



# Hidalgo County Health & Human Services Department

Dairen Sarmiento Rangel, M.B.A.  
Director

July 29, 2025

Dear Hospital Administrator,

Attached is your tax bill for the annual mandatory payment for District Fiscal Year **2026 (September – August)** as required by the Hidalgo County Health Care Funding District ("Hidalgo District") pursuant to Chapter 288 of the Texas Health & Safety Code.

The annual mandatory payment rate for District Fiscal Year **2026** is 6% of your net patient revenue. The mandatory payments will be deposited into the Hidalgo County Local Provider Participation Fund ("LPPF") to be used for the nonfederal share of a Medicaid supplemental payment program. The LPPF is a broad-based tax as the mandatory payments apply to all nonpublic hospitals in Hidalgo County licensed under Chapter 241 of the Texas Health & Safety Code. The formula for calculating the mandatory payments is the same for each hospital in Hidalgo County (6% of net patient revenues). No hospitals are held harmless or exempt from paying the mandatory payments.

The mandatory payment is assessed annually, with quarterly amounts generally due no later than the end of each quarter.

This payment schedule is consistent with Rule 14 of the Rules adopted by the Hidalgo District, which states that "the Commission of the District may require an annual mandatory payment to be assessed no more frequently than quarterly." (See also Tex. Health & Safety Code Section 288.201(a)).

Thus, the quarterly payments of the mandatory payment are due as follows:

- The first quarterly payment is due no later than **November 30, 2025**.
- The second quarterly payment is due no later than **February 28, 2026**.
- The third installment is due no later than **May 31, 2026**.
- The fourth installment is due no later than **August 31, 2026**.

If you have any questions, please do not hesitate to contact the Hidalgo District at 956-292-7000 extension 7372.