098,478.43	43,388,108.10	43,523,426.60	102,601,327.88	102,671,201.57	17,301,701.03	29,151,669.08	46,936,232.08	36,037,687.34
Deposits													
Christus Spohn	20,140,043.00						19,976,378.00				9,988,189.00		50,104,610.00
CCMC							14,672,857.50				7,336,428.75		22,009,286.25
CC Rehab							607,311.50				303,655.75		910,967.25
Driscoll	31,555,659.00						22,502,282.00			11,251,141.00			65,309,082.00
PAM Specialty							720,612.00			360,306.00			1,080,918.00
PAM Rehab							836,253.00			418,126.50			1,254,379.50
Oceans Behavioral	625,158.00							312,579.00			156,289.50		1,094,026.50
Subtotal	52,320,860.00	0.00	0.00	0.00	0.00	0.00	59,315,694.00	312,579.00	0.00	12,029,573.50	17,784,563.00	0.00	141,763,269.50
Interest	302,419.15	249,184.61	151,883.76	147,530.06	122,923.21	135,318.50	148,258.08	312,924.78	170,716.52	54,498.60			1,795,657.27
Transfers In	1,538,911.28	91,314.97		627,998.64				3,192,163.74					5,450,388.63
Total Deposits	**54,162,190.43**	**340,499.58**	**151,883.76**	**775,528.70**	**122,923.21**	**135,318.50**	**59,463,952.08**	**3,817,667.52**	**170,716.52**	**12,084,072.10**	**17,784,563.00**	**0.00**	**149,009,315.40**
Inter-Governmental Transfers													
UC			(37,138.45)		(3,833,293.54)					(53,109.52)			(3,923,541.51)
DSRIP													0.00
CHIRP		(41,917,930.91)							(84,883,602.42)				(126,801,533.33)
TIPPS									(656,614.64)				(656,614.64)
DSH													0.00
HARP				(386,050.81)			(386,050.80)						(772,101.61)
GME				(180,994.53)						(180,994.53)			(361,989.06)
ATLIS	(1,847,196.68)							(3,747,793.83)					(5,594,990.51)
Total IGT's	**(1,847,196.68)**	**(41,917,930.91)**	**(37,138.45)**	**(567,045.34)**	**(3,833,293.54)**	**0.00**	**(386,050.80)**	**(3,747,793.83)**	**(85,540,217.06)**	**(234,104.05)**	**0.00**	**0.00**	**(138,110,770.66)**
Transfers Out													0.00
Bank Fees													0.00
Ending Balance	**88,352,681.09**	**46,775,249.76**	**46,889,995.07**	**47,098,478.43**	**43,388,108.10**	**43,523,426.60**	**102,601,327.88**	**102,671,201.57**	**17,301,701.03**	**29,151,669.08**	**46,936,232.08**	**46,936,232.08**	**46,936,232.08**

TEXAS

Local Governments with LPPFs by Managed Care Service Delivery Area

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

LUBBOCK
Service Delivery Area

MRSA WEST
Service Delivery Area

EL PASO
Service Delivery Area

TRAVIS
Service Delivery Area

BEXAR
Service Delivery Area

HIDALGO
Service Delivery Area

TARRANT
Service Delivery Area

DALLAS
Service Delivery Area

MRSA NORTHEAST
Service Delivery Area

MRSA CENTRAL
Service Delivery Area

JEFFERSON
Service Delivery Area

HARRIS
Service Delivery Area

NUECES
Service Delivery Area

Jurisdiction Operating a Local Provider Participation Fund

Northeast Healthcare Provider Participation District

TEXAS Health and Human Services

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

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Texas HHSC Medicaid Supplemental and Directed Payment Programs

Texas Medicaid is a partnership between the state and federal governments that provides health coverage to low-income families, older adults, and people with disabilities. The federal government shares in the cost of the program by matching state Medicaid spending, and providers are paid for the care they deliver to Medicaid patients. Federal rules allow states to determine how providers are paid, and Medicaid payments generally fall into three categories: base payments, supplemental payments, and directed payments. Base Payments are made for specific services (e.g., surgery, x-rays, diagnostic tests) provided to persons with Medicaid. These payments can be made through a fee-for-service (FFS) method or through a managed care service delivery system.

1. **Supplemental Payment Programs.** Supplemental Payments are Medicaid payments that supplement base reimbursement and provide additional funding to selected providers, including hospitals. Payments may be made as lump sums or structured to support quality goals, graduate medical education, or providers that serve large numbers of uninsured or low-income patients, such as rural and safety-net providers.

    A. Key Programs:
        1) **Disproportionate Share Hospital (DSH)**: These payments provide additional funding to hospitals that serve a large share of Medicaid and low-income patients. DSH payments help offset uncompensated care costs for Medicaid and uninsured patients and are capped at a hospital's allowable uncompensated costs. Eligible providers: Hospitals serving a high proportion of Medicaid or indigent patients.
        2) **Uncompensated Care (UC):** This Program was initially created to support Texas's expansion of Medicaid managed care while preserving supplemental payments to hospitals. UC payments help reduce uncompensated costs for qualifying medical services provided to uninsured individuals under a provider's charity care policy and must meet the federal definition of "medical assistance." Eligible providers: Public and private hospitals, public ambulance providers, government dental providers, and physician practice groups.
        3) **Graduate Medical Education (GME)**: These supplemental payments support medical residency training at teaching hospitals, which face higher costs related to resident compensation, increased testing, and the care of more complex patients. Eligible providers: State-owned teaching hospitals and government-operated teaching hospitals.
        4) **Hospital Augmented Reimbursement Program (HARP)**: Provides Medicaid payments to hospitals for inpatient and

outpatient services provided to Texas Medicaid patients under the fee-for-service model, serving as a financial transition for former DSRIP providers and helping offset the cost of delivering Medicaid services.

5) ****Aligning Technology by Linking Interoperable Systems for Client Health Outcomes (ATLIS): To** enhance electronic health information exchange among Medicaid Managed Care Organizations (MCOs) to improve client health outcomes and advance alternative payment models.
6) ***Public Health Providers-Charity Care Program (PHP-CCP):** Reimburses qualifying providers for the cost of delivering certain health care services that are not reimbursed by another source. Health care services include behavioral health services, immunizations, public health services, and other preventative services. Eligible providers: Publicly owned and operated community mental health clinics, local behavioral health authorities or local mental health authorities, local health departments, and Public Health Districts.
7) ***Ambulance Services Supplemental Payment Program:** Program for publicly owned ground emergency ambulance providers participating in Medicaid fee-for-service that provides additional payments aligned with average commercial insurance rates for the same services.

2. **Directed Payment Programs.** State-guided Medicaid managed care spending to support delivery system reform and improved performance by requiring Medicaid managed care organizations to make certain payments to providers, either through capitation rate adjustments or separate payment arrangements.

   A. Key Programs:
      1) **Comprehensive Hospital Increase Reimbursement Program (CHIRP)**: Provides enhanced Medicaid payments for inpatient and outpatient services delivered to STAR and STAR+PLUS enrollees. Eligible providers include: (1) hospital-based rural health clinics (RHCs), including non-state government-owned and private RHCs, and (2) free-standing RHCs.
      2) **Network Access Improvement Program (NAIP)**: Pass-through payment program aimed at strengthening access to effective primary care for Medicaid recipients by incentivizing health-related institutions and public hospitals to provide high-quality, coordinated, and continuous care.
      3) **Rural Access to Primary and Preventive Services (RAPPS)**: Provides incentives for rural health clinics (RHCs) to deliver primary and preventive care to STAR, STAR+PLUS, and STAR Kids

enrollees in rural areas of the state. Eligible providers include (1) hospital-based RHCs, including non-state government-owned and private RHCs, and (2) free-standing RHCs.

4) **The Texas Incentives for Physicians and Professional Services (TIPPS)**: Provides enhanced Medicaid payments for health care services delivered by eligible physician groups to STAR, STAR+PLUS, and STAR Kids enrollees. Eligible providers include: (1) health-related institution (HRI) physician groups; (2) physician groups affiliated with hospitals receiving indirect medical education (IME) funding; and (3) other physician groups.
5) ***The Directed Payment Program for Behavioral Health Services (DPP BHS)**: Enhances access to behavioral health services, care coordination, and care transitions for STAR, STAR+PLUS, and STAR Kids enrollees. Eligible providers include Community Mental Health Centers (CMHCs) and Local Behavioral Health Authorities (LBHAs) with Certified Community Behavioral Health Clinic (CCBHC) certification.
6) ***Quality Incentive Payment Program (QIPP)**: A performance-based payment program that incentivizes nursing facilities to improve care quality and foster innovation.

* NCHD does not participate in this Program.
** HHSC terminated this program for the state fiscal year 2026.

01/28/2026

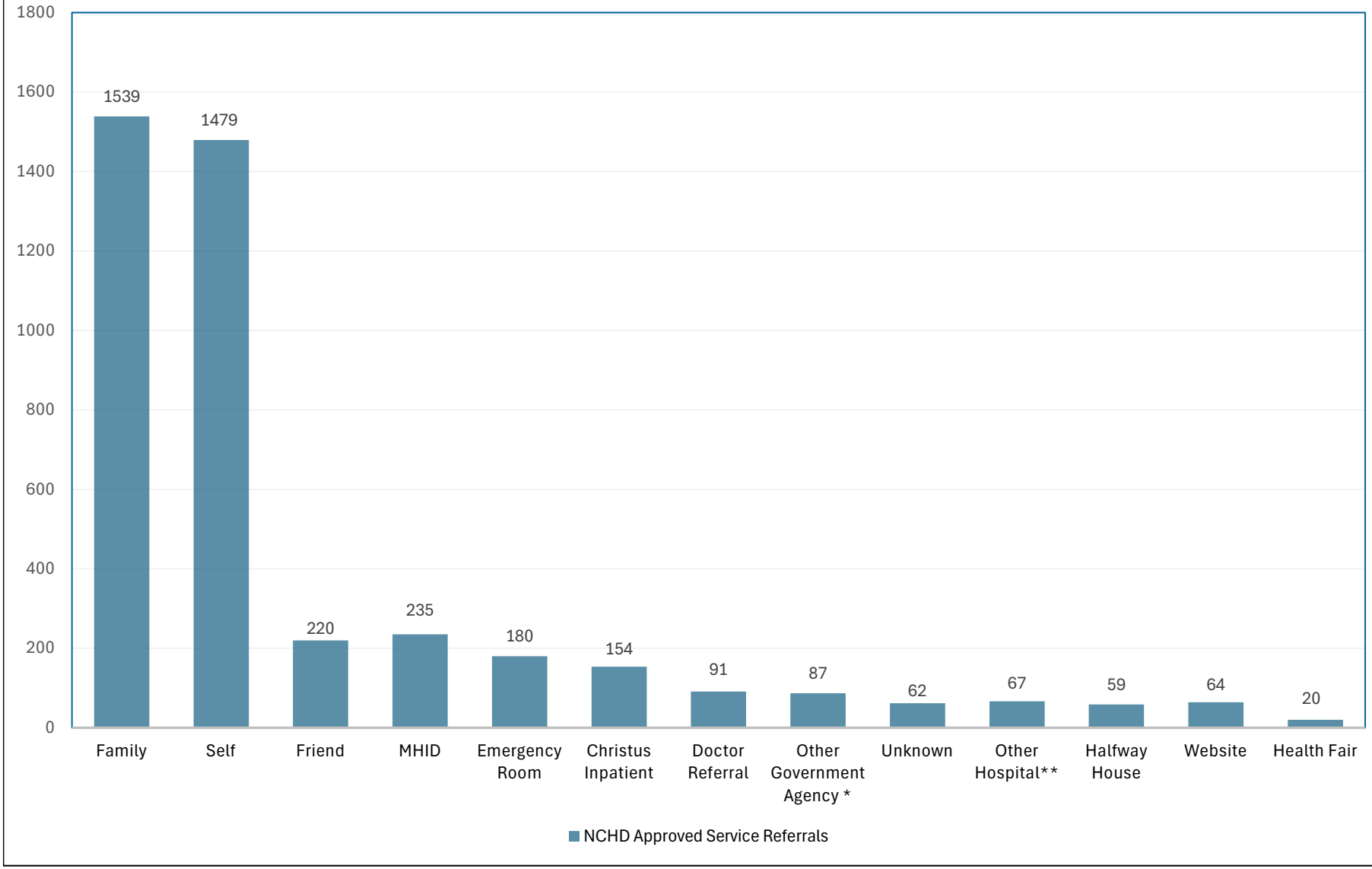
Nueces County Hospital District
Medicaid Payment Programs/Directed Payment Programs
Estimated Provider Payments & IGT History
FY2012 to Present

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS	
Christus Spohn - Corpus Christi	393,023,597	660,707,639	271,742,566	54,617,146	177,526,110	166,774,230	3,631,000	11,988,586	33,135,453	4,729,455	**1,777,875,781**	39%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	236,198,894	0	14,571,054	0	32,111,589	0	0	872,324	5,998,487	**338,151,207**	7%
Corpus Christi Medical Center	121,850,134	194,737,114	0	47,168,955	0	219,205,565	0	9,652,366	14,766,291	23,359,490	**630,739,914**	14%
Driscoll Childrens Hospital	314,822,705	36,747,666	0	0	0	1,084,250,462	3,650,435	26,804,632	160,612,868	41,040,138	**1,667,928,905**	37%
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 Chrisit Rehab Hospital	0	0	0	286,797	0	0	0	0	0	734,825	**1,021,622**	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	0	0	1,948,682	**1,950,012**	0%
PAM Rehab Hospital	0	0	0	141,201	0	1,480,848	0	0	0	1,812,337	**3,434,386**	0%
Zoom Rehabilitation Inc.	0	0	0	0	0	0	0	0	0	173,631	**173,631**	0%
Oceans Behavioral Hospital	0	0	0	0	0	53,995	0	0	0	1,273,186	**1,327,181**	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	0	0	0	**21,809,410**	0%
TOTALS	**924,854,508**	**1,176,114,469**	**271,742,566**	**133,255,675**	**177,526,110**	**1,503,876,688**	**7,281,435**	**48,445,584**	**209,386,936**	**81,070,230**	**4,533,554,201**	**100%**

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

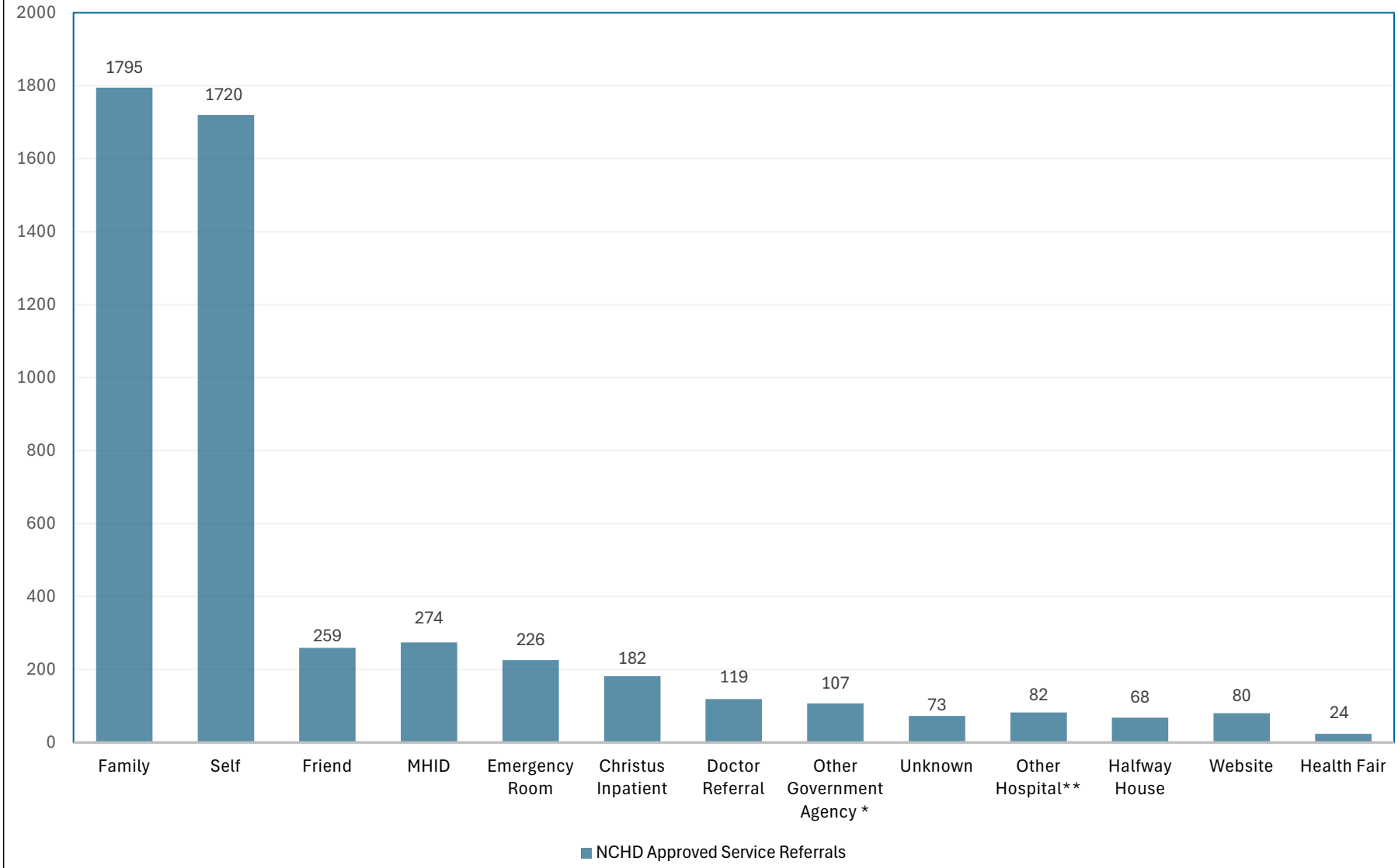
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS
Nueces County Hospital District	338,074,018	381,888,025	96,250,465	58,389,165	70,040,718	177,013,892	0	13,306,303	77,574,950	20,731,634	**1,233,269,171**
Nueces LPPF	27,902,997	77,553,074	7,478,253	0	0	413,336,502	2,412,214	4,715,212	5,852,488	11,733,795	**550,984,533**
TOTALS	**365,977,014**	**459,441,099**	**103,728,718**	**58,389,165**	**70,040,718**	**590,350,393**	**2,412,214**	**18,021,515**	**83,427,437**	**32,465,429**	**1,784,253,704**

Nueces County Hospital District
Enrollment Referral Source
YTD 2026



Nueces County Hospital District													
Application Referral Sources Calendar Year 2026													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026
Applications Approved	772	686	741	748	628	695							4270
Referral Source													
Family	296	261	263	265	214	240							1539
Self	242	242	286	246	230	233							1479
Friend	39	39	32	41	22	47							220
MHID	50	22	36	40	42	45							235
Emergency Room	34	32	22	23	33	36							180
Christus Inpatient	27	19	21	34	25	28							154
Doctor Referral	19	22	12	13	17	8							91
Other Government Agency *	16	8	15	22	9	17							87
Unknown	8	15	12	16	3	8							62
Other Hospital**	15	9	10	13	12	8							67
Halfway House	15	7	11	11	7	8							59
Website	6	4	16	17	10	11							64
Health Fair	3	4	4	4	3	2							20
Medicaid Office	1	2	1	3	1	3							11
TWC	1	0	0	0	0	0							1
MD Anderson	0	0	0	0	0	1							1
NAACP	0	0	0	0	0	0							0
Workmans Comp	0	0	0	0	0	0							0
*-Includes Nueces County Jail Referrals.													
**-Includes Non-Christus Hospitals.													

Nueces County Hospital District
Enrollment Referral Source
YTD 2026



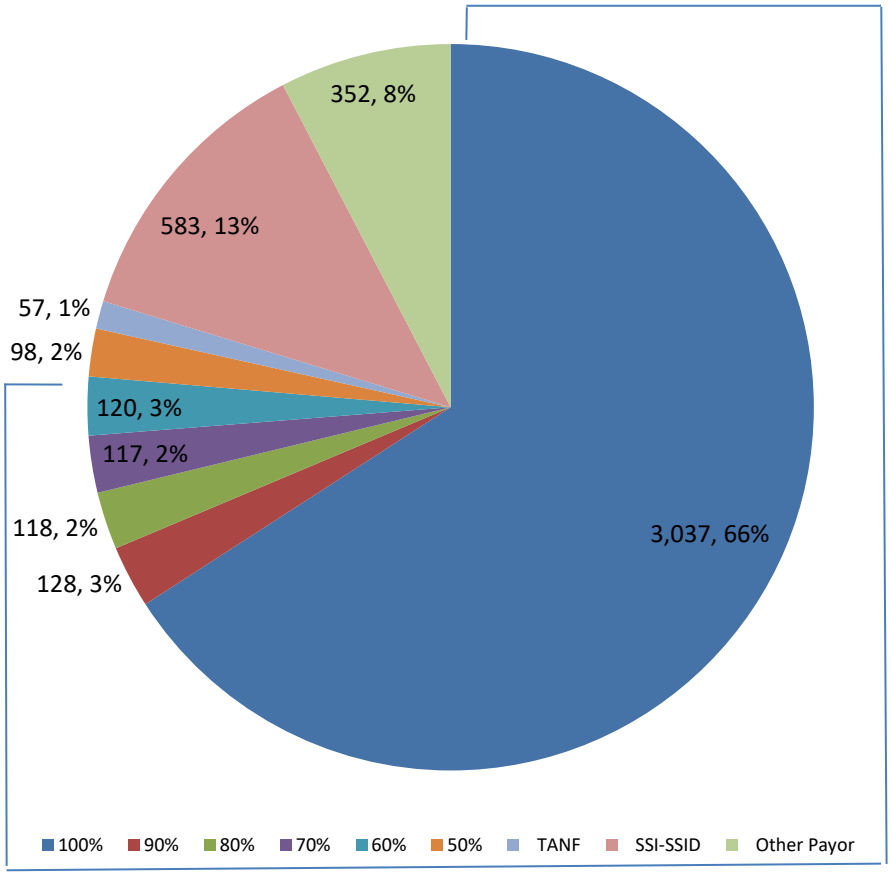
Nueces County Hospital District													
Application Referral Sources Calendar Year 2026													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026
Applications Approved	772	686	741	748	628	695	754						5024
Referral Source													
Family	296	261	263	265	214	240	256						1795
Self	242	242	286	246	230	233	241						1720
Friend	39	39	32	41	22	47	39						259
MHID	50	22	36	40	42	45	39						274
Emergency Room	34	32	22	23	33	36	46						226
Christus Inpatient	27	19	21	34	25	28	28						182
Doctor Referral	19	22	12	13	17	8	28						119
Other Government Agency *	16	8	15	22	9	17	20						107
Unknown	8	15	12	16	3	8	11						73
Other Hospital**	15	9	10	13	12	8	15						82
Halfway House	15	7	11	11	7	8	9						68
Website	6	4	16	17	10	11	16						80
Health Fair	3	4	4	4	3	2	4						24
Medicaid Office	1	2	1	3	1	3	1						12
TWC	1	0	0	0	0	0	1						2
MD Anderson	0	0	0	0	0	1	0						1
NAACP	0	0	0	0	0	0	0						0
Workmans Comp	0	0	0	0	0	0	0						0
*-Includes Nueces County Jail Referrals.													
**-Includes Non-Christus Hospitals.													

June 2026

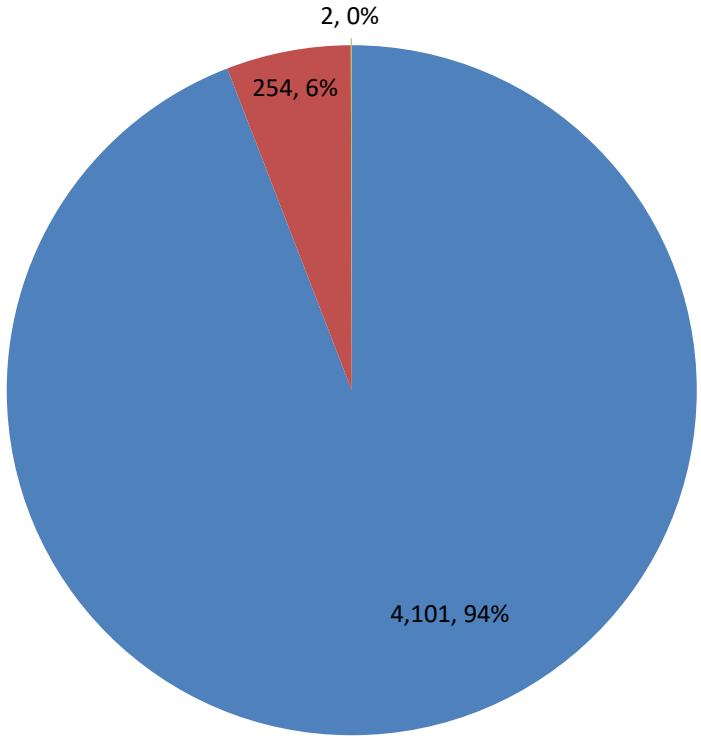
Nueces Aid Program Enrollment

Total Enrolled: 4,610

Total recipients – Other Payer Coverage: 992



Total Households 4,357

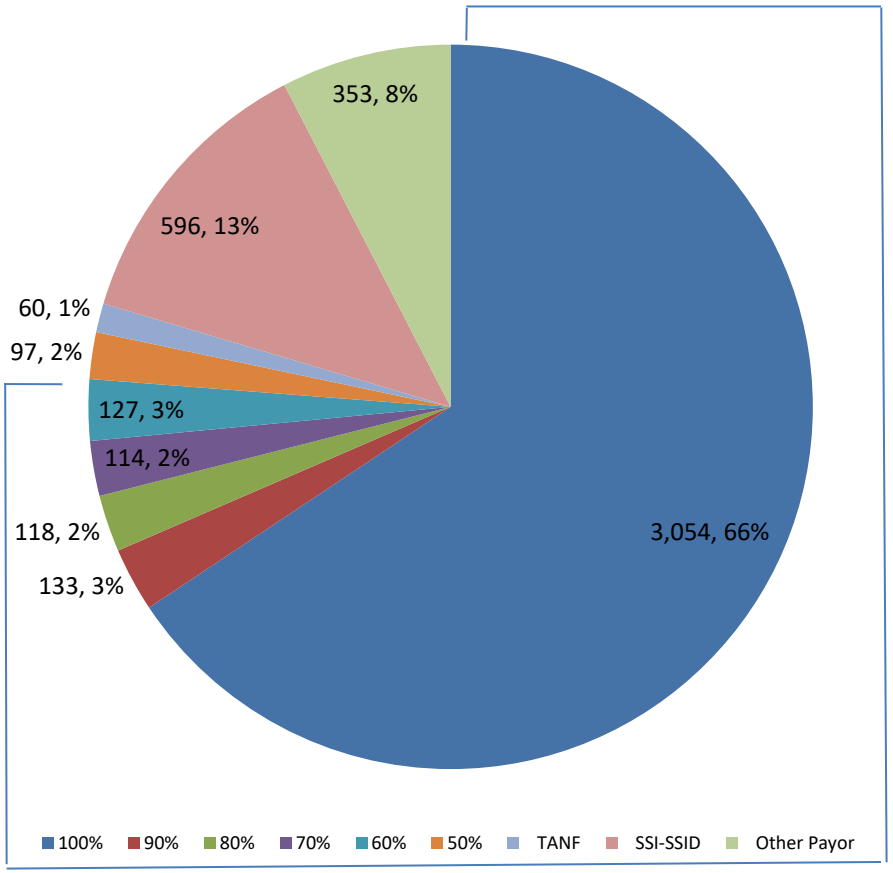


July 2026

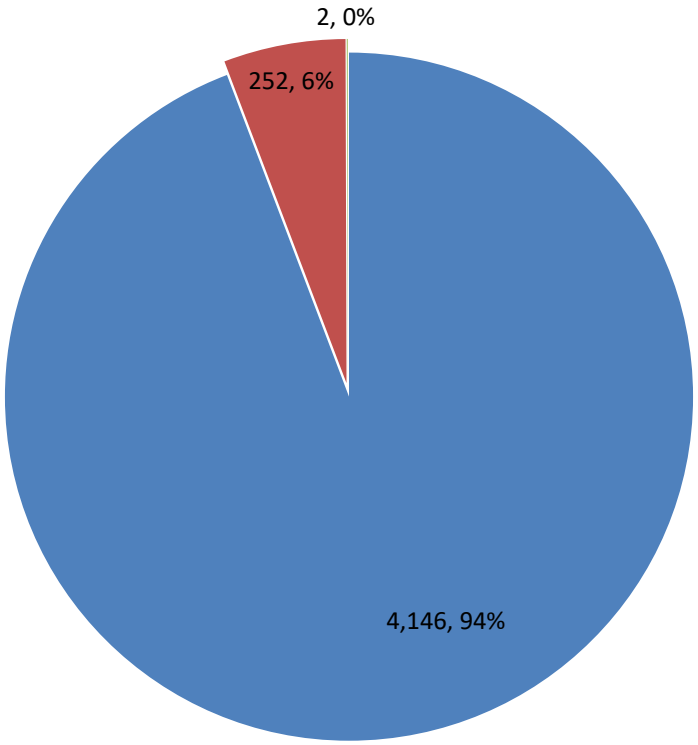
Nueces Aid Program Enrollment

Total Enrolled: 4,652

Total recipients – Other Payer Coverage: 1,009



Total Households 4,400



Nueces Aid Program
Enrollment Summary Calendar Year 2026

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026 Average	Comments
TOTAL RECIPIENTS	4,521	4,512	4,510	4,570	4,540	4,610							4,544	
NUECES AID - All Service Levels														The percentage for each plan option is calculated by dividing the number for each option by the number of total recipients.
100%	2,926	2,948	2,967	3,034	3,001	3,037							2,986	
%	64.7%	65.3%	65.8%	66.4%	66.1%	65.9%							65.7%	
90%	135	131	123	118	117	128							125	
%	3.0%	3%	3%	3%	3%	3%							2.8%	
80%	114	117	120	118	117	118							117	
%	2.5%	2.6%	2.7%	2.6%	2.6%	2.6%							2.6%	
70%	115	113	113	112	111	117							114	
%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%							2.5%	
60%	88	93	104	110	104	120							103	
%	1.9%	2.1%	2.3%	2.4%	2.3%	2.6%							2.3%	
50%	88	94	84	98	101	98							94	
%	1.9%	2.1%	1.9%	2.1%	2.2%	2.1%							2.1%	
TANF	65	54	68	52	54	57							58	These individuals are eligible for NCHD assistance if denied assistance by other payer.
%	1.4%	1.2%	1.5%	1.1%	1.2%	1.2%							1.3%	
SSI-SSID	657	631	599	595	598	583							611	
%	14.5%	14.0%	13.3%	13.0%	13.2%	12.6%							13.4%	
Other Payor	333	331	332	333	337	352							336	
%	7.4%	7.3%	7.4%	7.3%	7.4%	7.6%							7.4%	
TOTAL NUECES AID	4,521	4,512	4,510	4,570	4,540	4,610							4,544	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							100.0%	
HOUSEHOLDS BY SIZE														
1 Member Household	4,048	4,032	4,013	4,066	4,042	4,101							4,050	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
%	94.4%	94.3%	94.1%	94.1%	94.2%	94.1%							94.2%	
2 Member Household	234	237	246	250	247	254							245	
%	5.5%	5.5%	5.8%	5.8%	5.8%	5.8%							5.7%	
>=3 Member Household	5	5	4	3	3	2							4	
%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%							0.1%	
TOTAL HOUSEHOLDS	4,287	4,274	4,263	4,319	4,292	4,357							4,299	

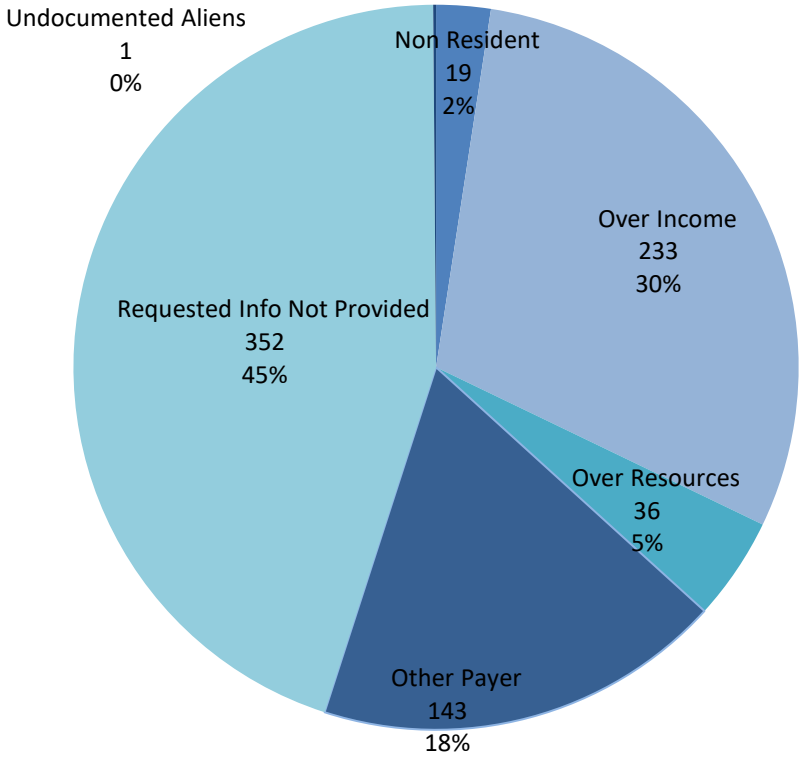
Nueces Aid Program
Enrollment Summary Calendar Year 2026

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026 Average	Comments
TOTAL RECIPIENTS	4,521	4,512	4,510	4,570	4,540	4,610	4,652						4,559	
NUECES AID - All Service Levels														The percentage for each plan option is calculated by dividing the number for each option by the number of total recipients.
100%	2,926	2,948	2,967	3,034	3,001	3,037	3,054						2,995	
%	64.7%	65.3%	65.8%	66.4%	66.1%	65.9%	65.6%						65.7%	
90%	135	131	123	118	117	128	133						126	
%	3.0%	3%	3%	3%	3%	3%	3%						2.8%	
80%	114	117	120	118	117	118	118						117	
%	2.5%	2.6%	2.7%	2.6%	2.6%	2.6%	2.5%						2.6%	
70%	115	113	113	112	111	117	114						114	
%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%	2.5%						2.5%	
60%	88	93	104	110	104	120	127						107	
%	1.9%	2.1%	2.3%	2.4%	2.3%	2.6%	2.7%						2.3%	
50%	88	94	84	98	101	98	97						94	
%	1.9%	2.1%	1.9%	2.1%	2.2%	2.1%	2.1%						2.1%	
TANF	65	54	68	52	54	57	60						59	These individuals are eligible for NCHD assistance if denied assistance by other payer.
%	1.4%	1.2%	1.5%	1.1%	1.2%	1.2%	1.3%						1.3%	
SSI-SSID	657	631	599	595	598	583	596						608	
%	14.5%	14.0%	13.3%	13.0%	13.2%	12.6%	12.8%						13.3%	
Other Payor	333	331	332	333	337	352	353						339	
%	7.4%	7.3%	7.4%	7.3%	7.4%	7.6%	7.6%						7.4%	
TOTAL NUECES AID	4,521	4,512	4,510	4,570	4,540	4,610	4,652						4,559	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%						100.0%	
HOUSEHOLDS BY SIZE														
1 Member Household	4,048	4,032	4,013	4,066	4,042	4,101	4,146						4,064	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
%	94.4%	94.3%	94.1%	94.1%	94.2%	94.1%	94.2%						94.2%	
2 Member Household	234	237	246	250	247	254	252						246	
%	5.5%	5.5%	5.8%	5.8%	5.8%	5.8%	5.7%						5.7%	
>=3 Member Household	5	5	4	3	3	2	2						3	
%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%						0.1%	
TOTAL HOUSEHOLDS	4,287	4,274	4,263	4,319	4,292	4,357	4,400						4,313	

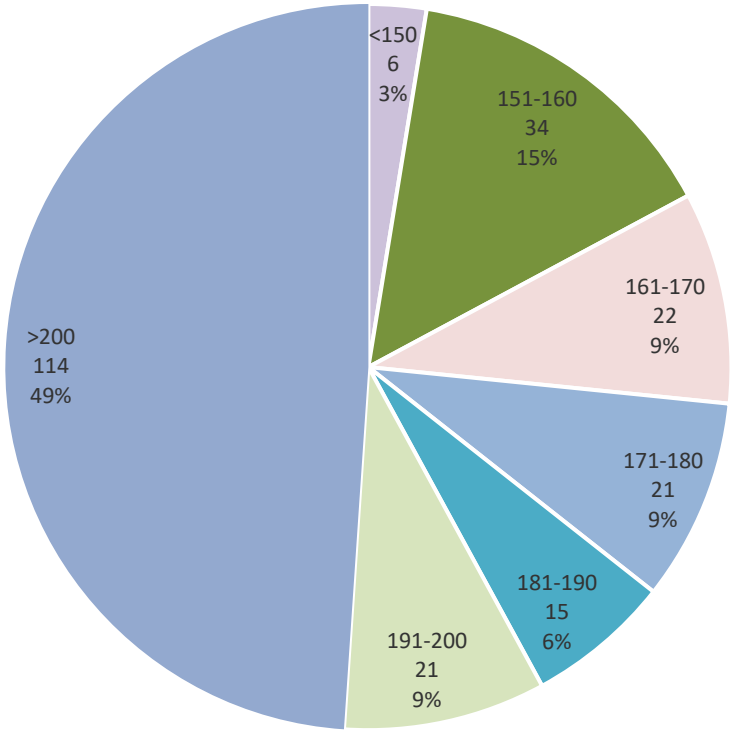
NUECES AID DENIALS

Calendar Year 2026: January - June

Denial Reasons



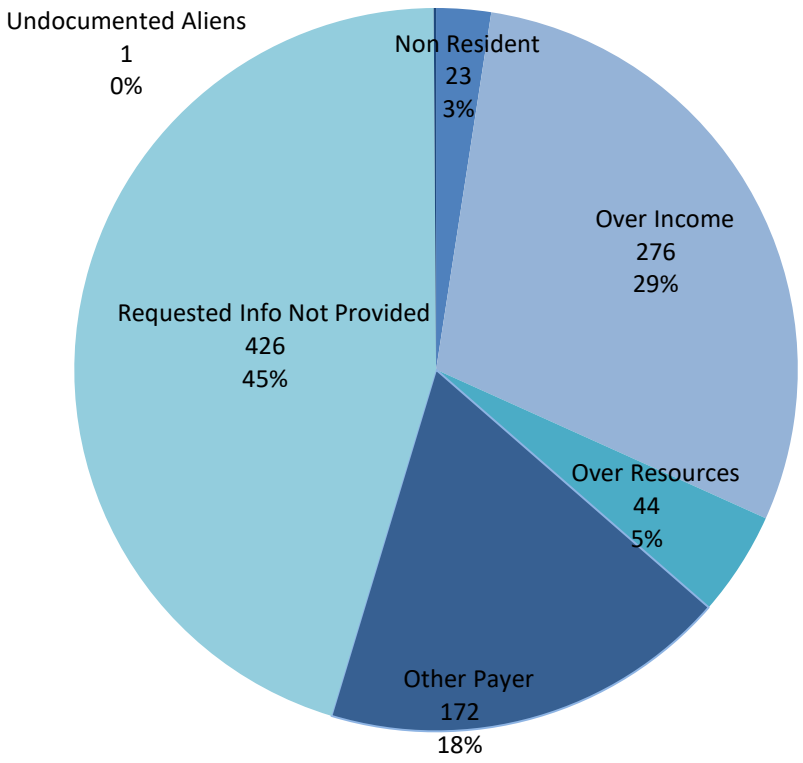
Comparison of Over Income Case to 2026 HHS Poverty Guidelines



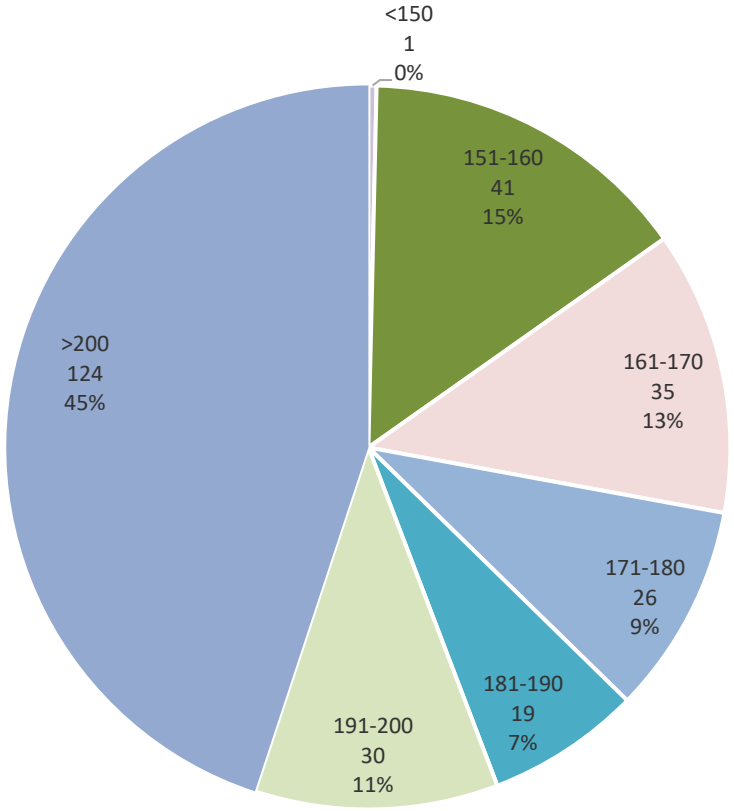
NUECES AID DENIALS

Calendar Year 2026: January - July

Denial Reasons



Comparison of Over Income Case to 2026 HHS Poverty Guidelines



Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
TOTAL APPLICATIONS	914	801	888	864	774	813	0	0	0	0	0	0	5,054	
Approved	772	686	741	748	628	695							4,270	
%	84.5%	85.6%	83.4%	86.6%	81.1%	85.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	84.5%	
Denied	142	115	147	116	146	118							784	Since FY 1999, the denial rate is based on all deniced individuals in the household.
%	15.5%	14.4%	16.6%	13.4%	18.9%	14.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.5%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Service Levels														
100%	522	468	509	538	442	477							2,956	
%	67.6%	68.2%	68.7%	71.9%	70.4%	68.6%							69%	The percentage of approvals by plan option is alculated by deviding the number for each plan option by the total numbers of approved applications.
90%	22	21	17	16	15	27							118	
%	2.8%	3.1%	2.3%	2.1%	2.4%	3.9%							2.8%	
80%	30	24	27	18	12	12							123	
%	3.9%	3.5%	3.6%	2.4%	1.9%	1.7%							2.9%	
70%	15	18	18	20	19	23							113	
%	1.9%	3%	2.4%	2.7%	3.0%	3.3%							2.6%	
60%	20	19	18	18	10	32							117	
%	2.6%	2.8%	2.4%	2.4%	1.6%	4.6%							2.7%	
50%	20	19	16	18	16	11							100	
%	2.6%	2.8%	2.2%	2.4%	2.5%	1.6%							2.3%	
TANF	14	12	17	13	18	15							89	
%	2%	1.7%	2.3%	1.7%	2.9%	2.2%							2%	
SSI-SSID	62	59	59	52	55	44							331	
%	8%	8.6%	8.0%	7.0%	8.8%	6.3%							8%	
Other Payor	67	46	60	55	41	54							323	
%	9%	6.7%	8.1%	7.4%	6.5%	7.8%							8%	
TOTAL	772	686	741	748	628	695	0	0	0	0	0	0	4,363	
%	100%	100.0%	100.0%	100.0%	100.0%	100.0%							102.2%	
PENDING APPLICATIONS														
														The YTD number for incomplete applications is the average of the monthly incomplete applications.
Pending Documentation	92	95	95	106	69	103							93	

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	0	2	4	3	3	7							19	
%	0.0%	1.7%	2.7%	2.6%	2.1%	5.9%							2.4%	
Over Income	40	28	42	37	45	41							233	
%	28.2%	24.3%	28.6%	31.9%	30.8%	34.7%							29.7%	
Over Resources	7	7	10	2	7	3							36	
%	4.9%	6.1%	6.8%	1.7%	4.8%	2.5%							4.6%	
Other Payer	35	30	26	13	24	15							143	
%	24.6%	26.1%	17.7%	11.2%	16.4%	12.7%							18.2%	The percentage for each denial reason is calculated by dividing the number of individuals for each rason by the total number of individuals denied.
Requested Info Not Provided	60	48	64	61	67	52							352	
%	42.3%	41.7%	43.5%	52.6%	45.9%	44.1%							44.9%	
Undocumented Aliens	0	0	1	0	0	0							1	
%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%							0.1%	
TOTAL DENIALS	142	115	147	116	146	118	0	0	0	0	0	0	784	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	686	608	641	677	564	603							3,779	The percentage for each size household is calcualted by dividing the number of hoseholds in the category by the total number of approved households. Any households pending other payers are not included.
%	94.0%	94.0%	92.8%	95.0%	94.5%	92.9%							93.8%	
2 Member Household	43	39	50	34	32	46							244	
%	5.9%	6.0%	7.2%	4.8%	5.4%	7.1%							6.1%	
3 or > Member Household	1	0	0	2	1	0							4	
%	0.1%	0.0%	0.0%	0.3%	0.2%	0.0%							0.1%	
TOTAL HOUSEHOLDS APPROVED	730	647	691	713	597	649							4,027	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	115	97	115	91	116	93							627	The denial percentage for each size household is calcualted by dividing the number for each household size by the total number of denied households. Any households pending other payors are not included.
%	88.5%	92%	86%	87%	87%	87%							87.8%	
2 Member Household	13	8	17	12	14	11							75	
%	10.0%	7.5%	12.8%	11.4%	10.5%	10.3%							10.5%	
3 or > Member Household	2	1	1	2	3	3							12	
%	1.5%	0.9%	0.8%	1.9%	2.3%	2.8%							1.7%	
TOTAL HOUSEHOLDS DENIED	130	106	133	105	133	107							714	

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
TOTAL APPLICATIONS	914	801	888	864	774	813	912	0	0	0	0	0	5,966	
Approved	772	686	741	748	628	695	754						5,024	
%	84.5%	85.6%	83.4%	86.6%	81.1%	85.5%	82.7%	0.0%	0.0%	0.0%	0.0%	0.0%	84.2%	
Denied	142	115	147	116	146	118	158						942	
%	15.5%	14.4%	16.6%	13.4%	18.9%	14.5%	17.3%	0.0%	0.0%	0.0%	0.0%	0.0%	15.8%	Since FY 1999, the denial rate is based on all deniced individuals in the household.
APPROVALS BY PLAN TYPE														
NUECES AID - All Service Levels														
100%	522	468	509	538	442	477	515						3,471	
%	67.6%	68.2%	68.7%	71.9%	70.4%	68.6%	68.3%						69%	The percentage of approvals by plan option is alculated by deviding the number for each plan option by the total numbers of approved applications.
90%	22	21	17	16	15	27	29						147	
%	2.8%	3.1%	2.3%	2.1%	2.4%	3.9%	3.8%						2.9%	
80%	30	24	27	18	12	12	22						145	
%	3.9%	3.5%	3.6%	2.4%	1.9%	1.7%	2.9%						2.9%	
70%	15	18	18	20	19	23	12						125	
%	1.9%	3%	2.4%	2.7%	3.0%	3.3%	1.6%						2.5%	
60%	20	19	18	18	10	32	24						141	
%	2.6%	2.8%	2.4%	2.4%	1.6%	4.6%	3.2%						2.8%	
50%	20	19	16	18	16	11	19						119	
%	2.6%	2.8%	2.2%	2.4%	2.5%	1.6%	2.5%						2.4%	
TANF	14	12	17	13	18	15	16						105	
%	2%	1.7%	2.3%	1.7%	2.9%	2.2%	2.1%						2%	
SSI-SSID	62	59	59	52	55	44	65						396	
%	8%	8.6%	8.0%	7.0%	8.8%	6.3%	8.6%						8%	
Other Payor	67	46	60	55	41	54	52						375	
%	9%	6.7%	8.1%	7.4%	6.5%	7.8%	6.9%						7%	
TOTAL	772	686	741	748	628	695	754	0	0	0	0	0	5,121	
%	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%						101.9%	
PENDING APPLICATIONS														
Pending Documentation	92	95	95	106	69	103	117						97	The YTD number for incomplete applications is the average of the monthly incomplete applications.

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	0	2	4	3	3	7	4						23	
%	0.0%	1.7%	2.7%	2.6%	2.1%	5.9%	2.5%						2.4%	
Over Income	40	28	42	37	45	41	43						276	
%	28.2%	24.3%	28.6%	31.9%	30.8%	34.7%	27.2%						29.3%	
Over Resources	7	7	10	2	7	3	8						44	
%	4.9%	6.1%	6.8%	1.7%	4.8%	2.5%	5.1%						4.7%	
Other Payer	35	30	26	13	24	15	29						172	
%	24.6%	26.1%	17.7%	11.2%	16.4%	12.7%	18.4%						18.3%	The percentage for each denial reason is calculated by dividing the number of individuals for each rason by the total number of individuals denied.
Requested Info Not Provided	60	48	64	61	67	52	74						426	
%	42.3%	41.7%	43.5%	52.6%	45.9%	44.1%	46.8%						45.2%	
Undocumented Aliens	0	0	1	0	0	0	0						1	
%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%						0.1%	
TOTAL DENIALS	142	115	147	116	146	118	158	0	0	0	0	0	942	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	686	608	641	677	564	603	667						4,446	The percentage for each size household is calcualted by dividing the number of hoseholds in the category by the total number of approved households. Any households pending other payers are not included.
%	94.0%	94.0%	92.8%	95.0%	94.5%	92.9%	93.8%						93.8%	
2 Member Household	43	39	50	34	32	46	43						287	
%	5.9%	6.0%	7.2%	4.8%	5.4%	7.1%	6.0%						6.1%	
3 or > Member Household	1	0	0	2	1	0	1						5	
%	0.1%	0.0%	0.0%	0.3%	0.2%	0.0%	0.1%						0.1%	
TOTAL HOUSEHOLDS APPROVED	730	647	691	713	597	649	711						4,738	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	115	97	115	91	116	93	124						751	The denial percentage for each size household is calcualted by dividing the number for each household size by the total number of denied households. Any households pending other payors are not included.
%	88.5%	92%	86%	87%	87%	87%	88%						87.8%	
2 Member Household	13	8	17	12	14	11	17						92	
%	10.0%	7.5%	12.8%	11.4%	10.5%	10.3%	12.1%						10.8%	
3 or > Member Household	2	1	1	2	3	3	0						12	
%	1.5%	0.9%	0.8%	1.9%	2.3%	2.8%	0.0%						1.4%	
TOTAL HOUSEHOLDS DENIED	130	106	133	105	133	107	141						855	

Nueces County Hospital District

Annual Comparative Enrollment Report
Calendar Year 2026

	Enrollment			Increase/(Decrease)	
Month	**2026**	**2025**		**%**	**Enrollees**
Jan	4,521	4,607		-1.87%	-86
Feb	4,512	4,513		-0.02%	-1
Mar	4,510	4,509		0.02%	1
Apr	4,570	4,544		0.57%	26
May	4,540	4,515		0.55%	25
June	4,610	4,565		0.99%	45
Jul					
Aug					
Sep					
Oct					
Nov					
Dec					

Nueces County Hospital District

Annual Comparative Enrollment Report
Calendar Year 2026

	Enrollment			Increase/(Decrease)	
Month	**2026**	**2025**		**%**	**Enrollees**
Jan	4,521	4,607		-1.87%	-86
Feb	4,512	4,513		-0.02%	-1
Mar	4,510	4,509		0.02%	1
Apr	4,570	4,544		0.57%	26
May	4,540	4,515		0.55%	25
June	4,610	4,565		0.99%	45
Jul	4,652	4,596		1.22%	56
Aug					
Sep					
Oct					
Nov					
Dec					

NCHD
Eligibility History

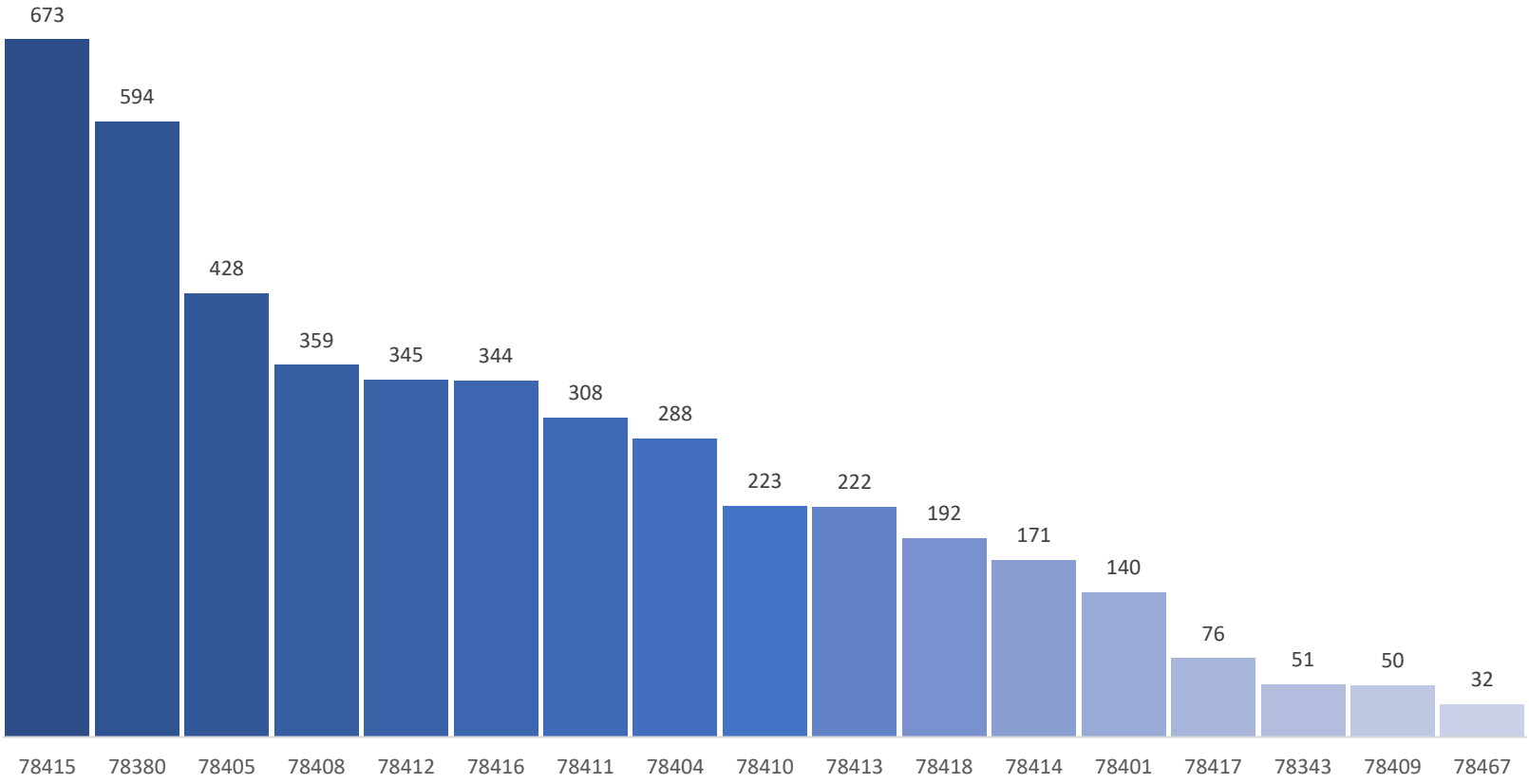
2020	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310	-14%
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067	-18%
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	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	3,463	3,489	3,526	3,459	3,435	41,310	3,443	-4%
Pend	1,113	1,106	1,129	1,147	1,140	1,141	1,135	1,103	1,100	1,098	1,049	1,048	13,309	1,109	-5%
Total	4,607	4,513	4,509	4,544	4,515	4,565	4,596	4,566	4,589	4,624	4,508	4,483	54,619	4,552	-4%
% of PY	98%	95%	95%	95%	94%	96%	95%	94%	95%	96%	96%	98%	96%	96%	
2026	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,466	3,496	3,511	3,590	3,551	3,618							21,232	3,539	3%
Pend	1,055	1,016	999	980	989	992							6,031	1,005	-9%
Total	4,521	4,512	4,510	4,570	4,540	4,610	-	-	-	-	-	-	27,263	4,544	0%
% of PY	98%	100%	100%	101%	101%	101%	0%	0%	0%	0%	0%	0%	50%	100%	

NCHD
Eligibility History

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	3,463	3,489	3,526	3,459	3,435	41,310	3,443	-4%
Pend	1,113	1,106	1,129	1,147	1,140	1,141	1,135	1,103	1,100	1,098	1,049	1,048	13,309	1,109	-5%
Total	4,607	4,513	4,509	4,544	4,515	4,565	4,596	4,566	4,589	4,624	4,508	4,483	54,619	4,552	-4%
% of PY	98%	95%	95%	95%	94%	96%	95%	94%	95%	96%	96%	98%	96%	96%	
2026	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,466	3,496	3,511	3,590	3,551	3,618	3,643						24,875	3,554	3%
Pend	1,055	1,016	999	980	989	992	1,009						7,040	1,006	-9%
Total	4,521	4,512	4,510	4,570	4,540	4,610	4,652	-	-	-	-	-	31,915	4,559	0%
% of PY	98%	100%	100%	101%	101%	101%	101%	0%	0%	0%	0%	0%	58%	100%	

Nueces County Hospital District

Enrollment by Zipcode as of June 2026

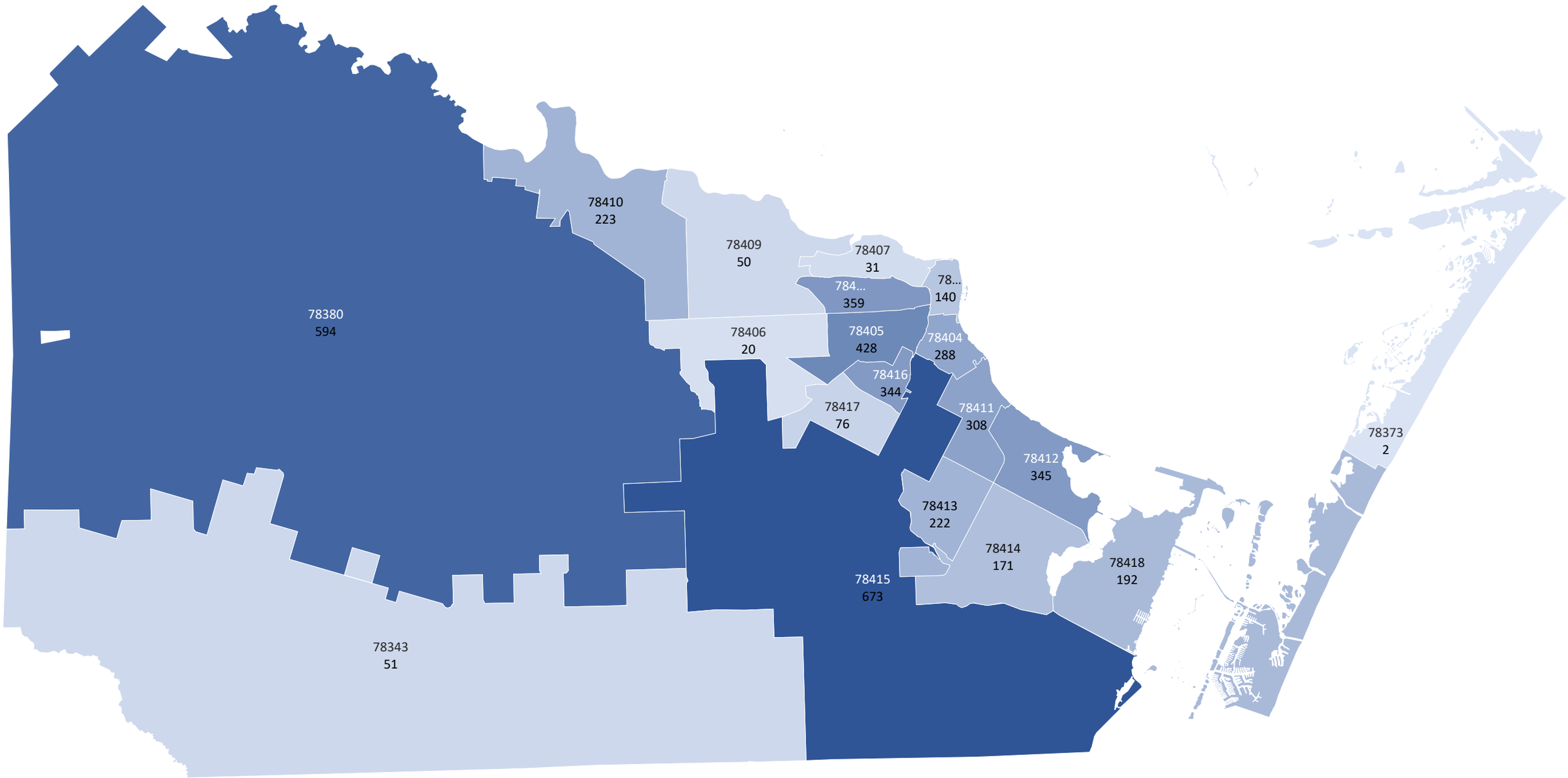


Nueces County Hospital District
Enrollment by Zip Code
As of 06/30/2026

Zip Code	Description	Members	% to Total
78415	Description	673	15%
78380	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	594	13%
78405	Robstown	428	9%
78408	CC:19th to Port Ave to Agnes, includes HPG	359	8%
78412	CC:Hwy 358 to Lipan Between I-37 & Agnes	345	7%
78416	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	344	7%
78411	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	308	7%
78404	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	288	6%
78410	CC:Six Points	223	5%
78413	CC:Annaville and Calallen	222	5%
78418	CC:Weber to Holly rd to So Staples to Oso Pkwy	192	4%
78414	CC:Flour Bluff	171	4%
78401	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	140	3%
78417	CC:Downtown and Cargo Docks	76	2%
78343	CC:Old Brownsville to Ayers to Saratoga	51	1%
78409	Bishop + FM 665 to CR 107 W to CR 57E	50	1%
78467	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	32	1%
	Subtotal	4,496	98%
	Total	4,610	

Nueces County Hospital District

Enrollment Map



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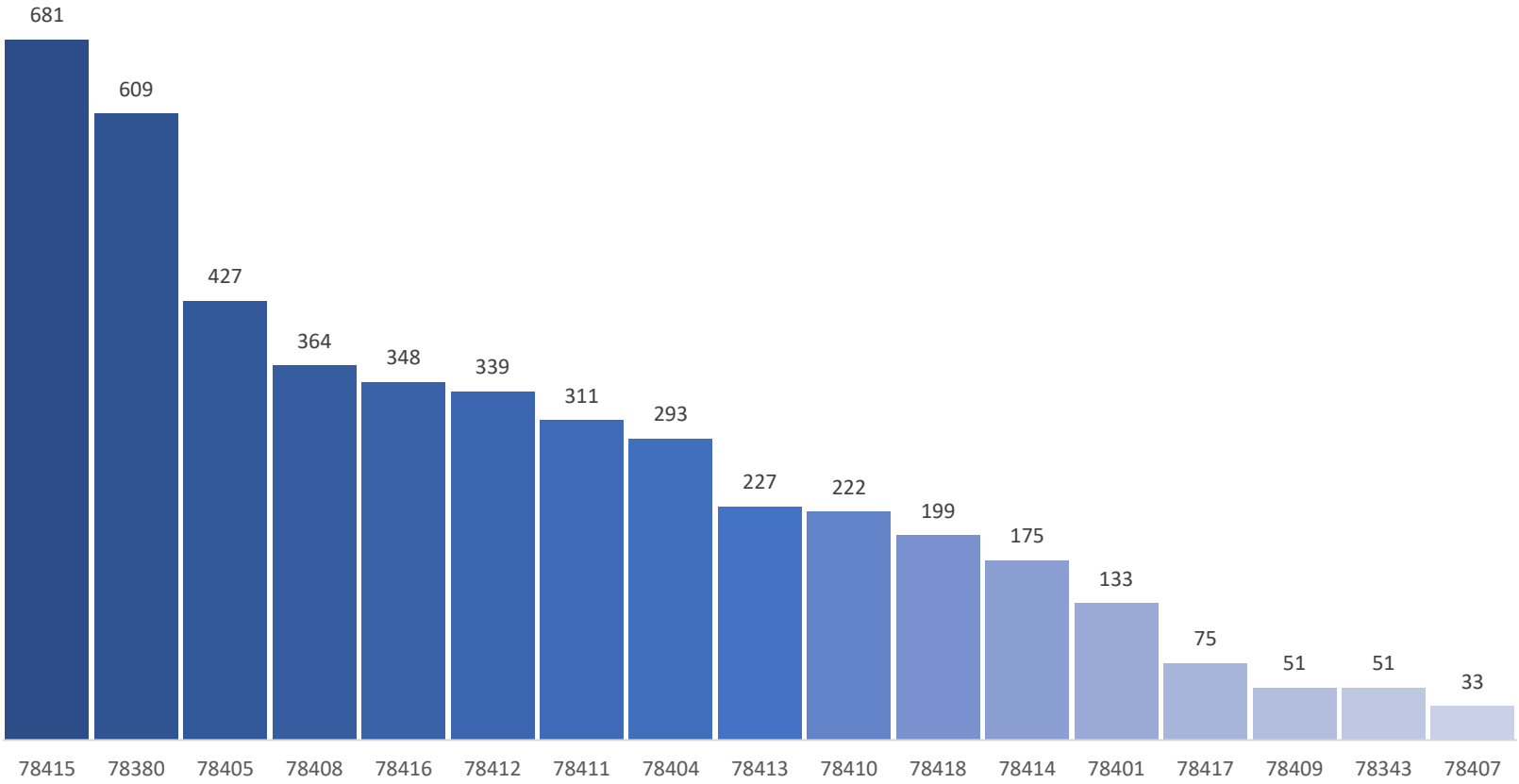
Nueces County Hospital District

Enrollment by Zipcode as of July 2026

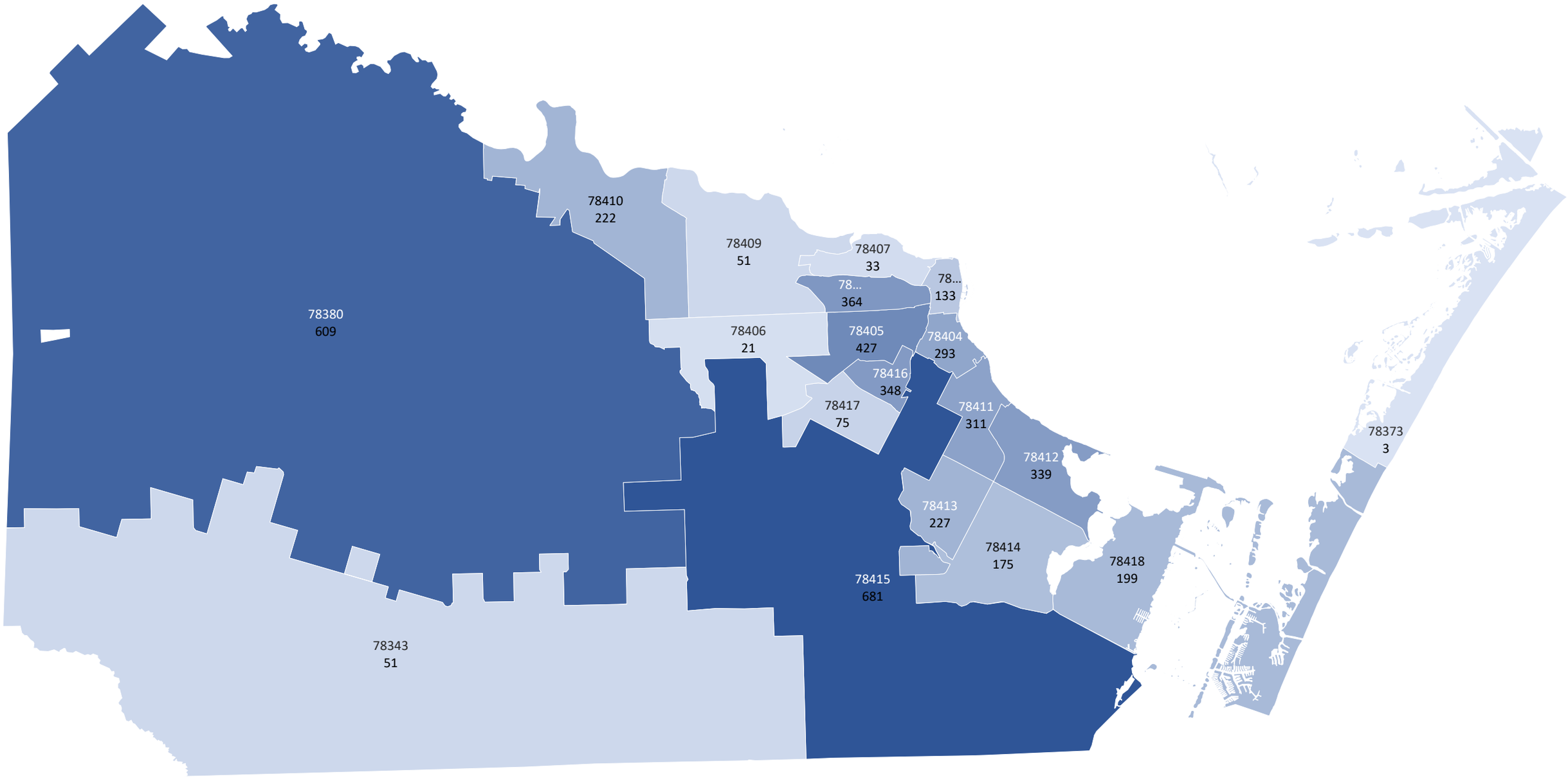


Nueces County Hospital District
Enrollment by Zip Code
As of 07/31/2026

Zip Code	Description	Members	% to Total
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	681	15%
78380	Robstown	609	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	427	9%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	364	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	348	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	339	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	311	7%
78404	CC:Six Points	293	6%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	227	5%
78410	CC:Annaville and Calallen	222	5%
78418	CC:Flour Bluff	199	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	175	4%
78401	CC:Downtown and Cargo Docks	133	3%
78417	CC:Old Brownsville to Ayers to Saratoga	75	2%
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	51	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	33	1%
	Subtotal	4,538	98%
	Total	4,652	

Nueces County Hospital District

Enrollment Map



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NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: Unaudited Financial Statements as of June 30, 2026

PERIOD: Nine Months Ended June 30, 2026

Purpose

To provide the Board of Managers with a general overview of the District's unaudited financial position and operating results through June 30, 2026, with emphasis on overall financial condition, performance relative to budget, liquidity, and significant considerations for the remainder of Fiscal Year 2026.

Overall Financial Position

The District remains in a favorable financial position through the first nine months of Fiscal Year 2026. General Fund revenues are ahead of budget, expenditures remain below budget on a year-to-date basis, and the District continues to maintain substantial cash resources and fund balances.

At June 30, the District reports approximately $207.9 million in combined assets and approximately $182.4 million in combined fund equity. Cash and cash equivalents constitute a substantial portion of the District's assets, providing significant liquidity for ongoing operations, healthcare financing obligations, and other District purposes.

The General Fund balance is approximately $99.6 million, while Special Revenue Fund balances total approximately $68.6 million. These balances provide the District with substantial financial resources as it enters the final quarter of Fiscal Year 2026.

General Fund Performance

General Fund operating results through June are favorable compared with budget. Year-to-date revenues total approximately $124.6 million, while expenditures total approximately $117.8 million.

After operating transfers, the General Fund reports an approximately $7.7 million increase in fund balance through June. This compares favorably with the budget, which anticipated a decrease in fund balance at this point in the fiscal year.

The favorable position reflects a combination of revenues exceeding budget expectations and expenditures remaining below budget overall. Significant contributors include corporate member revenue, investment earnings, tax collections, and the timing of healthcare-related expenditures and intergovernmental transfers.

Intergovernmental Transfers and Expenditure Timing

Intergovernmental transfers continue to represent the District's largest and most variable expenditure category. Because these transfers can be substantial and do not necessarily occur evenly throughout the fiscal year, individual monthly results may differ considerably from budget.

June illustrates this timing effect, with substantial IGT activity producing expenditures considerably higher than the monthly budget. Nevertheless, intergovernmental transfers remain below budget on a year-to-date basis through June.

Accordingly, the District's financial position is better evaluated using cumulative year-to-date results and anticipated payment schedules rather than relying upon the results of an individual month.

Special Revenue Funds

The District's Special Revenue Funds continue to maintain substantial balances. These funds include resources associated with the Tobacco Settlement, Opioid Settlement, and Indigent Care activities.

In the aggregate, Special Revenue Fund balances increased during the first nine months of the fiscal year and totaled approximately $68.6 million at June 30, 2026. Activity within these funds continues to reflect investment earnings, settlement receipts, limited program expenditures, and transfers authorized for District purposes.

Budget Perspective

Through June 30, overall General Fund performance is materially more favorable than the year-to-date budget. Revenue performance has exceeded expectations while expenditures, in the aggregate, remain below budget.

This favorable variance provides additional financial capacity as the District enters the final quarter of the fiscal year. However, a portion of the current variance reflects the timing of revenues and expenditures and should not necessarily be interpreted as a projection of the District's final Fiscal Year 2026 operating result.

Overall Assessment

Based on the unaudited financial statements through June 30, 2026, the District remains in a favorable year-to-date financial position relative to budget, with substantial liquidity and fund balances.

The financial statements indicate that the District has maintained strong financial capacity through the first three quarters of Fiscal Year 2026. The principal consideration during the remaining quarter will be the timing and magnitude of healthcare financing transactions and other expenditures that may affect the year-end position.

Caution Regarding Unaudited Information

The June 30, 2026 financial statements are unaudited interim financial statements. Reported amounts remain subject to normal year-end accruals, reconciliations, reclassifications, and audit adjustments.

Accordingly, the June statements should be viewed as an interim assessment of the District's financial condition and operating performance and not as a projection of final Fiscal Year 2026 results.

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
As of 06/30/2026
(In Whole Numbers)

UNAUDITED

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	99,009,427	51,014,432	15,941	0	0	150,039,801
Investments	5,970,821	17,412,994	0	0	0	23,383,815
Accrued Interest	0	194,865	46	0	0	194,912
Taxes Receivable, Net of Allowance	2,471,501	0	0	0	0	2,471,501
Other Receivables	0	0	0	0	0	0
Due from Other Funds	24,937	0	0	0	0	24,937
Prepaid Expenditures	162,955	0	0	0	0	162,955
Restricted Cash & Cash Equivalents - LPPF	17,301,701	0	0	0	0	17,301,701
Fixed Assets	0	0	0	14,243,366	0	14,243,366
Amt to be Provided for Retirement of LT Debt	0	0	0	0	45,322	45,322
Total Assets	124,941,342	68,622,291	15,988	14,243,366	45,322	207,868,308
Liabilities						
Accounts Payable	5,216,257	0	0	0	0	5,216,257
Accrued Payroll & Related Liabilities	365,683	0	0	0	0	365,683
Intergovernmental Transfer Obligations	17,301,701	0	0	0	0	17,301,701
Due to Other Funds	0	13,233	11,704	0	0	24,937
Deferred Revenue	2,471,501	0	0	0	0	2,471,501
Long Term Paid Time Off	0	0	0	0	45,322	45,322
Total Liabilities	25,355,142	13,233	11,704	0	45,322	25,425,401
Fund Equity						
Fund Balance	68,359,916	0	4,284	14,243,366	0	82,607,566
Committed to:						
Intergovernmental Transfers	31,226,284	0	0	0	0	31,226,284
Indigent Care	0	65,158,226	0	0	0	65,158,226
Opioid Abatement	0	3,447,970	0	0	0	3,447,970
Assigned to:						
County Health Care	0	2,862	0	0	0	2,862
Total Fund Equity	99,586,200	68,609,058	4,284	14,243,366	0	182,442,908
Total Liabilities & Fund Equity	124,941,342	68,622,291	15,988	14,243,366	45,322	207,868,308

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Taxes	252,887	41,387,743
Penalties & Interest - Taxes	53,356	372,220
Spohn Corporate Member Revenue	9,478,269	79,884,175
Investment Income	338,005	2,961,295
Other Income	25	988
Total Revenues	10,122,542	124,606,421
Current Expenditures		
Intergovernmental Transfers	26,008,105	102,454,533
Emergency Residency Support	237,292	2,135,625
County Healthcare Funding	1,218,974	9,577,743
Salaries	156,247	1,182,638
Benefits	58,666	564,663
Legal & Professional Fees	63,473	497,489
Purchased Services	70,315	1,109,601
Supplies & Materials	1,001	10,594
Rent & Leases	11,993	108,858
Repairs & Maintenance	275	1,522
Utilities	4,613	41,784
Insurance	2,688	23,978
Administrative & General	3,861	50,839
Capital Outlay	0	8,400
Total Current Expenditures	27,837,502	117,768,268
Excess of Revenues Over Expenditures Before Sources/Uses	(17,714,960)	6,838,153
Other Financing Sources & Uses		
Operating Transfers In	(893,000)	(893,000)
Total Other Financing Sources & Uses	(893,000)	(893,000)
Excess of Revenues Over Expenditures After Sources & Uses	(16,821,960)	7,731,153
Fund Balance, Beginning of Year		91,855,047
FUND BALANCE, END OF YEAR		99,586,200

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	216,243	2,011,422
Tobacco Settlement Proceeds	0	889,461
Opioid Settlement Proceeds	0	421,974
Total Revenues	216,243	3,322,857
Current Expenditures		
Legal & Professional Fees	1,298	10,515
Total Current Expenditures	1,298	10,515
Excess of Revenues Over Expenditures Before Sources/Uses	214,945	3,312,342
Other Financing Sources & Uses		
Operating Transfers Out	893,000	893,000
Total Other Financing Sources & Uses	893,000	893,000
Excess of Revenues Over Expenditures After Sources & Uses	(678,055)	2,419,342
Fund Balance, Beginning of Year		66,189,716
FUND BALANCE, END OF YEAR		68,609,058

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	46	456
Total Revenues	46	456
Current Expenditures		
Benefits	1,887	10,108
Administrative & General	7	1,450
Total Current Expenditures	1,894	11,558
Excess of Revenues Over Expenditures Before Sources/Uses	(1,847)	(11,102)
Excess of Revenues Over Expenditures After Sources & Uses	(1,847)	(11,102)
Fund Balance, Beginning of Year		15,386
FUND BALANCE, END OF YEAR		4,284

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	252,887	198,615	54,272	41,387,743	40,277,824	1,109,919
Penalties & Interest - Taxes	53,356	24,444	28,912	372,220	266,257	105,963
Spohn Corporate Member Revenue	9,478,269	7,933,333	1,544,936	79,884,175	71,400,001	8,484,174
Investment Income	338,005	87,903	250,102	2,961,295	857,611	2,103,684
Other Income	25	0	25	988	0	988
Total Revenues	10,122,542	8,244,295	1,878,247	124,606,421	112,801,693	11,804,728
Current Expenditures						
Intergovernmental Transfers	26,008,105	16,837,952	(9,170,153)	102,454,533	107,403,000	4,948,467
Emergency Residency Support	237,292	237,292	0	2,135,625	2,135,628	3
County Healthcare Funding	1,218,974	1,174,596	(44,378)	9,577,743	10,983,117	1,405,374
Salaries	156,247	171,962	15,715	1,182,638	1,685,169	502,531
Benefits	58,666	88,615	29,949	564,663	836,103	271,440
Legal & Professional Fees	63,473	74,292	10,819	497,489	668,632	171,143
Purchased Services	70,315	107,188	36,873	1,109,601	1,243,294	133,693
Supplies & Materials	1,001	2,166	1,165	10,594	19,506	8,912
Rent & Leases	11,993	13,250	1,257	108,858	119,254	10,396
Repairs & Maintenance	275	1,167	892	1,522	10,507	8,985
Utilities	4,613	8,533	3,920	41,784	76,805	35,021
Insurance	2,688	4,042	1,354	23,978	36,382	12,404
Administrative & General	3,861	18,833	14,972	50,839	169,517	118,678
Capital Outlay	0	0	0	8,400	210,000	201,600
Extraordinary	0	417	417	0	3,753	3,753
Total Current Expenditures	27,837,502	18,740,305	(9,097,197)	117,768,268	125,600,667	7,832,399
Excess of Revenues Over Expenditures Before Sources/Uses	(17,714,960)	(10,496,010)	(7,218,950)	6,838,153	(12,798,974)	19,637,127
Other Financing Sources & Uses						
Operating Transfers In	(893,000)	0	893,000	(893,000)	(700,000)	193,000
Total Other Financing Sources & Uses	(893,000)	0	893,000	(893,000)	(700,000)	193,000
Excess of Revenues Over Expenditures After Sources & Uses	(16,821,960)	(10,496,010)	(6,325,950)	7,731,153	(12,098,974)	19,830,127
Fund Balance, Beginning of Year				91,855,047	0	91,855,047
FUND BALANCE, END OF YEAR				99,586,200	(12,098,974)	111,685,174

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 6/1/2026 Through 6/30/2026
(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	1,875	0	1,875	4,396	0	4,396
Tobacco Settlement Proceeds	0	0	0	889,461	700,000	189,461
Total Revenues	1,875	0	1,875	893,857	700,000	193,857
Excess of Revenues Over Expenditures Before Sources/Uses	1,875	0	1,875	893,857	700,000	193,857
Other Financing Sources & Uses						
Operating Transfers Out	893,000	0	(893,000)	893,000	700,000	(193,000)
Total Other Financing Sources & Uses	893,000	0	(893,000)	893,000	700,000	(193,000)
Excess of Revenues Over Expenditures After Sources & Uses	(891,125)	0	(891,125)	857	0	857
Fund Balance, Beginning of Year				2,005	0	2,005
FUND BALANCE, END OF YEAR				2,862	0	2,862

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Opioid Settlement Fund
From 6/1/2026 Through 6/30/2026
(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	10,304	2,560	7,744	87,482	27,403	60,079
Opioid Settlement Proceeds	0	0	0	421,974	0	421,974
Total Revenues	10,304	2,560	7,744	509,457	27,403	482,054
Current Expenditures						
Purchased Services	0	100,000	100,000	0	900,000	900,000
Total Current Expenditures	0	100,000	100,000	0	900,000	900,000
Excess of Revenues Over Expenditures Before Sources/Uses	10,304	(97,440)	107,744	509,457	(872,597)	1,382,054
Excess of Revenues Over Expenditures After Sources & Uses	10,304	(97,440)	107,744	509,457	(872,597)	1,382,054
Fund Balance, Beginning of Year				2,938,513	0	2,938,513
FUND BALANCE, END OF YEAR				3,447,970	(872,597)	4,320,567

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 6/1/2026 Through 6/30/2026
(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	204,064	78,845	125,219	1,919,543	706,202	1,213,341
Total Revenues	204,064	78,845	125,219	1,919,543	706,202	1,213,341
Current Expenditures						
Legal & Professional Fees	1,298	3,000	1,702	10,515	27,000	16,485
Total Current Expenditures	1,298	3,000	1,702	10,515	27,000	16,485
Excess of Revenues Over Expenditures Before Sources/Uses	202,766	75,845	126,921	1,909,028	679,202	1,229,826
Excess of Revenues Over Expenditures After Sources & Uses	202,766	75,845	126,921	1,909,028	679,202	1,229,826
Fund Balance, Beginning of Year				63,249,198	0	63,249,198
FUND BALANCE, END OF YEAR				65,158,226	679,202	64,479,024

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

(b) The report must:

(1) describe in detail the investment position of the entity on the date of the report;

(2) be prepared jointly by all investment officers of the entity;

(3) be signed by each investment officer of the entity;

(4) contain a summary statement of each pooled fund group that states the:

(A) beginning market value for the reporting period;

(B) ending market value for the period; and

(C) fully accrued interest for the reporting period;

(5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

(6) state the maturity date of each separately invested asset that has a maturity date;

(7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and

(8) state the compliance of the investment portfolio of the state agency or local government as it relates to:

(A) the investment strategy expressed in the agency's or local government's investment policy; and

(B) relevant provisions of this chapter.

(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

(d) If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank

in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 12, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 9, eff. June 17, 2011.

Sec. 2256.024. SUBCHAPTER CUMULATIVE. (a) The authority granted by this subchapter is in addition to that granted by other law. Except as provided by Subsection (b) and Section 2256.017, this subchapter does not:

(1) prohibit an investment specifically authorized by other law; or

(2) authorize an investment specifically prohibited by other law.

(b) Except with respect to those investing entities described in Subsection (c), a security described in Section 2256.009(b) is not an authorized investment for a state agency, a local government, or another investing entity, notwithstanding any other provision of this chapter or other law to the contrary.

(c) Mortgage pass-through certificates and individual mortgage loans that may constitute an investment described in Section 2256.009(b) are authorized investments with respect to the housing bond programs operated by:

(1) the Texas Department of Housing and Community Affairs or a nonprofit corporation created to act on its behalf;

(2) an entity created under Chapter 392, Local Government Code; or

(3) an entity created under Chapter 394, Local Government Code.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by:

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: Quarterly Investment Report as of June 30, 2026

REPORTING PERIOD: Quarter Ended June 30, 2026

Purpose

To provide the Board of Managers with a general overview of the District's investment portfolio and investment activity for the quarter ended June 30, 2026, including the portfolio's overall size, earnings, liquidity, investment characteristics, and compliance with applicable investment requirements.

Overall Investment Position

As of June 30, 2026, the District maintained an investment portfolio with a book value of approximately $190.6 million and a market value of approximately $190.6 million. The relatively small difference between book and market value indicates limited market-value fluctuation within the portfolio at quarter end.

The portfolio continues to be positioned conservatively, with an emphasis on liquidity, preservation of principal, and short-term investment maturities. The reported average credit quality of the portfolio is AAA, and the weighted average maturity remains very short.

Investment Earnings

The District earned approximately $2.35 million from its investments during the quarter. Fiscal year-to-date investment earnings through June 30 totaled approximately $6.56 million.

The portfolio reported a weighted average yield of approximately 3.73% at quarter end. Investment earnings therefore continue to provide a meaningful source of revenue to the District while the portfolio maintains a conservative investment posture.

Liquidity and Investment Strategy

Liquidity remains a significant characteristic of the District's portfolio. Approximately 88% of the portfolio is invested in instruments with one-day liquidity, with most of the remaining investments maturing within relatively short periods.

This short-term positioning provides the District with ready access to funds for operating, healthcare financing, and other expenditure requirements. It also limits the portfolio's exposure to changes in market interest rates and allows funds to be reinvested as investment opportunities and District cash requirements change.

Changes During the Quarter

The overall market value of the portfolio declined from approximately $225.8 million at March 31, 2026, to $190.6 million at June 30, 2026. The investment report indicates that this reduction primarily reflects cash movements and portfolio activity rather than investment losses.

The unrealized market loss at June 30 was approximately $60,000, which is small relative to the approximately $190.6 million portfolio.

Accordingly, the quarter-to-quarter reduction in total invested assets should principally be viewed in the context of the District's cash requirements and movement of funds rather than as deterioration in investment performance.

Interest Rate Environment

The investment manager reports that short-term interest rates increased during the latter portion of the quarter amid changing expectations concerning Federal Reserve monetary policy, economic growth, and inflation. The District's short-duration investment strategy reduces sensitivity to market-rate movements while permitting relatively rapid reinvestment as securities mature or liquid funds become available.

The direction of short-term interest rates and the reinvestment opportunities available to the District will remain relevant to investment earnings during the remainder of the fiscal year.

Compliance

The quarterly investment report states that it was prepared in accordance with the District's Investment Policy and investment strategy and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code.

The District's designated investment officials certified that the investments reported for the quarter comply with the Public Funds Investment Act and the District's Investment Policy.

Overall Assessment

As of June 30, 2026, the District's investment portfolio remains highly liquid, conservatively positioned, and of high reported credit quality. Investment earnings remain significant, while the difference between the portfolio's book and market values is minimal.

The portfolio's short maturity structure provides substantial financial flexibility and limits exposure to market-price changes. Based on the quarterly report, the portfolio continues to support the District's objectives of maintaining liquidity and preserving principal while generating investment income.

NUECES CNTY HOSPITAL DISTRICT

Quarterly Investment Report

AS OF JUNE 30, 2026

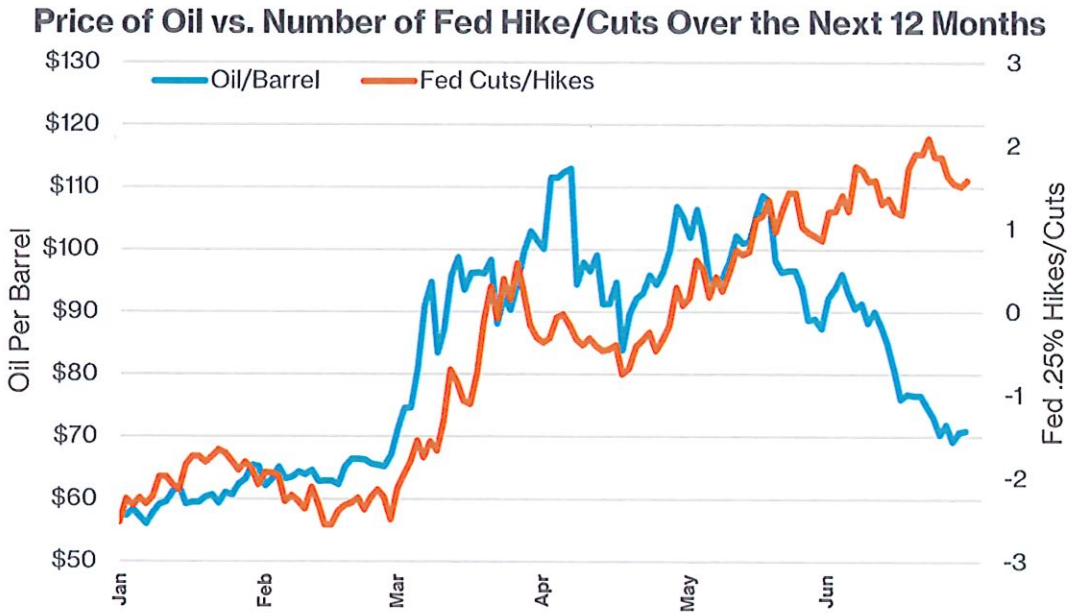
MEEDER
PUBLIC FUNDS

OBSERVATIONS AND EXPECTATIONS

MEEDER PUBLIC FUNDS

- The Fed delivers a hawkish tone at the June FOMC meeting
- Headline CPI is at the highest level since 2023 primarily due to energy price increases
- U.S. economic growth looks strong for the second quarter of 2026
- Shorter-term interest rates increased in June with a Fed hike projected later this year

- At the end of February (prior to the Iran conflict), the futures market was pricing in approximately 2.5 quarter point cuts by December 2026.
- At the end of June, futures market data were projecting the Fed to hike later this year.

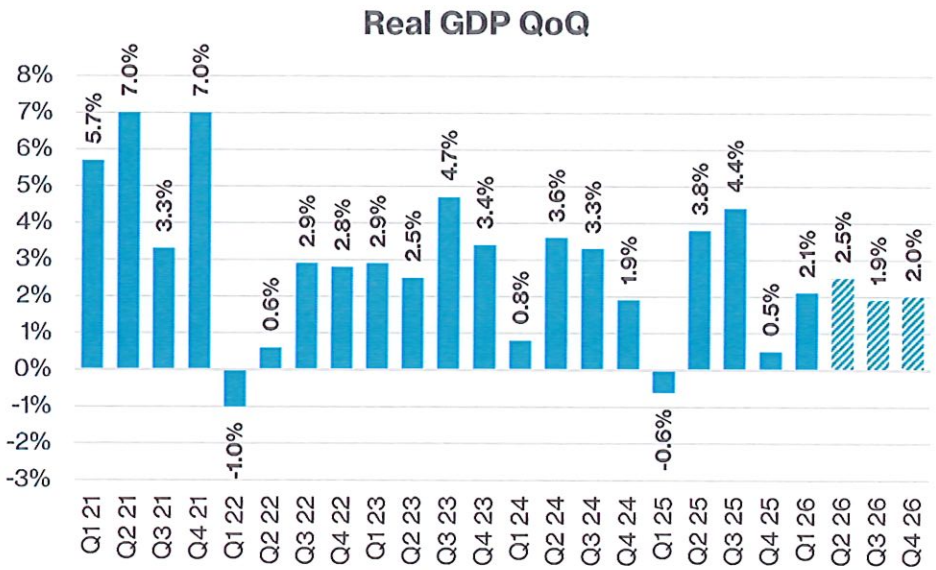


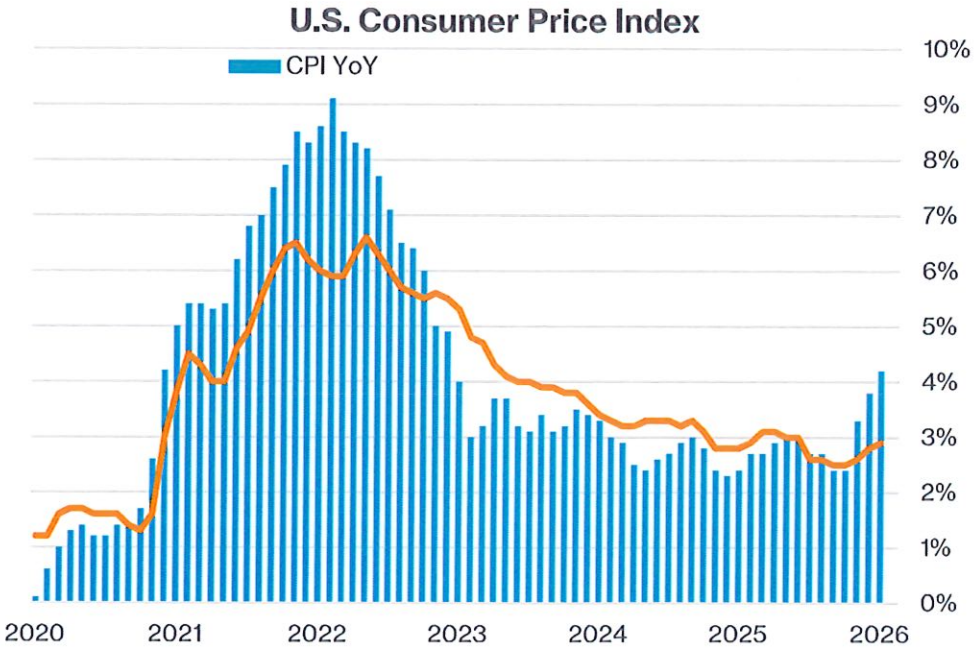
SOURCE: BLOOMBERG

MEEDER
PUBLIC FUNDS

- Q1 2026's GDP was recently revised up from 1.6% to 2.1%.
- This growth surge was primarily driven by lower imports and stronger business investment, even though underlying consumer spending was weak.
- Q2 2026 GDP is projected by Bloomberg surveyed economists to be 2.5%.

SOURCE: BLOOMBERG,



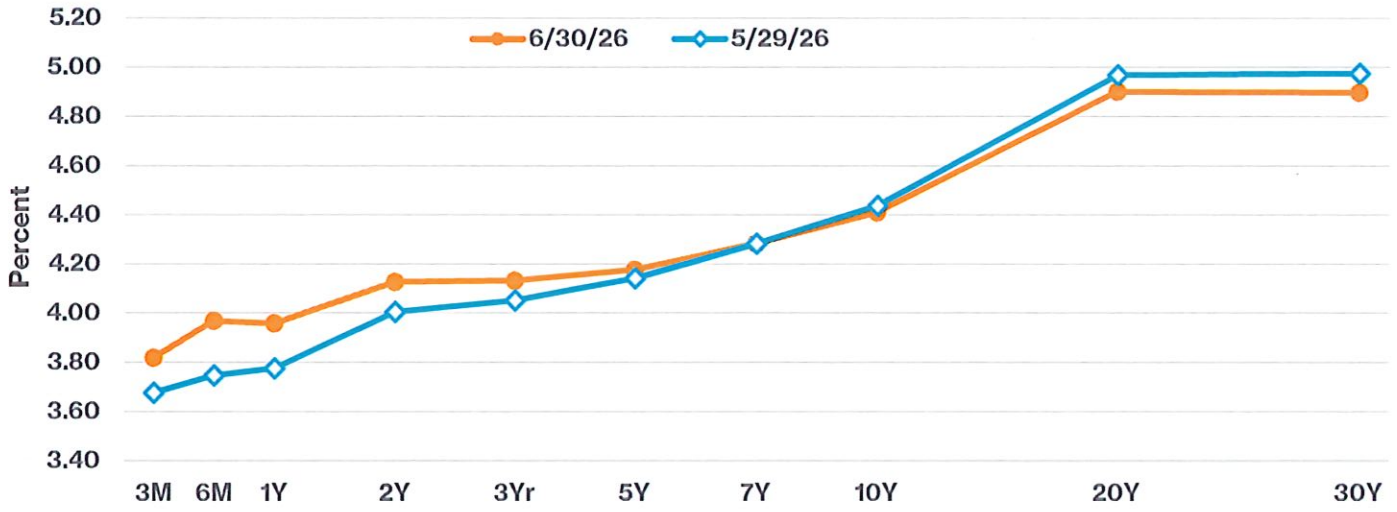


- U.S. inflation data released in May, accelerated to the fastest pace since 2023.
- A surge in energy prices accounted for most of the recent advance.
- However, the recent decline in oil prices should push inflation's rate of change lower for June.

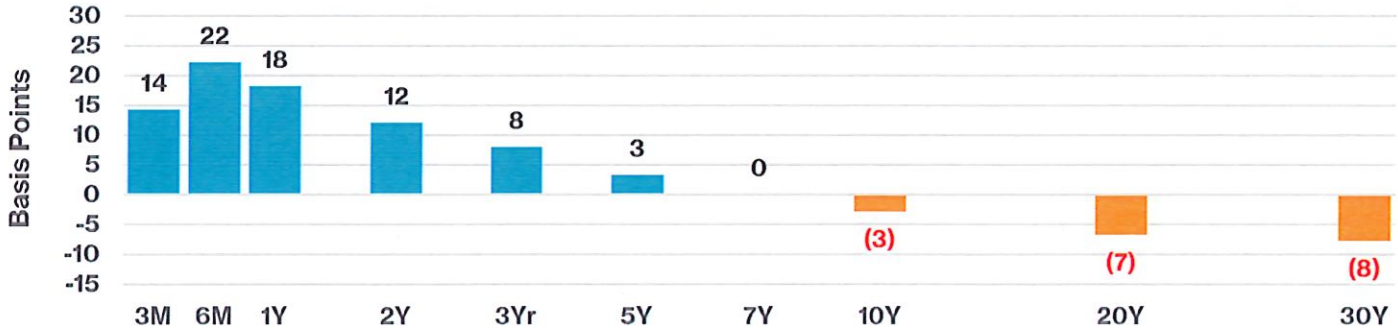
SOURCE: BLOOMBERG

MEEDER
PUBLIC FUNDS

U.S. Treasury Yield Curve Change



Basis Point Change



SOURCES: BLOOMBERG

MEEDER
PUBLIC FUNDS

Compliance Certification

The undersigned acknowledge they have reviewed this quarterly investment report for the period ending June 30, 2026. Officials designated as investment officers by this entity's Investment Policy attest that all investments comply with the Texas Public Funds Investment Act and this entity's Investment Policy.

Jonny Hipp, Administrator & CEO

Belinda Espinoza, Assistant Administrator

Donna Littlefield, Director of Accounting/Finance

MEEDER
PUBLIC FUNDS

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NUECES CNTY HOSPITAL DISTRICT
JUNE 30, 2026

MEEDER
PUBLIC FUNDS

Portfolio Statistics

3.73
Weighted Average Yield to Maturity

0.13
Weighted Average Maturity (Years)

0.10
Portfolio Effective Duration (Years)

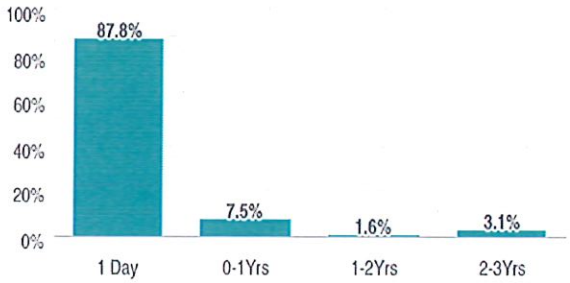
0.12
Weighted Average Life (Years)

AAA
Average Credit Rating

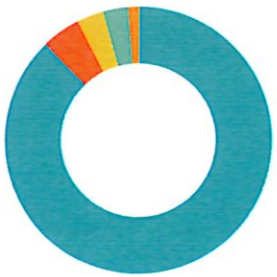
Portfolio Position

Par Value	$190,706,202
Principal Cost	$190,489,478
Book Value	$190,631,417
Market Value	$190,571,254
Unrealized Gain/Loss	($60,163)
Accrued Interest	$194,912

Maturity Distribution



Sector Allocation



LGIP	87.73%
U.S. Treasuries	4.71%
Commercial Paper	3.12%
U.S. Agencies	3.12%
Municipal Bonds	1.24%
Bank Deposits	0.07%
Money Market Funds	0.01%

MEEDER
PUBLIC FUNDS

Quarterly Portfolio Summary

This quarterly report is prepared in compliance with the Investment Policy and the Strategy of this entity and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Portfolio as of March 31, 2026

BEGINNING BOOK VALUE	$225,766,257.20
BEGINNING MARKET VALUE	$225,779,826.96
UNREALIZED GAIN/(LOSS)	$13,569.76
WEIGHTED AVERAGE MATURITY (YEARS)	0.09
WEIGHTED AVERAGE YIELD	3.77

Portfolio as of June 30, 2026

ENDING BOOK VALUE	$190,631,416.85
ENDING MARKET VALUE	$190,571,254.30
INVESTMENT INCOME FOR THE PERIOD	$2,351,247.38
UNREALIZED GAIN/(LOSS)	($60,162.54)
CHANGE IN UNREALIZED GAIN/(LOSS)	($73,732.30)
WEIGHTED AVERAGE MATURITY (YEARS)	0.13
WEIGHTED AVERAGE YIELD	3.73

MEEDER
PUBLIC FUNDS

Quarterly Portfolio Summary By Fund

PORTFOLIO MARKET VALUE BY FUND	03/31/2026	06/30/2026	CHANGE	INTEREST EARNED
GENERAL	114,908,637.17	104,953,108.62	-9,955,528.55	1,055,462.82
INDIGENT CARE	64,333,314.85	64,849,671.67	516,356.83	628,597.12
OPIOID SETTLEMENT FUND	2,995,205.01	3,447,969.69	452,764.68	30,790.29
RESTRICTED CASH	43,523,426.60	17,301,701.03	-26,221,725.57	631,899.38
TOBACCO SETTLEMENT	2,043.67	2,861.99	818.32	4,357.39
TRUST-EMPLOYEE HEALTH BENEFITS	17,199.66	15,941.30	-1,258.36	140.38
TOTAL	**225,779,826.96**	**190,571,254.30**	**-35,208,572.66**	**2,351,247.38**

MEEDER
PUBLIC FUNDS

Portfolio Overview

SECURITY TYPE	PAR VALUE	MARKET VALUE	BOOK VALUE	% OF PORTFOLIO	DAYS TO MATURITY	YIELD
Bank Deposits	132,820.92	132,820.92	132,820.92	0.07%	1	1.50
LGIP	167,192,439.33	167,192,439.33	167,192,439.33	87.73%	1	3.68
Money Market Funds	15,941.30	15,941.30	15,941.30	0.01%	1	3.54
Commercial Paper	6,000,000.00	5,943,981.30	5,964,966.67	3.12%	55	3.93
U.S. Treasuries	9,000,000.00	8,977,382.82	9,001,753.66	4.71%	583	4.04
U.S. Agencies	6,000,000.00	5,941,650.00	5,958,522.16	3.12%	457	3.95
Municipal Bonds	2,365,000.00	2,367,038.63	2,364,972.80	1.24%	230	5.20
TOTAL	**190,706,201.55**	**190,571,254.30**	**190,631,416.85**	**100.00%**	**47**	**3.73**

CASH AND ACCRUED INTEREST						
Purchased Accrued Interest		0.00	0.00			
TOTAL CASH AND INVESTMENTS	**190,706,201.55**	**190,571,254.30**	**190,631,416.85**		**47**	**3.73**

TOTAL EARNINGS

CURRENT QUARTER	FISCAL YEAR TO DATE
2,351,247.38	6,562,504.86

MEEDER PUBLIC FUNDS

Summary by Type

SECURITY TYPE	# OF SECURITIES	PAR VALUE	BOOK VALUE	% OF PORTFOLIO	YIELD	DAYS TO FINAL MATURITY
GENERAL						
Bank Deposits	2	127,643.97	127,643.97	0.07	1.50	1
LGIP	2	98,881,483.35	98,881,483.35	51.83	3.67	1
Commercial Paper	2	6,000,000.00	5,964,966.67	3.12	3.93	55
TOTAL	**6**	**105,009,127.32**	**104,974,093.99**	**55.07**	**3.68**	**4**
INDIGENT CARE						
LGIP	3	47,563,600.22	47,563,600.22	24.93	3.72	1
U.S. Treasuries	3	9,000,000.00	9,001,753.66	4.75	4.04	582
U.S. Agencies	2	6,000,000.00	5,958,522.16	3.15	3.95	460
Municipal Bonds	1	2,365,000.00	2,364,972.80	1.27	5.20	230
TOTAL	**9**	**64,928,600.22**	**64,888,848.85**	**34.03**	**3.84**	**132**
OPIOID SETTLEMENT FUND						
LGIP	1	3,447,969.69	3,447,969.69	1.81	3.67	1
TOTAL	**1**	**3,447,969.69**	**3,447,969.69**	**1.81**	**3.67**	**1**
RESTRICTED CASH						
Bank Deposits	1	5,176.95	5,176.95	0.00	1.50	1
LGIP	1	17,296,524.08	17,296,524.08	9.07	3.67	1
TOTAL	**2**	**17,301,701.03**	**17,301,701.03**	**9.08**	**3.67**	**1**
TOBACCO SETTLEMENT						
LGIP	1	2,861.99	2,861.99	0.00	3.67	1
TOTAL	**1**	**2,861.99**	**2,861.99**	**0.00**	**3.67**	**1**
TRUST-EMPLOYEE HEALTH BENEFITS						
Money Market Funds	1	15,941.30	15,941.30	0.01	3.54	1
TOTAL	**1**	**15,941.30**	**15,941.30**	**0.01**	**3.54**	**1**

MEEDER
PUBLIC FUNDS

Summary by Type

SECURITY TYPE	# OF SECURITIES	PAR VALUE	BOOK VALUE	% OF PORTFOLIO	YIELD	DAYS TO FINAL MATURITY
GRAND TOTAL	20	190,706,201.55	190,631,416.85	100.00	3.73	47

MEEDER PUBLIC FUNDS

Position Statement

CUSIP	DESCRIPTION	TRADE DATE SETTLE DATE	PAR VALUE	PRINCIPAL COST PURCHASED INTEREST	TOTAL COST	YIELD TO MATURITY	MATURITY DATE	DAYS TO MATURITY	MARKET PRICE MARKET VALUE	UNREALIZED GAIN/LOSS BOOK VALUE	% OF MV	MOODY'S S&P RATING
GENERAL												
BANK DEPOSITS												
664053079	Frost Bank Public Fund Checking Account	06/30/2026 06/30/2026	122,309.24	122,309.24 0.00	122,309.24	1.50		1	1.00 122,309.24	0.00 122,309.24	0.06	NA NA
664027221	Frost Bank Public Fund Checking Account	06/30/2026 06/30/2026	5,334.73	5,334.73 0.00	5,334.73	1.50		1	1.00 5,334.73	0.00 5,334.73	0.00	NA NA
BANK DEPOSITS TOTAL			**127,643.97**	**127,643.97 0.00**	**127,643.97**	**1.50**		**1**	**1.00 127,643.97**	**0.00 127,643.97**	**0.07**	**NA**
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	67,655,199.33	67,655,199.33 0.00	67,655,199.33	3.67		1	1.00 67,655,199.33	0.00 67,655,199.33	35.50	AAA
TXPOOL	TEXPOOL	06/30/2026 06/30/2026	31,226,284.02	31,226,284.02 0.00	31,226,284.02	3.67		1	1.00 31,226,284.02	0.00 31,226,284.02	16.39	NA
LGIP TOTAL			**98,881,483.35**	**98,881,483.35 0.00**	**98,881,483.35**	**3.67**		**1**	**1.00 98,881,483.35**	**0.00 98,881,483.35**	**51.89**	**AAA**
COMMERCIAL PAPER												
55607LG99	MACQUARIE BNK 07/09/26	12/12/2025 12/12/2025	3,000,000.00	2,933,816.67 0.00	2,933,816.67	3.89	07/09/2026	9	99.56 2,986,700.10	(10,766.57) 2,997,466.67	1.57	P-1 A-1
53944RK98	LMA 10/09/26	04/15/2026 04/15/2026	3,000,000.00	2,942,475.00 0.00	2,942,475.00	3.98	10/09/2026	101	98.58 2,957,281.20	(10,218.80) 2,967,500.00	1.55	P-1 NA
COMMERCIAL PAPER TOTAL			**6,000,000.00**	**5,876,291.67 0.00**	**5,876,291.67**	**3.93**		**55**	**99.07 5,943,981.30**	**(20,985.37) 5,964,966.67**	**3.12**	**AA-**
GENERAL TOTAL			**105,009,127.32**	**104,885,418.99 0.00**	**104,885,418.99**	**3.68**		**4**	**104,953,108.62**	**(20,985.37) 104,974,093.99**	**55.07**	**AAA**
INDIGENT CARE												
LGIP												
LOGIC	LOGIC	06/30/2026 06/30/2026	30,001,648.84	30,001,648.84 0.00	30,001,648.84	3.76		1	1.00 30,001,648.84	0.00 30,001,648.84	15.74	AAA
TEXSTAR	TexSTAR	06/30/2026 06/30/2026	11,976,402.15	11,976,402.15 0.00	11,976,402.15	3.64		1	1.00 11,976,402.15	0.00 11,976,402.15	6.28	AAA
TEXPOOL	TexPool	06/30/2026 06/30/2026	5,585,549.23	5,585,549.23 0.00	5,585,549.23	3.67		1	1.00 5,585,549.23	0.00 5,585,549.23	2.93	AAA
LGIP TOTAL			**47,563,600.22**	**47,563,600.22 0.00**	**47,563,600.22**	**3.72**		**1**	**1.00 47,563,600.22**	**0.00 47,563,600.22**	**24.96**	**AAA**
U.S. TREASURIES												
91282CKA8	US TREASURY 4.125 02/15/27	02/26/2025 02/26/2025	3,000,000.00	3,001,875.00 0.00	3,001,875.00	4.09	02/15/2027	230	100.06 3,001,757.82	1,160.64 3,000,597.18	1.58	Aa1 AA+

MEEDER PUBLIC FUNDS

Position Statement

CUSIP	DESCRIPTION	TRADE DATE SETTLE DATE	PAR VALUE	PRINCIPAL COST PURCHASED INTEREST	TOTAL COST	YIELD TO MATURITY	MATURITY DATE	DAYS TO MATURITY	MARKET PRICE MARKET VALUE	UNREALIZED GAIN/LOSS BOOK VALUE	% OF MV	MOODY'S S&P RATING
91282CLX7	US TREASURY 4.125 11/15/27	11/27/2024 11/27/2024	3,000,000.00	2,990,742.19 0.00	2,990,742.19	4.24	11/15/2027	503	99.94 2,998,125.00	2,416.25 2,995,708.75	1.57	Aa1 AA+
91282CQJ3	US TREASURY 3.875 04/15/29	04/15/2026 04/15/2026	3,000,000.00	3,005,859.38 0.00	3,005,859.38	3.81	04/15/2029	1,020	99.25 2,977,500.00	(27,947.73) 3,005,447.73	1.56	Aa1 AA+
U.S. TREASURIES TOTAL			**9,000,000.00**	**8,998,476.57 0.00**	**8,998,476.57**	**4.04**		**583**	**99.75 8,977,382.82**	**(24,370.84) 9,001,753.66**	**4.71**	**AA+**
U.S. AGENCIES												
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	12/11/2025 12/11/2025	3,000,000.00	2,908,650.00 0.00	2,908,650.00	3.62	12/16/2026	169	98.39 2,951,640.00	(6,882.16) 2,958,522.16	1.55	Aa1 AA+
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	07/24/2025 07/24/2025	3,000,000.00	3,000,000.00 0.00	3,000,000.00	4.28	07/10/2028	741	99.67 2,990,010.00	(9,990.00) 3,000,000.00	1.57	Aa1 AA+
U.S. AGENCIES TOTAL			**6,000,000.00**	**5,908,650.00 0.00**	**5,908,650.00**	**3.95**		**457**	**99.03 5,941,650.00**	**(16,872.16) 5,958,522.16**	**3.12**	**AA+**
MUNICIPAL BONDS												
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	11/08/2023 11/08/2023	2,365,000.00	2,364,858.10 0.00	2,364,858.10	5.20	02/15/2027	230	100.09 2,367,038.63	2,065.83 2,364,972.80	1.24	Aaa AAA
MUNICIPAL BONDS TOTAL			**2,365,000.00**	**2,364,858.10 0.00**	**2,364,858.10**	**5.20**		**230**	**100.09 2,367,038.63**	**2,065.83 2,364,972.80**	**1.24**	**AAA**
INDIGENT CARE TOTAL			64,928,600.22	64,835,584.89 0.00	64,835,584.89	3.84		132	64,849,671.67	(39,177.18) 64,888,848.85	34.03	AAA
OPIOID SETTLEMENT FUND												
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	3,447,969.69	3,447,969.69 0.00	3,447,969.69	3.67		1	1.00 3,447,969.69	0.00 3,447,969.69	1.81	AAA
LGIP TOTAL			**3,447,969.69**	**3,447,969.69 0.00**	**3,447,969.69**	**3.67**		**1**	**1.00 3,447,969.69**	**0.00 3,447,969.69**	**1.81**	**AAA**
OPIOID SETTLEMENT FUND TOTAL			3,447,969.69	3,447,969.69 0.00	3,447,969.69	3.67		1	3,447,969.69	0.00 3,447,969.69	1.81	AAA
RESTRICTED CASH												
BANK DEPOSITS												
664043316	Frost Bank Public Fund Checking Account	06/30/2026 06/30/2026	5,176.95	5,176.95 0.00	5,176.95	1.50		1	1.00 5,176.95	0.00 5,176.95	0.00	NA NA
BANK DEPOSITS TOTAL			**5,176.95**	**5,176.95 0.00**	**5,176.95**	**1.50**		**1**	**1.00 5,176.95**	**0.00 5,176.95**	**0.00**	**NA**

MEEDER PUBLIC FUNDS

Position Statement

CUSIP	DESCRIPTION	TRADE DATE SETTLE DATE	PAR VALUE	PRINCIPAL COST PURCHASED INTEREST	TOTAL COST	YIELD TO MATURITY	MATURITY DATE	DAYS TO MATURITY	MARKET PRICE MARKET VALUE	UNREALIZED GAIN/LOSS BOOK VALUE	% OF MV	MOODY'S S&P RATING
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	17,296,524.08	17,296,524.08 0.00	17,296,524.08	3.67		1	1.00 17,296,524.08	0.00 17,296,524.08	9.08	AAA
LGIP TOTAL			**17,296,524.08**	**17,296,524.08** **0.00**	**17,296,524.08**	**3.67**		**1**	**1.00** **17,296,524.08**	**0.00** **17,296,524.08**	**9.08**	**AAA**
RESTRICTED CASH TOTAL			17,301,701.03	17,301,701.03 0.00	17,301,701.03	3.67		1	17,301,701.03	0.00 17,301,701.03	9.08	AAA
TOBACCO SETTLEMENT												
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	2,861.99	2,861.99 0.00	2,861.99	3.67		1	1.00 2,861.99	0.00 2,861.99	0.00	AAA
LGIP TOTAL			**2,861.99**	**2,861.99** **0.00**	**2,861.99**	**3.67**		**1**	**1.00** **2,861.99**	**0.00** **2,861.99**	**0.00**	**AAA**
TOBACCO SETTLEMENT TOTAL			2,861.99	2,861.99 0.00	2,861.99	3.67		1	2,861.99	0.00 2,861.99	0.00	AAA
TRUST-EMPLOYEE HEALTH BENEFITS												
MONEY MARKET FUNDS												
825252406	INVESCO TREASURY;INST	06/30/2026 06/30/2026	15,941.30	15,941.30 0.00	15,941.30	3.54		1	1.00 15,941.30	0.00 15,941.30	0.01	Aaa AAA
MONEY MARKET FUNDS TOTAL			**15,941.30**	**15,941.30** **0.00**	**15,941.30**	**3.54**		**1**	**1.00** **15,941.30**	**0.00** **15,941.30**	**0.01**	**AAA**
TRUST-EMPLOYEE HEALTH BENEFITS TOTAL			15,941.30	15,941.30 0.00	15,941.30	3.54		1	15,941.30	0.00 15,941.30	0.01	AAA
GRAND TOTAL			**190,706,201.55**	**190,489,477.89** **0.00**	**190,489,477.89**	**3.73**		**47**	**190,571,254.30**	**(60,162.54)** **190,631,416.85**	**100.00**	**AAA**

MEEDER PUBLIC FUNDS

Cash Reconciliation Report

GENERAL

POST DATE	IDENTIFIER	DESCRIPTION	PAR VALUE	FINAL MATURITY	PRINCIPAL	AMOUNT
BUY						
04/15/2026	53944RK98	LMA 10/09/26	3,000,000.00	10/09/2026	2,942,475.00	-2,942,475.00
BUY TOTAL			**3,000,000.00**		**2,942,475.00**	**-2,942,475.00**
POST DATE	**IDENTIFIER**	**DESCRIPTION**	**PAR VALUE**	**FINAL MATURITY**	**PRINCIPAL**	**AMOUNT**
MATURITY						
05/26/2026	06743VES5	Barclays Capital Inc. 0.0 05/26/2026	-3,000,000.00	05/26/2026	-3,000,000.00	3,000,000.00
MATURITY TOTAL			**-3,000,000.00**		**-3,000,000.00**	**3,000,000.00**

INDIGENT CARE

POST DATE	IDENTIFIER	DESCRIPTION	PAR VALUE	FINAL MATURITY	PRINCIPAL	AMOUNT
BUY						
04/15/2026	91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	04/15/2029	3,005,859.38	-3,005,859.38
BUY TOTAL			**3,000,000.00**		**3,005,859.38**	**-3,005,859.38**
POST DATE	**IDENTIFIER**	**DESCRIPTION**	**PAR VALUE**	**FINAL MATURITY**	**PRINCIPAL**	**AMOUNT**
CALL REDEMPTION						
04/21/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 '26	-2,716,000.00	07/01/2026	-2,716,000.00	2,716,000.00
05/04/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	-1,359,000.00	07/01/2026	-1,359,000.00	1,359,000.00
CALL REDEMPTION TOTAL			**-4,075,000.00**		**-4,075,000.00**	**4,075,000.00**
POST DATE	**IDENTIFIER**	**DESCRIPTION**	**PAR VALUE**	**FINAL MATURITY**	**PRINCIPAL**	**AMOUNT**
COUPON						
04/21/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 '26	0.00	07/01/2026	0.00	33,635.40
05/04/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	0.00	07/01/2026	0.00	18,819.09
05/15/2026	91282CLX7	US TREASURY 4.125 11/15/27	0.00	11/15/2027	0.00	61,875.00
06/16/2026	3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	0.00	12/16/2026	0.00	7,950.00
COUPON TOTAL			**0.00**		**0.00**	**122,279.49**

MEEDER PUBLIC FUNDS

Transaction Statement

INDIGENT CARE

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	PRINCIPAL COST	PURCHASED INTEREST	TOTAL	PURCHASE YIELD
BUY									
	04/15/2026	04/15/2026	91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	3,005,859.38	0.00	(3,005,859.38)	3.81
BUY TOTAL					**3,000,000.00**	**3,005,859.38**	**0.00**	**(3,005,859.38)**	**3.81**

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	BOOK VALUE	TOTAL	NET REALIZED GAIN/LOSS
CALL REDEMPTION								
	04/21/2026	04/21/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 '26	(2,716,000.00)	2,710,475.85	2,716,000.00	5,524.15
	05/04/2026	05/04/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	(1,359,000.00)	1,356,742.00	1,359,000.00	2,258.00
CALL REDEMPTION TOTAL					**(4,075,000.00)**	**4,067,217.84**	**4,075,000.00**	**7,782.16**

GENERAL

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	PRINCIPAL COST	PURCHASED INTEREST	TOTAL	PURCHASE YIELD
BUY									
	04/15/2026	04/15/2026	53944RK98	LMA 10/09/26	3,000,000.00	2,942,475.00	0.00	(2,942,475.00)	3.98
BUY TOTAL					**3,000,000.00**	**2,942,475.00**	**0.00**	**(2,942,475.00)**	**3.98**

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	BOOK VALUE	TOTAL	NET REALIZED GAIN/LOSS
MATURITY								
	05/26/2026	05/26/2026	06743VES5	Barclays Capital Inc. 0.0 05/26/2026	(3,000,000.00)	3,000,000.00	3,000,000.00	0.00
MATURITY TOTAL					**(3,000,000.00)**	**3,000,000.00**	**3,000,000.00**	**0.00**

MEEDER PUBLIC FUNDS

Amortization Schedule

CUSIP	DESCRIPTION	PAR VALUE	PRINCIPAL COST	ORIGINAL PREMIUM OR DISCOUNT	BEGINNING BOOK VALUE	CURRENT PERIOD AMORT	ENDING BOOK VALUE	TOTAL AMORTIZATION	UNAMORTIZED BALANCE
GENERAL									
06743VES5	Barclays Capital Inc. 0.0 05/26/2026	3,000,000.00	2,891,625.00	(108,375.00)	2,980,520.83	19,479.17	0.00	108,375.00	0.00
53944RK98	LMA 10/09/26	3,000,000.00	2,942,475.00	(57,525.00)	0.00	25,025.00	2,967,500.00	25,025.00	(32,500.00)
55607LG99	MACQUARIE BNK 07/09/26	3,000,000.00	2,933,816.67	(66,183.33)	2,968,650.00	28,816.67	2,997,466.67	63,650.00	(2,533.33)
TOTAL		**9,000,000.00**	**8,767,916.67**	**(232,083.33)**	**5,949,170.83**	**73,320.83**	**5,964,966.67**	**197,050.00**	**(35,033.33)**
INDIGENT CARE									
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	2,365,000.00	2,364,858.10	(141.90)	2,364,962.00	10.81	2,364,972.80	114.71	(27.20)
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	3,000,000.00	2,908,650.00	(91,350.00)	2,936,055.00	22,467.16	2,958,522.16	49,872.16	(41,477.84)
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	3,000,000.00	3,000,000.00	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	4,075,000.00	3,951,975.75	(123,024.25)	4,064,377.02	2,840.83	0.00	115,242.10	0.00
91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	3,005,859.38	5,859.38	0.00	(411.65)	3,005,447.73	(411.65)	5,447.73
91282CKA8	US TREASURY 4.125 02/15/27	3,000,000.00	3,001,875.00	1,875.00	3,000,834.49	(237.31)	3,000,597.18	(1,277.82)	597.18
91282CLX7	US TREASURY 4.125 11/15/27	3,000,000.00	2,990,742.19	(9,257.81)	2,994,930.86	777.90	2,995,708.75	4,966.56	(4,291.25)
TOTAL		**21,440,000.00**	**21,223,960.41**	**(216,039.59)**	**18,361,159.36**	**25,447.73**	**17,325,248.63**	**168,506.06**	**(39,751.37)**
GRAND TOTAL		**30,440,000.00**	**29,991,877.08**	**(448,122.92)**	**24,310,330.20**	**98,768.56**	**23,290,215.30**	**365,556.05**	**(74,784.71)**

MEEDER PUBLIC FUNDS

Accrued Interest Schedule

IDENTIFIER	DESCRIPTION	SETTLE DATE	PAR VALUE	PRINCIPAL COST	BEGINNING ACCRUED INTEREST	PURCHASED INTEREST	CURRENT PERIOD ACCRUAL	INTEREST RECEIVED	ENDING ACCRUED INTEREST
GENERAL									
664053079	Frost Bank Public Fund Checking Account	2026-06-30	122,309.24	122,309.24	0.00	0.00	3,909.79	3,909.79	0.00
664027221	Frost Bank Public Fund Checking Account	2026-06-30	5,334.73	5,334.73	0.00	0.00	48.39	48.39	0.00
53944RK98	LMA 10/09/26	2026-04-15	3,000,000.00	2,942,475.00	0.00	0.00	0.00	0.00	0.00
55607LG99	MACQUARIE BNK 07/09/26	2025-12-12	3,000,000.00	2,933,816.67	0.00	0.00	0.00	0.00	0.00
TXPOOL	TEXPOOL	2026-06-30	31,226,284.02	31,226,284.02	0.00	0.00	363,079.42	363,079.42	0.00
TEXPOOL	TexPool	2026-06-30	67,655,199.33	67,655,199.33	0.00	0.00	615,104.39	615,104.39	0.00
TOTAL			**105,009,127.32**	**104,885,418.99**	**0.00**	**0.00**	**982,141.99**	**982,141.99**	**0.00**
INDIGENT CARE									
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	2023-11-08	2,365,000.00	2,364,858.10	15,714.11	0.00	30,745.00	0.00	46,459.11
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	2025-12-11	3,000,000.00	2,908,650.00	4,637.50	0.00	3,975.00	7,950.00	662.50
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	2025-07-24	3,000,000.00	3,000,000.00	28,890.00	0.00	32,100.00	0.00	60,990.00
LOGIC	LOGIC	2026-06-30	30,001,648.84	30,001,648.84	0.00	0.00	273,817.90	273,817.90	0.00
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	2023-08-11	0.00	0.00	41,289.94	0.00	11,164.55	52,454.49	0.00
TEXPOOL	TexPool	2026-06-30	5,585,549.23	5,585,549.23	0.00	0.00	50,153.84	50,153.84	0.00
TEXSTAR	TexSTAR	2026-06-30	11,976,402.15	11,976,402.15	0.00	0.00	106,999.08	106,999.08	0.00
91282CQJ3	US TREASURY 3.875 04/15/29	2026-04-15	3,000,000.00	3,005,859.38	0.00	0.00	24,456.97	0.00	24,456.97
91282CKA8	US TREASURY 4.125 02/15/27	2025-02-26	3,000,000.00	3,001,875.00	15,383.29	0.00	31,108.43	0.00	46,491.71
91282CLX7	US TREASURY 4.125 11/15/27	2024-11-27	3,000,000.00	2,990,742.19	46,833.56	0.00	30,846.46	61,875.00	15,805.03
TOTAL			**64,928,600.22**	**64,835,584.89**	**152,748.40**	**0.00**	**595,367.23**	**553,250.31**	**194,865.32**
OPIOID SETTLEMENT FUND									
TEXPOOL	TexPool	2026-06-30	3,447,969.69	3,447,969.69	0.00	0.00	30,790.29	30,790.29	0.00
TOTAL			**3,447,969.69**	**3,447,969.69**	**0.00**	**0.00**	**30,790.29**	**30,790.29**	**0.00**
RESTRICTED CASH									
664043316	Frost Bank Public Fund Checking Account	2026-06-30	5,176.95	5,176.95	0.00	0.00	134.37	134.37	0.00

MEEDER PUBLIC FUNDS

Accrued Interest Schedule

IDENTIFIER	DESCRIPTION	SETTLE DATE	PAR VALUE	PRINCIPAL COST	BEGINNING ACCRUED INTEREST	PURCHASED INTEREST	CURRENT PERIOD ACCRUAL	INTEREST RECEIVED	ENDING ACCRUED INTEREST
TEXPOOL	TexPool	2026-06-30	17,296,524.08	17,296,524.08	0.00	0.00	631,765.01	631,765.01	0.00
TOTAL			**17,301,701.03**	**17,301,701.03**	**0.00**	**0.00**	**631,899.38**	**631,899.38**	**0.00**
TOBACCO SETTLEMENT									
TEXPOOL	TexPool	2026-06-30	2,861.99	2,861.99	0.00	0.00	4,357.39	4,357.39	0.00
TOTAL			**2,861.99**	**2,861.99**	**0.00**	**0.00**	**4,357.39**	**4,357.39**	**0.00**
TRUST-EMPLOYEE HEALTH BENEFITS									
825252406	INVESCO TREASURY;INST	2026-06-30	15,941.30	15,941.30	51.91	0.00	140.38	145.93	46.36
TOTAL			**15,941.30**	**15,941.30**	**51.91**	**0.00**	**140.38**	**145.93**	**46.36**
GRAND TOTAL			**190,706,201.55**	**190,489,477.89**	**152,800.31**	**0.00**	**2,244,696.66**	**2,202,585.29**	**194,911.68**

MEEDER PUBLIC FUNDS

Earnings by Fund

CUSIP	DESCRIPTION	ENDING PAR VALUE	BEGINNING BOOK VALUE	ENDING BOOK VALUE	FINAL MATURITY	COUPON RATE	YIELD	INTEREST EARNED	NET AMORTIZATION/ ACCRETION INCOME	NET REALIZED GAIN/LOSS	ADJUSTED INTEREST EARNINGS
GENERAL											
06743VES5	Barclays Capital Inc. 0.0 05/26/2026	0.00	2,980,520.83	0.00	05/26/2026	0.00	4.41	0.00	19,479.17	0.00	19,479.17
53944RK98	LMA 10/09/26	3,000,000.00	0.00	2,967,500.00	10/09/2026	0.00	3.98	0.00	25,025.00	0.00	25,025.00
55607LG99	MACQUARIE BNK 07/09/26	3,000,000.00	2,968,650.00	2,997,466.67	07/09/2026	0.00	3.89	0.00	28,816.67	0.00	28,816.67
664027221	Frost Bank Public Fund Checking Account	5,334.73	5,286.34	5,334.73	06/30/2026	3.83	1.50	48.39	0.00	0.00	48.39
664053079	Frost Bank Public Fund Checking Account	122,309.24	209,080.86	122,309.24	06/30/2026	3.83	1.50	3,909.79	0.00	0.00	3,909.79
TEXPOOL	TexPool	67,655,199.33	72,116,178.32	67,655,199.33	06/30/2026	5.34	3.67	615,104.39	0.00	0.00	615,104.39
TXPOOL	TEXPOOL	31,226,284.02	36,646,297.25	31,226,284.02	06/30/2026	5.32	3.67	363,079.42	0.00	0.00	363,079.42
TOTAL		**105,009,127.32**	**114,926,013.60**	**104,974,093.99**		**5.03**	**3.68**	**982,141.99**	**73,320.83**	**0.00**	**1,055,462.82**
INDIGENT CARE											
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	2,365,000.00	2,364,962.00	2,364,972.80	02/15/2027	5.20	5.20	30,745.00	10.81	0.00	30,755.81
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	3,000,000.00	2,936,055.00	2,958,522.16	12/16/2026	0.53	3.62	3,975.00	22,467.16	0.00	26,442.16
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	3,000,000.00	3,000,000.00	3,000,000.00	07/10/2028	4.28	4.28	32,100.00	0.00	0.00	32,100.00
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	0.00	4,064,377.02	0.00	07/01/2026	4.05	5.19	11,164.55	2,840.83	7,782.16	21,787.54
91282CKA8	US TREASURY 4.125 02/15/27	3,000,000.00	3,000,834.49	3,000,597.18	02/15/2027	4.13	4.09	31,108.43	(237.31)	0.00	30,871.12
91282CLX7	US TREASURY 4.125 11/15/27	3,000,000.00	2,994,930.86	2,995,708.75	11/15/2027	4.13	4.24	30,846.46	777.90	0.00	31,624.36
91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	0.00	3,005,447.73	04/15/2029	3.88	3.81	24,456.97	(411.65)	0.00	24,045.31
LOGIC	LOGIC	30,001,648.84	26,978,195.54	30,001,648.84	06/30/2026	0.00	3.76	273,817.90	0.00	0.00	273,817.90
TEXPOOL	TexPool	5,585,549.23	5,473,520.39	5,585,549.23	06/30/2026	5.34	3.67	50,153.84	0.00	0.00	50,153.84
TEXSTAR	TexSTAR	11,976,402.15	13,489,493.36	11,976,402.15	06/30/2026	5.30	3.64	106,999.08	0.00	0.00	106,999.08
TOTAL		**64,928,600.22**	**64,302,368.65**	**64,888,848.85**		**2.41**	**3.84**	**595,367.23**	**25,447.73**	**7,782.16**	**628,597.12**
OPIOID SETTLEMENT FUND											
TEXPOOL	TexPool	3,447,969.69	2,995,205.01	3,447,969.69	06/30/2026	5.34	3.67	30,790.29	0.00	0.00	30,790.29
TOTAL		**3,447,969.69**	**2,995,205.01**	**3,447,969.69**		**5.34**	**3.67**	**30,790.29**	**0.00**	**0.00**	**30,790.29**

MEEDER PUBLIC FUNDS

Earnings by Fund

CUSIP	DESCRIPTION	ENDING PAR VALUE	BEGINNING BOOK VALUE	ENDING BOOK VALUE	FINAL MATURITY	COUPON RATE	YIELD	INTEREST EARNED	NET AMORTIZATION/ ACCRETION INCOME	NET REALIZED GAIN/LOSS	ADJUSTED INTEREST EARNINGS
RESTRICTED CASH											
664043316	Frost Bank Public Fund Checking Account	5,176.95	5,042.58	5,176.95	06/30/2026	3.83	1.50	134.37	0.00	0.00	134.37
TEXPOOL	TexPool	17,296,524.08	43,518,384.02	17,296,524.08	06/30/2026	5.34	3.67	631,765.01	0.00	0.00	631,765.01
TOTAL		**17,301,701.03**	**43,523,426.60**	**17,301,701.03**		**5.33**	**3.67**	**631,899.38**	**0.00**	**0.00**	**631,899.38**
TOBACCO SETTLEMENT											
TEXPOOL	TexPool	2,861.99	2,043.67	2,861.99	06/30/2026	5.34	3.67	4,357.39	0.00	0.00	4,357.39
TOTAL		**2,861.99**	**2,043.67**	**2,861.99**		**5.34**	**3.67**	**4,357.39**	**0.00**	**0.00**	**4,357.39**
TRUST-EMPLOYEE HEALTH BENEFITS											
825252406	INVESCO TREASURY;INST	15,941.30	17,199.66	15,941.30	06/30/2026	3.58	3.54	140.38	0.00	0.00	140.38
TOTAL		**15,941.30**	**17,199.66**	**15,941.30**		**3.58**	**3.54**	**140.38**	**0.00**	**0.00**	**140.38**
GRAND TOTAL		**190,706,201.55**	**225,766,257.20**	**190,631,416.85**		**4.17**	**3.73**	**2,244,696.66**	**98,768.56**	**7,782.16**	**2,351,247.38**

MEEDER PUBLIC FUNDS

Projected Cashflows

For the Period July 01, 2026 to December 31, 2026

CUSIP	DESCRIPTION	POST DATE	TRANSACTION TYPE	AMOUNT
GENERAL				
JUL 2026				
55607LG99	Macquarie Bank Limited 0.0 07/09/2026	07/09/2026	Maturity	3,000,000.00
JUL 2026 TOTAL				**3,000,000.00**
OCT 2026				
53944RK98	LMA 10/09/26	10/09/2026	Final Maturity	3,000,000.00
OCT 2026 TOTAL				**3,000,000.00**
GENERAL TOTAL				**6,000,000.00**
INDIGENT CARE				
JUL 2026				
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	07/10/2026	Coupon	64,200.00
JUL 2026 TOTAL				**64,200.00**
AUG 2026				
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	08/17/2026	Coupon	62,173.22
91282CKA8	US TREASURY 4.125 02/15/27	08/17/2026	Coupon	61,875.00
AUG 2026 TOTAL				**124,048.22**
OCT 2026				
91282CQJ3	US TREASURY 3.875 04/15/29	10/15/2026	Coupon	58,125.00
OCT 2026 TOTAL				**58,125.00**
NOV 2026				
91282CLX7	US TREASURY 4.125 11/15/27	11/16/2026	Coupon	61,875.00
NOV 2026 TOTAL				**61,875.00**
DEC 2026				
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	12/16/2026	Coupon	7,950.00

MEEDER PUBLIC FUNDS

Projected Cashflows

For the Period July 01, 2026 to December 31, 2026

CUSIP	DESCRIPTION	POST DATE	TRANSACTION TYPE	AMOUNT
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	12/16/2026	Final Maturity	3,000,000.00
DEC 2026 TOTAL				**3,007,950.00**
JAN 2027				
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	01/11/2027	Coupon	64,200.00
3130BBGF6	FHLBANKS 4.300 07/16/29 '27	01/19/2027	Coupon	64,500.00
JAN 2027 TOTAL				**128,700.00**
FEB 2027				
91282CKA8	US TREASURY 4.125 02/15/27	02/16/2027	Final Maturity	3,000,000.00
91282CKA8	US TREASURY 4.125 02/15/27	02/16/2027	Coupon	61,875.00
FEB 2027 TOTAL				**3,061,875.00**
INDIGENT CARE TOTAL				**6,506,773.22**
GRAND TOTAL				**12,506,773.22**

MEEDER PUBLIC FUNDS

Change in Value

IDENTIFIER	ISSUER PAR VALUE	YIELD	TRADE DATE MATURITY DATE	INTEREST ACCRUAL INTEREST RECEIVED	BEGINNING BOOK VALUE BEGINNING MARKET VALUE	PURCHASES/ ADDITIONS	REDEMPTIONS	CHANGE IN BOOK VALUE CHANGE IN MARKET VALUE	ENDING BOOK VALUE ENDING MARKET VALUE
GENERAL									
06743VES5	Barclays Capital Inc. 0.0 05/26/2026 0.00	4.41	07/24/2025 05/26/2026	0.00 0.00	2,980,520.83 2,972,230.50	0.00	(3,000,000.00)	(2,980,520.83) (2,972,230.50)	0.00 0.00
664027221	Frost Bank Public Fund Checking Account 5,334.73	1.50	06/30/2026	48.39 48.39	5,286.34 5,286.34	59,090.91	(59,042.52)	48.39 48.39	5,334.73 5,334.73
TEXPOOL	TexPool 67,655,199.33	3.67	06/30/2026	615,104.39 615,104.39	72,116,178.32 72,116,178.32	922,229.58	(5,383,208.57)	(4,460,978.99) (4,460,978.99)	67,655,199.33 67,655,199.33
664053079	Frost Bank Public Fund Checking Account 122,309.24	1.50	06/30/2026	3,909.79 3,909.79	209,080.86 209,080.86	118,690.40	(205,462.02)	(86,771.62) (86,771.62)	122,309.24 122,309.24
TXPOOL	TEXPOOL 31,226,284.02	3.67	06/30/2026	363,079.42 363,079.42	36,646,297.25 36,646,297.25	13,329,794.83	(18,749,808.06)	(5,420,013.23) (5,420,013.23)	31,226,284.02 31,226,284.02
55607LG99	MACQUARIE BNK 07/09/26 3,000,000.00	3.89	12/12/2025 07/09/2026	0.00 0.00	2,968,650.00 2,959,563.90	0.00	0.00	28,816.67 27,136.20	2,997,466.67 2,986,700.10
53944RK98	LMA 10/09/26 3,000,000.00	3.98	04/15/2026 10/09/2026	0.00 0.00	0.00 0.00	2,942,475.00	0.00	2,967,500.00 2,957,281.20	2,967,500.00 2,957,281.20
TOTAL		**3.68**		**982,141.99** **982,141.99**	**114,926,013.60** **114,908,637.17**	**17,372,280.72**	**(27,397,521.17)**	**(9,951,919.62)** **(9,955,528.55)**	**104,974,093.99** **104,953,108.62**
INDIGENT CARE									
TEXSTAR	TexSTAR 11,976,402.15	3.64	06/30/2026	106,999.08 106,999.08	13,489,493.36 13,489,493.36	1,457,238.36	(2,970,329.57)	(1,513,091.21) (1,513,091.21)	11,976,402.15 11,976,402.15
LOGIC	LOGIC 30,001,648.84	3.76	06/30/2026	273,817.90 273,817.90	26,978,195.54 26,978,195.54	3,023,453.30	0.00	3,023,453.30 3,023,453.30	30,001,648.84 30,001,648.84
TEXPOOL	TexPool 5,585,549.23	3.67	06/30/2026	50,153.84 50,153.84	5,473,520.39 5,473,520.39	112,028.84	0.00	112,028.84 112,028.84	5,585,549.23 5,585,549.23
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD 0.00	5.19	08/11/2023 07/01/2026	11,164.55 52,454.49	4,064,377.02 4,075,273.03	0.00	(4,075,000.00)	(4,064,377.02) (4,075,273.03)	0.00 0.00
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26 3,000,000.00	3.62	12/11/2025 12/16/2026	3,975.00 7,950.00	2,936,055.00 2,930,880.00	0.00	0.00	22,467.16 20,760.00	2,958,522.16 2,951,640.00
91282CKA8	US TREASURY 4.125 02/15/27 3,000,000.00	4.09	02/26/2025 02/15/2027	31,108.43 0.00	3,000,834.49 3,009,257.82	0.00	0.00	(237.31) (7,500.00)	3,000,597.18 3,001,757.82
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26 2,365,000.00	5.20	11/08/2023 02/15/2027	30,745.00 0.00	2,364,962.00 2,367,644.07	0.00	0.00	10.81 (605.44)	2,364,972.80 2,367,038.63
91282CLX7	US TREASURY 4.125 11/15/27 3,000,000.00	4.24	11/27/2024 11/15/2027	30,846.46 61,875.00	2,994,930.86 3,012,890.64	0.00	0.00	777.90 (14,765.64)	2,995,708.75 2,998,125.00

MEEDER PUBLIC FUNDS

Change in Value

IDENTIFIER	ISSUER PAR VALUE	YIELD	TRADE DATE MATURITY DATE	INTEREST ACCRUAL INTEREST RECEIVED	BEGINNING BOOK VALUE BEGINNING MARKET VALUE	PURCHASES/ ADDITIONS	REDEMPTIONS	CHANGE IN BOOK VALUE CHANGE IN MARKET VALUE	ENDING BOOK VALUE ENDING MARKET VALUE
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26 3,000,000.00	4.28	07/24/2025 07/10/2028	32,100.00 0.00	3,000,000.00 2,996,160.00	0.00	0.00	0.00 (6,150.00)	3,000,000.00 2,990,010.00
91282CQJ3	US TREASURY 3.875 04/15/29 3,000,000.00	3.81	04/15/2026 04/15/2029	24,456.97 0.00	0.00 0.00	3,005,859.38	0.00	3,005,447.73 2,977,500.00	3,005,447.73 2,977,500.00
TOTAL		**3.84**		**595,367.23** **553,250.31**	**64,302,368.65** **64,333,314.85**	**7,598,579.88**	**(7,045,329.57)**	**586,480.19** **516,356.83**	**64,888,848.85** **64,849,671.67**
OPIOID SETTLEMENT FUND									
TEXPOOL	TexPool 3,447,969.69	3.67	06/30/2026	30,790.29 30,790.29	2,995,205.01 2,995,205.01	452,764.68	0.00	452,764.68 452,764.68	3,447,969.69 3,447,969.69
TOTAL		**3.67**		**30,790.29** **30,790.29**	**2,995,205.01** **2,995,205.01**	**452,764.68**	**0.00**	**452,764.68** **452,764.68**	**3,447,969.69** **3,447,969.69**
RESTRICTED CASH									
TEXPOOL	TexPool 17,296,524.08	3.67	06/30/2026	631,765.01 631,765.01	43,518,384.02 43,518,384.02	59,147,646.34	(85,369,506.28)	(26,221,859.94) (26,221,859.94)	17,296,524.08 17,296,524.08
664043316	Frost Bank Public Fund Checking Account 5,176.95	1.50	06/30/2026	134.37 134.37	5,042.58 5,042.58	134.37	0.00	134.37 134.37	5,176.95 5,176.95
TOTAL		**3.67**		**631,899.38** **631,899.38**	**43,523,426.60** **43,523,426.60**	**59,147,780.71**	**(85,369,506.28)**	**(26,221,725.57)** **(26,221,725.57)**	**17,301,701.03** **17,301,701.03**
TOBACCO SETTLEMENT									
TEXPOOL	TexPool 2,861.99	3.67	06/30/2026	4,357.39 4,357.39	2,043.67 2,043.67	891,943.70	(891,125.38)	818.32 818.32	2,861.99 2,861.99
TOTAL		**3.67**		**4,357.39** **4,357.39**	**2,043.67** **2,043.67**	**891,943.70**	**(891,125.38)**	**818.32** **818.32**	**2,861.99** **2,861.99**
TRUST-EMPLOYEE HEALTH BENEFITS									
825252406	INVESCO TREASURY;INST 15,941.30	3.54	06/30/2026	140.38 145.93	17,199.66 17,199.66	80.78	(1,339.14)	(1,258.36) (1,258.36)	15,941.30 15,941.30

MEEDER
PUBLIC FUNDS

Change in Value

IDENTIFIER	ISSUER PAR VALUE	YIELD	TRADE DATE MATURITY DATE	INTEREST ACCRUAL INTEREST RECEIVED	BEGINNING BOOK VALUE BEGINNING MARKET VALUE	PURCHASES/ ADDITIONS	REDEMPTIONS	CHANGE IN BOOK VALUE CHANGE IN MARKET VALUE	ENDING BOOK VALUE ENDING MARKET VALUE
TOTAL		3.54		140.38 145.93	17,199.66 17,199.66	80.78	(1,339.14)	(1,258.36) (1,258.36)	15,941.30 15,941.30
GRAND TOTAL		3.73		2,244,696.66 2,202,585.29	225,766,257.20 225,779,826.96	85,463,430.47	(120,704,821.54)		190,631,416.85 190,571,254.30

Disclosure

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Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 2, eff. Sept. 1, 1999.

Sec. 2256.004. APPLICABILITY. (a) This subchapter does not apply to:

(1) a public retirement system as defined by Section 802.001;

(2) state funds invested by the comptroller;

(3) an institution of higher education having total endowments of at least $150 million in book value on September 1, 2017;

(4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;

(5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or

(6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

(b) This subchapter does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 505, Sec. 24, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.21, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1454, Sec. 3, eff. Sept. 1, 1999.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 773 (H.B. 1003), Sec. 1, eff. June 14, 2017.

Acts 2025, 89th Leg., R.S., Ch. 957 (S.B. 21), Sec. 3, eff. June 20, 2025.

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

(1) be written;

(2) primarily emphasize safety of principal and liquidity;

(3) address investment diversification, yield, and maturity and the quality and capability of investment management; and

(4) include:

(A) a list of the types of authorized investments in which the investing entity's funds may be invested;

(B) the maximum allowable stated maturity of any individual investment owned by the entity;

(C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;

(D) methods to monitor the market price of investments acquired with public funds;

(E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and

(F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(c) The investment policies may provide that bids for certificates of deposit be solicited:

(1) orally;

(2) in writing;

(3) electronically; or

(4) in any combination of those methods.

(d) As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

(1) understanding of the suitability of the investment to the financial requirements of the entity;

(2) preservation and safety of principal;

(3) liquidity;

(4) marketability of the investment if the need arises to liquidate the investment before maturity;

(5) diversification of the investment portfolio; and

(6) yield.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of this chapter. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

(g) Subsection (f) does not apply to a state agency, local

government, or investment pool for which an officer of the entity is assigned by law the function of investing its funds.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 685, Sec. 1

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be an investment officer for the commission under Subsection (f) if the officer or employee is an investment officer designated under Subsection (f) for another local government.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 1421, Sec. 3

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under Subsection (f) for any investing entity other than for that commission.

(i) An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

(1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

(2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Annual Review and Adoption of Investment Policy and Investment Strategies

Purpose

To brief the Board of Managers regarding the annual review and proposed re-adoption of the Nueces County Hospital District's Investment Policy and Investment Strategies in accordance with the Texas Public Funds Investment Act.

Background

The Texas Public Funds Investment Act requires the Board to review the District's investment policy and investment strategies not less than annually and to adopt a written instrument documenting that review and any changes made to the policy or strategies.

The District originally adopted its Investment Policy and Investment Strategies in 1998 and has periodically amended them. The most recent amendments were adopted June 25, 2024. As part of the current annual review, the Board is being asked to acknowledge its review, record that no changes are being made, and re-adopt the existing Investment Policy and Investment Strategies effective September 1, 2026.

Investment Policy Framework

The Investment Policy governs the District's cash and investment assets, including applicable trust and escrow arrangements and depository collateral requirements. It establishes the framework for management of available cash and investments consistent with applicable state law.

The Policy identifies the District's investment objectives, in order of priority, as safety of principal, liquidity of principal, investment diversification, yield, and public trust. Safety and liquidity remain the primary objectives, with investment decisions structured to preserve capital, maintain adequate funds for anticipated cash requirements, diversify risk, and obtain reasonable investment earnings.

Investment Strategy

The District's investment strategy provides for a comprehensive, conservative, and proactive cash management program designed to monitor and control District funds, maintain liquidity, and obtain reasonable market yield. The strategy contemplates a combined investment portfolio and permits adjustments as market conditions and anticipated cash requirements change.

The strategy emphasizes high-credit-quality investments, matching maturities to anticipated cash needs, portfolio diversification, competitive investment practices, and use of authorized investments to obtain reasonable returns within the District's risk and liquidity parameters. The Policy generally limits individual securities to maturities of no more than five years and limits the portfolio's weighted average maturity to no more than two years.

Liquidity, Diversification and Yield

The Policy requires the District to maintain adequate liquidity to meet ongoing obligations and provides that at least 10 percent of the portfolio be maintained in readily available funds such as local government investment pools, money market funds, or fully collateralized bank deposits.

Diversification requirements are intended to reduce concentration, credit, and market risks through a planned mix of investments and maturities. The District also seeks reasonable investment yield within established safety and liquidity constraints and may use laddered maturities and other authorized strategies to align investment activity with projected cash requirements.

Authorized Investments and Controls

The Policy identifies authorized investment instruments that include specified U.S. government and agency obligations, certain state and local obligations, certificates of deposit, repurchase agreements, qualifying commercial paper, money market mutual funds, local government investment pools, and fully insured or collateralized interest-bearing accounts, subject to applicable limits and legal requirements.

The Policy also establishes requirements for competitive bidding, delivery-versus-payment settlement, safekeeping, collateralization, monitoring of market values and credit ratings, internal controls, compliance auditing, investment officer training, and periodic management and Board reporting.

Investment Governance and Oversight

Overall responsibility for administration of the investment program is delegated to the Administrator, with investment authority exercised by persons designated as Investment Officers by Board resolution. The Investment Committee, which includes members of the Board's Finance Committee and designated District personnel, provides ongoing oversight of investment strategy, portfolio performance, diversification, risk, authorized financial institutions, and related matters.

Investment officers are subject to prudence, ethical, conflict-of-interest, training, reporting, and internal-control requirements. The Policy also provides for periodic review of the investment program through management reports, quarterly reporting to the Board, and compliance review in connection with the District's annual independent financial audit.

Annual Review and Proposed Action

The proposed resolution documents completion of the Board's annual review of the Investment Policy and Investment Strategies. No changes are proposed as part of this review.

The Board would re-adopt the existing Investment Policy and Investment Strategies, attached to the resolution as Exhibit A, to supersede and replace the current policy and strategies effective September 1, 2026. The resolution also authorizes the Administrator to take the actions and execute the documents necessary to implement the Board's action.

Fiscal Impact

The resolution does not itself appropriate or expend District funds. Rather, it establishes the policy and strategy framework governing the investment and management of District cash and investment assets. Investment earnings generated under the Policy are generally allocated to the appropriate District fund, subject to applicable accounting requirements and law.

Board Consideration

The Board is being asked to acknowledge completion of its annual review, confirm that no changes are being made to the Investment Policy and Investment Strategies, and re-adopt the existing policy and strategies effective September 1, 2026, as required by the Texas Public Funds Investment Act.

Summary

The proposed resolution fulfills the District's annual investment policy review requirement and continues the existing Investment Policy and Investment Strategies without amendment. The policy maintains a conservative investment framework emphasizing safety, liquidity, diversification, reasonable yield, public trust, and appropriate governance and internal controls for the management of District funds.

Nueces County Hospital District

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BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

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

WHEREAS, the Nueces County Hospital District (the "Hospital District" or "District") is a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code, Chapter 281 (the "Health Code"), and operated in accordance with the Health Code and other applicable laws of the State of Texas, including the Texas Government Code, Chapter 2256 relating to public funds investment (the "Public Funds Investment Act");

WHEREAS, the Hospital District's Board of Managers (the "Board") have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District's governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

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

WHEREAS, the Board: (i) adopted the original form of the Hospital District's investment policy and investment strategies on March 31, 1998; (ii) amended portions of the policy and/or strategies on July 7, 1998; September 8, 1998; April 24, 2001; April 7, 2009; July 26, 2011; July 23, 2013; June 6, 2019; July 21, 2020; September 1, 2021; June 27, 2023; and June 25, 2024; and (iii) has not amended the policy and/or strategies since June 25, 2024; and

WHEREAS, in accordance with Public Funds Investment Act, §2256.005(e), the Board hereby desires to: (i) acknowledge review the current District's investment policy and investment strategies; and (ii) record that no changes are being made to the District's investment policy and investment strategies; and (iii) re-adopt the existing investment policy and investment strategies attached hereto and identified as Exhibit "A" to supersede and replace the current policy and strategies to be effective September 1, 2026.

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

1. The Board has reviewed the Hospital District's current investment policy and investment strategies.

2. The Board has made no changes to the District's investment policy and investment strategies.

3. The Board hereby adopts the investment policy and investment strategies attached hereto and identified as Exhibit "A" to supersede and replace the current policy and strategies to be effective September 1, 2026.

4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.005(e).

5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.

6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the District.

7. This Resolution shall take effect and be in full force and effect upon and after its passage.

8. The Board retains its right to amend or repeal this Resolution at any time.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

Exhibit “A”

(Insert Policy and Strategies after this page)

NUECES COUNTY HOSPITAL DISTRICT

INVESTMENT STRATEGY
&
INVESTMENT POLICY

EFFECTIVE SEPTEMBER 1, 2026

Administrative Offices

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PREFACE

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

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

POLICY

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

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

PURPOSE

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

ADOPTION & REVIEW

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

INVESTMENT STRATEGY

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

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

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

- In accordance with the District's intermediate and long-term plans and strategies, the District will maintain one combined portfolio. At least annually, the District's Investment Committee will evaluate the usefulness of this approach as compared to the District's current and future asset use needs as well as contemporaneous market conditions and trends. The principal investment strategies for this aggregate portfolio are to assure that the District's cash assets are safe and that anticipated cash needs of the District are matched with sufficient liquidity.

    1. To assure safety, the District shall utilize only high-credit quality securities approved by the Texas Public Funds Investment Act that assure the return of principal when held to maturity. Additionally, the District shall qualify and monitor financial institutions and brokers/dealers with whom the District transacts business. Compliance with this Policy is to assure safety. The District will not invest in securities maturing more than -5 years from the date of purchase.

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

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

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

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

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

4. To assure yield and risks stay within safe limits, the District shall structure its portfolio to meet or exceed the risk benchmark. The District shall pursue an overall average benchmark yield on the six-month U.S. Treasury Bill which is comparable to the District's average WAM, and consistent with the investments authorized as well as limitations in this Investment Policy.

- To increase earnings for assets identified as available for investment over longer periods (based on a long-range cash requirement projection) the Hospital District will consider the following additional strategies:

  1. Evaluating longer term investment opportunities.

  2. Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include:

     - It is straightforward and easily matched to cash needs.

     - It will require a minimum of time and investment expertise to administer.

- It represents a safe option to meet cash needs.

- All investments remain within the approved maturity horizon.

- It will assure the District that it will capture the most reasonable section of the yield curve at the time of purchase.

- It provides predictable cash flow with scheduled maturities and reinvestment.

3. Utilizing the services of a reputable and respected independent, third-party SEC-registered investment advisor to assist the District in preparing a plan to achieve a higher yield on the assets available for longer term investment.

- The Hospital District's investment strategy for handling investments that are not presently statutorily authorized but were so authorized at the time of their purchase; or were previously purchased and exceed the maximum allowable maturity stated under this Investment Policy, shall have as its primary objective that the District will liquidate such investments if it is prudent to do so under the District's investment objectives, but only when so authorized by the Investment Committee created under this Investment Policy. Upon liquidation, such funds shall be reinvested in a manner consistent with this Investment Policy.

  If an existing investment that requires a minimum rating under this Investment Policy loses that required rating the District shall undertake all prudent measures that are consistent with this Investment Policy to liquidate an investment in a timely manner.

- Unless otherwise directed by the Investment Committee or Board, interest earnings received from investments of Hospital District funds shall be allocated back to the appropriate fund, unless indicated otherwise by generally accepted accounting principles or law.

INVESTMENT POLICY

I. SCOPE

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

II. INVESTMENT OBJECTIVES

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

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

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

A. SAFETY OF PRINCIPAL

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

B. MAINTENANCE OF ADEQUATE LIQUIDITY

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

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

C. INVESTMENT DIVERSIFICATION

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

D. YIELD

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

E. PUBLIC TRUST

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

III. RESPONSIBILITY AND CONTROL

A. DELEGATION OF AUTHORITY FOR PROGRAM MANAGEMENT

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

B. PRUDENCE

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

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

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

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

C. ETHICAL STANDARDS AND CONFLICTS OF INTEREST

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

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

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

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

D. INVESTMENT COMMITTEE

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

E. DELEGATION OF AUTHORITY TO ACT AS INVESTMENT OFFICERS

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

F. TRAINING

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

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

G. INTERNAL CONTROLS

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

1. Control of collusion;

2. Separation of transaction authority from accounting and record keeping;

3. Custodial safekeeping;

4. Clear delegation of authority to subordinate staff members;

5. Written confirmation for all transactions for investments and wire transfers; and

6. Maintenance of a log detailing all investment bids solicited and purchases by investment officers.

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

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

H. COMPLIANCE AUDIT

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

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

I. MANAGEMENT REPORTS

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

1. Contain a detailed description of each investment position of the District on the date of the report.

2. Be prepared jointly and signed by all District investment officers.

3. Contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled funds group that states:

    a. Beginning market value for the reporting period.

    b. Additions and changes to the market value during the period.

    c. Ending market value for the period.

    d. Fully accrued interest and total earnings (net amortization/accretion) for the reporting period.

4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.

5. State the maturity date of each separately invested asset that has a maturity date. (Liquid investments have a one-day maturity date.)

6. State the account or fund or pooled group fund in the District for which each individual investment was acquired, if applicable.

7. State the compliance of the investment portfolio of the District as it relates to the District's Investment Policy and relevant provisions of law.

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

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

IV. INVESTMENT PORTFOLIO

A. AUTHORIZED AND ACCEPTABLE INVESTMENTS

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

1. Obligations of the United States, its agencies and instrumentalities and full faith and credit obligations of the U.S. Government, excluding all mortgage backed securities with a maximum maturity of five years.

2. Obligations of the State of Texas, or their respective agencies and instrumentalities; obligations of the states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

3. Depository certificates of deposit issued by a state or national bank doing business in Texas that are:

   a. guaranteed or insured by the FDIC or its successor; and

   b. secured by obligations defined by this Policy; and

   c. collateralized to 102% of District deposits, which collateral is held by an independent third-party custodian approved by the District.

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

4. FDIC-insured brokered CDs purchased from a broker on the District list or a bank in Texas, delivered versus payment to the District's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank (on www.FDIC.gov or equivalent) to assure that the bank is FDIC-insured.

5. Fully collateralized repurchase agreements that have a defined termination date not to exceed one year, are secured by obligations of the United States or its agencies and instrumentalities, are cleared delivery versus payment and held in the District's name by a custodian approved by the District, and placed through a primary governmental securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

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

6. Commercial paper that has a stated maturity of -one-year or less from the date of purchase and is dual rated A-1 or P-1 or equivalent by at least two nationally recognized credit rating agencies.

7. AAA-rated, no-load money market mutual funds that:

   a. are registered with and regulated by the Securities and Exchange Commission;

   b. has a dollar-weighted average stated maturity of 60 days or fewer; and

   c. includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

8. Texas local government investment pools which strive to maintain a $1 net asset value and meet the requirements of the Act, if the Board authorizes the investment in the pool by resolution.

9. Fully insured or collateralized interest-bearing accounts in any Texas bank to include spread demand deposit programs entered into through a Texas bank.

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

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

B. INVESTMENT PARAMETERS

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

1. Avoiding over-concentration in securities from a specific issuer or business sector;

2. Laddering securities with varying maturities to match expected cash needs;

3. Limiting investment in securities that have potential credit risks, and;

4. Maintaining at least 10% of the portfolio in readily available funds such as local government investment pools, money market funds, or fully collateralized bank deposits to ensure the appropriate liquidity is maintained in order to meet ongoing obligations.

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

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

C. MAXIMUM MATURITIES

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

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

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

1. DEPOSITORY FINANCIAL INSTITUTION

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

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

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

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

2. BROKERS/DEALERS

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

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

3. REQUIREMENTS COMMON TO FINANCIAL INSTITUTIONS AND BROKERS AND DEALERS

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

a. current audited financial statements provided on an annual basis;

b. proof of Financial Industry Regulatory Agency (FINRA) registration (CRD #) (brokers only);

c. proof of state registration (brokers only);

d. For pools, a signed *Policy Certification*; acknowledging that the pool has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the District and the pool;

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

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

4. INVESTMENT POOLS

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

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

E. COMPETITIVE BIDDING FOR ALL INVESTMENTS

To purchase or sell investment securities, the Hospital District's investment officers shall solicit independent bids/offers from at least 3 authorized brokers/dealers from the list approved by the Investment Committee. For CDs, the investment officers shall solicit independent bids from 3 financial institutions. All bids/offers for investment securities or instruments shall be solicited by an investment officer via any of the following methods but must be documented.

1. Orally (but confirmed in writing);

2. In writing;

3. Electronically; or

4. Any combination of the above methods.

F. DELIVERY VERSUS PAYMENT

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

G. SAFEKEEPING OF SECURITIES

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

H. DEPOSITORY COLLATERAL

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

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

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

the securities pledged.

1. Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code, §2257 et seq.) it is the policy of the Hospital District to require that the depository financial institution pledge collateralization for all District funds in demand and time deposits, that are in excess of the amount insured by the FDIC. The following are applicable to such collateralization:

    a. The District shall be the final authority when determining the market value of securities pledged to secure District deposits for the purpose of determining adequacy of the amount of collateral. The District's valuation of the securities is final and not subject to review;

    b. The total value of eligible security used to collateralize deposits of the District shall be not less than 102% of total market value on the deposits less an amount insured by the FDIC. Preferably, the Custodian shall report to the District, at least monthly, collateral reports listing the securities pledged;

    c. If the market value of the securities pledged by the depository financial institution becomes less than the amount of the total deposit in the depository, the District shall require that additional collateral be pledged immediately. If the collateral pledged by the depository financial institution is in excess of the percentage amount required above, the District may permit the release of the excess collateral if the collateral's market value exceeds the required amount. If the balance of District deposits in the depository financial institution is increased, the depository financial institution shall immediately increase the collateral for the deposits to the percentage amount required above. The bank shall be liable for monitoring and maintaining the required margin of 102% at all times;

    d. The depository financial institution may substitute securities pledged with the District, if the market value of the replacing securities is equal to or greater than the required collateral value and the new securities are received by the custodian before release of existing collateral;

    e. If the depository financial institution fails to credit a deposit or part of deposit made by the District, the District will notify and may sell or otherwise convert the securities to cash in accordance with the Public Funds Collateral Act's events of default.

    f. For purposes of this Investment Policy, collateral eligible to be pledged to secure District deposits at the District's depository financial institution shall be in accordance with the Act and limited to:

(1) Direct obligations of the United States government, its agencies or instrumentalities, excluding letters of credit; and

(2) Direct obligations backed by the full faith and credit of the United States government;

(3) Municipal and state obligations rated A or better by two nationally recognized rating agencies.

g. The depository financial institution shall maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of demand or time deposit funds (including accrued interest), and a transaction related to a pledged investment security.

2. All collateral and related information shall be subject to examination, verification and audit by the District or its agents (including its independent auditors) at any reasonable time.

3. The collateral pledged shall be reviewed at least monthly by the District's investment officers.

4. As a part of its independent annual audit, the District's auditor shall examine and verify pledged investment securities and its market value and records maintained and report any significant or material noncompliance with the Investment Policy to the Board. Such report shall be prepared in conjunction with the independent auditor's annual report to the Board.

5. The pledging financial institution shall be responsible for monitoring and maintaining the margins at all times.

I. MONITORING MARKET PRICES

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

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GLOSSARY OF COMMON TREASURY TERMS

Agencies: Federal agency securities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Par Value: The face value of the security.

Portfolio: Collection of securities held by an investor.

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT "A"

STATEMENT OF
PERSONAL BUSINESS RELATIONSHIP

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

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

1) My/his/her ownership of 1% or more of the voting stock or shares of the business organization;

2) My/his/her ownership of $250 or more of the fair market value of the business organization;

3) Funds received from the business organization exceed 1% of my/his/her income for the previous year;

4) During the previous year I/he/she acquired from the business organization investment with a book value of $100 or more for my/his/her personal account.

Signed this _____day of _____, _____.

_____
Signature

_____
Title

CERTIFICATE FOR RESOLUTION

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

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower.
Sunil Reddy

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

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

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

YEAS: ____
NAYS: ____
PRESENT NOT VOTING: ____
ABSENT: ____

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

SIGNED AND SEALED THIS 17th day of August 2026.

ATTEST:

_____

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

Acts 2017, 85th Leg., R.S., Ch. 96 (S.B. 253), Sec. 3, eff. May 23, 2017.

Sec. 2256.025. SELECTION OF AUTHORIZED BROKERS. The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

Sec. 2256.026. STATUTORY COMPLIANCE. All investments made by entities must comply with this subchapter and all federal, state, and local statutes, rules, or regulations.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

SUBCHAPTER B. MISCELLANEOUS PROVISIONS

Sec. 2256.051. ELECTRONIC FUNDS TRANSFER. Any local government may use electronic means to transfer or invest all funds collected or controlled by the local government.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.052. PRIVATE AUDITOR. Notwithstanding any other law, a state agency shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.053. PAYMENT FOR SECURITIES PURCHASED BY STATE. The comptroller or the disbursing officer of an agency that has the power to invest assets directly may pay for authorized securities purchased from or through a member in good standing of the National

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Annual Review and Adoption of Authorized Broker/Dealer List

Purpose

To brief the Board of Managers regarding the annual review and proposed adoption of the Nueces County Hospital District's list of qualified broker/dealers authorized to engage in investment transactions with the District.

Background

The District is subject to the Texas Public Funds Investment Act and maintains an investment policy and a list of qualified broker/dealers authorized to engage in investment transactions with the District.

The Public Funds Investment Act requires the Board, or the District's investment committee, to review and adopt a list of qualified brokers authorized to engage in investment transactions with the District at least annually. The proposed resolution documents the annual review and provides for adoption of an updated Authorized Broker/Dealer List effective September 1, 2026.

Authorized Broker/Dealer List

Exhibit A to the resolution identifies the broker/dealers approved for investment transactions with the District. The list includes a range of national, regional, and other securities firms that may serve as counterparties for authorized District investment activity, subject to the requirements of the District's Investment Policy.

The list also identifies certain firms as Primary Government Securities Dealers and certain firms as minority-owned, woman-owned, or service-disabled veteran-owned enterprises. Direct issuers of commercial paper and certificates of deposit are considered approved counterparties when separately approved as issuers.

Qualification Requirements

Inclusion on the Authorized Broker/Dealer List does not by itself eliminate the qualification and compliance requirements established by the District's Investment Policy. Broker/dealers included on the list are required to complete and submit the questionnaire forms specified by the Investment Policy.

The Administrator is responsible for determining the acceptability of the submitted questionnaire forms. Accordingly, authorization to conduct investment transactions remains subject to satisfaction of the District's applicable qualification, documentation, and investment-policy requirements.

Relationship to Investment Policy

The Authorized Broker/Dealer List operates within the broader framework of the District's Investment Policy and Investment Strategies. Investment transactions involving an authorized broker/dealer remain subject to the Policy's requirements concerning authorized investments, diversification, maturity, competitive bidding, delivery versus payment, safekeeping, internal controls, and other applicable investment safeguards.

The annual broker/dealer review therefore serves as one component of the District's overall investment governance and control structure by identifying firms eligible to participate in investment transactions while retaining the Policy's separate requirements governing individual transactions.

Effective Date and Superseding List

The proposed Authorized Broker/Dealer List would become effective September 1, 2026. Upon adoption, it would supersede and replace the District's current authorized broker/dealer list.

The annual adoption process allows the District to periodically review the firms eligible to conduct investment business with the District and to maintain a current list consistent with the Public Funds Investment Act and the District's Investment Policy.

Administrative Authority

The proposed resolution authorizes and directs the Administrator to perform the acts and execute the instruments and related documents necessary to carry out the resolution. In his capacity as Secretary of the Board, the Administrator would also be authorized to certify the resolution and its conformity with applicable state law and the District's Governing Board Bylaws.

The resolution would take effect upon passage, and the Board retains the authority to amend or repeal the resolution.

Fiscal Impact

The resolution does not itself appropriate funds or require an investment transaction with any listed broker/dealer. Rather, it establishes the firms authorized to participate in District investment transactions, subject to the District's Investment Policy and applicable law. Any financial effect would arise from subsequent investment transactions conducted under those requirements.

Board Consideration

The Board is being asked to acknowledge completion of its annual review and adopt the Authorized Broker/Dealer List attached as Exhibit A, effective September 1, 2026. Adoption would supersede the current list and require listed broker/dealers to satisfy the questionnaire and qualification requirements established by the District's Investment Policy.

Summary

The proposed resolution fulfills the annual review requirement applicable to the District's qualified broker/dealer list and establishes the firms authorized to engage in investment transactions with the District effective September 1, 2026. The action does not authorize particular investments; instead, it identifies eligible counterparties that remain subject to the District's Investment Policy, qualification procedures, and investment controls.

Nueces County Hospital District

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

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Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

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

WHEREAS, the Nueces County Hospital District (the "Hospital District" or "District") is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the "Health Code"), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas, including Texas Government Code, Chapter 2256 relating to public funds investment (the "Public Funds Investment Act" or "Act");

WHEREAS, the Hospital District's Board of Managers (the "Board") have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District's governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

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

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

WHEREAS, in accordance with Public Funds Investment Act, §2256.025, the Board hereby desires to: (i) acknowledge review its current listing of broker/dealers authorized to engage in investment transactions with the Hospital District; and (ii) adopt, effective September 1, 2026, the listing attached hereto and identified as Exhibit "A" as the District's authorized broker/dealers list to supersede and replace the current listing.

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

1. The Board has reviewed the Hospital District's current list of qualified broker/dealers authorized to engage in investment transactions with the District.

2. The Board hereby adopts the Authorized Broker/Dealer List attached hereto and identified as Exhibit "A" to supersede and replace the current list as the Hospital District's list of qualified broker/dealers who are authorized to engage in investment transactions with the District (the "Authorized Broker/Dealer List"); the Authorized Broker/Dealer List is to be effective September 1, 2026.

3. The broker/dealers shown in the Authorized Broker/Dealer List shall complete and submit the questionnaire forms identified in and required by the District's Investment Policy; acceptability of submitted questionnaire forms shall be determined by the District's Administrator.

4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.025.

5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.

6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.

7. This Resolution shall take effect and be in full force and effect upon and after its passage.

8. The Board retains its right to amend or repeal this Resolution at any time.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

Exhibit “A”

NUECES COUNTY HOSPITAL DISTRICT

AUTHORIZED BROKER/DEALER LIST
Effective September 1, 2026

(Attach list after this page)

Nueces County Hospital District

Approved Broker/Dealer List

09/01/2026

Broker/Dealer	Broker/Dealer
Academy Securities[2]	Loop Capital Markets[2]
Alamo Capital[2]	MarketAxess Corporation
Arbor Research & Trading, LLC	Mizuho Securities[1]
Bank of America/Merrill Lynch[1]	Moreton Capital Markets
Barclays Capital Inc.[1]	Morgan Stanley[1]
Blaylock Van, LLC[2]	Multi-Bank Securities[2]
BMO Capital Markets[1]	Oppenheimer
BNY Capital Markets	Piper Sandler & Co
BOK Financial	PNC Capital Markets LLC
Brean Capital	Raymond James
Cantor Fitzgerald & Co.[1]	RBC Securities[1]
CastleOak Securities[2]	Rice Financial
Citigroup Global Markets Inc[1]	Robert W. Baird
D.A. Davidson	Santander US Capital Markets[1]
Daiwa Capital Markets[1]	Siebert Williams Shank[2]
FHN Financial	Stephens Inc
Goldman Sachs & Co.[1]	Stifel Nicolaus
Great Pacific[2]	StoneX Group Inc.
Hilltop Securities	TD Securities[1]
Huntington Bank	Truist Securities Inc.
InspereX (formerly InCapital)	UBS Financial[1]
Jane Street	UMB Financial Services
Jefferies[1]	U.S. Bancorp Investments
JPMorgan Securities[1]	Wells Fargo[1]
Keybanc Capital Markets	

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

1 Primary Government Securities Dealer
2 Minority, Woman owned, or Service Disabled-Veteran owned Enterprise

CERTIFICATE FOR RESOLUTION

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

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower.
Sunil Reddy

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

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

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

YEAS: ____
NAYS: ____
PRESENT NOT VOTING: ____
ABSENT: ____

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

SIGNED AND SEALED THIS 17th day of August 2026.

ATTEST:

_____

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

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Fiscal Year 2027 Specified Annual Percentage

Purpose

To brief the Board of Managers regarding the proposed Fiscal Year 2027 Specified Annual Percentage under the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement and the associated resolution approving the percentage agreed upon by the parties.

Background

The Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and CHRISTUS Health are parties to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement dated November 18, 2015. Article V of the Membership Agreement governs member distributions of net patient revenue.

Section 5.03(a) of the Membership Agreement provides for the parties to confer annually and agree upon the percentage of net patient revenue allocated to CHRISTUS Health in consideration of its contributions to support CHRISTUS Spohn and the percentage allocated to the District in recognition of its ongoing support for CHRISTUS Spohn's operations as a public, safety-net hospital in Nueces County.

Annual Review and Considerations

As part of the annual process for the ensuing year, CHRISTUS Spohn prepared a hospital budget and projected net patient revenue. The District and CHRISTUS Spohn subsequently discussed the proposed budget, projected net patient revenue, and factors relevant to establishing the Specified Annual Percentage.

The supporting correspondence identifies considerations that include CHRISTUS Spohn's role in operating programs in the community, the District's role as the Region 4 Anchor, the District's tax collection responsibilities, continuation of the Texas 1115 Demonstration Waiver and directed payment programs, physician residency programs, and other circumstances expected to affect the parties' operations during Fiscal Year 2027.

Fiscal Year 2027 Specified Annual Percentage

For the period October 1, 2026 through September 30, 2027, the parties have agreed, subject to Board approval, that the Specified Annual Percentage will be 89 percent. The remaining 11 percent of applicable net patient revenue will be transferred to the District in accordance with Section 5.02 of the Membership Agreement.

The allocation recognizes the respective contributions and responsibilities of the parties under the Membership Agreement and the District's membership in CHRISTUS Spohn and role in supporting the continued delivery of hospital services in Nueces County.

Revenue Allocation

Specified Annual Percentage: 89%

District Revenue Allocation: 11%

Applicable Period: October 1, 2026 through September 30, 2027

The actual dollar amount associated with the District's allocation will depend upon net patient revenue generated during the applicable period. The resolution approves the percentage allocation rather than establishing a fixed dollar distribution.

Fiscal and Budget Considerations

The District's share of net patient revenue represents an important component of its operating revenues. Because the distribution is percentage-based, the amount ultimately received by the District will vary with CHRISTUS Spohn's actual net patient revenue during the fiscal year.

The agreed percentage provides the basis for determining the parties' respective shares for Fiscal Year 2027 and allows the District to incorporate anticipated membership revenue into its annual financial planning and budget process.

Administrative Authority

The proposed resolution acknowledges that the parties have completed the annual conference process and approves the Specified Annual Percentage memorialized in CHRISTUS Spohn's July 10, 2026 correspondence to the District.

The Administrator, acting in his capacity as Secretary of the Board, would be authorized and directed to perform the necessary acts, execute related documents, and certify the resolution as being in conformance with state law and the District's Bylaws. The resolution would take effect immediately upon passage.

Board Consideration

The Board is being asked to consider approval of the Fiscal Year 2027 Specified Annual Percentage agreed upon by the parties. Approval would establish the agreed revenue allocation percentage for the period October 1, 2026 through September 30, 2027 and authorize the related administrative actions necessary to implement the resolution.

Summary

The proposed resolution approves the Fiscal Year 2027 Specified Annual Percentage under the Membership Agreement. For the ensuing year, 89 percent of applicable net patient revenue would constitute the Specified Annual Percentage, with the remaining 11 percent transferred to the District in accordance with the Membership Agreement. The arrangement continues the annual process established by the parties for allocating net patient revenue while recognizing their respective roles and responsibilities in supporting hospital services in Nueces County.

Nueces County Hospital District

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

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Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION APPROVING THE
FISCAL YEAR 2027 SPECIFIED ANNUAL 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, 2026 through September 30, 2027, subject to approval by the Board, as set forth in correspondence from CHRISTUS Spohn Health System to the District dated July 10, 2026, 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 2027, covering the period October 1, 2026 – September 30, 2027.

2. The Board hereby approves the agreed Specified Annual Percentage as memorialized in the letter from CHRISTUS Spohn Health System to the District dated July 10, 2026, 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

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

EXHIBIT "A"

[Attach July 10, 2026 letter from CHRISTUS Spohn Health System to the District after this page]

CHRISTUS SPOHN
Health System

July 10, 2026

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

Re: 2027 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, 2026 – September 30, 2027).

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 June 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) the District's efforts to maintain its tax collections, continuation of the Texas 1115 Demonstration Waiver and directed payment programs, and physician residency programs.

Based on these discussions, the parties agree, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be eighty-nine percent (89%), and the remaining eleven percent (11%) 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

#4908-3536-5736

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

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

A RESOLUTION APPROVING THE FISCAL YEAR 2027 SPECIFIED ANNUAL PERCENTAGE

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

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

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

SIGNED AND SEALED THIS 17th day of August, 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memorandum

SUBJECT: SFY 2027 Network Access Improvement Program (NAIP) IGT Responsibility Contract
CONTRACT: HHSC Contract No. HHS001711400008

Purpose

To brief the Board of Managers regarding the proposed Intergovernmental Transfer (IGT) Responsibility Contract between the Texas Health and Human Services Commission (HHSC) and the Nueces County Hospital District for the State Fiscal Year 2027 Network Access Improvement Program (NAIP), including the District's funding responsibilities, payment schedule, reconciliation requirements, and the related NAIP financial assumptions for CHRISTUS Spohn Health System.

Background

HHSC administers Texas Medicaid and operates NAIP through Medicaid managed care organizations. Under the contract, CHRISTUS Spohn Health System is the participating hospital, and the District serves as the non-state governmental entity that transfers eligible public funds to HHSC as the non-federal share of NAIP pass-through payments. HHSC then incorporates the NAIP payment component into applicable managed care arrangements, through which participating managed care organizations make the required pass-through payments to CHRISTUS Spohn.

The contract does not represent a grant or payment from the District directly to CHRISTUS Spohn. Rather, it establishes the District's obligation to provide the non-federal share of the Medicaid payment through IGTs to HHSC, subject to the contract's funding, reconciliation, and adjustment provisions.

NAIP Program Context

HHSC describes NAIP as a Medicaid managed care pass-through payment program intended to support improved network access. HHSC program materials describe the program as supporting the availability and effectiveness of health care services through participating public hospitals and related health institutions. NAIP payments are made through Medicaid managed care rather than as direct fee-for-service supplemental payments.

Federal Medicaid managed care rules define a pass-through payment as an amount added to managed care payment rates that is not tied to a specific service delivered to a specific enrollee or to another specifically permitted provider payment methodology. The District's contract expressly identifies NAIP payments as pass-through payments under 42 C.F.R. §438.6 and provides the local financing mechanism for the non-federal share.

Contract Term

Item	Contract Provision
Contract Period	September 1, 2026 - August 31, 2027
Maximum Contract Amount	$3,347,716
Initial IGT Due Date	August 25, 2026
Subsequent IGT Due Dates	10th day of each month through July 10, 2027
Reconciliation Completion	No later than August 31, 2029

District Funding Responsibility

The contract amount may not exceed $3,347,716. This amount is designed to cover the estimated non-federal share of NAIP pass-through payments, plus a 10 percent margin, together with the non-federal share of applicable managed care risk margin, administrative fees, and other NAIP-related amounts HHSC is required to pay participating managed care organizations.

The District must transfer at least one-twelfth of the contract amount by August 25, 2026, and at least one-twelfth on the tenth day of each month thereafter through July 10, 2027. One-twelfth of the stated maximum contract amount is approximately $278,976.33. The financial assumptions in Attachment A produce a combined stated monthly IGT, including the 10 percent margin, of approximately $278,976, which closely corresponds to the contract amount after rounding.

SFY 2027 Financial Assumptions

Managed Care Arrangement	All Funds	IGT w/o 10% Buffer	Monthly IGT w/ 10% Margin
Superior - CHRISTUS Spohn	$4,331,621	$1,791,125	$164,186
United - CHRISTUS Spohn	$3,028,422	$1,252,253	$114,790
Combined	$7,360,043	$3,043,378	$278,976

Attachment A assumes a 58.65 percent Federal Medical Assistance Percentage (FMAP). On the amounts shown, the combined non-federal IGT requirement before the 10 percent buffer is approximately $3.043 million. Applying the 10 percent margin produces approximately $3.348 million, consistent with the maximum contract amount.

The attachment also reflects approximately $7.360 million in combined 'All Funds' payments and approximately $7.213 million identified as net to the provider, with managed care tax and administrative components shown separately. These figures are program financial assumptions and remain subject to actual enrollment, rate components, managed care payments, and reconciliation.

Reconciliation and Financial Risk

The contract contains a multi-stage reconciliation process because the final non-federal share depends on actual NAIP rate components and final Medicaid member months. HHSC will compare District IGTs with the non-federal share actually expended for the contract period.

- If District transfers exceed 102 percent of the non-federal share expended during an interim reconciliation, HHSC will refund the amount above 102 percent and retain the remaining excess pending final reconciliation.
- If District transfers are less than 102 percent of the non-federal share expended, HHSC will issue a shortfall notice, and the District generally must transfer the shortfall within 30 days.
- HHSC may conduct interim reconciliations after August 31, 2027 as adjusted enrollment data become available.
- A final reconciliation must be completed no later than August 31, 2029. At final reconciliation, excess IGTs are refunded, while any final shortfall becomes payable by the District within 30 days unless HHSC extends the deadline.

Accordingly, the $3,347,716 amount should be viewed as the contractual maximum based on current assumptions rather than a guaranteed final cost. Actual District funding may be adjusted through reconciliation as enrollment and payment information is finalized.

Public Funds Requirement

IGTs must consist of public funds within the District's sole and unrestricted control. The contract defines public funds to include funds derived from taxes, assessments, levies, investments, and other public revenues, while excluding gifts, grants, trusts, or donations whose use is conditioned on providing a benefit solely to the donor or grantor. This requirement is central to the Medicaid financing structure because the District's IGT is used as the non-federal share that permits federal Medicaid matching funds to be drawn.

HHSC and District Responsibilities

The District's principal responsibility is timely transfer of the required public funds and payment of any reconciliation shortfall. HHSC is responsible for providing the applicable NAIP rate components and completing the required reconciliation processes. HHSC may revise the remaining monthly transfer amount if it determines during the contract period that the anticipated funding requirement will exceed the previously stated amount.

Termination and Continuing Obligations

HHSC may terminate the contract at any time in its sole discretion by written notice. Contract terms relating to reconciliation survive the end of the contract period, meaning the District's financial responsibilities do not necessarily conclude on August 31, 2027. Reconciliation activity may continue through August 31, 2029.

Program and Policy Observations

- NAIP functions as a Medicaid financing mechanism: local public funds provide the non-federal share, federal Medicaid matching funds are added through the State's managed care financing structure, and participating MCOs make the pass-through payments to the hospital.
- The contract's 10 percent margin is a funding cushion rather than an additional provider benefit guaranteed to be retained; excess amounts are subject to reconciliation and refund.
- The District's principal exposure is cash-flow and reconciliation risk, including the possibility of additional shortfall payments if final member months or payment amounts exceed assumptions.
- The very close correspondence between Attachment A's combined monthly IGT estimate and one-twelfth of the contract maximum indicates that the contract amount is directly built from the attached SFY 2027 program assumptions.

Board Consideration

The Board is being asked to consider authorizing the District to enter into the SFY 2027 NAIP IGT Responsibility Contract with HHSC. Approval would commit the District to provide eligible public funds, up to the stated contractual maximum and subject to reconciliation, as the non-federal share supporting NAIP pass-through payments associated with CHRISTUS Spohn Health System for the September 1, 2026 through August 31, 2027 program period.

Summary

The proposed contract continues the District's role as a governmental financing entity for NAIP. For SFY 2027, the contract establishes a maximum IGT responsibility of $3,347,716, with estimated monthly transfers of approximately $278,976. The underlying financial assumptions contemplate approximately $7.36 million in combined NAIP all-funds payments associated with CHRISTUS Spohn. Final District cost will depend on actual managed care enrollment and payment experience and will be resolved through HHSC reconciliation processes extending as late as August 31, 2029.

Sources

Contract source: HHSC Contract No. HHS001711400008 and Attachment A, SFY 2027 NAIP Program Financial Assumptions.

Supplemental program context: Texas Health and Human Services Commission, Directed Payment Programs; Texas Medicaid and CHIP Reference Guide; Texas 1115 Waiver Overview and Background Resources; and applicable federal Medicaid managed care pass-through payment requirements under 42 C.F.R. §438.6.

IGT RESPONSIBILITY CONTRACT
BETWEEN
THE TEXAS HEALTH AND HUMAN SERVICES COMMISSION
AND
NON-STATE GOVERNMENTAL ENTITY

This Contract is between the Texas Health and Human Services Commission ("**HHSC**") and Nueces County Hospital District, ("**Governmental Entity**") (individually, a "**Party**" and collectively, "the **Parties**").

I. LEGAL AUTHORITY

This Contract is entered into pursuant to Chapter 525, Section 525.0101 of the Texas Government Code.

II. BACKGROUND AND PURPOSE

A. HHSC is the single state agency designated in Texas to administer the medical assistance program known as Medicaid.

B. HHSC administers the Network Access Improvement Program ("**NAIP**") through Medicaid managed care organizations ("**MCOs**"). The Centers for Medicare and Medicaid Services ("**CMS**") has determined that NAIP payments meet the following definition of "pass-through payments" contained in 42 C.F.R. §438.6(a):

> [A]ny amount required by the State to be added to the contracted payment rates, and considered in calculating the actuarially sound capitation rate, between the MCO, PIHP, or PAHP and hospitals, physicians, or nursing facilities that is not for the following purposes: A specific service or benefit provided to a specific enrollee covered under the contract; a provider payment methodology permitted under paragraphs (c)(1)(i) through (iii) of this section for services and enrollees covered under the contract; a sub capitated payment arrangement for a specific set of services and enrollees covered under the contract; GME payments; or FQHC or RHC wrap around payments.

Under NAIP, MCOs will be required by HHSC to provide pass-through payments to the Hospital.

C. The purpose of this Contract is to:

1. Provide terms and conditions for the Governmental Entity to transfer non-federal Public Funds to HHSC for use as the non-federal share of NAIP pass-through payments; and

2. Describe the process that will be used to reconcile the non-federal percentage of payments from HHSC to the MCOs with the amount of funds transferred to HHSC from the Governmental Entity.

III. DEFINITIONS

For purposes of this Contract, the following terms have the meanings as described below:

A. Intergovernmental Transfer ("**IGT**") -- A transfer of Public Funds from a Non-state Governmental Entity to HHSC.

B. Managed Care Organization ("**MCO**") -- A Medicaid managed care organization contracted with HHSC to provide health care services to Medicaid recipients.

C. Non-state Governmental Entity -- A hospital authority, hospital district, health district, city or county.

D. Hospital -- The CHRISTUS Spohn Health System.

E. Public Funds -- Funds derived from taxes, assessments, levies, investments, and other public revenues within the sole and unrestricted control of the Governmental Entity. Public funds do not include gifts, grants, trusts, or donations, the use of which is conditioned on supplying a benefit solely to the donor or grantor of the funds.

IV. CONTRACT PERIOD AND RECONCILIATION PERIOD

A. The term of this Contract (the "**Contract Period**") begins on September 1, 2026, and ends on August 31, 2027.

B. The Contract Period may be modified by written agreement between the Parties.

V. CONTRACT AMOUNT

A. For each Medicaid managed care program and service area in which the Hospital participates in a NAIP pass-through payment arrangement, HHSC's managed care contract with participating MCOs will establish a rate component for NAIP to be included in the MCOs' capitation rates (the "NAIP Rate Component") to provide NAIP pass-through payments to the Hospital.

B. The non-federal percentage of the NAIP Rate Component equals 100 percent minus the applicable Federal Medical Assistance Percentage for Medicaid for Texas in effect when HHSC incurs the expense.

C. The Parties agree this Contract will not exceed $3,347,716.00 ("**Contract Amount**"), which equals (1) the non-federal percentage of the pass-through payment amount plus 10 percent, and (2) the non-federal percentage of the risk margin, administrative fee, and any other NAIP-related amounts HHSC is required to pay each applicable MCO pursuant to

the associated managed care contract between HHSC and the MCO. The Contract Amount is subject to the provisions of Section VI.A. and Article VII.

VI. STATEMENT OF SERVICES TO BE PERFORMED

A. Governmental Entity's responsibilities under this Contract include the following:

1. IGT equal to at least one-twelfth of the Contract Amount is due August 25, 2026. On the tenth day of each month thereafter through July 10, 2027, the Governmental Entity will transfer to HHSC an amount equal to at least one-twelfth of the Contract Amount. If at any time during the Contract Period, HHSC determines that the Contract Amount is likely to exceed the amount described in Section V.C., HHSC will notify the Governmental Entity in writing of a revised amount that the Governmental Entity must transfer on the tenth day of each month remaining in the Contract Period.

2. The Governmental Entity will transfer to HHSC any shortfall amount calculated as described in Article VII within 30 days of receipt of HHSC's notice.

B. HHSC's responsibilities under this Contract include the following:

1. HHSC will provide the Governmental Entity with the NAIP Rate Component for each applicable MCO, Medicaid managed care program, and service area in which the Hospital participates in NAIP.

2. HHSC will perform the reconciliation processes described in Article VII.

VII. RECONCILIATION

A. HHSC will confirm that the amount owed by the Governmental Entity under this Contract equals the amount actually paid by the Governmental Entity under this Contract by completing a reconciliation (referred to as the "**Reconciliation Period**") in multiple parts, as follows:

1. For each Medicaid program and service area in which the Hospital participates in NAIP, HHSC will determine the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period by multiplying the NAIP Rate Component by the total member months included in the Contract Period. Total member months include any adjustments to enrollment that occurred for the Contract Period prior to the reconciliation.

2. HHSC will compare the amount transferred by the Governmental Entity to HHSC for the Contract Period to the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period.

    a. If the amount transferred by the Governmental Entity exceeds 102% of the non-federal percentage of the NAIP Rate Component expended by HHSC:

I. HHSC will refund the difference between the amount transferred and 102% of the amount expended by HHSC; and

II. HHSC will return any excess funds following the reconciliation described in Section VII.C.

b. If the amount transferred by the Governmental Entity is less than 102% of the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will notify the Governmental Entity of the amount of the shortfall. The Governmental Entity will have 30 days to transfer the shortfall to HHSC, unless HHSC, at its sole discretion, extends the deadline.

B. The Reconciliation Period will end no later than August 31, 2029. HHSC may complete interim reconciliations between August 31, 2027, and August 31, 2029, as updated enrollment data for the Contract Period, as reflected in adjusted member months, becomes available. HHSC will follow the process described in Section VII.A. for such interim reconciliations.

C. HHSC will complete the final reconciliation no later than August 31, 2029, to ensure that payments under this Contract are based on final enrollment figures for the Contract Period.

1. For each Medicaid program and service area in which the Hospital participates in NAIP, HHSC will determine the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period by multiplying the NAIP Rate Component by the total member months included in the Contract Period. Total member months include any adjustments to enrollment that occurred subsequent to a reconciliation.

2. HHSC will compare the amount transferred by the Governmental Entity to HHSC for the Program Period to the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period.

a. If the amount transferred by the Governmental Entity exceeds the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will refund the excess and the amount retained under Section A.2.a.II. of this Article VII;

b. If the amount transferred by the Governmental Entity is less than the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will notify the Governmental Entity of the amount of the shortfall. The Governmental Entity will have 30 days to transfer the shortfall to HHSC, unless HHSC, at its sole discretion, extends the deadline.

VIII. TERMINATION

A. HHSC may terminate this Contract at any time, in its sole discretion, by providing written notice to the Governmental Entity through the individual identified in Section X.A.

IX. ADDITIONAL TERMS

A. The services specified above are necessary and authorized for activities that are properly within the statutory functions and programs of the Parties.

B. The services contracted for are not required by Section 21 of Article XVI of the Constitution of Texas to be supplied under contract given to the lowest responsible bidder.

C. The proposed arrangements serve the interest of efficient and economical administration of state government.

D. All acts required under this Contract will be done in conformity with federal and state laws and regulations.

E. If any portion of this Contract is held to be invalid or unenforceable, the remainder of the Contract remains valid and enforceable.

F. The dispute resolution process provided for in Chapter 2260 of the Texas Government Code (Resolution of Certain Contract Claims Against the State) will be used by the Governmental Entity to attempt to resolve any claim for breach of the Contract.

G. This Contract may only be amended or modified by written agreement of the Parties.

H. Information related to the performance of this Contract may be subject to Chapter 552 of the Texas Government Code (Public Information Act) and will be withheld from public disclosure or released to the public only in accordance therewith. The Governmental Entity shall make any information required under the Public Information Act available to HHSC in portable document file (".pdf") format or any other format agreed between the Parties.

I. This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. The Governmental Entity irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto. NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY HHSC OR GOVERNMENTAL IMMUNITY BY THE GOVERNMENTAL ENTITY.

J. Neither Party shall assign or subcontract the whole nor any part of the Contract, including any right or duty required under it, without the other Party's prior written consent. Any assignment made contrary to this shall be void.

K. All terms of this Contract will survive during any period where the Contract is going through reconciliation.

X. NOTICE

A. All communications to the Governmental Entity under this Contract will be sent to:

Name:	Jonny F. Hipp, ScD, FACHE
Title:	Administrator/Chief Executive Officer
Address:	555 North Carancahua St, Suite 950 Corpus Christi, Texas 78401-0835

B. All communications to HHSC under this Contract will be sent to Megan Wolfe, Director of Provider Finance, Health and Human Services Commission, North Austin Complex, 4601 W. Guadalupe St., Austin, TX 78751.

XI. SIGNATURE AUTHORITY

Each Party represents and warrants that the person executing this Contract on its behalf has full power and authority to enter into this Contract. Any services or work performed by the Governmental Entity before this Contract is effective or after it ceases to be effective are performed at the sole risk of the Governmental Entity. By signing this Contract, the person signing on behalf of the Governmental Entity certifies that this Contract has not been altered, amended, or changed from the version of the Contract sent by HHSC to the Governmental Entity.

SIGNATURE PAGE FOLLOWS

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SIGNATURE PAGE FOR HHSC CONTRACT NO. HHS001711400008

Texas Health and Human Services Commission	**Governmental Entity**
By:	By:
Name: Camisha D. Banks	Name:
Title: Deputy Executive Commissioner, Managed Care	Title:
Signature Date:	Signature Date:

THE FOLLOWING ATTACHMENT IS HEREBY INCORPORATED BY REFERENCE:

ATTACHMENT A – SFY 2027 NAIP PROGRAM FINANCIAL ASSUMPTIONS

ATTACHMENT A – SFY 2027 NAIP PROGRAM FINANCIAL ASSUMPTIONS

Superior - CHRISTUS Spohn Health System

		September 1, 2026 - August 31, 2027								
Program	**SDA**	**All Funds**	**IGT (w/o 10% buffer)**	**FMAP**	**Net to Provider**	**TAXES**	**TAXES %**	**ADMIN**	**ADMIN %**	*Monthly IGT w/ 10% Margin*
STAR, STAR+Plus	Nueces	2,435,444	1,007,056	58.65%	2,386,735	42,620	1.75%	6,089	0.25%	92,313
STAR, STAR+Plus	Nueces	1,896,177	784,069	58.65%	1,858,253	33,183	1.75%	4,740	0.25%	71,873
		4,331,621	**1,791,125**		**4,244,988**	**75,803**		**10,829**		**164,186**

United - CHRISTUS Spohn Health System

		September 1, 2026 - August 31, 2027								
Program	**SDA**	**All Funds**	**IGT (w/o 10% buffer)**	**FMAP**	**Net to Provider**	**TAXES**	**TAXES %**	**ADMIN**	**ADMIN %**	*Monthly IGT w/ 10% Margin*
STAR	Nueces	2,435,444	1,007,056	58.65%	2,386,735	42,620	1.75%	6,089	0.25%	92,313
STAR	Nueces	592,978	245,197	58.65%	581,119	10,377	1.75%	1,482	0.25%	22,476
		3,028,422	**1,252,253**		**2,967,854**	**52,997**		**7,571**		**114,790**

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Commitment of Fiscal Year-End 2026 General Fund Amounts for Subsequent-Year Intergovernmental Transfers

Purpose

To brief the Board of Managers regarding the proposed commitment of a portion of the District's Fiscal Year-End 2026 General Fund balance for intergovernmental transfers associated with Fiscal Year 2026 Medicaid directed and supplemental payment programs that are expected to be paid during Fiscal Year 2027.

Background

During Fiscal Year 2026, the District participated in Medicaid directed and supplemental payment programs administered by the Texas Health and Human Services Commission through intergovernmental transfers (IGTs). These programs include ATLIS, CHIRP, NAIP, TIPPS, Disproportionate Share Hospital, Graduate Medical Education, HARP, Hospital Uncompensated Care, and other related programs.

The Resolution provides that delays in approval of underlying provider performance metrics are expected to result in certain Fiscal Year 2026 IGT payment requests occurring after September 30, 2026. Although the associated transfers relate to Fiscal Year 2026 program activity, the payments therefore may not be made until Fiscal Year 2027.

Proposed Fund Balance Commitment

The proposed Resolution would commit an amount not to exceed $47,000,000 from the District's General Fund balance as of September 30, 2026 for payment of the unpaid Fiscal Year 2026 IGTs during Fiscal Year 2027.

The $47,000,000 represents the maximum amount authorized for commitment. The actual amount to be committed would be determined by the Administrator on or after October 1, 2026, based on information provided by the Texas Health and Human Services Commission.

Funding and Intergovernmental Transfers

The committed amount would be drawn from General Fund subaccounts routinely used by the District to make IGTs for Medicaid directed and supplemental payment programs. The commitment is intended to identify and preserve Fiscal Year-End 2026 General Fund resources for IGT obligations attributable to Fiscal Year 2026 that remain unpaid at fiscal year-end.

The Resolution does not establish the final amount of the unpaid IGT obligations. Instead, it establishes a maximum commitment and authorizes the Administrator to determine the actual amount after the beginning of Fiscal Year 2027 when additional information concerning the payment requirements is available.

Fund Balance Impact

Adoption of the Resolution would designate up to $47,000,000 of the District's September 30, 2026 General Fund balance for the specified unpaid Fiscal Year 2026 IGTs. The commitment would identify those resources for this particular purpose rather than treating them as otherwise uncommitted General Fund balance.

The ultimate effect on General Fund resources will depend upon the actual amount of Fiscal Year 2026 IGTs requested after year-end. The Administrator would determine the amount of the commitment, subject to the $47,000,000 maximum established by the Board.

Fiscal Year 2027 Budget Treatment

The Administrator would be directed to incorporate the committed funds into the District's Fiscal Year 2027 Annual Budget. This treatment recognizes that the related IGT payments are expected to occur during Fiscal Year 2027 even though they arise from the District's participation in Medicaid directed and supplemental payment programs during Fiscal Year 2026.

Administrative Authority

The Resolution authorizes and directs the Administrator to take the actions and execute the documents necessary to implement the commitment and associated payments. The Administrator would also determine the actual amount committed based on information received from the Texas Health and Human Services Commission.

The Resolution would take effect immediately upon passage, and the Board expressly retains authority to amend or repeal the Resolution.

Fiscal Impact

Maximum General Fund Commitment: $47,000,000
Funding Source: Fiscal Year-End 2026 General Fund balance
Use of Funds: Unpaid Fiscal Year 2026 intergovernmental transfers paid during Fiscal Year 2027

The actual commitment may be less than $47,000,000 and would be determined by the Administrator based on information provided by the Texas Health and Human Services Commission.

Board Consideration

The Board is being asked to consider committing up to $47,000,000 of the District's Fiscal Year-End 2026 General Fund balance for unpaid Fiscal Year 2026 IGTs expected to be paid during Fiscal Year 2027. Approval would also direct incorporation of the committed amount into the FY 2027 Annual Budget and authorize the Administrator to determine the actual commitment and take the actions necessary to implement the Resolution.

Summary

The proposed Resolution provides a mechanism for carrying forward and designating General Fund resources at Fiscal Year-End 2026 for Medicaid-related IGT obligations attributable to Fiscal Year 2026 but expected to be paid during Fiscal Year 2027. The commitment is capped at $47,000,000, with the actual amount to be determined based on subsequent information from the Texas Health and Human Services Commission.

Nueces County Hospital District

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

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BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

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 2026 runs from October 1, 2025 through September 30, 2026, and Fiscal Year 2027 runs from October 1, 2026 through September 30, 2027;

WHEREAS, during Fiscal Year 2026 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, but not limited to 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 underlying provider performance metrics for Fiscal Year 2026, the Commission's requests for related IGT payments ("Unpaid FY 2026 IGTs") will not occur until after September 30, 2026; and

WHEREAS, the Board finds it necessary and appropriate to commit up to **Forty-Seven Million Dollars ($47,000,000)** from the District's General Fund balance as of September 30, 2026, to cover these Unpaid FY 2026 IGTs during Fiscal Year 2027.

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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 **Forty-Seven Million Dollars ($47,000,000)** from the District's Fiscal Year-End 2026 General Fund balance to be applied during Fiscal Year 2027 to fund the Unpaid FY 2026 IGTs.

2. The actual amount committed shall be determined by the Administrator on or after October 1, 2026, 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 to the Commission for Medicaid directed and supplemental payment programs, including, but limited to ATLIS, CHIRP, NAIP, TIPPS, DSH, GME, HARP, and UC.

4. The Administrator shall incorporate the committed funds into the District's Fiscal Year 2027 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

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower.
Sunil Reddy

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

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

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

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

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

SIGNED AND SEALED THIS 17th day of August , 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Fiscal Year 2027 Funding for Nueces County Healthcare Services

Purpose

To brief the Board of Managers regarding proposed Fiscal Year 2027 funding for specified Nueces County healthcare services and the associated resolution providing for the funding.

Background

Since Fiscal Year 2000, at the request of the Nueces County Commissioners Court, the District has annually allocated Non-Tax Funds and Tobacco Settlement Funds in its budget to support County-related healthcare services authorized under applicable law.

For Fiscal Year 2027, Commissioners Court has again requested that the District allocate funding for specified County healthcare services. The proposed resolution provides for these expenditures from District Non-Tax Funds and the Tobacco Settlement Fund, subject to the continuing availability of those funding sources.

Fiscal Year 2027 Funding

The proposed resolution provides $14,898,201 in Fiscal Year 2027 funding for the County healthcare services identified in Attachment A. The funding would be incorporated into the District's FY 2027 Annual Budget and used solely for the identified purposes or related efforts.

The funding schedule encompasses mental and behavioral health services, public health, emergency medical services, healthcare for juvenile detainees and jail inmates, substance use-related services, diabetes programs, air ambulance services, and community-based public health initiatives.

Major Healthcare Service Allocations

The largest allocation is $8,528,568 for inmate healthcare services at the Nueces County Jail and McKenzie Jail Annex. Mental health and intellectual and developmental disability services total $2,964,883, consisting of $969,129 for local match and other NCMHID funding and $1,995,754 for mental health, crisis response, jail diversion, competency restoration, and related programs.

The schedule also provides $1,860,000 for the County's expense share for the City/County Public Health District and mobile clinic; $650,000 for specified emergency medical services; and $474,000 for juvenile detainee healthcare services. Additional allocations support substance use services, juvenile and adult diabetes programs, nonprofit air ambulance service, and public health grants.

Funding Sources and Eligibility

The $14,898,201 County Healthcare Services Funding Amount would be paid from the District's Non-Tax Funds and Tobacco Settlement Fund. The resolution identifies these expenditures as statutorily authorized healthcare expenditures and as qualifying claims for tobacco settlement distributions.

Use of the funding remains subject to the continuing availability of Non-Tax Funds and Tobacco Settlement Funds.

Funding Administration and Accountability

The Administrator would be directed to incorporate the $14,898,201 funding amount into the District's Fiscal Year 2027 Annual Budget in accordance with Attachment A. Nueces County would be responsible for ensuring that funds disbursed for the identified healthcare services are used solely for their intended purposes or related efforts.

The Administrator would be authorized to determine the manner, schedule, and basis for disbursement following the commencement of Fiscal Year 2027 and to take the actions and execute the documents necessary to implement the resolution.

Fiscal Impact

FY 2027 Funding: $14,898,201

Funding Sources: District Non-Tax Funds and Tobacco Settlement Fund

Inmate Healthcare Services: $8,528,568

Mental Health and IDD Services: $2,964,883

Public Health District and Mobile Clinic: $1,860,000

Emergency Medical Services: $650,000

Juvenile Detainee Healthcare Services: $474,000

The remaining funding supports substance use-related services, diabetes programs, air ambulance services, and public health grants as detailed in Attachment A.

Board Consideration

The Board is being asked to consider adoption of the resolution providing Fiscal Year 2027 funding for Nueces County healthcare services. Adoption would establish the total funding amount and funding sources, provide for incorporation of the allocations into the FY 2027 Annual Budget, require use of the funds for their intended purposes or related efforts, and authorize the Administrator to administer and disburse the funds.

Summary

The proposed resolution continues the District's longstanding support of County-related healthcare services and provides $14,898,201 in Non-Tax Funds and Tobacco Settlement Funds for Fiscal Year 2027. The funding supports a broad range of mental and behavioral health, public health, emergency medical, detainee and inmate healthcare, substance use, chronic disease, air ambulance, and community health services identified in Attachment A.

Nueces County Hospital District

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BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 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 2027 (October 1, 2026 - September 30, 2027);

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 2027, 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 2027" ("Attachment A");

WHEREAS, the Board finds it appropriate to allocate such funds in the amount of **Fourteen Million Eight Hundred Ninety-Eight Thousand Two Hundred One Dollars ($14,898,201)** (the "FY 2027 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 2027 County Healthcare Services Funding Amount of **Fourteen Million Eight Hundred Ninety-Eight Thousand Two Hundred One Dollars ($14,898,201)** 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 2027 County Healthcare Services Funding Amount into the District's Fiscal Year 2027 Annual Budget, allocated as shown in Attachment A.

4. Nueces County shall ensure that funds disbursed for FY 2027 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 2027.

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.

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

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Vishnu V. Reddy, M.D.
Chairman

Sylvia Tryon Oliver
Vice Chairman

Mariana Garza
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

Pamela Brower
Member

Sunil Reddy
Member

ATTACHMENT "A"

NUECES COUNTY HEALTHCARE SERVICES
FUNDING SCHEDULE - FISCAL YEAR 2027

Program #	Program Description	Amount
1a	Local match and other funding for the Nueces Center for Mental Health and Intellectual Disabilities.	$969,129
1b	Local match for Nueces Center for Mental Health and Intellectual Disabilities and/or Nueces County for: [.1] Mental Health Grant for Justice Involved Individuals (MHGJII); [.2] Crisis Intervention Team (CIT); [.3] Jail Diversion Center (JD); [.4] Jail-Based Competency Restoration (JBCR); [.5] Walk-in-Crisis Clinic (WIC); [.6] Mobile Crisis Outreach Team (MCOT); and [.7] Forensic Assertive Community Treatment Team (FACT) programs.	1,995,754
2	Nueces County's expense share for City/County Public Health District 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 within Nueces County but 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 Correctional Healthcare Services at the Nueces County Jail and McKenzie Jail Annex.	8,528,568
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 Grant for Coastal Bend Wellness Foundation.	85,000
9	Public Health Grant for Amistad Community Health Center.	85,000
9	Public Health Grant for University of Texas Health Science Center-San Antonio Area Health Education Center.	65,000
	Total	**$14,898,201**

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

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

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 NUECES COUNTY HEALTHCARE EXPENDITURES

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

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

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

SIGNED AND SEALED THIS 17th day of August, 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Fiscal Year 2027 Funding for the Nueces Center for Mental Health and Intellectual Disabilities

Purpose

To brief the Board of Managers regarding proposed Fiscal Year 2027 funding for the Nueces Center for Mental Health and Intellectual Disabilities (NCMHID) and the associated resolution providing for the funding.

Background

NCMHID is a state-authorized provider of mental health and intellectual disability services and is recognized as a governmental unit and local government entity under Texas law. Since Fiscal Year 2000, at the request of the Nueces County Commissioners Court, the District has allocated funding for NCMHID services through its annual budgets.

For Fiscal Year 2027, Commissioners Court has again requested that the District provide funding to support NCMHID services. The proposed resolution provides for the funding to be appropriated from District Non-Tax Funds and incorporated into the District's Fiscal Year 2027 Annual Budget.

Fiscal Year 2027 Funding

The proposed resolution provides $2,964,883 in Fiscal Year 2027 funding for NCMHID services. The resolution identifies the expenditure as a statutorily authorized use of District Non-Tax Funds and as qualifying for tobacco settlement distribution claims.

Attachment A divides the funding into two general components. The first provides $969,129 for mental health and intellectual and developmental disability services. The second provides $1,995,754 for a group of mental health, crisis response, jail diversion, competency restoration, and related community-based programs. Together, these components total $2,964,883.

Services Supported

The funding schedule includes mental health youth and crime-victim services and a range of intellectual and developmental disability services, including administration, respite, home and community-based services, supported living, habilitation, intake and assessment, and related service coordination.

The schedule also provides funding for programs serving justice-involved individuals and persons experiencing behavioral health crises, including crisis intervention, jail diversion, jail-based competency restoration, walk-in crisis services, mobile crisis outreach, and forensic assertive community treatment.

Funding Administration

The Administrator would be directed to incorporate the $2,964,883 NCMHID Services Funding Amount into the District's Fiscal Year 2027 Annual Budget. The Administrator would also be authorized to disburse the funding in equal quarterly payments or according to another schedule determined to be reasonable and appropriate.

The resolution permits the Administrator to establish additional procedures or requirements necessary for disbursement, including financial reporting and accountability measures, and authorizes the Administrator to take the actions and execute the documents necessary to implement the resolution.

Fiscal Impact

FY 2027 Funding: $2,964,883

Funding Source: District Non-Tax Funds

Mental Health and IDD Services: $969,129

Additional Mental Health, Crisis and Related Programs: $1,995,754

The total funding amount would be incorporated into the District's Fiscal Year 2027 Annual Budget and disbursed for the services identified in Attachment A.

Board Consideration

The Board is being asked to consider adoption of the resolution providing Fiscal Year 2027 funding for NCMHID. Adoption would establish the funding amount and source, provide for its inclusion in the FY 2027 Annual Budget, and authorize the Administrator to administer and disburse the funds and establish appropriate reporting and accountability requirements.

Summary

The proposed resolution continues the District's longstanding financial support of NCMHID and provides $2,964,883 in Non-Tax Funds for Fiscal Year 2027. The funding supports mental health, intellectual and developmental disability, crisis response, justice-related, and other behavioral health services identified in Attachment A, with administrative authority provided for implementation, disbursement, and accountability.

Nueces County Hospital District

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

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 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 2027 (October 1, 2026 - September 30, 2027);

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 services in the District's annual budgets;

WHEREAS, for Fiscal Year 2027, the Commissioners Court has again 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 **Two Million Nine Hundred Sixty-Four Thousand Eight Hundred Eighty-Three Dollars ($2,964,883)** (the "NCMHID Services Funding Amount") in the District's FY 2027 Annual Budget for the NCMHID services described in Attachment A ("Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule – Fiscal Year 2027"); 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 **Two Million Nine Hundred Sixty-Four Thousand Eight Hundred Eighty-Three Dollars ($2,964,883)** shall be 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 the NCMHID Services Funding Amount of **Two Million Nine Hundred Sixty-Four Thousand Eight Hundred Eighty-Three Dollars ($2,964,883)** into the District's FY 2027 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.

5. The Administrator may establish any additional related 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

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

ATTACHMENT "A"

NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES
FUNDING SCHEDULE - FISCAL YEAR 2027

Item #	Program Title	Program Amount	Sub-Total
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	$969,129
12	[.1] Mental Health Grant for Justice Involved Individuals (MHGJII); [.2] Crisis Intervention Team (CIT); [.3] Jail Diversion Center (JD); [.4] Jail-Based Competency Restoration (JBCR); [.5] Walk-in-Crisis Clinic (WIC); [.6] Mobile Crisis Outreach Team (MCOT); and [.7] Forensic Assertive Community Treatment Team (FACT) programs.		$1,995,754
		Total	**$2,964,883**

MH means Mental Health
IDD means Intellectual and Developmental Disabilities

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

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

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 FOR THE NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

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

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

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

SIGNED AND SEALED THIS 17th day of August , 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

preservation, microfilming, destruction, or other disposition of the records of a district is subject to Subtitle C, Title 6, Local Government Code.

(b) The period that medical records are retained shall be in accordance with rules relating to the retention of medical records adopted by the executive commissioner and with other applicable federal and state laws and rules.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 14, Sec. 118, eff. Sept. 1, 1991.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. 219), Sec. 3.0831, eff. April 2, 2015.

SUBCHAPTER E. DISTRICT FINANCES

Sec. 281.091. BUDGET. (a) The administrator shall prepare an annual budget under the board's direction.

(b) The budget and budget revisions must be approved by the board and then shall be presented to the commissioners court for final approval.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 281.092. ADMINISTRATOR'S REPORT. (a) As soon as practicable after the close of the fiscal year, the administrator shall make a report to the board, commissioners court, executive commissioner, and comptroller.

(b) The report must:

(1) consist of a sworn statement of all money and choses in action received by the administrator and their disposition; and

(2) show in detail the operations of the district for the fiscal year.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. 219), Sec. 3.0832, eff. April 2, 2015.

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: Fiscal Year 2027 Annual Budget

BUDGET PERIOD: October 1, 2026 - September 30, 2027

Purpose

To provide the Board of Managers with a general overview of the proposed Fiscal Year 2027 Annual Budget and its principal financial characteristics, including anticipated revenues and expenditures, use of existing fund balances, major healthcare financing activities, and projected year-end financial position.

Overall Budget

The proposed Fiscal Year 2027 Annual Budget establishes the District's financial plan for its operations, healthcare programs, intergovernmental financing activities, and special revenue funds for the fiscal year beginning October 1, 2026.

Across all funds, the budget anticipates approximately $107.6 million in revenues and $137.6 million in expenditures. Because planned expenditures exceed current-year revenues, the budget provides for the use of approximately $30 million of accumulated fund balances during the fiscal year.

The planned use of fund balance is significant but occurs within the context of substantial accumulated District reserves.

General Fund

The General Fund continues to account for most of the District's financial activity. Fiscal Year 2027 General Fund revenues are budgeted at approximately $105.7 million, while expenditures are budgeted at approximately $136.7 million.

After consideration of a $750,000 operating transfer from the Tobacco Fund, the General Fund is budgeted to use approximately $30.3 million of fund balance during FY 2027.

The FY 2027 budget reflects lower revenues and expenditures than the FY 2026 budget. The most significant revenue change is a reduction in Spohn Corporate Membership Revenue, while lower anticipated intergovernmental transfers account for much of the reduction in expenditures.

Revenues

The District's General Fund continues to rely principally upon Spohn Corporate Membership Revenue and property tax revenue. Together, these sources provide the substantial majority of General Fund revenue. Investment earnings and other revenues provide additional, but considerably smaller, amounts.

The proposed budget assumes approximately $63.8 million in Spohn Corporate Membership Revenue and approximately $40.4 million in property tax revenue.

The FY 2027 budget is based upon a property tax rate of $0.088501 per $100 of taxable valuation, identified in the budget as the No-New-Revenue Rate.

Expenditures and Healthcare Financing

The District's expenditure structure continues to be driven primarily by healthcare financing activities. Intergovernmental transfers represent the largest expenditure category and are budgeted at approximately $109.4 million for FY 2027.

Other significant expenditures include approximately $14.9 million for County healthcare services and approximately $5.7 million for Graduate Medical Education support, together with the District's administrative and operating expenses.

This expenditure structure reflects the District's continuing role in supporting local healthcare services while participating in state and federal healthcare financing programs.

County Healthcare Support

The FY 2027 budget continues substantial financial support for healthcare services provided to Nueces County residents. The approximately $14.9 million County healthcare allocation includes mental and behavioral healthcare, public health activities, emergency medical services, juvenile detention and County jail healthcare, substance-use-related services, diabetes programming, air ambulance support, and public health grants.

The budget therefore maintains a broad range of existing healthcare commitments while adjusting individual allocations to reflect anticipated Fiscal Year 2027 needs.

Fund Balances and Reserves

The District enters Fiscal Year 2027 with substantial accumulated fund balances. Combined beginning fund balances are approximately $166.4 million.

After anticipated FY 2027 revenues, expenditures, and transfers, combined fund balances are projected at approximately $136.5 million at year-end, or approximately $122.0 million after committed funds.

Within the General Fund, the budget projects an ending balance of approximately $67.1 million, or approximately $52.7 million after committed funds. Accordingly, while the budget intentionally draws upon accumulated resources, substantial reserves are projected to remain at fiscal year-end.

Special Revenue Funds

The FY 2027 budget also provides for continued activity within the District's Tobacco, Opioid Settlement, and Indigent Care Funds. These funds support their respective designated purposes and contribute to the District's overall financial position.

The budget includes a $750,000 transfer from the Tobacco Fund to the General Fund, planned expenditures from the Opioid Settlement Fund, and continued investment earnings within the Indigent Care Fund.

Budget Administration

The proposed budget provides the financial authority necessary for the District to carry out its operations, programs, healthcare financing responsibilities, and other authorized activities during Fiscal Year 2027.

Under the accompanying budget resolution, the Administrator would be authorized to control, manage, and expend appropriated funds and take actions necessary to implement and administer the budget, consistent with applicable state law, Board policy, and District financial policies.

Overall Assessment

The proposed Fiscal Year 2027 Annual Budget reflects a planned transition to a lower-revenue environment while continuing the District's major healthcare financing and service commitments.

Although expenditures are budgeted to exceed current-year revenues, the resulting shortfall is supported through the planned use of accumulated fund balances. The District is nevertheless projected to retain substantial General Fund and overall reserves at the end of Fiscal Year 2027.

The budget therefore represents a planned use of existing financial capacity to support Fiscal Year 2027 activities, rather than a balanced current-revenue/current-expenditure financial plan. Actual revenue performance, IGT requirements, and expenditure activity should be monitored throughout the fiscal year to determine how closely actual results correspond with these budget assumptions.

Board Consideration

The Board is being asked to consider approval of the Fiscal Year 2027 Annual Budget. Following Board approval, the Budget would be submitted to the Nueces County Commissioners Court for final approval, and the Administrator would be authorized to administer the Budget in accordance with the accompanying resolution and applicable requirements.

Nueces County Hospital District

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

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION APPROVING
FISCAL YEAR 2027 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 2027 begins October 1, 2026 and ends September 30, 2027;

WHEREAS, the Administrator has prepared, under Board direction, the proposed Fiscal Year 2027 Annual Budget (the "FY 2027 Annual Budget"), attached hereto as Exhibit A and incorporated by reference;

WHEREAS, the FY 2027 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 to Nueces County 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 2027 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 2027 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 2027 Annual Budget, attached hereto as Exhibit A, is hereby approved.

2. The Administrator shall submit the approved FY 2027 Annual Budget to the Nueces County Commissioners Court for final approval.

3. Nueces County shall ensure that District funds disbursed to it, as separately resolved, are used solely for their intended purposes or logical extensions thereof.

4. Nueces Center for Mental Health and Intellectual Disabilities shall ensure that District funds disbursed to it, as separately resolved, are used solely for their intended purposes or logical extensions thereof.

5. The Administrator is authorized to control, manage, and expend funds appropriated in the FY 2027 Annual Budget to carry out the District's operations, programs, and responsibilities, and to take all actions necessary or appropriate to implement and administer the Budget for such purposes, consistent with applicable state law, Board policy, and the District's financial policies.

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.

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

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

EXHIBIT "A"

[Attach budget package after this page]

DRAFT

NUECES COUNTY HOSPITAL DISTRICT

OPERATING BUDGET

FISCAL YEAR 2027

*

GENERAL FUND

SPECIAL REVENUE - TOBACCO FUND

SPECIAL REVENUE – OPIOID SETTLEMENT FUND

SPECIAL REVENUE – INDIGENT CARE FUND

*

DRAFT

TAX RATE: 0.088501 *(No New Revenue Rate)* 8/7/2026

3:13 PM

NUECES COUNTY HOSPITAL DISTRICT
BUDGET - GENERAL FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2027

	Explanation	Column 1 Fiscal 2027 Budget		Column 2 Fiscal 2026 Budget		Column 3 Budget 2027 vs. 2026	Column 4 Fiscal 2026 Est. Actual		Column 5 Est. Act vs F2027 Bud
	REVENUES								
	Property Taxes:								
1	Current	39,588,088	37.47%	40,066,206	29.17%	(478,118)	41,003,965	27.12%	(1,415,877)
2	Delinquent	421,150	0.40%	426,236	0.31%	(5,086)	528,778	0.35%	(107,628)
3	Penalties & Interest	395,881	0.37%	400,662	0.29%	(4,781)	387,220	0.26%	8,661
4	**Total Property Tax Revenue**	40,405,119	38.24%	40,893,104	29.77%	(487,985)	41,919,963	27.72%	(1,514,844)
5	Spohn Corporate Membership Revenue	63,800,000	60.38%	95,200,000	69.31%	(31,400,000)	105,661,524	69.87%	(41,861,524)
6	Investment Income	1,309,195	1.24%	1,110,676	0.81%	198,518	3,486,295	2.31%	(2,177,100)
7	Other Income	150,000	0.14%	150,000	0.11%	0	151,547	0.10%	(1,547)
8	**Total Other Revenues**	65,259,195	61.76%	96,460,676	70.23%	(31,201,482)	109,299,366	72.28%	(44,040,171)
9	**TOTAL REVENUES**	**105,664,314**	**100%**	**137,353,781**	**100%**	**(31,689,467)**	**151,219,329**	**100%**	**(45,555,015)**
	OPERATING EXPENSES								
10	Intergovernment Transfers	109,375,537	80.00%	135,159,558	84.76%	(25,784,021)	124,546,730	85.01%	(15,171,193)
11	Graduate Medical Education Support	5,652,500	4.13%	3,198,125	2.01%	2,454,375	3,198,126	2.18%	2,454,374
12	County Healthcare Services	14,898,201	10.90%	14,506,894	9.10%	391,307	13,435,617	9.17%	1,462,584
13	Salaries	2,261,820	1.65%	2,235,456	1.40%	26,363	1,766,800	1.21%	495,020
14	Benefits	1,130,375	0.83%	1,121,884	0.70%	8,491	861,242	0.59%	269,133
15	Legal & Professional Fees	1,026,500	0.75%	891,500	0.56%	135,000	833,245	0.57%	193,255
16	Purchased Services	771,000	0.56%	731,000	0.46%	40,000	655,426	0.45%	115,574
17	Tax Assessor / Appraisal Collection Fees	830,000	0.61%	830,000	0.52%	0	806,928	0.55%	23,072
18	Supplies & Materials	25,000	0.02%	26,000	0.02%	(1,000)	17,995	0.01%	7,005
19	Rent & Leases	159,000	0.12%	159,000	0.10%	0	146,220	0.10%	12,780
20	Repairs & Maintenance	15,500	0.01%	14,000	0.01%	1,500	5,207	0.00%	10,293
21	Telephone & Utilities	98,800	0.07%	102,400	0.06%	(3,600)	58,017	0.04%	40,783
22	Insurance	48,500	0.04%	48,500	0.03%	0	34,975	0.02%	13,525
23	Administrative & General	229,750	0.17%	226,000	0.14%	3,750	110,110	0.08%	119,640
24	Capital Outlay	200,000	0.15%	210,000	0.13%	(10,000)	35,900	0.02%	164,100
25	Extraordinary	5,000	0.00%	5,000	0.00%	0	0	0.00%	5,000
26	**TOTAL EXPENDITURES**	**136,727,483**	**100%**	**159,465,317**	**100%**	**(22,737,835)**	**146,512,538**	**100%**	**(9,785,055)**
27	**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES**	**(31,063,169)**		**(22,111,537)**		**(8,951,632)**	**4,706,791**		**(35,769,960)**
	NON-OPERATING SOURCES (USES)								
28	Operating Transfer In (Tobacco Fund)	750,000		700,000		50,000	893,000		(143,000)
29	Operating Transfer Out (Indigent Care Fund)	0				0	0		0
30	**TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**	**(30,313,169)**		**(21,411,537)**		**(8,901,632)**	**5,599,791**		**(35,912,960)**
31	**FUND BALANCE, BEGINNING OF PERIOD**	**97,454,838**		**79,318,697**			**91,855,047**		
32	**FUND BALANCE, END OF PERIOD**	**67,141,669**		**57,907,160**			**97,454,838**		
33	***FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)***	***52,703,906***		***45,153,418***			***55,454,838***		

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NUECES COUNTY HOSPITAL DISTRICT
CONSOLIDATED BUDGET - FOR THE GENERAL FUND,
TOBACCO, OPIOID SETTLEMENT & INDIGENT CARE FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2027

Tax Rate: 0.088501 (No-New-Revenue Rate)

	Explanation	General Fund	Tobacco Settlement Fund	Opioid Settlement Fund	Indigent Care Fund	Total
	REVENUES					
1	Property Taxes	40,405,119	0	0	0	40,405,119
2	Spohn Corporate Membership Revenue	63,800,000	0	0	0	63,800,000
3	Investment Income	1,309,195	0	44,061	985,701	2,338,956
4	Other Income	150,000	0	0	0	150,000
5	Tobacco Settlement Proceeds	0	750,000	0	0	750,000
6	Opioid Settlement Proceeds	0	0	200,000	0	200,000
7	**TOTAL REVENUES**	**105,664,314**	**750,000**	**244,061**	**985,701**	**107,644,076**
	OPERATING EXPENSES					
8	Intergovernmental Transfers	109,375,537	0	0	0	109,375,537
9	Graduate Medical Education Support	5,652,500	0	0	0	5,652,500
10	County Healthcare Services	14,898,201	0	0	0	14,898,201
11	Salaries	2,261,820	0	0	0	2,261,820
12	Benefits	1,130,375	0	0	0	1,130,375
13	Legal & Professional Fees	1,026,500	0	0	36,000	1,062,500
14	Purchased Services	771,000	0	840,000	0	1,611,000
15	Tax Assessor / Appraisal Collection Fees	830,000	0	0	0	830,000
16	Supplies & Materials	25,000	0	0	0	25,000
17	Rent & Leases	159,000	0	0	0	159,000
18	Repairs & Maintenance	15,500	0	0	0	15,500
19	Telephone & Utilities	98,800	0	0	0	98,800
20	Insurance	48,500	0	0	0	48,500
21	Administrative & General	229,750	0	0	0	229,750
22	Capital Outlay	200,000	0	0	0	200,000
23	Extraordinary/Tax Refund	5,000	0	0	0	5,000
24	Debt Service	0	0	0	0	0
25	**TOTAL EXPENDITURES**	**136,727,483**	**0**	**840,000**	**36,000**	**137,603,483**
26	**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES**	**(31,063,169)**	**750,000**	**(595,939)**	**949,701**	**(29,959,407)**
	NON-OPERATING SOURCES (USES)					
27	Operating Transfers In	750,000	0	0	0	750,000
28	Operating Transfers Out	0	(750,000)	0	0	(750,000)
29	**TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**	**(30,313,169)**	**0**	**(595,939)**	**949,701**	**(29,959,407)**
30	**FUND BALANCE, BEGINING OF PERIOD**	**97,454,838**	**0**	**3,371,213**	**65,604,934**	**166,430,985**
31	**FUND BALANCE, END OF PERIOD**	**67,141,669**	**0**	**2,775,274**	**66,554,635**	**136,471,578**
32	**FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS**	**52,703,906**	**0**	**2,775,274**	**66,554,635**	**122,033,815**

Nueces County Hospital District
County Healthcare Department Expenditures
Fiscal Year 2027

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	Program	Budget 2027	%	Budget 2026	Difference
	Mental Healthcare Services				
1	a MHID (State Match Program)	969,129	6.5%	969,129	0
	b MHID - Jail Programs	1,995,754	13.4%	1,500,000	495,754
	Subtotal Mental Healthcare Services	2,964,883	19.9%	2,469,129	495,754
2	Health Department (Operating Expenditures)				
	Health Department	1,800,000	12.1%	1,800,000	0
	Mobile Clinic	60,000	0.4%	60,000	0
		1,860,000	12.5%	1,860,000	0
3	Emergency Medical Services	650,000		650,000	
	City of Robstown				
	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	4.4%	650,000	0
4	Juvenile Detention Center-Health Services	474,000	3.2%	474,000	0
	Various Health-related Services				
5	County Jail Healthcare Services	8,528,568	57.2%	8,532,015	(3,447)
	Wexford Correctional Healthcare Services				
6a	Cenikor	60,000	0.4%	60,000	0
6b	Council on Alcohol & Drug Abuse	50,000	0.3%	50,000	0
7	County Diabetes Awareness Program	60,000	0.4%	60,000	0
8	HALO-Flight Funding	15,750	0.1%	15,750	0
9	Public Health Grants				
	Coastal Bend Wellness Foundation	85,000	0.6%	85,000	0
	Amistad Community Health Center	85,000	0.6%	85,000	0
	Nueces County Jail Medivan	0	0.0%	101,000	(101,000)
	Area Health Education Center (AHEC)	65,000	0.4%	65,000	0
		235,000	1.6%	336,000	(101,000)
	TOTALS	**14,898,201**	**100.0%**	**14,506,894**	**391,307**

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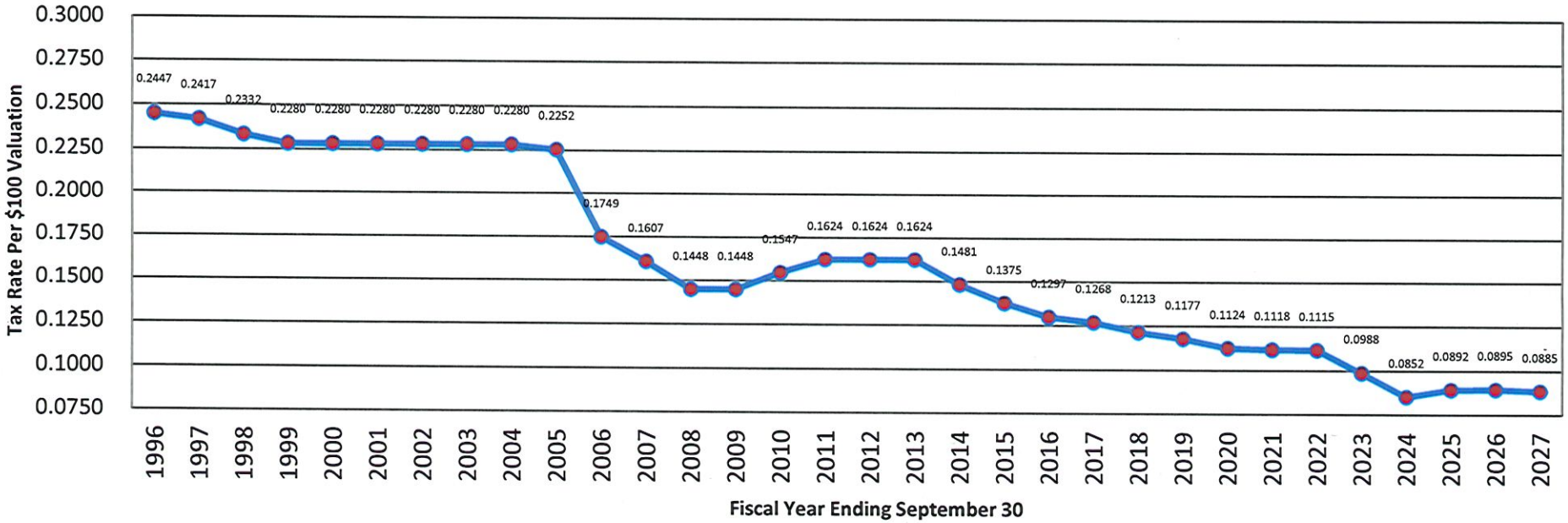
Nueces County Hospital District
Tax Rate History
FY 1996-2027



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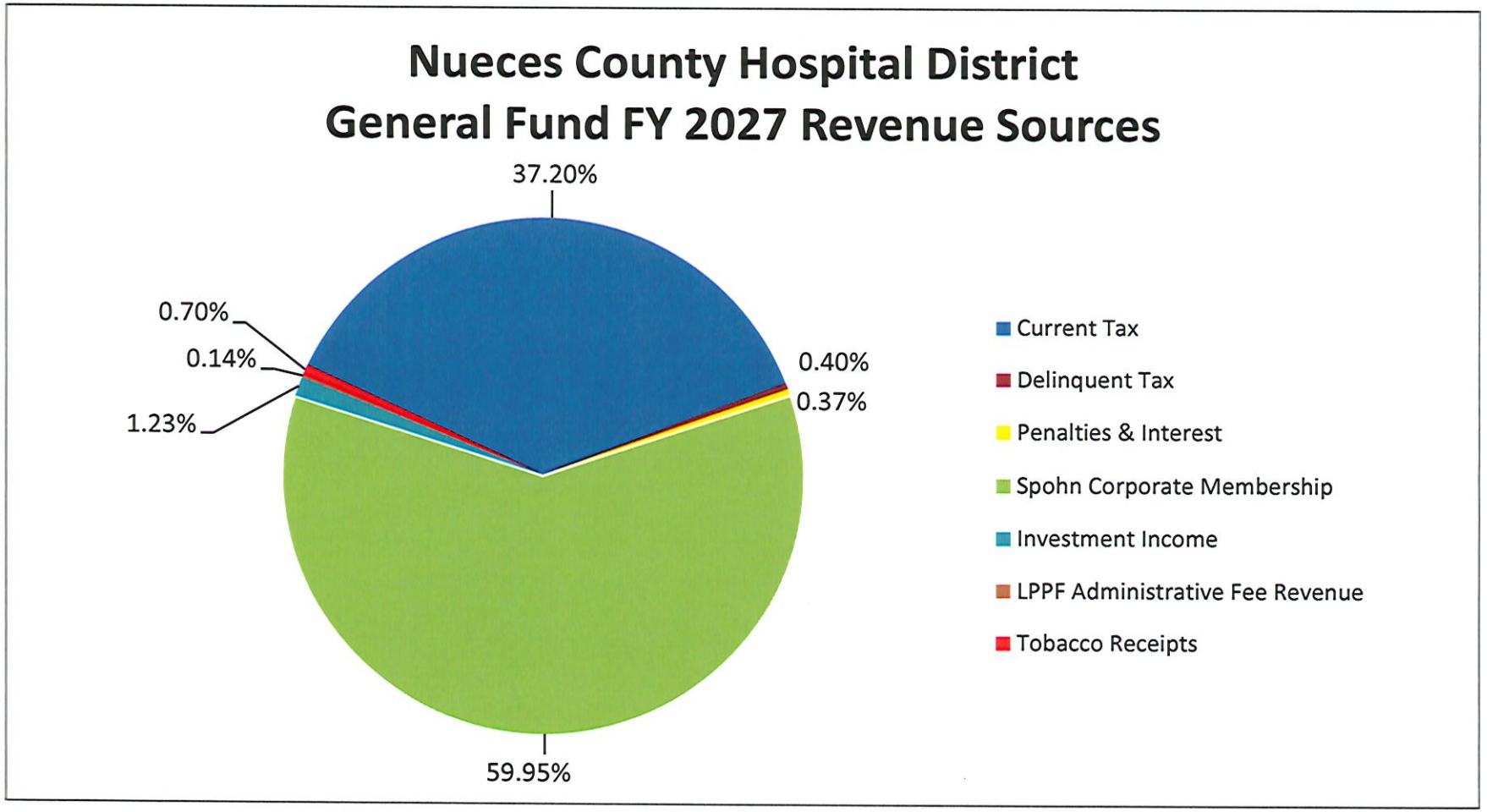
Nueces County Hospital District
General Fund FY 2027 Revenue Sources
37.20%
0.70%
0.14%
1.23%
0.40%
0.37%
59.95%
Current Tax
Delinquent Tax
Penalties & Interest
Spohn Corporate Membership
Investment Income
LPPF Administrative Fee Revenue
Tobacco Receipts

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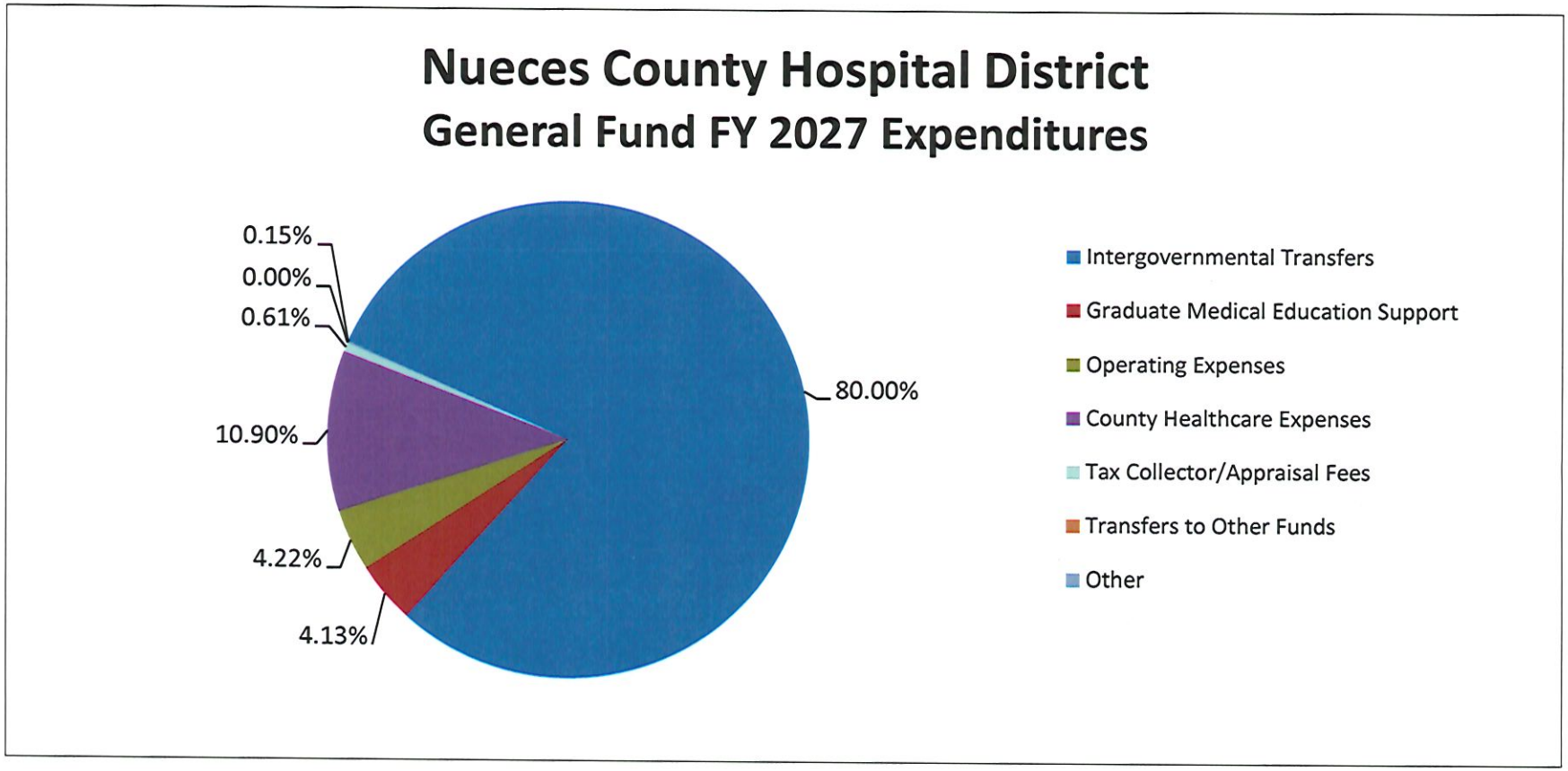
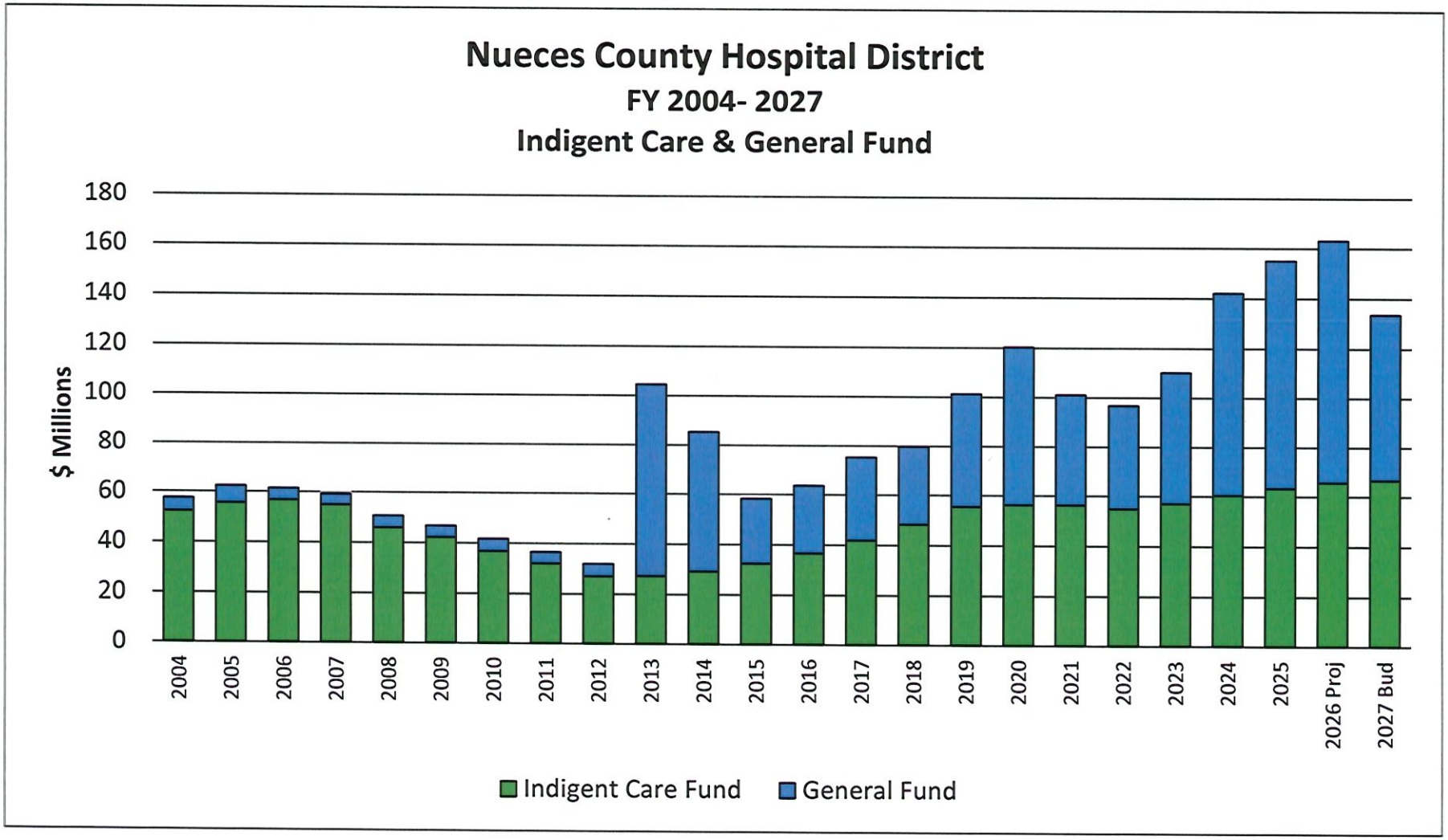

Nueces County Hospital District
General Fund FY 2027 Expenditures
0.15%
0.00%
0.61%
10.90%
4.22%
4.13%
80.00%
Intergovernmental Transfers
Graduate Medical Education Support
Operating Expenses
County Healthcare Expenses
Tax Collector/Appraisal Fees
Transfers to Other Funds
Other

DRAFT


Nueces County Hospital District
FY 2004- 2027
Indigent Care & General Fund
$ Millions
180
160
140
120
100
80
60
40
20
0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026 Proj
2027 Bud
Indigent Care Fund
General Fund

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

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

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

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

A RESOLUTION APPROVING
FISCAL YEAR 2027 ANNUAL BUDGET

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

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

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

SIGNED AND SEALED THIS 17th day of August, 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Potential Use of YourTexasBenefits.com to Facilitate Enrollment in the Nueces Aid Program

Purpose

To brief the Board of Managers regarding the potential use of the Texas Health and Human Services Commission's YourTexasBenefits.com integrated benefits portal as an additional pathway to facilitate enrollment in the Nueces Aid Program.

Background

The Nueces Aid Program is the District's local indigent health care program for Nueces County residents who do not qualify for other state or federal medical assistance. The program operates as the District's implementation of the County Indigent Health Care Program under Chapter 61 of the Texas Health and Safety Code and provides hospital, clinical, pharmacy, and primary care services to eligible residents.

Enrollment is currently administered independently by the District through its own online and paper application processes. Applicants must provide information and documentation concerning residency, household composition, income, resources, other coverage, and identity. Eligibility is determined after the required documentation is received.

Current Enrollment Process

The District currently accepts Nueces Aid applications through its online enrollment system and by paper application. Applicants are responsible for separately gathering and submitting supporting documentation even when similar information has previously been provided to or verified by another governmental benefits program.

There is presently no direct connection between YourTexasBenefits.com and the Nueces Aid Program. Consequently, an individual who applies for Medicaid through the state portal and is denied must separately identify the Nueces Aid Program and initiate another enrollment process with the District.

Potential YourTexasBenefits.com Pathway

YourTexasBenefits.com is the State's integrated benefits portal for programs including Medicaid, SNAP, CHIP, and TANF. A Medicaid application submitted through the portal collects substantially the same applicant information used in determining Nueces Aid eligibility, including identity and address, county of residence, household composition, income, assets and resources, insurance status, Social Security number, and Medicaid eligibility status.

The briefing identifies photo identification as the principal Nueces Aid documentation requirement not collected through YourTexasBenefits.com. This requirement could be addressed through a supplemental verification step rather than requiring an applicant to repeat the entire application process.

Enrollment Pathway Models

The briefing identifies three potential approaches for using YourTexasBenefits.com information to facilitate Nueces Aid enrollment. The first would provide for automatic referral following a Medicaid denial, with applicant consent, allowing verified eligibility information to be transmitted to the District and used to initiate a Nueces Aid application.

A second approach would establish a direct County Indigent Health Care Program intake pathway within YourTexasBenefits.com, allowing an applicant to initiate a Nueces Aid application through the state portal without first completing a Medicaid application.

A third approach would use an administrative coordination arrangement under existing authority. Under this approach, the District could accept income, household, and other information already verified through

a YourTexasBenefits.com Medicaid application to satisfy corresponding Nueces Aid documentation requirements. Unlike the first two approaches, this model would not depend upon an automated data-transfer system.

Potential Administrative Benefits

Use of verified YourTexasBenefits.com information could reduce duplication in the enrollment process by allowing information already collected and verified by HHSC to be used for Nueces Aid eligibility purposes. This could reduce the amount of documentation applicants must submit separately and lessen administrative processing associated with collecting and verifying duplicative information.

The approach could also provide a more direct connection between Medicaid ineligibility and the local indigent health care program. Medicaid-denied Nueces County residents whose income and resources fall within Nueces Aid standards could be more readily identified and directed to the District's enrollment process.

Eligibility Considerations

The Nueces Aid Program maintains eligibility standards established by the District under its statutory authority, including an income limit of 150 percent of the Federal Poverty Guidelines and a resource limit established by the District. These standards differ from the minimum eligibility requirements applicable to County Indigent Health Care Programs generally.

Use of YourTexasBenefits.com would therefore function as an enrollment and information-sharing pathway rather than as a replacement for the District's eligibility standards or responsibility for making final Nueces Aid eligibility determinations.

Legal and Operational Considerations

Implementation of the more integrated enrollment approaches would require coordination with HHSC and, for the automatic-referral and direct-portal models described in the briefing, statutory changes contemplated as part of a broader County Indigent Health Care Program streamlining framework.

Any data-sharing arrangement would require applicant consent. The briefing contemplates affirmative authorization for the sharing of applicant information with the applicable local program administrator and provides that refusal to consent would not affect eligibility for other benefit programs.

Operational issues would include establishing data-transfer or documentation procedures, confirming how previously verified information would be accepted by the District, addressing the remaining photo-identification requirement, coordinating referral and applicant-contact processes, and maintaining the District's responsibility for final eligibility determinations.

Potential Phased Approach

The briefing identifies a phased approach under which the District could initially pursue administrative coordination using existing authority while more integrated portal and automatic-referral mechanisms are considered through the legislative and state implementation processes.

Such an approach could allow the District to begin reducing duplicative documentation and enrollment barriers without waiting for development of a fully integrated state-local data pathway.

Fiscal and Administrative Impact

The briefing does not establish a specific fiscal impact or funding requirement. Potential effects would depend upon the enrollment model ultimately pursued, the extent of HHSC coordination or system development required, implementation arrangements, and any changes in enrollment volume or administrative workload.

Potential administrative benefits include reduced duplicative data collection and verification, a more streamlined application process, and improved identification of individuals who may qualify for the Nueces Aid Program following Medicaid denial.

Board Consideration

The Board is being asked to receive and discuss the briefing regarding the potential use of YourTexasBenefits.com to further facilitate enrollment in the Nueces Aid Program. The briefing provides a framework for considering administrative coordination under existing authority as well as potential future integration with the state benefits portal.

Summary

YourTexasBenefits.com collects much of the information required to determine Nueces Aid eligibility and therefore presents an opportunity to streamline enrollment by reusing verified applicant information and reducing duplicative documentation. The briefing identifies administrative and potential statutory pathways ranging from immediate coordination using existing authority to future automatic referral and direct portal integration. Under any approach, the District would retain its eligibility standards and responsibility for determining enrollment in the Nueces Aid Program.

NUECES COUNTY HOSPITAL DISTRICT
BRIEFING PAPER
YourTexasBenefits.com as an Enrollment Pathway for the Nueces Aid Program

August 17, 2026

Executive Summary

The Nueces Aid Program is NCHD's local indigent health care program serving Nueces County residents who do not qualify for any other state or federal medical assistance. Currently, enrollment requires a paper or online application submitted directly to NCHD, supported by documentation of residency, income, resources, and identity — a process administered entirely independent of the state benefits system.

This briefing examines whether and how YourTexasBenefits.com — the Texas Health and Human Services Commission's statewide integrated benefits portal used to apply for Medicaid, SNAP, CHIP, and TANF — could be used to facilitate enrollment in the Nueces Aid Program, reducing barriers for applicants and administrative burden for NCHD.

> **Key Finding:** *The Nueces Aid Program occupies a unique dual position: it is both NCHD's CIHCP program under Chapter 61, Health and Safety Code, and a locally branded program with its own eligibility standards and service structure. The YourTexasBenefits.com portal pathway developed in the CIHCP streamlining framework is directly applicable to the Nueces Aid Program. With the right combination of administrative action and statutory authorization, Medicaid denials through YourTexasBenefits.com could trigger automatic Nueces Aid Program referrals — turning what is currently a disconnected two-step process into a seamless single application experience.*

Part I: The Nueces Aid Program — Current Structure

What the Nueces Aid Program Is

The Nueces Aid Program is NCHD's branded implementation of the County Indigent Health Care Program (CIHCP) under Chapter 61, Health and Safety Code, Subchapter C, which applies to persons residing in the service area of a public hospital or hospital district. As a Chapter 281 hospital district, NCHD bears full statutory responsibility for furnishing medical and hospital care to indigent and needy persons residing in Nueces County under §281.046.

The program provides hospital services, clinical services, pharmacy benefits, and primary care access to enrolled Nueces County residents. Enrollment is managed through NCHD Enrollment Services offices at four locations in Corpus Christi and Robstown, in addition to an online application portal available through the NCHD website.

Current Eligibility Requirements

Nueces Aid Program eligibility is more generous than the statutory CIHCP floor in one important respect — income. While Chapter 61's minimum income threshold is 21% of the federal poverty level, NCHD has exercised its §61.052 less restrictive authority to raise that ceiling substantially:

Eligibility Factor	Chapter 61 Minimum	Nueces Aid Program Standard
Income limit	21% of Federal Poverty Level	150% of Federal Poverty Guidelines
Resource limit	Set by HHSC rule (~$2,000)	$5,571.37 (personal property & homestead exempt; one auto per household exempt)
Residency	Nueces County resident	Nueces County resident (proof required)
Other coverage	Must be ineligible for other state/federal programs	Must not qualify for any other state or federal medical assistance program

> **Significance:** *The Nueces Aid Program's income ceiling of 150% FPL is dramatically higher than the CIHCP statutory floor of 21% FPL. This means the program serves a substantially larger share of low-income Nueces County residents than a bare-minimum CIHCP program would. It also means the overlap with the Medicaid-denial population is broader — more Medicaid applicants will fall within Nueces Aid income limits upon denial than would qualify under a 21% FPL program.*

Current Application Process

The Nueces Aid Program currently offers two application pathways:

- Online application through the NCHD website (nchdcc.org) — applicants set up a username and password, receive a validation code, and complete the application through NCHD's own portal
- Paper application — downloadable from the NCHD website; can be mailed or uploaded to NCHD

Required supporting documentation includes: proof of Nueces County residency (house payment receipts, lease agreement, or utility bill); proof of resources (bank statements, vehicle list, property tax statement); proof of income (pay stubs for three months, tax returns, or benefit award letters for SSI, workers' compensation, child support, AFDC, or food stamps); and identification (Social Security card plus photo ID).

NCHD determines eligibility within 14 business days from the date all required documentation is received. Applicants must report changes in address, income, resources, or household composition — and any application for or receipt of SSI, TANF, or Medicaid — within 14 days of the change.

> **Current Gap:** *There is no connection between the state's YourTexasBenefits.com portal and the Nueces Aid Program application. A person who applies for Medicaid through YourTexasBenefits.com and is denied must independently discover the Nueces Aid Program, locate an enrollment office or the NCHD website, and begin a separate application — even though much of the same information has already been collected and verified by the state.*

Part II: How YourTexasBenefits.com Could Facilitate Nueces Aid Enrollment

The Core Opportunity

YourTexasBenefits.com collects, at the point of a Medicaid application, virtually all of the information required for Nueces Aid Program enrollment. The table below maps YourTexasBenefits.com data fields to Nueces Aid Program documentation requirements:

Nueces Aid Requirement	YourTexasBenefits.com Data Field	Coverage
Full name and address	Applicant identity and address	Full
Nueces County residency	County of residence field	Full
Household composition and size	Household members and relationships	Full
Proof of income (all sources)	Income verification across all household members	Full
Liquid assets and resources	Asset verification (accounts, property, vehicles)	Full
Insurance/other coverage status	Insurance and coverage questions	Full
Ineligibility for other programs	Medicaid denial (establishes ineligibility)	Full — denial itself is the proof
Social Security number	SSN collected for Medicaid application	Full
Photo identification	Not collected by YourTexasBenefits.com	Gap — requires supplemental step

The only Nueces Aid documentation requirement not captured by the YourTexasBenefits.com application is photo identification. This gap is narrow and operationally manageable — NCHD could satisfy this requirement through a brief in-person or remote verification step without requiring a full re-application.

Three Enrollment Pathway Models

Model 1 — Auto-Referral Upon Medicaid Denial (Primary Model)

Under this model, when a Nueces County applicant applies for Medicaid through YourTexasBenefits.com and is denied, HHSC automatically transmits the applicant's verified eligibility data to NCHD's enrollment system — with the applicant's consent — triggering a Nueces Aid Program application. The denial date serves as the application date. NCHD then contacts the applicant to complete the photo identification step and complete enrollment.

This model directly mirrors the auto-referral mechanism in proposed new §61.0047 of the Health and Safety Code, which is the central innovation of the CIHCP streamlining framework developed for NCHD's board consideration. Because the Nueces Aid Program is NCHD's implementation of CIHCP, §61.0047's auto-referral, once enacted, would apply directly to the Nueces Aid Program by operation of law.

The operational flow would be:

- Applicant applies for Medicaid at YourTexasBenefits.com

- Applicant is denied Medicaid; income and resources verified as within Nueces Aid limits
- With applicant's consent, HHSC transmits verified data to NCHD Enrollment Services
- NCHD contacts applicant within 5 business days to request photo ID verification
- NCHD completes eligibility determination within 14 business days of receiving referral
- Applicant enrolled in Nueces Aid Program — single seamless process from initial Medicaid application

Model 2 — Direct CIHCP Intake Pathway on YourTexasBenefits.com

Under proposed new §531.0255 of the Government Code, HHSC would be required to build a CIHCP intake pathway directly into the YourTexasBenefits.com portal. For Nueces County applicants, this pathway would route directly to the Nueces Aid Program — allowing applicants to apply without first going through a Medicaid application. An applicant who knows they are Medicaid-ineligible (or has already been denied) could begin a Nueces Aid application directly, with their data transmitted to NCHD upon completion.

This model is more operationally ambitious than Model 1, as it requires HHSC to build and maintain a county-specific routing mechanism for each of the 143 CIHCP program administrators statewide. The statewide service area mapping required by §531.0255 would identify Nueces County as served by NCHD under Subchapter C of Chapter 61, directing all Nueces County applicants in the portal to the Nueces Aid Program.

Model 3 — Administrative Coordination Agreement (No Legislation Required)

Under this model, NCHD enters into a voluntary coordination agreement with HHSC under existing authority. The agreement would provide that NCHD accepts income and household data verified through the YourTexasBenefits.com Medicaid application as satisfying the corresponding Nueces Aid Program documentation requirements — effectively treating the Medicaid application as a pre-screening tool. Applicants who are denied Medicaid and referred to NCHD (through outreach, clinic encounters, or HHSC staff) could complete a streamlined Nueces Aid enrollment using their existing YourTexasBenefits.com record.

This model is available today under §61.053's application procedure discretion and §61.052's less restrictive eligibility standards authority. It does not create a data pipeline or automated referral — it requires the applicant to bring their YourTexasBenefits.com documentation to NCHD — but it would eliminate duplicative data collection for those who do.

> **Bottom Line on Models:** *Models 1 and 2 require the statutory amendments contemplated in the CIHCP streamlining framework. Model 3 is available now under existing authority. A phased approach — implementing Model 3 immediately while Models 1 and 2 are pursued through the legislative process — provides the fastest path to reducing enrollment barriers while building toward the most durable solution.*

Part III: Legal and Operational Considerations

Why the Nueces Aid Program's Income Standard Is a Strength Here

The Nueces Aid Program's income limit of 150% FPL is far higher than the 21% FPL CIHCP floor. This has an important practical consequence for the portal pathway: a much larger share of Medicaid-denied applicants will fall within Nueces Aid income limits than would qualify under a bare-minimum CIHCP program. In other words, the auto-referral trigger will generate more viable Nueces Aid referrals per Medicaid denial than it would for a district operating at the statutory floor — making the portal pathway proportionally more valuable for NCHD than for most other CIHCP administrators statewide.

The §281.071 Financial Inquiry and Nueces Aid Enrollment

As analyzed in prior briefings, §281.071 of the Health and Safety Code requires the NCHD administrator to inquire into a patient's financial circumstances when admitted to district facilities. New §285.092, proposed in the CIHCP Integration Bill, provides that portal-verified eligibility data transmitted under §61.0046 satisfies that inquiry obligation for CIHCP (Nueces Aid) eligibility purposes, while preserving NCHD's cost recovery authority. This provision is directly relevant to Nueces Aid Program enrollment: once §285.092 is enacted, a Nueces Aid enrollee whose data has come through the YourTexasBenefits.com pathway will not require a duplicative §281.071 financial inquiry for enrollment purposes.

Data Sharing and Consent

All three models require applicant consent for HHSC to share YourTexasBenefits.com data with NCHD. Under proposed new §531.0256, the integrated benefits portal application would include a standardized consent authorization informing applicants that their data may be shared with the applicable CIHCP program administrator — for Nueces County applicants, identified specifically as the Nueces Aid Program administered by NCHD. Consent is affirmative and opt-in; refusal does not affect eligibility for any other program.

Photo Identification Gap

The only Nueces Aid Program requirement not covered by YourTexasBenefits.com data is photo identification. NCHD has several options for addressing this efficiently:

- Accept photo ID verification at the time of first clinical encounter (effectively using the care visit as the verification touchpoint)
- Allow telehealth or video-verified ID submission through NCHD's enrollment portal
- Accept school ID, state ID, or other available identification at a brief enrollment appointment, which could be combined with the photo ID verification requirement
- For applicants with a Texas Driver's License or State ID, explore whether DPS data sharing agreements could satisfy the ID requirement without requiring a separate in-person step

Part IV: Comparison with the Current Application

The table below compares the current Nueces Aid enrollment experience with the proposed portal pathway experience:

Factor	Current Process	Portal Pathway
Entry point	NCHD website, NCHD enrollment office, or clinic referral	YourTexasBenefits.com (same portal used for Medicaid, SNAP, TANF)
Application form	Separate NCHD-specific paper or online application	Medicaid application data re-used; no separate Nueces Aid form for most applicants
Income/resource verification	Applicant must separately provide 3 months of pay stubs, bank statements, benefit letters	Already verified by HHSC; transmitted to NCHD with consent
Medicaid ineligibility proof	Applicant must obtain and submit Medicaid denial documentation	Medicaid denial is the trigger; proof is built into the process
Photo ID	Required at application	Single supplemental step; all other data pre-populated
Time from first contact to enrollment	Variable; depends on document collection, which can take weeks	Reduced significantly; data already verified; NCHD contacts applicant within 5 business days of referral
Language access	NCHD provides English and Spanish materials	YourTexasBenefits.com supports English, Spanish, and additional languages
Eligible population reached	Only those who proactively find and contact NCHD	All Medicaid-denied Nueces County applicants whose income/resources are within Nueces Aid limits — systematically identified at the point of denial

Statutory and Program References

- Texas Health and Safety Code §61.052 — General Eligibility Provisions (less restrictive standards authority)
- Texas Health and Safety Code §61.053 — Application Procedure (hospital districts and public hospitals)
- Texas Health and Safety Code §61.0046 [proposed] — Commission Data Sharing with Program Administrators
- Texas Health and Safety Code §61.0047 [proposed] — Automatic Referral to Program Administrator Upon Medicaid Denial
- Texas Health and Safety Code §281.046 — District Responsibility for Medical Aid and Hospital Care
- Texas Health and Safety Code §281.071 — Payment and Support (financial inquiry obligation)
- Texas Health and Safety Code §285.092 [proposed] — Satisfaction of Patient Financial Inquiry Requirement Through Integrated Benefits Portal Data

- Texas Government Code §531.0255 [proposed] — Integrated Benefits Portal — County Indigent Health Care Program
- Texas Government Code §531.0256 [proposed] — Consent Authorization for CIHCP Data Sharing
- NCHD Nueces Aid Program Eligibility Standards — nchdcc.org/nueces_aid/nchd_eligibility.php (current as of August 2026)

# # #

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Proposed 90th Texas Legislative Session Agenda — Advocacy Positions and Legislative Pursuits

Purpose

To brief the Board of Managers regarding the District's preliminary agenda for the 90th Texas Legislature and to distinguish between matters presented as Advocacy Positions and matters identified as a Legislative Pursuit.

Overview

The proposed agenda identifies four healthcare priorities intended to strengthen medical education, expand healthcare workforce capacity, improve access to behavioral health services, and streamline access to indigent health care services in South Texas.

The working document places the first three priorities—Graduate Medical Education, Medical Workforce Development, and Regional Behavioral Health Infrastructure—under the heading "Advocacy Position." The fourth priority—CIHCP Streamlining through YourTexasBenefits.com—is expressly identified as a "Legislative Pursuit." This distinction reflects a difference in the specificity and intended method of pursuing the respective priorities.

Distinction Between Advocacy Positions and Legislative Pursuits

For purposes of the proposed agenda, an Advocacy Position expresses a policy, funding, or programmatic objective that the District supports and may advance with legislators, State agencies, healthcare organizations, and other stakeholders. An Advocacy Position establishes the outcome or direction the District favors without necessarily committing the District to seek enactment of a particular bill or specified statutory language.

A Legislative Pursuit is more specific. It identifies an objective for which changes to State law are proposed and describes the statutory provisions, new authorities, or implementation requirements that would be sought through legislation. A Legislative Pursuit therefore contemplates active development, sponsorship, introduction, or support of legislation designed to accomplish the identified changes.

The distinction does not mean that an Advocacy Position could never result in legislation. Legislative action, appropriations, budget riders, or statutory authority may ultimately be necessary to accomplish an advocacy objective. Rather, the distinction describes the current level of specificity and commitment in the working agenda: Advocacy Positions identify outcomes the District supports, while a Legislative Pursuit identifies a defined statutory initiative the District proposes to advance.

Advocacy Position I — Graduate Medical Education

The District's first Advocacy Position supports increased investment in Graduate Medical Education to expand physician training and retention. The agenda calls for increased Medicaid GME supplemental payments, funding for existing and new residency slots, incentives for expansion of training slots, support for teaching hospitals, and additional funding through General Revenue and budget riders.

This priority is appropriately characterized as an Advocacy Position because it identifies funding and policy outcomes the District supports rather than a specific amendment to State law. The District could advocate for these objectives through the State appropriations process, budget riders, agency funding decisions, or legislation developed by other parties.

Advocacy Position II — Medical Workforce Development

The second Advocacy Position seeks authority and tools for the District to address shortages in essential medical specialties based on local community health needs. The agenda identifies potential financial incentives, professional protections, recruitment assistance, and minimum service commitments.

Although portions of this objective—particularly new District authority or liability protections—could require legislation, the working agenda presently describes the desired policy framework rather than identifying specific code sections or proposed statutory amendments. It therefore remains classified as an Advocacy Position at this stage. If the District later develops specific statutory language to confer or clarify these authorities, that portion of the priority could appropriately become a Legislative Pursuit.

Advocacy Position III — Regional Behavioral Health Infrastructure

The third Advocacy Position supports expansion of regional behavioral health infrastructure and planning for a State-supported mental health facility in the Coastal Bend. The agenda supports State-supported regional facilities, services for adults, children, and justice-involved populations, partnerships with local mental health authorities and community providers, integration of inpatient, crisis, and outpatient services, and a State appropriation for a feasibility study.

This priority is framed primarily as advocacy for State investment, planning, and regional infrastructure rather than as a request for specified statutory amendments. The District could pursue the objective through appropriations, budget riders, agency planning, legislative studies, and support for related legislation without necessarily sponsoring a stand-alone statutory proposal.

Legislative Pursuit IV — CIHCP Streamlining and Integrated Benefits Portal Access

The fourth priority is expressly identified as a Legislative Pursuit because it proposes defined changes to State law to integrate the County Indigent Health Care Program with YourTexasBenefits.com and the State's existing eligibility infrastructure.

The proposed pursuit includes amendments to Chapter 61 of the Health and Safety Code to establish the portal as an authorized CIHCP application pathway; new statutory authority for HHSC to share eligibility data; automatic referral of qualifying Medicaid denials; amendments to Chapter 531 of the Government Code to expand the integrated eligibility mandate and require development of a CIHCP intake pathway and statewide service-area mapping; and a new provision in Chapter 285 addressing hospital district reliance on portal-verified financial information.

Unlike the three Advocacy Positions, the CIHCP initiative identifies specific existing statutes to amend, new statutory sections to create, duties to impose on HHSC, and an implementation schedule. It therefore represents a defined legislative proposal rather than a general policy or funding position.

Practical Differences

Characteristic	Advocacy Position	Legislative Pursuit
Primary purpose	State the policy, funding, or program outcome the District supports.	Seek a defined change in State law or statutory authority.
Level of specificity	Broad to moderately specific objectives.	Specific statutory changes, new provisions, or mandated actions.
Method of advancement	Advocacy, appropriations, budget riders, agency engagement, coalitions, or support of related legislation.	Bill development, legislative sponsorship, statutory amendments, and direct legislative advocacy.
Need for District-sponsored legislation	Not necessarily.	Generally contemplated by the proposal.
Current agenda items	GME; Medical Workforce Development; Regional Behavioral Health Infrastructure.	CIHCP Streamlining — Integrated Benefits Portal Access.

Potential Evolution of Agenda Items

The classifications need not be permanent. An Advocacy Position may evolve into a Legislative Pursuit if the District determines that a specific statutory change is necessary and develops a defined legislative proposal. Conversely, the District may continue to advance an Advocacy Position through appropriations, agency action, stakeholder partnerships, or support for legislation initiated by others without developing its own bill.

This distinction allows the Board to support broad healthcare policy priorities while separately identifying those matters for which the District intends to pursue specific legislation.

Fiscal and Administrative Considerations

The preliminary agenda does not itself appropriate District funds or establish a specific fiscal commitment. Fiscal and administrative effects would depend on the particular advocacy activities undertaken, legislation ultimately pursued or enacted, State appropriations, program design, and any local participation requirements.

A Legislative Pursuit may require a more focused implementation effort, including development and review of statutory language, legislative sponsorship, stakeholder coordination, testimony or other legislative support, and subsequent implementation planning if enacted. Advocacy Positions may involve similar external engagement but do not necessarily require development of District-specific legislation.

Board Consideration

The Board is being asked to receive and discuss the preliminary legislative agenda and the distinction between the District's Advocacy Positions and its Legislative Pursuit. The Board may use these classifications to clarify which priorities represent general policy and funding objectives supported by the District and which priorities are intended to be advanced through specific changes to State law.

Summary

The proposed agenda contains three Advocacy Positions and one Legislative Pursuit. Graduate Medical Education, Medical Workforce Development, and Regional Behavioral Health Infrastructure are presented as Advocacy Positions reflecting policy, funding, and program objectives the District supports. CIHCP Streamlining through YourTexasBenefits.com is presented as a Legislative Pursuit because it proposes specific amendments and additions to State law and defined implementation requirements. The distinction provides a practical framework for communicating both the District's broader legislative priorities and the particular statutory initiative it intends to pursue.

NUECES COUNTY HOSPITAL DISTRICT
90th Texas Legislative Session Agenda
August 17, 2026

Summary
The Nueces County Hospital District supports targeted legislative action to strengthen medical education, expand healthcare workforce capacity, improve access to behavioral health services, and streamline access to indigent health care services in South Texas.

Countywide Benefits
- Increased physician retention.
- Improved behavioral health access.
- Complemented medical infrastructure.
- Strengthened medical education pipelines.
- Enhanced healthcare resilience.
- Expanded access to indigent health care services through streamlined CIHCP eligibility determination.

I. Graduate Medical Education (GME)
Support increased investment in GME to expand physician training and retention.

Advocacy Position:
- Increase Medicaid GME supplemental payments
- Fund existing and new residency slots
- Incentivize expansion of training slots
- Support teaching hospitals
- Expand funding through General Revenue and budget riders

Data Point:
Nueces County faces persistent physician shortages in primary care and specialty fields, limiting access to care.

Impact on Nueces County:
- Expanded local residency and fellowship opportunities.
- Improved long-term physician retention.
- Reduced reliance on temporary providers.
- Enhanced capacity at local teaching hospitals.
- Greater continuity of care.
- Stabilized medical workforce pipeline.

II. Medical Workforce Development

Authorize NCHD to address shortages in essential specialties.

Advocacy Position:

- Allow local designation based on community health needs assessments
- Financial incentives: loan repayment, housing support, income guarantees
- Professional protections: malpractice limits and liability protections
- Recruitment supports: relocation and startup assistance
- Require minimum service commitments

Data Point:

Several high-need specialties remain underrepresented in coastal South Texas.

Impact on Nueces County:

- Improved recruitment in shortage specialties.
- Increased access to essential services.
- Greater competitiveness for healthcare talent.
- Reduced patient outmigration.
- Strengthened provider networks.
- Enhanced sustainability of service lines.

III. Regional Behavioral Health Infrastructure

Expand access to mental health services and support planning for a state-supported mental health facility in the Coastal Bend.

Advocacy Position:

- Establish state-supported regional facilities
- Serve adults, children, and justice-involved populations
- Partner with LMHAs and community providers
- Integrate inpatient, crisis, and outpatient services
- Request state appropriation to fund a feasibility study for establishing a state-supported mental health facility in the Coastal Bend region

Data Point:

Behavioral health wait times in South Texas frequently exceed recommended standards, and the Coastal Bend region lacks a state-supported inpatient mental health facility, requiring patients to travel long distances for acute psychiatric care.

Impact on Nueces County:

- Expanded access to behavioral health services.
- Reduced emergency department boarding.
- Shorter wait times for treatment.

- Improved system coordination.
- Better outcomes for high-risk populations.
- Reduced strain on hospitals and first responders.
- Potential establishment of a regional mental health facility, reducing patient transfer distances and improving access to acute psychiatric care in the Coastal Bend.

IV. CIHCP Streamlining — Integrated Benefits Portal Access

Streamline eligibility determination for the County Indigent Health Care Program (CIHCP) by extending the state's YourTexasBenefits.com integrated benefits portal to all program administrators, including hospital districts.

Legislative Pursuit:

- Amend Chapter 61, Health and Safety Code, to designate YourTexasBenefits.com as an authorized CIHCP application pathway for counties, public hospitals, and hospital districts
- Authorize HHSC to share Medicaid eligibility data with all CIHCP program administrators (new §61.0046)
- Require automatic referral of income-eligible Medicaid denials to the appropriate CIHCP administrator within three business days of denial (new §61.0047)
- Amend Chapter 531, Government Code, to extend the integrated eligibility mandate to county CIHCP programs and hospital districts, and require HHSC to build and maintain a CIHCP intake pathway and county-to-administrator service area mapping on YourTexasBenefits.com
- Add new §285.092 to Chapter 285, Health and Safety Code, clarifying that portal-verified eligibility data satisfies the financial inquiry requirement applicable to all hospital district types under Chapters 281, 282, 283, and 286

Data Point:

CIHCP serves Texans at or below 21% of the federal poverty level who are ineligible for Medicaid and have no other health coverage — among the most economically vulnerable residents served by hospital districts. The current application process is administered independently by each of 143 county programs and hospital districts, with no uniform portal, inconsistent documentation requirements, and no automatic referral pathway. Applicants must first be denied Medicaid and then separately locate and apply to their local CIHCP administrator — a duplicative burden that causes eligible individuals to go without care. The proposed legislation eliminates that duplication while preserving local program administration.

Impact on Nueces County:

- Reduced administrative burden on NCHD CIHCP intake staff through automatic electronic referrals from HHSC upon Medicaid denial.
- Elimination of duplicative income and household verification for patients already screened through YourTexasBenefits.com.

- Explicit statutory clarification (new §285.092) that portal-verified data satisfies NCHD's financial inquiry obligation under its creating statute, reducing legal ambiguity.
- Increased identification of eligible uninsured residents who would otherwise fall through the gap between Medicaid and NCHD's charity care programs.
- Alignment of NCHD intake procedures with a statewide standardized process, reducing training costs and error rates.
- Preservation of NCHD's authority to conduct independent financial inquiries for non-CIHCP services and cost recovery.

Proposed Statutory Changes:

Code	Provision	What It Does	Applies To
H&S Code §61.002(5)	New definition: "program administrator"	Covers counties, public hospitals & hospital districts under one term throughout Ch. 61	All administrators
H&S Code §61.006(c)	YourTexasBenefits.com as authorized portal pathway	Directs HHSC rulemaking; portal data satisfies documentation requirements	All administrators
H&S Code §61.007(b)	Portal data satisfies applicant information requirements	Limits supplemental requests to residency verification only	All administrators
H&S Code §61.0046 [NEW]	HHSC data-sharing authorization	Permits sharing of 6 data categories with appropriate program administrator; data use agreement required	All administrators
H&S Code §61.0047 [NEW]	Auto-referral upon Medicaid denial	Within 3 business days; routes to Sub. B county or Sub. C hospital district/public hospital; denial date = application date	All administrators
H&S Code §61.024	County application procedure (Sub. B)	Adds portal pathway as explicit option; county public notice duty	Counties
H&S Code §61.053	Hospital district/public hospital application procedure (Sub. C)	Parallel to §61.024: portal pathway option; notice duty; referral opt-in	Hospital districts & public hospitals
Gov't Code §531.002(b)	HHSC integrated eligibility mandate expanded	Adds county CIHCP, hospital districts, and public hospitals to HHSC's	Foundational authority

		statewide eligibility mandate	
Gov't Code §531.0255 [NEW]	HHSC portal build-out and county mapping	Requires CIHCP intake pathway on YTB.com; Sub. B/C routing; statewide service-area map; electronic interface; Sept. 1, 2027 deadline	All administrators
Gov't Code §531.0256 [NEW]	Standardized applicant consent	Affirmative opt-in; consent neutral to benefit eligibility; 5-year retention	All administrators
H&S Code §285.092 [NEW]	Hospital district financial inquiry satisfaction	Portal-verified data satisfies Ch. 281/282/283/286 financial inquiry obligations for CIHCP eligibility; preserves cost recovery authority	All hospital districts

Background and Analytical Basis:
This proposal emerged from a comparative analysis of the CIHCP and SNAP application processes that identified significant structural disparities. Key findings:
- CIHCP applicants must first be denied Medicaid (establishing a precondition), then independently locate their county or hospital district CIHCP administrator, then complete a separate application — with no statewide online option and no automatic connection between the two processes.
- The SNAP application through YourTexasBenefits.com already collects substantially all information required for CIHCP eligibility determination (income, household composition, county of residence, assets, insurance status), but no legal mechanism currently permits HHSC to share that data with county or hospital district CIHCP administrators.
- CIHCP's income threshold (21% of FPL) and SNAP's threshold (165% of FPL) serve largely non-overlapping populations; the bill therefore focuses on the Medicaid denial pathway rather than SNAP cross-referral as the primary trigger.
- Existing law (§61.024(b)) already permits counties to use less restrictive procedures than HHSC's baseline, meaning some elements of this reform could be adopted by individual administrators without legislation. However, the critical data-sharing authorization and auto-referral trigger require explicit statutory change.
- Chapter 281 hospital districts (including NCHD) face a specific interpretive risk: §281.071 requires the administrator to independently inquire into a patient's financial circumstances. New §285.092 resolves this by providing that portal-verified data satisfies that obligation for CIHCP purposes across all hospital district types under a single Chapter 285 provision.

Key Implementation Dates (as proposed):

Date	Milestone
Sept. 1, 2027	Act takes effect
Oct. 1, 2027	HHSC notifies all program administrators (counties, hospital districts, public hospitals) of Act provisions and implementation timeline
Jan. 1, 2028	HHSC applies for any required federal waivers or approvals; completes and publishes statewide service-area mapping
Mar. 1, 2028	HHSC adopts implementing rules (portal designation, documentation standards, data use agreement template, consent form)
Sept. 1, 2028	HHSC completes deployment of CIHCP intake pathway on YourTexasBenefits.com; all data use agreements executed; legislative report submitted

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Proposed Legislation to Integrate County Indigent Health Care Program Applications with the State Integrated Benefits Portal

Purpose

To brief the Board of Managers regarding preliminary proposed legislation for the 90th Texas Legislature that would streamline County Indigent Health Care Program (CIHCP) eligibility determination and application procedures through the State's integrated benefits portal, currently known as YourTexasBenefits.com.

Background

The proposed legislation is a preliminary draft for discussion purposes. It addresses the application and eligibility processes used under Chapter 61, Texas Health and Safety Code, for county-administered indigent health care programs and for public hospitals and hospital districts.

The draft is based on the premise that the State's integrated benefits portal already collects substantially the same eligibility information required for CIHCP determinations, including identity, household composition, county of residence, income, assets, and insurance information. It proposes using that existing State process to reduce duplicative applications and documentation while preserving local administration of indigent health care programs.

Integrated Application Pathway

The legislation would designate the integrated benefits portal as an authorized CIHCP application pathway for counties, public hospitals, and hospital districts. Information collected and verified through the portal in connection with a Medicaid application generally would satisfy corresponding CIHCP information and documentation requirements.

The proposed pathway would allow an applicant to proceed through the existing Medicaid application flow and, when appropriate, complete CIHCP-specific consent and supplemental information. It also contemplates allowing an individual to apply directly for CIHCP through the portal without first submitting a Medicaid application when the applicant indicates a prior Medicaid denial or categorical ineligibility.

HHSC Data Sharing

The proposed legislation would authorize the Texas Health and Human Services Commission (HHSC), with applicant consent and subject to applicable confidentiality requirements, to transmit specified eligibility information to the appropriate local program administrator. Information potentially shared would include county of residence, household composition, verified income and resources, Medicaid denial information, and the absence of qualifying health coverage.

Program administrators receiving information would be required to execute a data use agreement with HHSC governing permissible uses, confidentiality safeguards, and data destruction procedures. Shared information could be used only for CIHCP eligibility purposes and would remain subject to applicable privacy protections.

Automatic Referral Following Medicaid Denial

A central feature of the draft is automatic referral of certain Medicaid-denied applicants to the appropriate CIHCP administrator. When an applicant's verified income and resources fall within the statutory CIHCP thresholds and the applicant has consented to data sharing, HHSC would electronically transmit the eligibility information to the applicable county, public hospital, or hospital district.

The Medicaid denial date would serve as the CIHCP application date. The receiving program administrator would be required to notify the applicant that an application had been initiated, request any permitted supplemental documentation, and make an eligibility determination within the timeframes established in the proposed legislation.

Application Routing and Local Administration

The proposed legislation would require HHSC to determine the appropriate program administrator based on the applicant's county of residence and whether the area is served under the county-administered provisions of Chapter 61 or by a public hospital or hospital district.

The draft preserves local administration and eligibility decision-making. Counties, public hospitals, and hospital districts would remain responsible for final CIHCP eligibility determinations while being permitted to rely on eligibility information already collected and verified through the State portal.

Hospital District Provisions

The draft specifically addresses public hospitals and hospital districts under Subchapter C of Chapter 61. A hospital district could use the integrated portal application, documentation, and verification procedures or continue to use a less restrictive local process.

The proposed legislation also adds a provision applicable to hospital districts under Chapter 285. When a hospital district receives portal-verified eligibility data, its obligation to inquire into a patient's financial circumstances for Chapter 61 indigent health care eligibility would be satisfied to the extent the transmitted information covers the relevant income, asset, household, and insurance categories. The district would retain authority to verify residency and to conduct financial inquiries for other purposes authorized by law.

Applicant Consent and Confidentiality

The integrated portal would include a standardized consent authorization explaining the proposed sharing of eligibility information with the applicable local program administrator. Consent would require an affirmative opt-in and could not be inferred merely from completion of the State benefits application.

An applicant could decline consent without affecting eligibility for other HHSC-administered benefit programs and would retain the ability to apply directly with the appropriate CIHCP administrator. HHSC would maintain records of consent authorizations as provided in the draft.

Technology and State Implementation

The legislation would direct HHSC to develop a secure electronic interface connecting the integrated benefits portal with program administrators. The interface would transmit standardized eligibility data, provide notification of incoming applications and referrals, support reporting of eligibility determinations, and comply with applicable data-security requirements.

HHSC would also maintain a statewide mapping identifying the applicable Chapter 61 program administrator for each county so that applications and referrals could be routed appropriately. The portal pathway would be accessible through internet-connected devices and would include a telephone-assisted application option.

Implementation Schedule

The preliminary draft establishes a phased implementation schedule. HHSC would notify program administrators and provide technical assistance by October 1, 2027; complete statewide service-area mapping by January 1, 2028; and adopt implementing rules by March 1, 2028.

Development and deployment of the CIHCP portal intake pathway and associated data-use arrangements would be completed by September 1, 2028. The proposed Act would take effect September 1, 2028.

Fiscal and Administrative Considerations

The proposed legislation does not itself make an appropriation. To the extent State expenditures are necessary, the draft directs HHSC to seek implementation through specifically appropriated funds, existing appropriations, available federal matching funds, or eligible grants.

For local program administrators, the proposal is intended to reduce duplicative collection and verification of eligibility information and establish a more direct pathway between Medicaid denial and local indigent health care enrollment. Implementation would nevertheless require data use agreements, local coordination with HHSC, appropriate information-security practices, and operational integration with local eligibility processes.

Potential Effect on the District

For the District, the proposed framework could provide an additional application pathway for its indigent health care program and permit reliance on eligibility information already collected and verified through YourTexasBenefits.com. It could also result in automatic referrals of Medicaid-denied Nueces County residents who meet the applicable statutory income and resource criteria.

The legislation would not transfer final eligibility authority to HHSC. The District would continue to administer its program and make eligibility determinations while potentially using State-verified information to reduce duplicative applicant documentation and financial inquiry requirements.

Board Consideration

The Board is being asked to receive and discuss the preliminary proposed legislation and its potential implications for the District's indigent health care enrollment and eligibility processes. The draft provides a legislative framework for integrating State benefits information with locally administered Chapter 61 programs while retaining local program administration.

Summary

The preliminary legislation would expand YourTexasBenefits.com to serve as an authorized CIHCP application and referral pathway for counties, public hospitals, and hospital districts. It would authorize consent-based eligibility data sharing, establish automatic referral following certain Medicaid denials, create standardized State-local data interfaces and routing procedures, and permit hospital districts to rely on portal-verified financial information for Chapter 61 eligibility purposes. The proposal is structured for implementation during 2027 and 2028, with an effective date of September 1, 2028.

Preliminary Draft – Not Final; For Discussion Purposes Only

90th LEGISLATURE — REGULAR SESSION

PROPOSED LEGISLATION

AN ACT

relating to streamlining eligibility determination and application procedures for the County Indigent Health Care Program through the state integrated benefits portal for counties, hospital districts, and public hospitals, and authorizing the Health and Human Services Commission to share eligibility data with program administrators.

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

LEGISLATIVE FINDINGS AND PURPOSE

The Legislature finds that:

(1) The County Indigent Health Care Program (CIHCP) serves the most economically vulnerable Texans — those with net household incomes at or below 21 percent of the federal poverty level who are ineligible for Medicaid and have no other source of health coverage;

(2) Chapter 61, Health and Safety Code, creates two parallel delivery structures for indigent health care: Subchapter B, which imposes obligations on counties for residents not served by a public hospital or hospital district; and Subchapter C, which governs health care for residents in the service area of a public hospital or hospital district. Both structures serve the same population of indigent Texans and collect equivalent eligibility information from applicants;

(3) The state-administered YourTexasBenefits.com portal collects substantially the same eligibility information required for CIHCP determination — including identity, household composition, county of residence, income, and assets — from applicants for Medicaid, SNAP, TANF, and CHIP;

(4) A person who applies for Medicaid through YourTexasBenefits.com and receives a denial has already provided, under oath, the information necessary to establish CIHCP eligibility under either Subchapter B or Subchapter C of Chapter 61;

(5) Requiring an indigent resident to separately locate and complete a distinct county, hospital district, or public hospital application constitutes an unreasonable duplication of burden that defeats the purpose of the state's integrated eligibility mandate under Texas Government Code Chapter 531;

(6) The purpose of this Act is to authorize HHSC to extend the YourTexasBenefits.com integrated eligibility portal to include CIHCP intake for counties, hospital districts, and public hospitals; permit the sharing of eligibility data with all program administrators; and require automatic referral of income-eligible Medicaid applicants to the appropriate CIHCP administrator upon denial, thereby reducing administrative burden while preserving local program administration.

ARTICLE 1. AMENDMENTS TO TEXAS HEALTH AND SAFETY CODE, CHAPTER 61

SECTION 1.01. Amendment of Section 61.002, Health and Safety Code

Section 61.002, Health and Safety Code, is amended by adding Subdivision (5) to read as follows:

(5) "Program administrator" means a county administering indigent health care under Subchapter B, or a public hospital or hospital district administering indigent health care under Subchapter C, as applicable to the service area in which an eligible resident resides.

SECTION 1.02. Amendment of Section 61.006, Health and Safety Code

Section 61.006, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) The executive commissioner shall by rule designate the integrated benefits portal operated by the commission under Section 531.0055, Government Code — currently known as YourTexasBenefits.com — as an authorized application pathway for the County Indigent Health Care Program for all program administrators under this chapter, including counties under Subchapter B and public hospitals and hospital districts under Subchapter C. Rules adopted under this subsection shall:

(1) specify the elements of a completed YourTexasBenefits.com application that satisfy the documentation and verification requirements of this chapter for income, household composition, county of residence, identity, assets, and insurance coverage;

(2) designate a Medicaid denial issued through the integrated benefits portal as satisfying the requirement that an applicant establish ineligibility for Medicaid as a condition of eligibility under this chapter;

(3) require that the YourTexasBenefits.com application include, upon submission, a consent authorization permitting the commission to transmit the applicant's eligibility information to the appropriate program administrator in accordance with Section 61.0046; and

(4) ensure that the application pathway is accessible through both internet-connected devices and a state telephone hotline staffed by commission personnel capable of completing an application on behalf of a caller.

SECTION 1.03. Amendment of Section 61.007, Health and Safety Code

Section 61.007, Health and Safety Code, is amended to read as follows:

Sec. 61.007. INFORMATION PROVIDED BY APPLICANT. (a) The executive commissioner by rule shall require each applicant to provide at least the following information:

(1) the applicant's full name and address;

(2) the applicant's social security number, if available;

(3) the number of persons in the applicant's household, excluding persons receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits;

(4) the applicant's county of residence;

(5) the existence of insurance coverage or other hospital or health care benefits for which the applicant is eligible;

(6) any transfer of title to real property that the applicant has made in the preceding 24 months;

(7) the applicant's annual household income, excluding the income of any household member receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits; and

(8) the amount of the applicant's liquid assets and the equity value of the applicant's car and real property.

(b) If an applicant submits a CIHCP application through the integrated benefits portal designated under Section 61.006(c), information collected through that portal in connection with the applicant's Medicaid application shall be deemed to satisfy the requirements of Subsection (a) of this section to the extent such information was collected and verified. The program administrator may request supplemental documentation only to verify the applicant's county of residence or service area if the information provided through the portal is insufficient for that purpose.

SECTION 1.04. Addition of Section 61.0046, Health and Safety Code

Chapter 61, Health and Safety Code, is amended by adding Section 61.0046 to read as follows:

Sec. 61.0046. COMMISSION DATA SHARING WITH PROGRAM ADMINISTRATORS.

(a) In this section, "program administrator" has the meaning assigned by Section 61.002.

(b) Notwithstanding any other provision of this chapter, and subject to applicable federal law including 42 U.S.C. § 1396a(a)(7) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the commission is authorized to share with the appropriate program administrator the following eligibility information collected through the integrated benefits portal, provided the applicant has consented under Section 61.006(c)(3):

(1) the applicant's full name and county of residence;

(2) household size and composition as collected;

(3) household income as verified;

(4) liquid assets and resource values as verified;

(5) the fact of a Medicaid denial and the stated basis for that denial; and

(6) absence of qualifying insurance or other health coverage.

(c) The commission shall determine the appropriate program administrator by reference to the applicant's county of residence and whether that county is served by a public hospital or hospital district under Subchapter C or is a county-administered area under Subchapter B. If an applicant's county of residence is served by both a county CIHCP program and a public hospital or hospital district operating under Subchapter C, the commission shall transmit information to the entity with primary service area responsibility under this chapter.

(d) Information shared under this section:

(1) is subject to the same confidentiality protections that apply to eligibility information under Medicaid program rules and HIPAA;

(2) may be used by the program administrator only for the purpose of determining the applicant's eligibility under this chapter; and

(3) may not be further disclosed by the program administrator to any person or entity except as authorized by this chapter or other applicable law.

(e) Each program administrator that receives information under this section must execute a data use agreement with the commission that specifies:

(1) the permissible uses of the data;

(2) the safeguards required to protect confidentiality; and

(3) the procedures for destruction of data when no longer required for eligibility purposes.

(f) The commission shall develop a standard form data use agreement for use under Subsection (e). A program administrator that is party to a qualifying data use agreement under this section shall be deemed to satisfy applicable documentation requirements for the purpose of receiving state assistance funds under Subchapter B of this chapter or discharging obligations under Subchapter C of this chapter.

SECTION 1.05. Addition of Section 61.0047, Health and Safety Code

Chapter 61, Health and Safety Code, is amended by adding Section 61.0047 to read as follows:

Sec. 61.0047. AUTOMATIC REFERRAL TO PROGRAM ADMINISTRATOR UPON MEDICAID DENIAL.

(a) In this section, "program administrator" has the meaning assigned by Section 61.002.

(b) If a person applying for Medicaid through the integrated benefits portal designated under Section 61.006(c) is denied Medicaid and:

(1) the applicant's verified household income does not exceed 21 percent of the federal poverty level as established under Section 61.006(b); and

(2) the applicant's verified household resources do not exceed the resource limits established by the executive commissioner under Section 61.008;

then the commission shall, with the applicant's consent provided under Section 61.006(c)(3), electronically transmit the applicant's eligibility information to the appropriate program administrator for the applicant's county of residence not later than the third business day after the date the Medicaid denial is issued.

(c) The commission shall determine the appropriate program administrator under Subsection (b) as follows:

(1) if the applicant resides in the service area of a public hospital or hospital district operating under Subchapter C, the commission shall transmit the referral to that public hospital or hospital district; or

(2) if the applicant does not reside in the service area of a public hospital or hospital district, the commission shall transmit the referral to the county CIHCP administrator for the applicant's county of residence under Subchapter B.

(d) Transmission under Subsection (b) constitutes an application for purposes of Section 61.024 (for counties) or Section 61.053 (for public hospitals and hospital districts). The date of the Medicaid denial through the integrated benefits portal shall serve as the date of the CIHCP application for purposes of computing any applicable deadlines.

(e) Upon receiving a referral under this section, the program administrator shall:

(1) notify the applicant in writing or by electronic communication not later than the fifth business day after receiving the referral that a CIHCP application has been initiated on the applicant's behalf;

(2) request any supplemental documentation required under Section 61.007(b) not later than that same notification; and

(3) make a determination of eligibility not later than 14 business days after the date the referral is received or, if supplemental documentation is requested, not later than 14 business days after the date that documentation is received.

(f) If an applicant declines to provide consent under Section 61.006(c)(3), the commission shall inform the applicant of the option to apply directly with the applicable program administrator and shall provide the applicant with the contact information for that administrator.

(g) An applicant referred under this section retains the right to apply directly to the program administrator and to appeal an adverse eligibility determination under applicable program rules.

SECTION 1.06. Amendment of Section 61.024, Health and Safety Code (Subchapter B — Counties)

Section 61.024, Health and Safety Code, is amended by amending Subsections (b) and (d) and adding Subsection (g) to read as follows:

(b) The county may use the application, documentation, and verification procedures established by the department under Sections 61.006 and 61.007, the integrated benefits portal pathway designated under Section 61.006(c), or may use a less restrictive application, documentation, or verification procedure.

(d) The county shall furnish an applicant with written application forms and shall prominently post information about the integrated benefits portal pathway on any county website and in county offices where CIHCP services or applications are available.

(g) A county that elects to accept applications through the integrated benefits portal pathway designated under Section 61.006(c) shall notify the commission of that election not later than the 30th day before the beginning of the state fiscal year in which the county intends to use that pathway. The election shall remain in effect for subsequent fiscal years unless the county provides notice of withdrawal on the same timeline. A county that has not affirmatively elected the portal pathway may still receive automatic referrals under Section 61.0047, provided the county has executed a data use agreement under Section 61.0046(e).

SECTION 1.07. Amendment of Section 61.053, Health and Safety Code (Subchapter C — Public Hospitals and Hospital Districts)

Section 61.053, Health and Safety Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d) A public hospital or hospital district may use the application, documentation, and verification procedures established by the executive commissioner under Sections 61.006 and 61.007, the integrated benefits portal pathway designated under Section 61.006(c), or may use a less restrictive application, documentation, or verification procedure.

(e) A public hospital or hospital district shall prominently post information about the integrated benefits portal pathway on any entity website and in locations where CIHCP services or applications are available to the public.

(f) A public hospital or hospital district that elects to accept applications through the integrated benefits portal pathway designated under Section 61.006(c) shall notify the commission of that election not later than the 30th day before the beginning of the entity's fiscal year in which it intends to use that pathway. The election shall remain in effect for subsequent fiscal years unless the entity provides notice of withdrawal on the same timeline. A public hospital or hospital district that has not affirmatively elected the portal pathway

may still receive automatic referrals under Section 61.0047, provided the entity has executed a data use agreement under Section 61.0046(e).

ARTICLE 2. AMENDMENTS TO TEXAS GOVERNMENT CODE, CHAPTER 531

SECTION 2.01. Amendment of Section 531.002, Government Code

Section 531.002(b), Government Code, is amended to read as follows:

(b) The commission is the state agency with primary responsibility for ensuring the delivery of state health and human services in a manner that:

(1) uses an integrated system to determine client eligibility, including eligibility for programs administered by counties, public hospitals, and hospital districts under Chapter 61, Health and Safety Code;

(2) maximizes the use of federal, state, and local funds; and

(3) emphasizes coordination, flexibility, and decision-making at the local level.

SECTION 2.02. Addition of Section 531.0255, Government Code

Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0255 to read as follows:

Sec. 531.0255. INTEGRATED BENEFITS PORTAL — COUNTY INDIGENT HEALTH CARE PROGRAM.

(a) In this section:

(1) "CIHCP" means the County Indigent Health Care Program established under Chapter 61, Health and Safety Code.

(2) "Integrated benefits portal" means the electronic system operated by the commission, currently known as YourTexasBenefits.com, through which residents of this state may apply for benefits under programs administered by the commission.

(3) "Program administrator" has the meaning assigned by Section 61.002, Health and Safety Code, and includes counties administering indigent health care under Subchapter B of Chapter 61 and public hospitals and hospital districts administering indigent health care under Subchapter C of Chapter 61.

(b) The commission shall expand the integrated benefits portal to include a CIHCP intake pathway. The pathway shall:

(1) be integrated into the existing application flow so that a person applying for Medicaid who appears income-eligible for CIHCP is automatically prompted to provide CIHCP-specific consent and complete any supplemental information required under Section 61.007, Health and Safety Code;

(2) allow an applicant to apply for CIHCP directly, without first applying for Medicaid, if the applicant affirmatively indicates they have previously been denied Medicaid or believe themselves to be categorically ineligible;

(3) identify, based on the applicant's county of residence, whether the applicant falls within the service area of a county program (Subchapter B) or a public hospital or hospital district (Subchapter C), and route the application accordingly;

(4) generate an electronic record of application that satisfies the requirements of Section 61.024 (for counties) or Section 61.053 (for public hospitals and hospital districts), Health and Safety Code, including notation of the date of application;

(5) automatically route completed CIHCP intake information to the commission's data sharing system for transmission to the appropriate program administrator under Section 61.0046, Health and Safety Code; and

(6) be accessible in English and Spanish and in additional languages as determined by the commission to reflect the languages spoken by significant portions of the CIHCP-eligible population.

(c) The commission shall develop and maintain a secure electronic data interface between the integrated benefits portal and all program administrators. The interface shall:

(1) transmit eligibility data authorized under Section 61.0046, Health and Safety Code, in a standardized electronic format compatible with program administrator case management systems;

(2) provide program administrators with real-time or near-real-time notification of incoming referrals and applications;

(3) include a tracking mechanism allowing program administrators to report eligibility determinations back to the commission for purposes of program monitoring and reporting under Section 61.041, Health and Safety Code; and

(4) comply with all applicable state and federal data security standards, including those established under HIPAA and applicable provisions of Title 1, Texas Administrative Code.

(d) The commission shall maintain and make publicly available a mapping of each Texas county indicating whether residents in that county are served under Subchapter B or Subchapter C of Chapter 61, Health and Safety Code, and identifying the applicable program administrator. The mapping shall be integrated into the portal to facilitate accurate routing of applications and referrals.

(e) Not later than September 1, 2028, the commission shall:

(1) complete development and deployment of the CIHCP intake pathway on the integrated benefits portal;

(2) execute data use agreements with all program administrators subject to automatic referral under Section 61.0047, Health and Safety Code; and

(3) submit a report to the legislature on the implementation status, the number and type of program administrators participating, and any legal or technical barriers identified.

(f) The commission may enter into interagency contracts, data sharing agreements, and memoranda of understanding with program administrators as necessary to implement this section. Program administrators shall not be required to pay a fee to the commission for access to the data interface established under this section.

SECTION 2.03. Addition of Section 531.0256, Government Code

Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0256 to read as follows:

Sec. 531.0256. CONSENT AUTHORIZATION FOR CIHCP DATA SHARING.

(a) The commission shall incorporate into the integrated benefits portal application a standardized consent authorization for CIHCP data sharing. The authorization shall:

(1) inform the applicant in plain language that:

(A) the information provided in the application may be shared with the program administrator for the applicant's county of residence — which may be a county CIHCP office, a public hospital, or a hospital district, depending on where the applicant resides — for the purpose of determining CIHCP eligibility;

(B) if the applicant's Medicaid application is denied and the applicant's income and resources appear to fall within CIHCP eligibility thresholds, the commission will transmit the application information to the appropriate program administrator unless the applicant declines consent;

(C) the program administrator is bound by confidentiality requirements at least as protective as those applicable to the commission; and

(D) the applicant may decline consent and still apply directly to the applicable program administrator;

(2) require an affirmative opt-in by the applicant — consent shall not be inferred from completion of the application; and

(3) remain effective for the duration of the eligibility determination and any related appeals, and shall be renewed upon application for renewal of CIHCP benefits.

(b) The commission shall maintain a record of each consent authorization provided under this section for a period of not less than five years from the date the authorization is given.

(c) A person's consent or refusal to consent under this section shall not be used as a factor in determining eligibility for any benefit program administered by the commission.

ARTICLE 3. IMPLEMENTATION PROVISIONS

SECTION 3.01. Rulemaking Deadline

Not later than March 1, 2028, the executive commissioner of the Health and Human Services Commission shall adopt rules necessary to implement the changes made by this Act, including:

(1) rules designating the integrated benefits portal as an authorized application pathway under Section 61.006(c), Health and Safety Code, as added by this Act, applicable to all program administrators under Chapter 61;

(2) rules specifying what portal-collected information satisfies Sections 61.007 and the parallel requirements under Subchapter C, Health and Safety Code, as amended by this Act;

(3) a standard form data use agreement for use by all program administrators under Section 61.0046, Health and Safety Code, as added by this Act;

(4) technical specifications for the data interface and county-to-Subchapter mapping required under Section 531.0255, Government Code, as added by this Act; and

(5) the standardized consent authorization required under Section 531.0256, Government Code, as added by this Act.

SECTION 3.02. Program Administrator Notification

Not later than October 1, 2027, the Health and Human Services Commission shall:

(1) notify all program administrators — including county CIHCP administrators, public hospitals, and hospital districts — of the provisions of this Act and the timeline for implementation;

(2) provide technical assistance to all program administrators in preparing for integration with the data interface; and

(3) make available a model data use agreement for program administrators to review before the rulemaking required by Section 3.01 of this Act is complete.

SECTION 3.03. Service Area Mapping

Not later than January 1, 2028, the Health and Human Services Commission shall complete and publish a statewide mapping identifying, for each Texas county, whether residents are served under Subchapter B or Subchapter C of Chapter 61, Health and Safety Code, and identifying the applicable program administrator. The commission shall

update this mapping annually and whenever a change in hospital district boundaries, public hospital status, or county CIHCP administration occurs.

SECTION 3.04. Federal Law Compliance

To the extent any provision of this Act requires a waiver or approval from a federal agency in order to be implemented, the Health and Human Services Commission shall apply for the waiver or approval not later than January 1, 2028, and shall notify the legislature of any denial or delay in granting such approval.

SECTION 3.05. Appropriation Authority

This Act does not make an appropriation. A provision of this Act that requires an expenditure from the state treasury does not take effect unless the legislature appropriates money specifically for that purpose. To the extent funding is necessary for implementation, the commission shall seek to utilize existing appropriations, federal matching funds under Medicaid administrative authorities, or grants available for health information technology and safety net coordination.

SECTION 3.06. Severability

If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 3.07. Effective Date

This Act takes effect September 1, 2028.

ARTICLE 4. AMENDMENT TO TEXAS HEALTH AND SAFETY CODE, CHAPTER 285

SECTION 4.01. Addition of Section 285.092, Health and Safety Code

Subchapter H, Chapter 285, Health and Safety Code, is amended by adding Section 285.092 to read as follows:

Sec. 285.092. SATISFACTION OF PATIENT FINANCIAL INQUIRY REQUIREMENT THROUGH INTEGRATED BENEFITS PORTAL DATA.

(a) This section applies to a hospital district created under general or special law, including a hospital district created under Chapter 281, 282, 283, or 286 of this code.

(b) In this section:

(1) "Integrated benefits portal" has the meaning assigned by Section 531.0255, Government Code.

(2) "Portal-verified eligibility data" means income, asset, household composition, and insurance coverage information collected and verified through the integrated benefits portal in connection with an applicant's Medicaid application and transmitted to a hospital district under Section 61.0046, Health and Safety Code.

(c) If a hospital district receives portal-verified eligibility data for a patient under Section 61.0046, Health and Safety Code, the hospital district's obligation to inquire into the patient's financial circumstances for purposes of determining eligibility for indigent health care under Chapter 61, Health and Safety Code — including any inquiry required by the statute creating the district — is satisfied to the extent that the transmitted data covers the relevant categories of income, assets, household composition, and insurance coverage. The hospital district is not required to conduct an independent financial inquiry as to those categories for CIHCP eligibility purposes.

(d) This section does not limit the authority of a hospital district to:

(1) conduct a financial inquiry for the purpose of determining a patient's ability to pay for services not covered under Chapter 61, Health and Safety Code;

(2) seek reimbursement from a patient or the patient's legally responsible relatives for the cost of care in accordance with applicable law; or

(3) request supplemental documentation from a patient solely to verify the patient's residency within the district's service area, if the portal-verified eligibility data is insufficient for that purpose.

(e) A hospital district that relies on portal-verified eligibility data under this section shall retain a record of that data as part of the patient's eligibility file in accordance with the data use agreement executed under Section 61.0046(e), Health and Safety Code, and applicable records retention requirements.

BILL SECTION REFERENCE TABLE

The following table summarizes each section of this Act, the existing statutory provision affected, and the policy purpose served.

Section	Provision	Summary	Applies To
1.01	H&S Code §61.002(5) [NEW]	Adds "program administrator" definition covering counties (Sub. B) and public hospitals/hospital districts (Sub. C)	All administrators
1.02	H&S Code §61.006(c) [NEW]	Designates YourTexasBenefits.com as authorized portal pathway for all program administrators; rulemaking required	All administrators
1.03	H&S Code §61.007 [AMENDED]	Portal-collected data satisfies application information requirements; limits supplemental documentation requests	All administrators
1.04	H&S Code §61.0046 [NEW]	Authorizes HHSC data sharing with all program administrators; routing logic for Sub. B vs Sub. C; data use agreement requirement	All administrators
1.05	H&S Code §61.0047 [NEW]	Auto-referral trigger upon Medicaid denial; routes to county (Sub. B) or public hospital/hospital district (Sub. C); denial date = application date	All administrators
1.06	H&S Code §61.024 [AMENDED]	Adds portal pathway as option for county CIHCP programs; county notification duty; Sub. B election and referral opt-in	Counties (Sub. B)
1.07	H&S Code §61.053 [AMENDED]	Parallel to §61.024: adds portal pathway for public hospitals and hospital districts; notification duty; Sub. C election and referral opt-in	Public hospitals & hospital districts (Sub. C)
2.01	Gov't Code §531.002(b) [AMENDED]	Expands HHSC integrated eligibility mandate to include county, public hospital, and hospital district CIHCP programs	Foundational authority
2.02	Gov't Code §531.0255 [NEW]	Requires portal CIHCP pathway; Sub. B / Sub. C routing logic; statewide county-to-administrator mapping; interface for all program administrator types; Sept. 1, 2028 deadline	All administrators
2.03	Gov't Code §531.0256 [NEW]	Standardized consent for all program administrator types; opt-in required; consent neutral to benefit eligibility	All administrators
3.01–3.07	Implementation Provisions	Rulemaking; program administrator notification (all types); service area mapping; federal compliance; appropriation authority; severability; effective date	All administrators
4.01	H&S Code §285.092 [NEW]	Adds §285.092 to Chapter 285 (Special Provisions — all hospital district types): portal-verified eligibility data satisfies financial inquiry requirement for CIHCP eligibility; preserves cost recovery and residency verification authority	All hospital districts (Chs. 281, 282, 283, 286)

— END OF PROPOSED LEGISLATION —

AUGUST 2026

Nueces County
Hospital District

Enrollment Services

COMMUNITY ENGAGEMENT

PLANS & GOALS

www.nchdcc.org

STRENGTHEN NETWORK AND PARTNERSHIPS

Nueces County Hospital District

- Increase social media presence and community visibility.
- Build relationships with healthcare and other social service agencies.
- Participate in networking events and community coalitions.
- Develop partnerships to enhance referrals and resource sharing.
- Support referral coordination and resource connections for community members.

OBJECTIVES

Increase Brand Visibility and Awareness

Increase public awareness of Enrollment Services through community outreach, social media, and strategic partnerships to help residents learn about available healthcare coverage and enrollment assistance.

Enhance Community Engagement

Social media platforms to drive customer engagement by creating interactive contents, fostering discussions, and promptly responding to audience interactions.

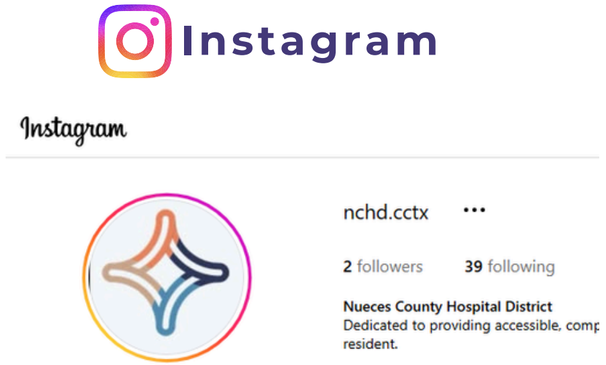
Improve the Client Experience

Implement post-enrollment satisfaction surveys to measure client experience, gather feedback, and identify opportunities to improve the enrollment process and quality of service..

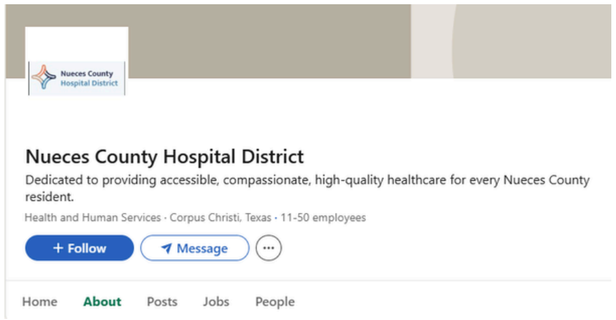
SOCIAL MEDIA LINKS

Facebook

Instagram



Linkedin



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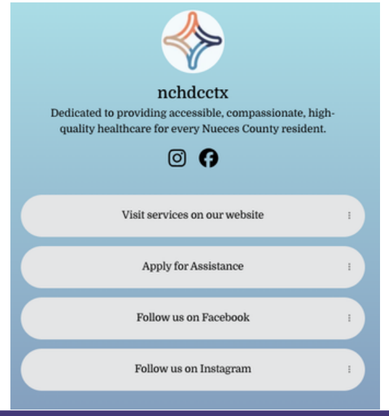

Nueces County Hospital District

MEASURING SUCCESS

Monthly dashboards will track outreach activities, community engagement, and enrollment outcomes to evaluate performance, guide decision-making, and support continuous improvement.

PERFORMANCE METRICS

SOCIAL MEDIA

Reach, impressions, followers, engagement, shares, QR code scans

COMMUNITY ENGAGEMENT

Number of outreach events, health fairs, and community members engaged.

CLIENT EXPIERENCE

Post-enrollment satisfaction surveys.
Client feedback and recommendations.

ENROLLMENT

Walk-in Hours
Appointments
Online Applications
Phone Interviews

Access to ALL three locations

- DR. HECTOR P. GARCIA MEMORIAL FAMILY HEALTH CENTER
- CHRISTUS TRINITY CLINIC- WESTSIDE
- CHRISTUS TRINITY CLINIC - ROBSTOWN

- **Average Coverage**
  - 6 months from date of applying
- **1 year Coverage**
  - issued to clients applying for disability
- **3 month coverage**
  - expected change or possible other payer
- **Eligible RETRO coverage**
  - up to 2 months to help cover any outstanding hospital, emergency room, or clinic visits that were rendered at an eligible Christus Spohn Facility.

ELIGIBILITY

REQUIREMENTS

ALL APPLYING APPLICANTS

Nueces County Resident and No other Health Coverage

Photo Identification - Social Security Card - Birth Certificate

RESIDENCY

- Identification card
- Mortage, rental, leasing agreement
- Payment or tax receipts on home
- Utility bill, CPL, phone bill
- statement of residency from agency or head of household

INCOME

- 3 months of income or quarterly profit and loss statements for self employed
- Award letters or payment

RESOURCES

- Bank/Credit Union statements
- Certificates of deposits, IRA’s, retirement benefits, stocks, etc.
- Vehicle list/description value
- property tax statement

(Other documents can be reviewed to help support eligibility)

PRESUMPTIVE ELIGIBILITY

PREVENTIVE CARE

SHORT TERM AVAILABILITY AND ACCESS TO HEALTH CARE SERVICES

UP TO 90 DAYS COVERAGE (1-3MONTHS)

Allows clients to return with proper/complete documentation. The presumptive eligibility is determined based on whether an individual requires immediate medical care, prescription medications, or other emergent healthcare services.

COVERAGE EXTENDED upon return of documents

PSSI/PTANF coverage is considered presumptive eligibility due to pending documents. Obtaining these documents may take time.

PSSI receives 1 year coverage

PTANF receives 3 month coverage

NEXT STEPS

The next steps are intended to improve the program through news outlets, social media and community collaborations

NETWORKING

Attend various organizations or community coalition meetings

ATTENDING

Register/Vendor at community and county health fairs

MARKETING

Program promoting, presentations, incentives, referrals

ENROLLING

Register clients at events, meeting them where they are

COLLABORATIONS

CURRENT

- NUECES COUNTY JAIL
- CENIKOR
- MHID
- GOOD SAMARITAN

CONSIDERATION

- COMPASSIONATE CARE
- TAMUCC
- DEL MAR COLLEGE
- TIMMONS
- MOTHER TERESA
- HOUSING AUTHORITY

IMPROVEMENTS

NEW PRESENTATION

Appointment Reminder

☐ Mon ☐ Tue ☐ Wed ☐ Thurs ☐ Fri

Date: _____ **Time:** _____

Location:
- ☐ Dr. Hector P. Garcia Clinic 2606 Hospital Blvd. CC Tx 78405.
- ☐ Christus Spohn FHC - Westside 4617 Greenwood Rd. CC Tx 78416.
- ☐ Christus Spohn FHC - Robstown 1038 Texas Yes Blvd. Robstown Tx 78380.

Documents: Identification, Residency, & Resources | **Email:** forms@nchdcc.org

_____

_____

PNCHD

2 Days Follow up

Client assigned PNCHD.
2 days from initial interview, staff will follow up with a phone call and text/sms.

2 Weeks Follow up

2 weeks later, staff will call and text/sms. Plus complete follow up with the 14-day letter.

2 Months Follow up

2 Months from application date, staff will call and text/sms. Discuss any difficulties for not returning or providing required documents to complete application.

SMS REMINDERS

- TEXT MESSAGES REMINDING OF UP COMING TERMINATION DATE OR RECENT TERMINATION

QUARTERLY FOLLOW UP

- RINP LIST
  - REQUIRED INFORMATION NOT PROVIDED

THANK YOU

Program Supervisor
Samantha Miears, MPA

Community Health Engagement Coordinator
Rachelle Robles

Nueces County
Hospital District

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Interlocal Cooperation Agreement with Nueces Center for Mental Health and Intellectual Disabilities for Opioid Abatement Services

Purpose

To brief the Board of Managers regarding a proposed Interlocal Cooperation Agreement with the Nueces Center for Mental Health and Intellectual Disabilities (NCMHID) to operationalize the District's distributions from the Texas Opioid Abatement Fund Council through the provision of eligible opioid abatement services.

Background

The District has received opioid settlement funds associated with the resolution of opioid-related litigation. The proposed Agreement provides a mechanism for the District to use a portion of those funds for eligible opioid abatement strategies and remediation activities within Nueces County through NCMHID.

The Agreement is entered into under the Interlocal Cooperation Act and identifies the District's authority to use available non-tax resources for healthcare services. NCMHID is a local mental health authority that operates programs serving individuals affected by opioid abuse and substance use disorders.

Funding

The Agreement is intended to operationalize $3,371,213 in opioid settlement funds received by the District from the Texas Opioid Abatement Fund Council pursuant to Texas Government Code §403.508(a)(2). The funds are to be used for eligible opioid abatement strategies and remediation uses consistent with applicable Texas opioid settlement requirements and Council guidance.

Funding for services under the Agreement may consist of Council distributions to the District and other local, state, or federal funding sources as available. The District's obligations are expressly contingent upon the continued availability and authorization of sufficient funding.

Scope of Services

NCMHID would provide one or more District-designated opioid-related abatement strategies and remediation services described in the Agreement and its exhibits. The contemplated services encompass treatment, behavioral health and counseling, peer recovery support, crisis intervention and stabilization, prevention and education, overdose prevention and harm reduction, coordinated care and case management, reentry and justice-involved services, and other approved programs consistent with applicable opioid abatement requirements.

Services generally would be provided within Nueces County and to persons or entities eligible under the applicable opioid abatement requirements and the Agreement's Scope of Services.

Agreement Term

The initial term of the Agreement is October 1, 2026 through September 30, 2027. Thereafter, the Agreement would automatically renew for additional one-year fiscal-year terms unless terminated in accordance with its provisions.

Either party may generally terminate the Agreement with or without cause upon 90 days' written notice. The Agreement also provides for termination or suspension under specified circumstances, including material breach, discontinuation or unavailability of funding, or concerns involving participant welfare or safety.

Payment and Fiscal Controls

NCMHID would submit descriptive invoices monthly to the District for services provided under the Agreement. Invoices must contain information considered necessary by the District for appropriate fiscal control, including applicable performance information and documentation of services and expenditures.

The District would review invoices for financial compliance and approval, with approved invoices payable within 30 days of receipt. Funds may be used only for purposes authorized under the Agreement and may not be used for unrelated purposes such as staff bonuses, performance payments, entertainment, gifts, or legal expenses.

The Agreement also provides mechanisms for recovery of overpayments, including repayment by NCMHID and the District's authority to offset amounts owed against otherwise available payments.

Performance, Reporting and Oversight

NCMHID would be responsible for providing services in accordance with applicable law, Council requirements, and the terms of the Agreement; employing appropriately licensed and trained professionals; maintaining service records; and submitting quarterly performance reports to the District.

The District would administer the use of Council distributions and provide funding in accordance with the Agreement. The District may conduct monitoring visits and require information necessary to evaluate performance and compliance.

NCMHID must maintain financial and program records relating to the receipt and expenditure of funds, including appropriate ledgers and supporting documentation. Records related to services under the Agreement generally must be retained for at least seven years following termination or for any longer period required by law.

Confidentiality and Compliance

The parties would be required to comply with applicable federal and state confidentiality requirements, including HIPAA, federal substance use disorder record requirements, and Texas laws governing mental health and medical information.

The Agreement also contains provisions addressing audits and records access, dispute resolution, independent status of the parties, notices, amendments, assignment, governing law and venue, changes in law, use of current revenues, severability, governmental defenses, and governing-body approval.

Fiscal Impact

Opioid Settlement Funds Addressed by Agreement: $3,371,213

Initial Agreement Term: October 1, 2026 – September 30, 2027

Primary Funding Source: Texas Opioid Abatement Fund Council distributions

Actual payments would be based on services rendered and approved invoices in accordance with the Agreement and applicable exhibits. District obligations remain contingent upon the availability of funding.

Board Consideration

The Board is being asked to consider authorizing execution of the Interlocal Cooperation Agreement with NCMHID for opioid abatement services. Approval would establish the contractual framework for use of the District's opioid settlement distributions for eligible services, including requirements governing service delivery, payment, performance reporting, financial accountability, monitoring, and compliance.

Summary

The proposed Agreement provides a mechanism for the District to deploy $3,371,213 in opioid settlement funds through NCMHID for eligible opioid abatement and remediation activities. The Agreement establishes the service framework, funding and invoicing requirements, performance and reporting obligations, fiscal controls, monitoring provisions, and other administrative requirements governing use of the funds during the initial Fiscal Year 2027 term and any subsequent renewal periods.

INTERLOCAL COOPERATION AGREEMENT
BETWEEN NUECES COUNTY HOSPITAL DISTRICT
AND
NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

This Interlocal Cooperation Agreement ("Agreement"), effective as of the date of the last signature below, is entered into by and between the **Nueces County Hospital District** ("Hospital District" or "District"), a political subdivision and special district of the State of Texas created pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281, Texas Health and Safety Code and the **Nueces Center for Mental Health and Intellectual Disabilities** ("Mental Health Agency"), a local mental health authority authorized to provide mental health and substance abuse services under the Texas Mental Health Code, Chapter 534, Texas Health and Safety Code. Hospital District and Mental Health Agency shall collectively be referred to as the "Parties" or individually as a "Party".

This Agreement is executed pursuant to the authorities of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to facilitate governmental functions in which the Parties are mutually interested.

WITNESSETH

WHEREAS, the Hospital District approved settlement of its claims against Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc. in *In Re: Texas Opioid Litigation*, MDL No. 2018-63587 before the 152nd District Court in Harris County ("**Opioid Litigation**")

WHEREAS, the Parties desire to enter into an agreement to operationalize the Hospital District distributions from the Texas Opioid Abatement Fund Council (the "Council") by arranging for the Mental Health Agency to provide services of one or more of the eligible opioid abatement strategies or remediation uses within Nueces County; and

WHEREAS, the Hospital District has received opioid settlement funds to be utilized in a manner that shall effectively mitigate the adverse consequences resulting from the actions of the named defendants in the Opioid Litigation ("Opioid Settlement Funds").

WHEREAS, the Mental Health Agency operates programs that assist individuals affected by opioid abuse described in the Scope of Services, attached and incorporated herein as Exhibit "A";

WHEREAS, the Parties have authority to enter an interlocal contract to facilitate governmental functions, as defined by §791.003 pursuant to Chapter 791 of the Texas Government Code;

WHEREAS, the Hospital District is authorized to use funds made available to the district from sources other than a tax levy to fund health care services pursuant to Texas Health and Safety Code §281.094. The Hospital District has determined that providing funding for Mental Health Agency's services is an appropriate health care expenditure by the Hospital District for the purpose

of providing prevention, intervention, treatment, evaluation, and administrative services to residents of Nueces County affected by opioid abuse;

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

ARTICLE I – PURPOSE

The purpose of this Agreement is to operationalize a distribution of opioid settlement funds in the amount of **$3,371,213** received by the Hospital District from the Council pursuant to Section 403.508(a)(2), Texas Government Code by contracting with the Mental Health Agency to provide services relating to one or more eligible opioid abatement strategies categorized under 34 Texas Administrative Code §16.201(b) each as delineated in "Exhibit E" of the "Texas Term Sheet," an intrastate agreement between the State of Texas and litigating subdivisions resulting from the Global Opioid Settlement, and administered by the Council (the "Term Sheet Exhibit"). The Term Sheet Exhibit is attached hereto and incorporated by reference.

ARTICLE II – AUTHORITY

This Agreement is entered into under the authority of:

- The Interlocal Cooperation Act, Chapter 791, Texas Government Code, which permits local governments and special districts to contract with each other for the provision of governmental services.
- The Texas Term Sheet of the Global Opioid Settlement, which provides funding and guidance for opioid-related abatement strategies and remediation uses.
- The Council's statutory opioid abatement strategies, which define allowable abatement strategies and remediation uses of opioid settlement distributions.

ARTICLE III – SCOPE OF SERVICES

3.1 Services Provided

The Mental Health Agency shall perform one or more Hospital District-designated opioid-related abatement strategies and remediation uses from the Scope of Work Exhibit "A" attached hereto, including but not limited to:

1. **Medication-Assisted Treatment (MAT)** – Providing evidence-based treatments such as buprenorphine, methadone, and naltrexone to individuals with opioid use disorder.
2. **Behavioral Health and Counseling Services** – Including individual and group therapy, cognitive behavioral therapy (CBT), trauma-informed care, and co-occurring disorder treatment.
3. **Peer Support and Recovery Services** – Offering peer-led recovery coaching, harm reduction strategies, and support groups.
4. **Crisis Intervention and Stabilization** – Providing emergency mental health and substance use disorder crisis services, including detoxification and crisis residential stabilization.

5. **Prevention and Education Programs** – Conducting community outreach, public education, and school-based prevention programs focused on opioid use disorder awareness and prevention.
6. **Overdose Prevention and Harm Reduction** – Distributing naloxone (Narcan) and providing training on overdose response and harm reduction strategies.
7. **Coordinated Care and Case Management** – Connecting individuals to housing, employment, and other supportive services to address social determinants of health.
8. **Reentry and Justice-Involved Services** – Providing mental health and substance use services for individuals transitioning from incarceration.
9. **Other Approved Programs** – Any additional services mutually agreed upon by the Parties and consistent with the Texas Opioid Abatement Fund guidelines and as may be described in Scope of Services/Scope of Work Exhibit "A" attached hereto.

3.2 Service Locations

The Mental Health Agency shall provide services at locations within Nueces County, Texas, unless specified otherwise in the Term Sheet Exhibit. If specified otherwise, the locations shall be as in the Term Sheet Exhibit.

3.3 Eligibility for Services

Services under this Agreement shall be provided to persons and entities according to the Term Sheet Exhibit.

ARTICLE IV – TERM AND TERMINATION

4.1 Term and Renewal

The initial term of this Agreement shall be for a period of one (1) year, effective as of October 01, 2026, and shall terminate at the close of business on September 30, 2027. Thereafter, the term of the Agreement shall run each fiscal year (i.e., from October 01 of the then current year to September 30 of the following year) and shall automatically renew for additional one-year terms unless either party terminates the Agreement as provided in Section 4.2.

4.2 Termination

- Either Party may terminate this Agreement with or without cause by providing 90 days' written notice to the other Party.

- Immediate termination may occur if either Party materially breaches the Agreement or if distributions for the services provided hereunder are discontinued. The non-breaching Party shall provide the breaching Party with 30 days' prior written notice of termination.

  If at any time during the term of this Agreement, Hospital District, in its sole discretion, determines that the welfare or safety of a participant in Mental Health Agency's program

may be in jeopardy, Hospital District may immediately suspend this Agreement, including but not limited to the obligation to pay, upon giving notice to Mental Health Agency.

Violation of the contract terms or breach of this Agreement by Mental Health Agency or Hospital District shall be grounds for termination. This Agreement shall not be considered as specifying the exclusive remedy for any default, but all remedies existing at law and in equity may be availed of by either party and shall be cumulative.

- If the Agreement is terminated, the Parties agree to coordinate and cooperate in transference of the services to a party designated by the Hospital District.

  Hospital District shall pay Mental Health Agency for work completed up to the termination date of this Agreement.

4.3 Notwithstanding any provisions contained in this Agreement, the obligations of the Hospital District under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the Term of the Agreement. Mental Health Agency shall have no right of action against Hospital District in the event Hospital District is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years. In the event that Hospital District is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding or if funds become unavailable, Hospital District at its sole discretion may terminate this Agreement by written notice to Mental Health Agency.

ARTICLE V – COMPENSATION (FUNDING AND PAYMENT

5.1 Funding Sources

The Hospital District funding for services provided under this Agreement may be derived from:

- Council distributions to the Hospital District.
- Other local, state, or federal funding sources as available.

5.2 Payment Terms

- The Hospital District agrees to compensate the Mental Health Agency for services rendered during the period of this agreement and as set forth in Exhibit A (Payment Schedule), attached hereto and incorporated by reference.

- The Mental Health Agency shall submit descriptive invoices monthly to the Hospital District's Administrator/Chief Executive Officer. Invoices must include/be accompanied by information deemed by the Hospital District to be necessary for adequate fiscal control concerning all Services rendered by Mental Health Agency under this agreement, including, but not limited to, appropriate performance measures, the dates the Services

were performed, receipts, time sheet (if applicable, which shall include hours worked and the applicable hourly rate)

- Each invoice received for payment from Mental Health Agency shall be reviewed by the Hospital District to monitor financial compliance by Mental Health Agency under this agreement and for approval by the Hospital District.

- Hospital District's payment of approved invoices submitted by Mental Health Agency shall be made within 30 days of receipt of said invoice.

- Funds provided by the Hospital District under this Agreement shall be expended by Mental Health Agency only for the purposes described in this Agreement. Funds received by Mental Health Agency under this Agreement may not be used for any other purpose including staff bonuses or performance payments, entertainment, gifts, or legal expenses.

- Upon written notice by Hospital District to Mental Health Agency, notifying Mental Health Agency of an overpayment by Hospital District, Mental Health Agency shall refund said overpayment to Hospital District within 10 days from its receipt of said notice of overpayment by Hospital District.

- Hospital District may withhold all or part of any payments to Mental Health Agency to offset reimbursement for any overpayments that Mental Health Agency has not refunded to Hospital District. Hospital District may take repayment from funds available under this Agreement in amounts necessary to fulfill Mental Health Agency's repayment obligations as applicable.

ARTICLE VI – RESPONSIBILITIES OF THE PARTIES

6.1 Responsibilities of Mental Health Agency

The Mental Health Agency shall:

1. Ensure all services comply with federal, state, and local laws, including the Council guidelines.
2. Ensure the services and activities contemplated in this Agreement are performed in a professional manner and in accordance with the terms and conditions of this Agreement, and in a manner consistent with generally accepted business practices.
3. Employ properly licensed and trained professionals to deliver services.
4. Maintain accurate records of service delivery and quarterly submit required reports to the Hospital District. See Performance Measures/Metrics Exhibit "B" attached hereto as a means of measuring and reporting the effectiveness of the services provided for herein.
5. Cooperate in any audits or program evaluations conducted by the Hospital District or regulatory agencies.

6.2 Responsibilities of Hospital District

The Hospital District shall:

1. Administer use of the Council distributions used to fund this Agreement.
2. Provide funding in accordance with Article V of this Agreement.

ARTICLE VII – COMPLIANCE AND RECORDS

7.1 Confidentiality and HIPAA Compliance

Both Parties agree to comply with all applicable confidentiality laws, including:

- The Health Insurance Portability and Accountability Act (HIPAA)
- 42 C.F.R. Part 2 (Confidentiality of Substance Use Disorder Patient Records)
- Texas Health and Safety Code, Chapter 611 (Mental Health Records)
- Texas Health and Safety Code Section 181, et seq; and **all other laws and regulations that pertain to the privacy of medical records and medical information.**

7.2 Records Retention and Requirements

Mental Health Agency shall comply with all federal, state, and local laws and ordinances applicable to County and to Mental Health Agency for the work or services provided under this Agreement.

Hospital District may conduct at a minimum, two (2) monitoring visits to Mental Health Agency's facility to determine performance and compliance with the terms of this Agreement.

Mental Health Agency shall maintain books, records, and other documents relating to the receipt and disbursement of funds under this Agreement. Mental Health Agency must maintain a receipts and disbursements ledger and a general ledger with an income and expense account for each line item. Paid invoices revealing method of payment, date paid, and evidence of goods or services received shall be maintained and produced upon request by Hospital District.

Mental Health Agency shall allow any duly authorized representative of County, at all reasonable times, to have access to and the right to inspect, copy, audit, and examine all books, records, and other documents of closeout procedures respecting this Agreement, until final settlement and conclusion of all issues arising out of this activity are completed.

All records related to services under this Agreement shall be maintained by Mental Health Agency for at least seven (7) years following the termination of the parties agreement or as required by law.

As often and in such form as Hospital District may require, Mental Health Agency shall furnish to Hospital District information deemed by Hospital District to be pertinent to matters covered by this Agreement.

ARTICLE VIII – DESIGNATION OF REPRESENTATIVES

8.1 Hospital District hereby designates Belinda Espinoza ("**Hospital District's Designated Representative**") as its representative under this Agreement. Hospital District's Designated Representative shall be the primary point of contact for Mental Health Agency unless the Hospital District's Designated Representative delivers to Mental Health Agency a written notice designating another individual to act as Hospital District's Designated Representative.

8.2 Mental Health Agency hereby designates Mark Hendrix ("**Mental Health Agency's Designated Representative**") as its designated representative under this Agreement and the primary point of contact for Hospital District unless the Mental Health Agency's Designated Representative delivers to Hospital District a written notice designating another individual to act as Mental Health Agency's Designated Representative.

ARTICLE IX– DISPUTE RESOLUTION

In the event of a dispute, the Parties shall first attempt resolution through informal discussions. If unresolved, the matter may be submitted to mediation before judicial intervention.

ARTICLE X
RELATIONSHIP OF PARTIES

10.1 The Hospital District shall not be liable for any expense of Mental Health Agency, and in no event shall employees of Mental Health Agency ever be deemed to be employees of Hospital District. Mental Health Agency and Hospital District shall have and retain the exclusive right of control over its employees and contractors assigned to perform services under this Agreement in accordance with the applicable laws of the State of Texas. It is understood and agreed among the parties that Mental Health Agency and the Hospital District, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibilities or liabilities to third parties in connection with these actions**.**

10.2 Nothing contained herein shall be deemed or construed by the Parties hereto, or by any third party as creating the relationship of principal and agent, partners, joint venturers or any similar relationship between the Parties hereto. Mental Health Agency and Hospital District agree that Mental Health Agency is an independent entity, that Mental Health Agency shall be responsible to all Parties for its respective acts and omissions, and that Hospital District

shall in no way be responsible therefore, and that neither has authority to bind the other, or hold out to third Parties that it has the authority to bind the other.

ARTICLE XI
NOTICES

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

For the Hospital District:

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

For the Mental Health Agency:
Nueces Center for Mental Health and Intellectual Disabilities
Attn: Chief Executive Officer
1630 S. Brownlee Blvd.
Corpus Christi, Texas 78404-3134

Notice of changes of address by either Party must be made in writing and delivered (or mailed, registered or certified mail, postage prepaid) to the other Party's address contained in this Article within five (5) business days of such change.

ARTICLE XII –
MISCELLANEOUS PROVISIONS

12.1 Amendments

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

12.2 Assignment:

A Party may not transfer, pledge or otherwise assign this Agreement, any interest in and to it, or any claim arising under it, without the prior written consent of the applicable non-

assigning Party and any purported assignment without such consent shall be void and unenforceable.

12.3 Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and venue shall be in Nueces County, Texas.

12.4 Changes in The Law

Changes in applicable local, state and federal rules, regulations or laws occurring during the term of this Agreement shall be automatically incorporated into this Agreement without written amendment, as of the effective date of the rule, regulation or law.

12.5 Use of Current Revenues

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

12.6 Waiver of Performance.

a. No waiver by Hospital District of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of Hospital District to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement or to exercise any option herein contained, shall not be construed as a waiver of relinquishment for the future of that covenant or option. In fact, no waiver, change, modification or discharge by either party of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Party to be charged.

b. No act or omission of Hospital District shall in any manner impair or prejudice any right, power, privilege, or remedy available to Hospital District under this Agreement, by law or in equity.

c. No representative or agent of Hospital District may waive the effect of the provisions of this section.

12.7 Severability

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

12.8 Waiver of Defenses

Neither the Hospital District nor the Mental Health Agency waives any defenses assertible by either party, including governmental immunity, or immunity from liability, or defense afforded under law of any of the Parties or their officers, employees, representatives, and agents as a result of the execution of this Agreement and the performance of the covenants contained herein.

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12. 9 Captions

The Captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

12.10 Governing Body Approval

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

12.11 Parties Bound

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal representatives, successors and assigns, except as otherwise expressly provided for in this Agreement. Representatives of each of the Parties represent that the execution and performance of this Agreement has been duly authorized by its governing authority and does not require the consent or approval of any other person which has not been obtained. Additionally, the individual executing this Agreement on behalf of each of the Parties represents, warrants, assures, and guarantees that the individual has full legal authority to execute this Agreement on behalf of the Party and to bind said Party to all terms, performances and provisions herein contained.

12.12 Notifications

The Hospital District shall promptly notify the Mental Health Agency if the Council amends its list of eligible strategies, the categorization of strategies, or the ranking of strategies within each category that affect the services provided by the Agency during the term of this Agreement.

12.13 Entire Agreement

This Contract, including all Exhibits and any attachments, constitutes the entire agreement between the Parties relating to such matter and supersedes all other negotiations and agreements, whether written or oral. No prior agreement or understanding between the parties pertaining to any such matter contained herein shall be effective.

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IN WITNESS WHEREOF, the Parties have executed this Agreement and effective as of the date of the last signature.

NUECES COUNTY HOSPITAL DISTRICT

By: _____
Jonny F. Hipp
Administrator/Chief Executive Officer

Date: _____

NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

By: _____
Mike Davis
Chief Executive Officer

Date: _____

BRIEFING PAPER

Texas Opioid Settlement Funds

Authorized Uses, Allocation Structure, and the Hospital District Share

Prepared August 17, 2026 | Current through Comptroller rule amendments adopted April 2026.

1. Purpose and Scope

This paper summarizes the legal framework governing how opioid settlement proceeds may be spent in Texas. It describes the statutory basis for the funds, the allocation of proceeds among the state, political subdivisions, and the Texas Opioid Abatement Fund Council, and the permissible uses attaching to each share. Section 6 addresses the hospital district allocation in detail, including the categories of use hospital districts must certify to before receiving payment.

This document is a summary for orientation purposes and is not legal advice. Entities making specific expenditure decisions should consult their own counsel and the operative settlement agreements, statutes, and administrative rules.

2. Governing Authorities

Two overlapping layers of authority control the use of these funds.

- The national opioid settlement agreements. Exhibit E to the settlements sets out a List of Opioid Remediation Uses, organized into Schedule A "Core Strategies" and Schedule B "Approved Uses." The list is non-exhaustive and functions as guidance on what constitutes opioid remediation.
- Texas Government Code, Chapter 403, Subchapter R. Enacted by Senate Bill 1827 (87th Legislature, 2021), this subchapter creates the opioid abatement account, the opioid abatement trust fund, and the Texas Opioid Abatement Fund Council (OAFC), and prescribes permitted uses for the state share.
- Implementing rules at 34 Texas Administrative Code, Chapter 16, Subchapter C, adopted by the Comptroller of Public Accounts under the rulemaking authority in Section 403.511. Key provisions include Section 16.201 (opioid abatement strategies), Section 16.202 (grant issuance plan), and Section 16.222 (hospital district allocations). Amendments were adopted in April 2026, including a new Section 16.223 authorizing non-competitive grants to political subdivisions whose statutory distributions are too small to fund meaningful abatement.

3. Allocation of Settlement Proceeds

Under the Texas settlement allocation term sheet and Section 403.507, all opioid settlement funds distributed in Texas are divided three ways.

Recipient	Share of Total	Basis and Vehicle
State	15%	Deposited into the opioid abatement account, a dedicated general revenue account administered by the Comptroller. Spendable only through legislative appropriation to a state agency.
Political subdivisions	15%	Distributed by the Texas Treasury Safekeeping Trust Company directly to counties and municipalities to address opioid-related harms in their communities.
OAFC	70%	Allocated to the Council from the opioid abatement trust fund, less a $5 million carve-out to the Texas Access to Justice Foundation for basic civil legal services to indigent persons affected by opioid use disorder.

Mechanically, 15 percent of settlement money is deposited into the abatement account and 85 percent into the trust fund; the trust fund then distributes the subdivision and Council shares set out above.

4. The State Share (15 Percent)

Money in the opioid abatement account may be appropriated only to a state agency for the abatement of opioid-related harms. Section 403.505(d) limits a receiving agency to the following uses:

1. Preventing opioid use disorder through evidence-based education and prevention, including school-based prevention, early intervention, and health care services or programs intended to reduce the risk of opioid use by school-age children.
2. Supporting efforts to prevent or reduce deaths from opioid overdoses or other opioid-related harms, including increasing availability or distribution of naloxone or other opioid antagonists to providers, first responders, persons experiencing overdose, families, schools, community-based providers, social workers, and the public.
3. Creating and providing training on the treatment of opioid addiction, including treatment with each FDA-approved medication, medical detoxification, relapse prevention, patient assessment, individual treatment planning, counseling, recovery supports, diversion control, and other best practices.
4. Providing opioid use disorder treatment for youths and adults, with emphasis on programs offering a continuum of care including screening and assessment for opioid use disorder and co-occurring behavioral health disorders, early intervention, contingency management, cognitive behavioral therapy, case management, relapse management, counseling, and medication-assisted treatment.
5. Providing patients with opioid dependence access to all FDA-approved medications for treatment and relapse prevention following detoxification, including opioid agonists, partial agonists, and antagonists.
6. Supporting efforts to reduce abuse or misuse of addictive prescription medications, including tools that give health care providers information needed to protect the public from harm caused by improper use.

7. Supporting treatment alternatives providing both psychosocial support and medication-assisted treatment in areas with geographic or transportation-related challenges, including mobile health services and telemedicine, particularly in rural areas.
8. Addressing the needs of persons involved with criminal justice, and rural county unattended deaths.

Catch-all provision. Section 403.505(d)(9) additionally permits a state agency to further any other purpose related to opioid abatement authorized by appropriation, giving the Legislature latitude beyond the eight enumerated categories.

5. The Council Share (70 Percent)

The OAFC was established to ensure that recovered money is allocated fairly and spent to remediate the opioid crisis using efficient, cost-effective methods directed to regions experiencing opioid-related harms. It is composed of fourteen members, thirteen voting and the Comptroller or a designee as non-voting presiding officer, and is administratively attached to the Comptroller.

5.1 Internal allocation

Section 403.508(a) divides the Council share as follows:

- 1 percent to the Comptroller for administration of the Council and the subchapter. Any excess above what is reasonable and necessary may be reallocated to program spending.
- 15 percent to hospital districts (see Section 6).
- The remaining 84 percent distributed according to the evidence-based opioid abatement strategy the Council develops under Section 403.509.

5.2 The abatement strategy and grant mechanics

The Council must approve one or more evidence-based abatement strategies incorporating an annual regional allocation methodology for 75 percent of program funds, based on population health information and prevalence of opioid incidences, and an annual targeted allocation for the remaining 25 percent directed at targeted interventions identified by opioid incidence data. Where a region cannot use its targeted allocation, or where a regional allocation lapses unused, the Council may reallocate money between regions.

Under 34 TAC Section 16.201, a strategy is eligible for grant funding only if it is an abatement strategy provided in the settlement agreements, is supported by evidence-based data, and complies with all applicable state and federal law. Each approved strategy is then categorized as treatment and coordination of care; prevention and public safety; recovery support services; or workforce development and training.

The Council develops the application and award process, reviews applications, makes awards, monitors grant agreements, and may require reimbursement from non-compliant recipients. Approval of any decision or strategy requires the affirmative votes of at least four regional members and four of the members appointed by the Governor, Lieutenant Governor, Speaker, and Attorney General.

5.3 Illustrative awards

In November 2023 the Council approved its first three grant plans, committing up to $75 million across naloxone distribution, K-12 prevention education and awareness, and behavioral health workforce

development. Subsequent awards include up to $25 million to Bexar County Hospital District (University Health) for statewide overdose reversal medication distribution and training, and up to $10 million to RecoveryPeople to expand the certified peer support specialist workforce. Through the Community-based Opioid Recovery Effort (CORE) grant opportunities, funding is allocated across all twenty Regional Healthcare Partnership regions: $21.2 million across 109 short-term grants announced in September 2025, and $48.9 million across 80 long-term grants announced in June 2026.

6. The Hospital District Share

Section 403.508(a)(2) directs 15 percent of the funding allocated to the Council to hospital districts, equating to approximately 10.5 percent of all Texas opioid settlement proceeds. A hospital district is a political subdivision created to provide health care to low-income individuals and may span one or more counties. The distribution mechanics, oversight, transparency, and accountability provisions are set out at 34 TAC Section 16.222.

6.1 Distribution structure

Hospital districts are sorted into two groups with different payment schedules.

Group	Composition	Payment Schedule
Group One	Small, rural hospital districts. Individual amounts fixed at 34 TAC Section 16.222(f).	A single upfront lump-sum distribution covering the district's full allocation.
Group Two	Medium, large, and urban hospital districts. Individual allocations at 34 TAC Section 16.222(g).	Periodic distributions as settlement funding is received, continuing for the duration of the settlement agreements.

Individual amounts depend on factors including hospital size and the estimated distribution under the settlement agreements. The Council prioritized full, immediate funding for the smallest rural districts on the rationale that these districts tend to serve communities hardest hit by the crisis and that lump-sum payment lets them stand up or expand programs quickly. Group Two districts receive larger pro rata amounts spread over a longer horizon; settlement payments themselves arrive intermittently over periods as long as eighteen years. The Council makes a distribution only when the smallest individual hospital district allocation in that round would reach at least $1,000.

6.2 Distributions to date

Date	Amount	Note
August 2024	$65.8 million	First distribution; front-loaded Group One lump sums.
April 2025	$14.3 million	Second distribution.
April 2026	$11.8 million	Third distribution.

6.3 Approved categories of use

As a condition of payment, and before any payment is made, a hospital district's governing body must adopt a resolution affirming that the district will use all money received to remediate the opioid crisis, including by providing assistance in one or more categories approved by the Council:

1. Treatment and coordination of care.
2. Prevention and public safety.
3. Recovery support services.
4. Workforce development and training.
5. Alternatively, for allowable uses specified by a court order or settlement agreement, where such an order or agreement requires money to be used for one or more specific purposes.

Categories, not a fixed project menu. These four categories are the same taxonomy the Council applies to grant-eligible strategies under 34 TAC Section 16.201, but the constraint operates differently. Competitive grant applicants must propose projects aligning with specifically approved strategies. Hospital districts, by contrast, may exercise their own discretion in spending their allocated share so long as the funds are used to remediate the opioid crisis and comply with state and federal law, per 34 TAC Section 16.222(i)(1)(B)(i). Exhibit E to the settlements serves as non-binding guidance on qualifying remediation uses rather than a checklist.

New and existing programs. The rule expressly authorizes use of funds for opioid abatement programs regardless of when the program was created. The Council declined a request to limit spending to newly created programs, and neither the statute nor the rule imposes a deadline for expending the funds.

6.4 Conditions precedent to payment

Beyond the affirmation of permitted use, the governing body resolution must also:

- Commit the district to returning all funds to the Council in the event funds are lost or misused.
- Designate by name and title an authorized official empowered to act on the district's behalf in signing documents related to the distribution.

Districts must notify the Council director of any change in the authorized official and submit an updated resolution. Where a district fails to satisfy these conditions, the Council may cancel that district's distribution and retain the funds for distribution to other hospital districts.

6.5 Reporting, monitoring, and enforcement

Districts must submit periodic reports on their use of funds, including how that use complies with the requirement that funds remediate the opioid crisis, under 34 TAC Section 16.222(l). At the beginning of each calendar year the Council notifies recipient districts and provides instructions for completing a brief online survey, due annually. Reporting also supports the state's obligation under certain settlements to file an annual report describing proceeds received and spent in the prior calendar year.

The Council may monitor individual districts for compliance. Where noncompliance is alleged, the rule as amended provides a defined process: the director gives written notice of the allegation; the district is given an opportunity to respond; the Council may require the district to cure to its satisfaction; the Council may

require refund of all or part of the money received; and the Council may exercise any other available legal remedy. Refunded money is retained for future distribution to other hospital districts.

7. The Political Subdivision Share (15 Percent)

The trust company distributes 15 percent of total proceeds directly to counties and municipalities to address opioid-related harms in their communities, spent consistent with the approved remediation uses in the settlement agreements. An initial transfer of $47.1 million was made to cities and counties, with subsequent disbursements including more than $11.5 million alongside the April 2026 hospital district round. Because many small subdivisions receive amounts too small to fund meaningful abatement on their own, the Council adopted 34 TAC Section 16.223 in April 2026, authorizing streamlined, targeted non-competitive grants to small counties and municipalities.

8. Reporting Obligations at a Glance

Party	Frequency	Requirement
OAFC	Annual, by October 1	Written report to the Legislature detailing all expenditures made during the preceding state fiscal year (Section 403.510).
Hospital districts	Annual	Report on use of funds and compliance with the remediation requirement, via Council-administered online survey (34 TAC Section 16.222(l)).
State of Texas	Annual	Under certain settlements, a report detailing proceeds received and spent in the previous calendar year and how funds were used.
Grant recipients	Per agreement	Compliance with grant terms, subject to Council monitoring and reimbursement obligations (Section 403.509(a)(5)).

9. Principal Sources

- Texas Government Code, Chapter 403, Subchapter R (Senate Bill 1827, 87th Legislature, Regular Session, 2021).
- 34 Texas Administrative Code, Chapter 16, Subchapter C, Sections 16.200–16.223, including amendments adopted April 2026.
- State of Texas and Texas Political Subdivisions' Opioid Abatement Fund Council and Settlement Allocation Term Sheet.
- Exhibit E, List of Opioid Remediation Uses, to the national opioid settlement agreements.
- Texas Comptroller of Public Accounts, Texas Opioid Abatement Fund Council program materials and news releases, 2023–2026.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 281.026. ADMINISTRATOR; DUTIES. (a) The board shall appoint a person qualified by training and experience as the administrator for the district.

(b) The administrator serves at the will of the board and for terms of not more than four years.

(c) The administrator is entitled to compensation as determined by the board.

(d) Before assuming duties, the administrator shall execute a bond payable to the district in the amount of not less than $10,000, conditioned on the faithful performance of the administrator's duties and any other requirements determined by the board.

(e) Subject to the limitations prescribed by the board, the administrator shall:

(1) perform duties required by the board;

(2) supervise the work and activities of the district; and

(3) generally direct the affairs of the district.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 424 (S.B. 1769), Sec. 1, eff. June 17, 2005.

Sec. 281.027. ASSISTANT ADMINISTRATOR. (a) If the administrator is incapacitated, absent, or unable to perform the administrator's duties, the board may designate an assistant administrator to perform any of the administrator's powers or duties, subject to limitations prescribed by board order.

(b) The assistant administrator or other persons shall execute a bond as required by board order.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 281.028. STAFF. (a) The board may appoint doctors to the district's staff and hire technicians, nurses, and other employees the board considers advisable for the district's

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: General Counsel Services Agreement - John B. Martinez / Martinez Reilly, PLLC

DOCUMENTS REVIEWED: June 1, 2024 Letter Agreement; Amendment No. 1; Amendment No. 2

Purpose

To summarize the District's General Counsel services agreement with John B. Martinez and Martinez Reilly, PLLC, and the two subsequent amendments extending the agreement through May 31, 2027.

Background

On June 1, 2024, the Nueces County Hospital District entered into a Letter Agreement with John B. Martinez and Martinez Reilly, PLLC for General Counsel services. The original term ran from June 1, 2024 through May 31, 2025 and permitted renewal for additional terms by written agreement of the parties.

Amendment No. 1, effective June 1, 2025, extended the expiration date for an additional twelve months, through May 31, 2026, and provided that all other provisions of the original agreement remained unchanged.

Amendment No. 2, effective June 1, 2026, extends the agreement for another twelve-month term, through the close of business on May 31, 2027. Amendment No. 2 likewise provides that all other provisions of the parties' agreement remain the same.

Agreement Summary

Provision	Summary
General Counsel	John B. Martinez / Martinez Reilly, PLLC
Original Agreement	June 1, 2024 - May 31, 2025
Amendment No. 1	Extended term through May 31, 2026
Amendment No. 2	Extended term through May 31, 2027
Monthly Retainer	$5,000, non-refundable
Annual Retainer Equivalent	$60,000 for a full 12-month term
Termination	Either party may terminate upon 30 days' written notice
Expenses	Reasonable Firm expenses are reimbursable by NCHD, subject to prior authorization

Scope of Services

The Firm is engaged to assist and advise the District in connection with its operations. The stated scope includes legal advice; drafting and reviewing legal documents; negotiations; legal research; representation in certain proceedings; monitoring statutory and regulatory compliance and ethical conduct; and representation of District interests as directed from time to time by the Board of Managers' designee and/or the Administrator/Chief Executive Officer.

The scope also includes attendance at regular and special Board and Board Committee meetings, meetings and conferences with executive management staff as requested, and other services needed by the District. Meetings are to be in person or as otherwise directed.

The agreement expressly excludes representation in litigation or otherwise contested matters. Representation in such matters may be negotiated separately if requested by the District. The scope may also be adjusted periodically based on District needs by written agreement of the District and the Firm.

Client and Representation

The client is the Nueces County Hospital District, including its Board of Managers and executive management staff acting in their official capacities. The Firm is not retained to represent individual Board members or executive management employees in their non-official capacities.

Compensation and Expenses

John B. Martinez is identified as the principal attorney. The District pays a monthly non-refundable retainer of $5,000, due on the first of each month. The agreement states that the retainer covers all work requested by the District during the month and is intended to assure the Firm's availability. For a complete twelve-month renewal term, the stated monthly retainer equates to $60,000.

The Firm is also entitled to reimbursement for reasonable expenses related to the engagement, including items such as court costs, deposition costs, and travel incurred during the representation. The agreement requires prior authorization from the District before such expenses are incurred. Statements for fees and expenses are provided monthly, and payment is due within fifteen days after receipt unless other arrangements are made.

Term and Renewal History

- June 1, 2024: Original General Counsel Letter Agreement commenced.
- May 31, 2025: Original stated expiration date.
- June 1, 2025: Amendment No. 1 became effective and extended the agreement through May 31, 2026.
- June 1, 2026: Amendment No. 2 became effective and extended the agreement through May 31, 2027.
- May 31, 2027: Current expiration date under Amendment No. 2.

Effect of Amendment No. 2

Amendment No. 2 changes the term of the agreement only. It extends the expiration date through May 31, 2027 and expressly states that all other provisions of the original agreement remain the same. Accordingly, the existing scope of services, $5,000 monthly retainer, expense provisions, renewal mechanism, and 30-day termination provision continue without change under the documents reviewed.

Key Considerations

- The current amendment provides continuity of General Counsel services for the twelve-month period ending May 31, 2027.
- No change in the $5,000 monthly retainer is stated in either Amendment No. 1 or Amendment No. 2.
- The base agreement permits either party to terminate the engagement on 30 days' written notice.
- Litigation and other contested matters remain outside the stated General Counsel scope and may require a separate negotiated engagement.
- Reimbursable expenses remain separate from the monthly retainer and require prior District authorization.
- Any future extension beyond May 31, 2027 would require written agreement of the parties under the renewal provision.

Conclusion

The documents establish a continuous General Counsel engagement beginning June 1, 2024. Through two successive written amendments, the original agreement has been extended without other stated changes, with the current term running through May 31, 2027. The principal economic term remains a $5,000 monthly non-refundable retainer, with separately reimbursable, preauthorized expenses, and either party retains the right to terminate the agreement upon 30 days' written notice.

Source: General Counsel Letter Agreement dated June 1, 2024; Amendment No. 1 effective June 1, 2025; and Amendment No. 2 effective June 1, 2026.

AMENDMENT NO. 2
EXTENDING TERM OF JOHN B. MARTINEZ, AGREEMENT

WHEREAS, on June 01, 2024, Nueces County Hospital District ("Hospital District") and JOHN B. MARTINEZ and MARTINEZ AND REILLY PLLC, ("John Martinez"), collectively the "parties" entered into an agreement for General Counsel services.

WHEREAS, the Agreement was to expire on May 31, 2025; and

WHEREAS, the Term and Renewal provision of the Agreement provides that the Agreement may be renewed for additional terms upon the written agreement of the parties; and

WHEREAS, on June 01, 2025, the parties executed AMENDMENT NO. 1 EXTENDING TERM OF JOHN B. MARTINEZ, AGREEMENT. The amendment extended the original agreement for an additional term of twelve months, expiring on May 31, 2026.

WHEREAS, Hospital District and John Martinez now wish to amend their Agreement to extend the expiration date for an additional term of twelve months, to May 31, 2027.

NOW, THEREFORE, Hospital District and John Martinez do hereby mutually agree as follows:

1. The effective date of this AMENDMENT NO. 2 EXTENDING TERM OF JOHN B. MARTINEZ, AGREEMENT to the parties agreement shall be June 01, 2026.

2. The expiration date of the parties agreement dated June 01, 2024, between Hospital District and John Martinez, Martinez/Reilly PLLC for General Counsel services shall be extended to the close of business on May 31, 2027.

3. All other provisions of the Parties Agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto, intending to be bound, have duly executed this Amendment No. 2 on the 1st day of June 2026.

NUECES COUNTY HOSPITAL DISTRICT

By: Jonny F. Hipp
Jonny F. Hipp, SCD
Administrator/Chief Executive Officer
Date: 06/01/2026

MARTINEZ/REILLY, PLLC

By: _____
John B. Martinez
Date: 06/01/2026

AMENDMENT NO. 1
EXTENDING TERM OF JOHN B. MARTINEZ, AGREEMENT

WHEREAS, on June 01, 2024, Nueces County Hospital District ("Hospital District") and JOHN B. MARTINEZ and MARTINEZ AND REILLY PLLC, ("John Martinez"), collectively the "parties" entered into an agreement for General Counsel services.

WHEREAS, the Agreement was to expire on May 31, 2025; and

WHEREAS, the Term and Renewal provision of the Agreement provides that the Agreement may be renewed for additional terms upon the written agreement of the parties; and

WHEREAS, Hospital District and John Martinez now wish to amend their Agreement to extend the expiration date for an additional period of twelve months, to May 31, 2026.

NOW, THEREFORE, Hospital District and John Martinez do hereby mutually agree as follows:

1. The effective date of this Amendment No. 1 to the parties agreement shall be June 01, 2025.

2. The expiration date of the parties agreement dated June 01, 2024 between Hospital District and John Martinez, Martinez/Reilly PLLC for General Counsel services shall be extended to the close of business on May 31, 2026.

3. All other provisions of the Parties Agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto, intending to be bound, have duly executed this Amendment No. 1 on the 1st day of June 2025.

NUECES COUNTY HOSPITAL DISTRICT

By: Jonny F. Hipp
Jonny F. Hipp, ScD
Administrator/Chief Executive Officer
Date: 06-01-2025

MARTINEZ/REILLY, PLLC

By: John Martinez
John B. Martinez

Date: 06/01/2025

Nueces County Hospital District

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

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

CONFIDENTIAL – ATTORNEY/CLIENT COMMUNICATION

June 1, 2024

Mr. Jonny F. Hipp
Administrator/Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua, Ste. 950
Corpus Christi, Texas 78401

Re: Letter Agreement to Provide General Counsel Services for the Nueces County Hospital District

Dear Mr. Hipp:

Thank you for selecting John B. Martinez, and Martinez Reilly, PLLC (the "Firm") to assist and represent the Nueces County Hospital District ("NCHD") as its General Counsel. I look forward to continuing to work with you and expect to render the services you require in the manner that will be of the greatest assistance to you. This Letter Agreement confirms and explains our representation.

Engagement/Scope of Work: The Firm has been engaged to assist and advise the NCHD in connection with its operations, including, but not limited to providing legal advice, drafting/reviewing legal documents, conducting negotiations, conducting legal research, representation in certain proceedings, and monitoring for statutory and regulatory compliance and ethical conduct. In addition, the engagement includes representation of the NCHD's interests as directed from time-to-time by the NCHD's Board of Managers designee and/or the NCHD's Administrator/Chief Executive Officer. The Scope of Work includes attending regular and special Board and Board Committee meetings and, meetings and conferences with the NCHD executive management staff as requested by NCHD Administrator/Chief Executive Officer to meet the needs of the NCHD; all meetings shall be in-person or as otherwise directed. The Scope of work does not include representation in any matter that is in litigation or otherwise a contested case. Any representation in such matters will be negotiated separately between the Firm and the NCHD if requested by the NCHD. The Scope of Work may be adjusted periodically depending on the needs of the NCHD and by written agreement executed by the NCHD and the Firm.

Our client in this matter is the NCHD including its Board of Managers and executive management staff in their official capacities. The Firm is not being retained to represent any NCHD Board member or executive management employee in their non-official capacities.

Points of Contact: To ensure coordination and proper reporting, I have been instructed to communicate with the NCHD's Administrator/Chief Executive Officer.
Our Retention of Records: I will maintain files related to this engagement that I, in my sole professional judgment, determine are necessary for the conduct of the representation. After the engagement ends, corresponding with the date of our last bill for services in this matter, we will maintain or destroy these files in accordance with our then-existing records retention policy.

Billing: I, John Martinez, will be the principal attorney. The NCHD will pay a monthly non-refundable retainer of $5,000.00 (five thousand dollars) due on the first of the month. The retainer will cover any and all work as requested by the NCHD during the month. The retainer insures availability in future services to the District as undertaking such representation is likely to cause a loss of other employment opportunities as a result of the Firm's representation of the District.

The Firm will execute and submit all necessary accounting and/or legal forms (i.e., Department of the Treasury, Internal Revenue Service Form W-9 Request for Taxpayer Identification Number and Certification, etc.) as statutorily required or requested by the NCHD, prior to remittance of any payments by the NCHD for work.

Martinez Reilly, PLLC provides detailed statements for professional services performed, in-house services provided by the Firm, and out-of-pocket expenses, such as court costs, deposition costs, and travel incurred during the course of representation. We send statements for the monthly non-refundable retainer, legal services rendered, and for expenses on a monthly basis. To facilitate delivery and reduce paperwork, the Firm may transmit invoices via email. Unless instructed otherwise, invoices will be sent directly to the NCHD's Administrator/Chief Executive Officer at his email address. Unless other arrangements are made, payment for our fees and expenses will be due fifteen (15) days after your receipt of the statement.

Expenses: All reasonable Firm expenses relating to this engagement will be reimbursed to the Firm by the NCHD. The Firm will not incur any expenses without prior authorization by the NCHD. Prior authorization for expenses shall be obtained through email or text communication from the NCHD's Administrator/Chief Executive Officer.

Term and Renewal: The term of this Letter Agreement is June 1, 2024 – May 31, 2025. This Letter Agreement may be renewed for additional terms upon written agreement of the parties.

Termination: This Letter Agreement may be terminated upon thirty (30) days written notice by either party. NCHD shall send notice to the Firm's office via email at john@mrtrial.com and the Firm shall send notice to the NCHD's Administrator/Chief Executive Officer at jonny.hipp@nchdcc.org.

Independent Relationship: Nothing herein shall be construed as creating a relationship of employer and employee between the Parties. The Firm shall be deemed at all times to be an independent contractor. The NCHD shall not be subject to any obligations or liabilities of the Contractor incurred in the performance of this Letter Agreement. The Firm expressly agrees to indemnify and hold harmless the NCHD, its agents, officer, and employees, for any and all liabilities and obligations incurred due to any breach of contract or negligent acts or omissions or other defalcations on the part of the Firm.

This document constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties.

If you have any questions about our fees or work, now or in the future, I hope that you will call, write to me, or see me in person to discuss the details of the particular bill or any other matter which concerns you.

Very truly yours,

John B. Martinez
MARTINEZ REILLY PLLC

Nueces County Hospital District
Accepted:

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

Date: 06/01/2024

VG-12-2026-2026000397

Nueces County
Kara Sands
Nueces County Clerk

Instrument Number: 2026000397

Public Notice

PUBLIC NOTICES

Recorded On: August 11, 2026 10:56 AM

Number of Pages: 11

" Examined and Charged as Follows: "

Total Recording: $0.00

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

Kara Sands
Nueces County Clerk
Nueces County, TX

Kara Sands

********** THIS PAGE IS PART OF THE INSTRUMENT **********
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number:	2026000397
Receipt Number:	20260811000061
Recorded Date/Time:	August 11, 2026 10:56 AM
User:	Lorena G
Station:	CLERK04.nuecescc.local

Record and Return To:

NUECES COUNTY HOSPITAL DISTRICT

Kara Sands

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

Main: (361)888-0580

Receipt: 20260811000061
Date: 08/11/2026
Time: 10:56AM
By: Lorena G
Station: CLERK04.nuecescc.local
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Seq	Item	Document Description	Number	Number Of	Amount	Serial Number
1	Public Notice	PBN	2026000397	11	$0.00	

Order Total (1) $0.00

Seq	Payment Method	Transaction Id	Comment	Total
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

RECEIVED
AUG 11 2026
KARA SANDS
CLERK OF THE COUNTY COURT
NUECES COUNTY, TEXAS

Nueces County Hospital District

NOTICE OF PUBLIC MEETING

BOARD OF MANAGERS

Board of Managers - Regular Meeting
Monday, August 17, 2026 at 12:30 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=T2RVWFBpZGJYdHYyQmp1VUdZeUc3Zz09
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 (United States):
+1 346 248 7799 (Houston)
+1 719 359 4580
+1 253 205 0468
+1 253 215 8782 (Tacoma)
+1 669 444 9171
+1 669 900 6833 (San Jose)
+1 929 205 6099 (New York)
+1 301 715 8592 (Washington DC)
+1 305 224 1968
+1 309 205 3325
+1 312 626 6799 (Chicago)
+1 360 209 5623
+1 386 347 5053
+1 507 473 4847
+1 564 217 2000
+1 646 931 3860
+1 689 278 1000

Find your local number: https://nchdcc-org.zoom.us/u/kbKxLl8Eq4

BOARD OF MANAGERS
Board of Managers - Regular Meeting
Monday, August 17, 2026 at 12:30 PM

AGENDA

1. **WELCOME**

2. **ROLL CALL OF MEMBERS**

___ Vishnu V. Reddy, Chairman
___ Sylvia Tryon Oliver, Vice Chair
___ Mariana Garza
___ Georgia Neblett, Legislative Committee Chair
___ Karen O'Connor Urban
___ Pamela Brower, Finance Committee Chair
___ Sunil Reddy

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. **NOTICE REGARDING BUDGET.** The Hospital District's Fiscal Year 2026 Budget ("FY26 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Board may discuss the FY26 Budget at this meeting. The adopted FY26 Budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at: [https://www.nchdcc.org/public_notices/finance.php](https://www.nchdcc.org/public_notice

s/finance.php).

The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") is currently under development and may be discussed by the Board at this meeting. Because the FY27 Budget has not yet been adopted, a taxpayer impact statement for Fiscal Year 2027 is not currently available.

5. **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.

6. **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 June 23, 2026.

2. Approve Board of Managers Workshop minutes of June 23, 2026.

3. Receive listing of new vendors as of August 12, 2026; listing provided pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

4. Receive summary payment information on Nueces County health care disbursements for Fiscal Year 2026 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)*

5. 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 2026 year to date. *(Finance Committee)*

6. Receive Fiscal Year 2026 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)*

7. Receive fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. *(Finance Committee)*

8. Receive statement of Fiscal Year 2026 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)

9. 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)*

10. Receive reports relating to Nueces Aid Program enrollment for the months ended June 30 and July 31, 2026:
a. Referral Sources;
b. Total Persons and Households Enrolled;
c. Enrollment Summary;
d. Denials;
e. Application Processing Summary; and
f. 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. Financial Statements:

1. Receive and approve unaudited financial statements for the month and fiscal year-to-date period ended June 30, 2026. ***(ACTION)***

b. Investment Report:

1. Receive and approve Quarterly Investment Report and ratify related investment transactions for fiscal quarter-ended June 30, 2026 pursuant to Texas Government Code, §2256.023. ***(ACTION)***

c. Investment Policy:

1. Adopt Board of Managers Resolution relating to annual review of investment policy and investment strategies; adopt changes to policy and strategies to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.005(e). ***(ACTION)***

2. Adopt Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted listing to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.025. ***(ACTION)***

d. CHRISTUS Spohn Health System:

1. Adopt Board of Managers Resolution approving the Member Revenue Specified Annual Percentage for the period October 1, 2026 – September 30, 2027, pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. ***(ACTION)***

2. Discuss and consider authorizing the Administrator to execute an Intergovernmental Transfer (IGT) Responsibility Contract with the Texas Health and Human Services Commission (HHSC), Contract No. HHS001711400008, for the transfer of public funds as the non-federal share of Network Access Improvement Program (NAIP) payments benefiting CHRISTUS Spohn Health System for the period September 1, 2026 through August 31, 2027, in an amount not to exceed $3,347,716.00. ***(ACTION)***

e. Fiscal Year 2027 Budget:

1. Adopt Board of Managers Resolution committing a specified amount of the September 30, 2026, fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested

intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 2026. ***(ACTION)***

2. Adopt Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2027 Annual Budget (October 1, 2026 – September 30, 2027) for:

a. County Healthcare Expenditures; and

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

3. Adopt Board of Managers Resolution approving Fiscal Year 2027 Annual Budget (October 1, 2026–September 30, 2027), approval pursuant to Texas Health and Safety Code, §281.091(b); Budget includes:

a. General Fund;

b. Tobacco Fund;

c. Opioid Settlement Fund; and

d. Indigent Care Fund. ***(ACTION)***

2. **Legislative Committee:**

a. Receive information from Legislative Consultants on 90th Texas Session Legislative Agenda. ***(INFORMATION)***

b. Receive a briefing on, discuss, and consider action regarding the potential use of the YourTexasBenefits.com website, operated by the Texas Health and Human Services Commission to additionally facilitate enrollment in the Nueces Aid Program. ***(ACTION)***

c. Discuss and consider action on proposed amendments to the Nueces County Hospital District's Draft 90th Texas Legislative Session Agenda. ***(ACTION)***

3. **Nueces Aid Program:**

a. Receive and discuss a briefing on community engagement and outreach strategies, partnerships, enrollment initiatives, client engagement, and related plans and goals to increase awareness of, access to, and participation in the Nueces Aid Program. ***(INFORMATION)***

b. Receive and discuss a presentation from the Nueces County Sheriff's Office regarding a new prisoner medical transport van funded by the Hospital District. ***(INFORMATION)***

4. **Opioid Settlement Funds:**

a. Discuss and consider approval of an Interlocal Cooperation Agreement with the Nueces Center for Mental Health and Intellectual Disabilities to implement the Hospital District's use of distributions received from the Texas Opioid Abatement Fund Council; Agreement term October 1, 2026, through September 30, 2027; receipt and use of funds pursuant to Texas Government Code §403.508(a)(2) and applicable program requirements under Texas Administrative Code §16.22. ***(ACTION)***

5. **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 Amendment No. 2 to Letter Agreement with John B. Martinez (Martinez Reilly PLLC) for General Counsel Services for term June 1, 2026 - May 31, 2027. ***(ACTION)***

6. **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. Legislative Committee: Tuesday, September 22, 2026, 11:00 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401; and

2. Finance Committee: Tuesday, September 22, 2026, 11:30 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, September 22, 2026, 12:00 PM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401. ***(INFORMATION)***

7. **CLOSED MEETING** – The Board of Managers may convene in closed session at any time during this meeting to deliberate any agenda item, as authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board reserves the right to discuss any agenda item in executive session when legally permitted, regardless of whether the item is customarily considered in open session. The presiding officer will announce the applicable statutory authority under the Act prior to each closed session. Any final action,

decision, or vote will be taken in open session, either upon reconvening or at a subsequent public meeting, as required by law. The Board anticipates entering closed session on the matters identified below pursuant to Sections 551.071 and 551.074 of the Texas Government Code, as applicable.

A. Consult with attorneys regarding CPS Energy's proposed tax-exemption settlement Agreements related to the Barney Davis and Nueces Bay Power Plants and related matters.

B. Consult with attorneys on legal issues regarding Corpus Christi Housing Authority's workforce housing contracts, tax exemptions, potential open meetings violations, and related matters.

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

D. Consult with attorneys regarding matters related to eligibility for indigent health care under current law.

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

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

9. **ADJOURN**

10. Public Notice Posting Receipt