

# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
Madeline Walker CPA CFE, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4<sup>th</sup> Floor, Galveston, TX 77550

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March 24, 2025

Honorable Mark A. Henry, County Judge, and  
Members of the Commissioners Court

Honorable Mark A. Henry and Members of the Court:

Consideration of approval of the Pro-Rata Tobacco Settlement Distribution County Expenditure Statement 2025 and authorizing the County Judge to sign the County Expenditure Statement submitted by the Auditor's Office.

Sincerely,

*Randall Rice CPA*


Randall Rice CPA  
County Auditor

Attachments: Tobacco Settlement Distribution Expenditure Statement  
Verification of Receipt Form

## Expenditure Statement for Counties

<b>Name of County:</b>	Galveston County	
<b>Contact Person</b>		
Primary contact for questions regarding the information reported on this expenditure statement.		
<b>Name:</b>	Teresa Dailey	
<b>Title:</b>	Financial Reporting and Grants Accountant	
<b>Mailing Address:</b>	722 Moody, Galveston, Texas 77550	
<b>Phone Number:</b>	(409) 770-5324	
<b>Email:</b>	Teresa.Dailey@galvestoncountytexas.gov	
<p>Provide prior <b>calendar year</b> unreimbursed health care expenditures for your county within the categories defined below.</p> <p>According to 25 Tex. Admin. Code § 102.3, <b>unreimbursed health care expenditures</b> are defined as actual expenditures made by the county, which are directly attributable to the provision of health care services to the general public, either directly or by contract or agreement with a third-party provider, and for which no reimbursement is made by or expected from any third-party source or fund. Furthermore, an additional 15% is added to the total to account for general administrative and overhead costs not directly related to the provision of health care.</p> <p>In addition to payments made from the county's customary operating accounts, unreimbursed expenditures can include 1) payments made from a trust fund or reserve account intended for the provision of health care services and 2) payments made in the prior calendar year using the pro rata shares from past tobacco settlement distributions. Unreimbursed expenditures cannot include contractual allowances or discounts for health care services required under a third party payer agreement.</p> <p>Any <u>unreimbursed expenditures claimed on the prior calendar year expenditure statement that were later reimbursed</u> by monies other than tobacco settlement funds, <u>should be subtracted</u> from the amount of unreimbursed expenditures reported on the current year expenditure statement.</p>		
<b>Category A. Unreimbursed County Expenditures for Indigent Health Care Services</b>		
These expenditures must be for unreimbursed health care services provided to the indigent population.		4,661,535.01
<b>Category B. Unreimbursed County Expenditures for Jail Health Care Services</b>		
These expenditures must be for unreimbursed health care services provided to adults or juveniles in the detained or incarcerated population.		7,356,764.21
<b>Category C. Unreimbursed County Expenditures for General Public Health Care Services</b>		
These expenditures must be for unreimbursed health care services such as a hospital district may provide. These are typically diagnostic and treatment services for individuals. Expenditures for environmental services (e.g. mosquito control, water testing, and septic tank inspection) and population-based services not involving direct contact with an individual health care recipient (e.g. restaurant inspections) must be excluded.		
1)	Health care clinic, laboratory, and case management services.	16,606.49
2)	Dental care services.	
3)	Outreach and prevention efforts related to tobacco use, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature.	
4)	Other health care outreach and prevention efforts, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature. Typical target areas for these efforts include health hazards affecting the general public.	
5)	Medical transportation.	103,580.35
6)	Behavioral or psychiatric health care services.	990,358.07
7)	Capital expenditures for health care services.	

**Texas Department of State Health Services Tobacco Settlement Distribution Program**

<b>Category C. continued</b>		<b>Name of County:</b> Galveston County	
<b>8)</b>	Overhead costs for a health care facility. Limited to non-labor expenditures required to operate a health care facility (e.g. utilities, internet service, building insurance).	69,534.56	
<b>9)</b>	Emergency medical services.	1,539,767.75	
<b>10)</b>	Medical supplies or equipment used for the provision of health care services to the general public.	127,791.04	
<b>11)</b>	Other services provided by the county that are also within the scope of services that hospital districts are authorized by law to provide. These will typically be diagnostic and treatment services. <b>Please describe services below:</b>	650,773.94	
	Detention Medical, Coastal Health and Wellness staff, UTMB Child Abuse Evaluation		
<b>12)</b>	Intergovernmental transfer (IGT) payment(s) made by the county to a hospital(s) in its jurisdiction in exchange for indigent health care services. <b>Name of Hospital(s) below:</b>		
<b>13)</b>	If the county sold or leased its public health care facility(ies) and included a contractual obligation on the part of the purchaser or lessee to provide health care services to the indigent population, the county may claim one or both of the following: <b>a)</b> Unreimbursed payments not funded by taxes made by the county to said public health care facility(ies). Payments may be for ongoing operations, indigent care obligations, or other statutorily authorized expenditures. <b>b)</b> The value of health care services for indigent residents performed by said public health care facility(ies) as if they had been reimbursed at the Medicaid rate. <b>Name of Public Health Care Facility(ies) below:</b>		
<b>14)</b>	If the county made unreimbursed payments to a public hospital (see exception below) owned by the county and that is not located within a hospital district, enter the information below. The payments must be directly attributable to the provision of health care services to the general public. <b>Exception: Do not include payments to non-hospital health care facilities (e.g. clinics). Report those expenditures on line 1 in category C.</b>		
	<b>Public Hospital Name</b>	<b>City Where Located</b>	<b>Prior Year Payments</b>
<b>Total</b>			<b>0.00</b>
<b>Subtotal, All Category C Expenditures</b>			<b>3,498,412.20</b>
<b>Total Expenditures to be claimed:</b> (are calculated by multiplying the sum of Cat. A+B+C by 1.15).			
<b>Total Expenditures to be claimed: (Cat. A+B+C)</b>		<b>15,516,711.42</b>	<b>x 1.15 = 17,844,218.13</b>
This is to certify that the above unreimbursed expenditures are eligible for pro rata payment in accordance with the Agreement Regarding Disposition of Settlement Proceeds between the State of Texas and American Tobacco Company, et al.			
<b>Printed Name and Title of County's Authorized Representative:</b>		<b>Email Address and Telephone Number:</b>	
Mark Henry, County Judge		Mark.Henry@co.galveston.tx.us	
<b>Signature of Authorized Representative:</b>		<b>Date:</b>	
		March 31, 2025	



Texas Department of State Health Services  
Tobacco Settlement Distribution Program

## Verification of Receipt Form 2025 Expenditure Statement

The Texas Department of State Health Services wants to be sure you received the 2025 Expenditure Statement for the Tobacco Settlement Distribution Program. To confirm your receipt, please fill out and submit this form by January 31, 2025.

Received by: Galveston County

Name of County

So that we have your current information on file, please provide the following:

County Judge: Mark Henry

Name of Judge

Mark.Henry@co.galveston.tx.us, (409)766-2244, 722 Moody Ave (21st St.), Suite 200 Galveston, TX 77550

County Judge Email, Phone and Address

County Auditor/Treasurer: Randall Rice, County Auditor

Name of County Auditor or Treasury

Randall.Rice@galvestoncountytexas.gov, (409) 770-5301, 722 Moody Ave (21st St.), 4th Floor Galveston, TX 77550

County Auditor or Treasury Email, Phone and Address

Submission Options:  
(select one)

- Email to [DSHSTobacco@dshs.texas.gov](mailto:DSHSTobacco@dshs.texas.gov)
- Fax to 512-776-7774
- USPS Mail to AMIRA SUTON MC 4501  
TX DEPT OF STATE HEALTH SERVICES  
PO BOX 149347  
AUSTIN TX 78714-9347

For Questions:

- FAQs are available on the website:  
[dshs.texas.gov/tobaccosettlement/faq.shtml](https://dshs.texas.gov/tobaccosettlement/faq.shtml)
- Email questions to Amira Sutton  
[DSHSTobacco@dshs.texas.gov](mailto:DSHSTobacco@dshs.texas.gov)