

ORDER CREATING THE WEST TEXAS HEALTH CARE PROVIDER PARTICIPATION DISTRICT

WHEREAS, the Texas Legislature enacted House Bill 4289, 86th Regular Session, which added Chapter 300A to the Texas Health and Safety Code, and which went into effect immediately upon signature by the Governor; and

WHEREAS, pursuant to Section 300A.003 of the Texas Health and Safety Code, certain local governments may establish a health care provider participation district by concurrent orders; and

WHEREAS, Howard County, Brown County, and City of Kerrville are political subdivisions of the State of Texas that are not participating in a health care provider participation program, are not served by a hospital district or public hospital, and have only one institutional health care provider located within each of their respective counties and municipality; and

WHEREAS, Howard County, Brown County, and City of Kerrville (individually a "local government" and collectively the "local governments") desire to create a health care provider participation district pursuant to Section 300A.0021 of the Texas Health and Safety Code; and

WHEREAS, the purpose of the health care provider participation district is to create a health care provider participation program to help local providers gain access to Medicaid supplemental payments and Medicaid managed care rate enhancements to support the provision of health care by institutional health care providers to the local governments' residents in need of care; and

WHEREAS, pursuant to Section 300A.0021 of the Texas Health and Safety Code, the local governments may create a health care provider participation district by approval of concurrent orders by the governing body of each local government, with such orders containing identical provisions and defining the boundaries of the health care provider participation district to be coextensive with the combined boundaries of each local government; and

WHEREAS, pursuant to Section 300A.0023 of the Texas Health and Safety Code, the presiding officer of the local governments shall each appoint one director to serve staggered two-year terms on the board of directors of the health care provider participation district, with as near as possible to one-half of the directors' terms expiring each year.

June 23, 2024
(Exhibit #9)



Be it hereby ordered by the Howard County Commissioners Court, Brown County Commissioners Court, and City of Kerrville City Council:

1. By adoption of this concurrent and identical order, the local governments authorize the creation of a health care provider participation district (the "West Texas HCPP District") with boundaries coextensive with the combined boundaries of each local government.
2. To establish the staggered terms of the board of directors of the West Texas HCPP District, the local governments agree that the presiding officers of the Howard County Commissioners Court and the Brown County Commissioners Court shall each appoint a director to serve an initial one-year term on the board of directors, with subsequent two-year-terms for all subsequent appointments, and that the presiding officer of the City of Kerrville City Council shall appoint a director to serve an initial two-year term on the board of directors, with subsequent two-year terms for all subsequent appointments.

PASSED AND APPROVED this 24 day of June 2025.



Honorable Judge Shane Britton



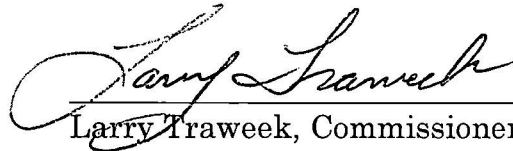
Kirk Chastain, Commissioner, Pct. 1



Joel Keltón, Commissioner, Pct. 2



David Reid, Commissioner, Pct. 3



Larry Traweck, Commissioner, Pct. 4

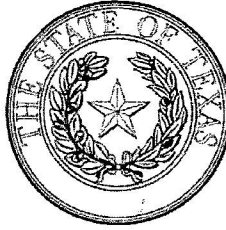



Honorable Sharon Ferguson, County Clerk

COURTHOUSE
200 SOUTH BROADWAY, SUITE 110
BROWNWOOD, TEXAS 76801

Stephanie Upfold
Civil Court Coordinator
Stephanie.upfold@browncountytexas.gov

Nina Valencia
Criminal Court Coordinator
Nina.Valencia@browncountytexas.gov



SHANE BRITTON
JUDGE PRESIDING
BROWN COUNTY COURT

Telephone: 325-643-2828
Fax: 325-646-7013

Nannell S. Mooney
Official Court Reporter
nannellmooneycsr@hotmail.com

June 25, 2025

Pursuant to the authority granted under Chapter 300A of the Texas Health and Safety Code and the order adopted by the Brown County Commissioners Court on June 24th pursuant to that same state law, such order which authorized the creation of the West Texas Health Care Provider Participation District (District), I hereby appoint Robert Porter, a resident of Brown County, to serve as Brown County's representative on the Board of the District.

Please file this letter in the official records of the County as to appointments to this District.

Sincerely,


Shane Britton, County Judge

EXHIBIT A: WEST TEXAS HEALTH CARE PROVIDER PARTICIPATION PROGRAM RULES AND PROCEDURES

SECTION I **PURPOSE AND DEFINITION OF TERMS**

- 1.1 Purpose of Rules and Procedures. These rules and procedures are intended to clarify and add specificity to actions the District, the Board, and the Directors are authorized to take under State law. Nothing in these rules and procedures is intended to limit the actions the District, the Board, and the Directors may take pursuant to State law.
- 1.2 Terms. For purposes of these Rules and Procedures, the following terms shall have the meanings assigned below.
- (a) "Administrator" means the Director or designated person who conducts the business affairs of the District;
 - (b) "Annual Hearing and Annual Meeting" means the hearing and meeting per fiscal year at which the Board must address all of the District affairs set out by Section 2.5;
 - (c) "Board" means the governing body of the District;
 - (d) "Collections Agent" has the meaning set forth in Section 2.6(d);
 - (e) "Director" means a member of the Board;
 - (f) "District" means the West Texas HCPP District;
 - (g) "HHSC" means the Texas Health and Human Services Commission;
 - (h) "IGT" means intergovernmental transfer;
 - (i) "LPPF" means the local provider participation fund established by the District;
 - (j) "Officer" has the meaning set forth in Section 2.5(b); and
 - (k) "Principal Office" means the place where all District records are maintained and subject to annual audit under Section 287.123 of the Texas Health and Safety Code.

SECTION II **DISTRICT OPERATIONS**

The Board shall operate the District according to the following provisions:

- 2.1 Administrator. The Board shall designate an Administrator to conduct the business
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affairs of the District, which shall include but are not limited to the affairs and duties described in Section 2.6.

- 2.2 Principal Office. The Principal Office of the District shall be [insert Administrator address].
- 2.3 Time and Place of Meetings and Hearings. The Board shall hold hearings and meetings as necessary to conduct the affairs of the District. All hearings and meetings must be conducted in accordance with Chapter 551 of the Texas Government Code and, as applicable, Chapter 300A of the Texas Health and Safety Code and Chapter 287, Subchapter F of the Texas Health and Safety Code.
- 2.4 Fiscal Year. The fiscal year of the District shall be the twelve-month period spanning July 1 through June 30.
- 2.5 Annual Hearing and Annual Meeting. At least once per year, the Board must hold a public hearing on (i) the amounts of any mandatory payments that the board intends to require during the year and how the revenue derived from those payments is to be spent, and (ii) its proposed annual budget. After the conclusion of the public hearing, the Board must hold a meeting to deliberate and decide by vote upon the matters addressed in the hearing and other affairs of the District, including all of the following matters:
 - (a) Annual Budget. The Board shall adopt a budget in accordance with Section 287.124 of the Texas Health and Safety Code. Notwithstanding, the Board may amend the budget after its adoption. Officers. The Board shall elect from among its members a president and a vice president, and the Board shall also appoint a secretary (each an "Officer," and collectively "Officers"). Officers shall serve terms pursuant to State law.
 - (b) Health Care Provider Participation Program. The Board shall hold a vote on whether to authorize the District to participate in a health care provider participation program.
 - (c) Mandatory Payments. If the Board authorizes the District to participate in a health care provider participation program, and after hearing from any representatives of proposed paying hospitals, the Board shall approve the amount and timing of any mandatory payments it intends to require in the fiscal year for which the health care provider participation program is authorized, in accordance with Section 300A.0151 of the Texas Health and Safety Code.
 - (d) LPPF. Upon the Board's first authorization of a mandatory payment, the Board must designate one or more banks to serve as a depository for the mandatory payments received by the District, and authorize the Administrator to create the LPPF depository account with the designated bank or banks. The Administrator shall also register such account in the State's TexNet system.
 - (e) Rules. The Board shall adopt any rules relating to the administration of the

health care provider participation program that it finds to be in the interest of the District, including rules on matters of expenditures and collection of mandatory payments.

- 2.6 Duties of the Administrator. The Administrator owes the District a fiduciary duty. The Administrator must act in accordance with the decisions of the Board and is responsible for conducting the business affairs of the District, including the following duties:
- (a) Notice of Hearings and Meetings. The Administrator must assist the Board with publishing notice required for any public hearings or meetings.
 - (b) Annual Budget. The Administrator must prepare a proposed annual budget and provide it to the Board of Directors prior to the Annual Hearing and Annual Meeting.
 - (c) LPPF Creation. The Administrator is responsible for creation of the LPPF depository account and TexNet system registration described in Section 2.5(f).
 - (d) Collections Agent. The Administrator shall act to assess and collect mandatory payments authorized and required by the District ("Collections Agent"). Notwithstanding, the Board may contract with a third party to serve as the Collections Agent in lieu of the Administrator.
 - (e) LPPF Management. The Administrator is responsible for the management of the LPPF, including:
 - i. Ensuring that revenue received by the District attributable to mandatory payments authorized and required by the District is deposited into the LPPF;
 - ii. Ensuring that refunds from HHSC of IGT provided by the District for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, for which no federal matching payment was received, are deposited into the LPPF;
 - iii. Making payments, IGTs, and transfers from the LPPF as permitted by law;
 - iv. Keeping an accounting of the funds received from paying hospitals located within the District's borders; and
 - v. Ensuring that the funds of the LPPF are used for no other purposes than those permitted by law.
 - (f) Annual Audit. The Administrator shall, with the approval of the Board, arrange for and ensure the completion of an annual audit by an independent third party, and provide copies of the audit to required parties pursuant to Section 287.122 of

the Texas Health and Safety Code.

- (g) Sworn Statement. As soon as practicable after the close of the fiscal year, the Administrator shall prepare for the Board a sworn statement of the amount of money in the LPPF and an accounting of the disbursements therefrom.
- (h) Reporting. The Administrator shall report the District's activities to HHSC in compliance with Section 300A.0154 of the Texas Health and Safety Code, on a schedule determined by HHSC.
- (i) Dissolution. In the event the District dissolves, the Administrator shall assist the Board with administering the duties described in Chapter 300A, Subchapter B of the Texas Health and Safety Code.

2.7 Records and Access. The District will comply with the requirements of Chapter 552 of the Texas Government Code. Additionally, upon written request of any hospital subject to LPPF mandatory payments or any local government that created the District, or any of their duly authorized agents or representatives, the District shall make available to such requestor those records, books, and documents necessary to verify (i) the status and amount of funds in the LPPF, (ii) the nature and extent of any expenses incurred by the District, and (iii) the nature, extent, and amount of any and all mandatory payments and IGT authorized by the District.

2.8 Preclusions. The District may not impose an ad valorem tax or issue bonds.

2.9 Withdrawal and Dissolution Procedure. In the event a Board member, acting on behalf of their appointing jurisdiction, concludes and requests formal action in relation to the conclusion that continued participation in the District is no longer in the financial or policy interest of their jurisdiction, the Board shall:

- (a) Initiate a formal review of the feasibility of restructuring the District to exclude the requesting jurisdiction while maintaining compliance with applicable law, which shall be completed within 60 days.
- (b) If such restructuring is not feasible or permissible, the Board shall adopt a resolution recommending dissolution of the District and shall submit that recommendation to each of the participating jurisdictions for consideration.

SECTION III **GENERAL TERMS**

3.1 Captions and Headings. The captions and headings used in these rules and procedures are for convenience only and do not limit their contents.

3.2 Liability. Each Director is responsible for their own actions and shall not be liable for any civil liability that may arise from the actions of any other Director. Nothing in these rules and procedures shall be construed to waive the District's immunity from suit.

- 3.3 Notices. Any requests, replies, notices, or demands must be in writing and shall be sent by registered or certified United States mail or by a recognized commercial carrier or delivery service as follows:

[Administrator Contact to be added]

- 3.4 Compliance with Laws. The District and Directors will comply with all applicable local, state, and federal laws, regulations, and rules that may pertain to the District and operation of the health care provider participation program.

- 3.5 Conflict with State Law. To the extent any provision under these rules or procedures conflicts with State law, the Board may adopt an alternative provision or procedure that conforms to the requirements of State law.