

**To the Mayor and Members of the City Council****August 19, 2025**

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SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) WITH TEXAS HEALTH SOUTHWEST FOR INDIGENT CARE SERVICES AND 340B DRUG PRICING PROGRAM PARTICIPATION

The purpose of this Informal Report is to notify the Mayor and City Council of the City's Memorandum of Understanding (MOU) with Texas Health Harris Methodist Hospital Southwest Fort Worth ("Texas Health Southwest"), a non-profit hospital located in Texas, for the provision of indigent care services.

This MOU agreement supports the hospital's eligibility to participate in the federal 340B Drug Pricing Program and formalizes its ongoing commitment to serve low-income residents of Fort Worth. The 340B Drug Pricing Program was established under the Public Health Services Act to enable eligible healthcare organizations to obtain prescription drugs at significantly reduced prices.

To qualify, hospitals must demonstrate a public commitment to providing health care to low-income individuals who are not entitled to Medicare or Medicaid benefits and receive little or no reimbursement for these services.

Texas Health Southwest is a Texas-based hospital, not-for-profit healthcare institution that provides a disproportionate share of services to Medicaid and Medicare beneficiaries and maintains a long-standing commitment to support uninsured and underinsured populations. In accordance with federal requirements, the hospital has requested to formalize this commitment through an agreement with a local government entity, to satisfy one of the 340B program eligibility conditions.

Key provisions of the MOU are:

- The Hospital agrees to continue providing health care services to uninsured, underinsured, and indigent residents of Fort Worth; all patients will receive necessary care regardless of their ability to pay, in accordance with state and federal law.
- The City of Fort Worth acknowledges and accepts this commitment.
- The Hospital affirms that it is a valid Texas nonprofit corporation in good standing and qualifies as a 501(c)(3) tax-exempt entity.
- The MOU is effective upon execution and will remain in effect until terminated by either party with at least sixty (60) days' written notice.

No action is required by the City Council. This Informal Report serves to provide notification of the MOU and its contents.

Should you have any questions regarding this report, please contact Assistant City Manager Dianna M. Giordano.

Jesus "Jay" Chapa
City Manager