



CITY OF HOUSTON

OFFICE
of
BUSINESS OPPORTUNITY

Pay or Play Program Annual Report FY 2026 (July 1, 2025 – June 30, 2026)



Table of Contents

Executive Summary.....pg. 3-4

FY2026 Pay or Play Program Summary: Currently Funded Initiatives.....pg. 5

Client Access Program.....pg. 5

Emergency Telehealth Navigation Program.....pg. 5

Pay or Play Program Annual Report FY 2026.....pg. 6

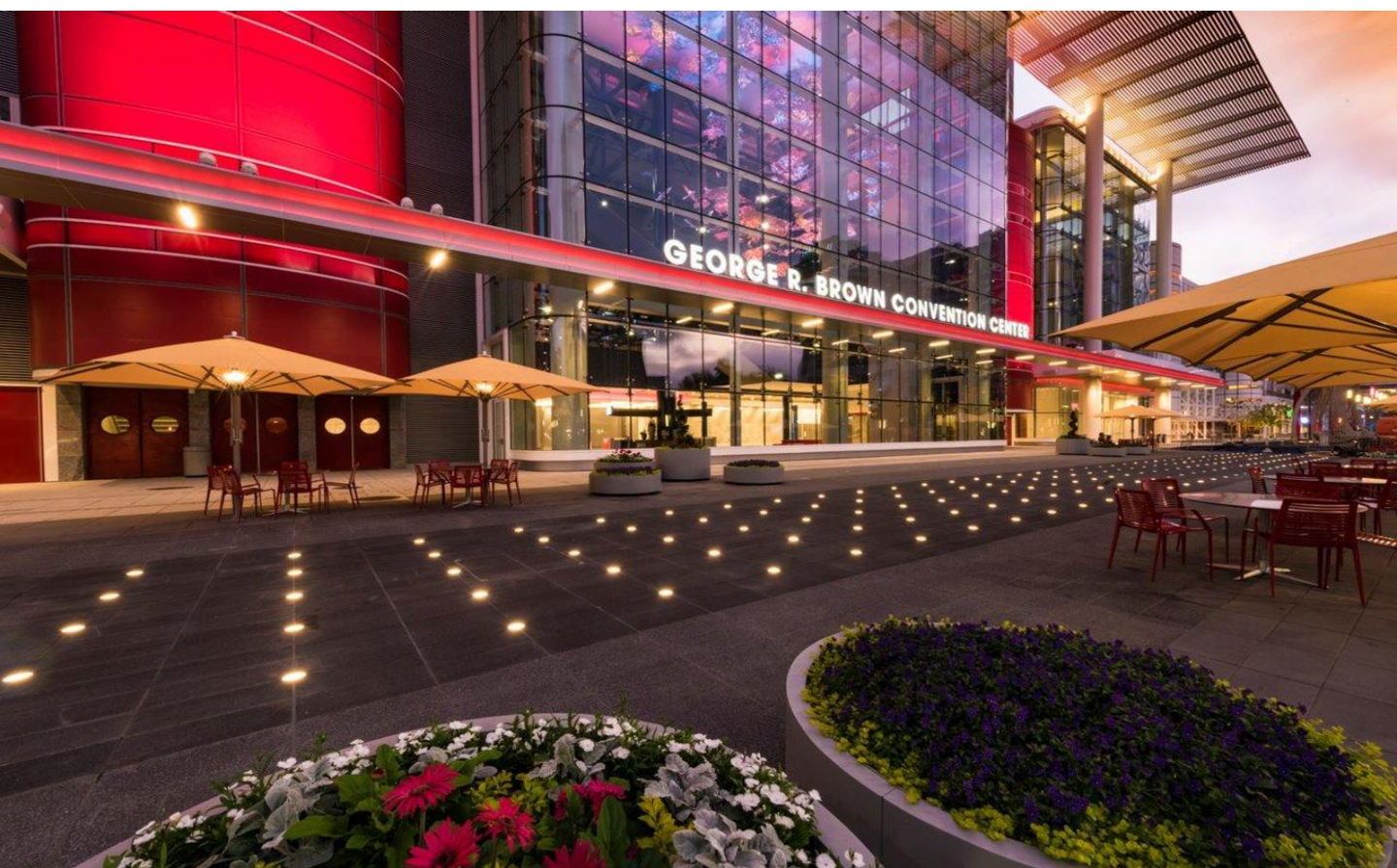
Pay or Play Funds Collected.....pg. 6

Pay or Play Expenditurespg. 7

Pay or Play Expenditures (Cont'd).....pg. 8-9

Options Selected by Contractors.....pg. 10

Pay or Play Participation by Departmentpg. 11



Executive Summary

OBJECTIVES

In July 2007, the Pay or Play (POP) Program was established under Article VI, Section 7a of the City Charter and City of Houston Code of Ordinance, Chapter 15, to level the playing field and defray costs associated with caring for uninsured citizens in Houston and Harris County. The Program is governed by the City Contractors' Pay or Play Program Executive Order 1-7 (EO 1-7) which mandates that contractors, on covered contracts, either contribute a prescribed amount to the Contractor Responsibility Fund (CRF) for their uninsured employees (Pay) or provide a minimum level of health care coverage to their employees (Play).

The Pay or Play Program is applicable to City of Houston prime contracts over \$100,000 and related subcontracts over \$200,000. However, the Program is not applicable to contracts whose primary purpose is for the procurement of property, leases, goods, supplies and/or equipment, intergovernmental contracts, interlocal agreements, bulk purchasing or cooperative purchasing agreements, and contracts for which the City of Houston has not expended funds, regardless of the funding source.

The POP Program Contractors provide periodic reports, supporting documentation, and required payment, if applicable, to the Contract Administrator to support their Pay or Play status. Records may be obtained for up to three years.

PURPOSE OF REPORT

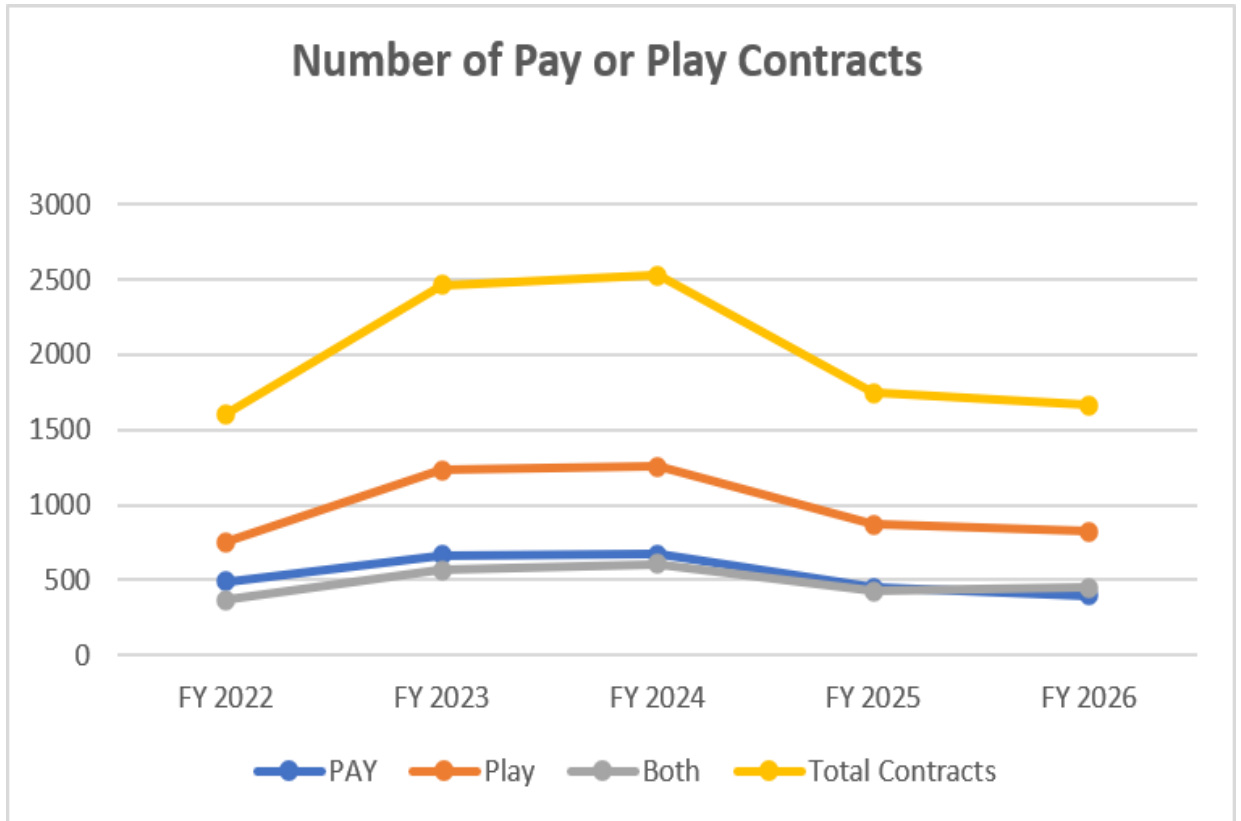
The purpose of this report is to provide an annual update on the progress of the Pay or Play Program from Fiscal Year July 1, 2025, through June 30, 2026. This report, submitted by the Office of Business Opportunity (OBO), is reflective of program activities and analysis. The information reflected in this report is based on POP Program activities documented within the B2G-POP Module by POP liaisons and contractors to support program compliance as of June 30, 2026.

PROGRAM TRENDS

Using data from the B2G-POP Module and prior POP Program Annual Reports, this Summary reflects the number of contracts that are "Play", "Pay", or both ("Pay" & "Play"). The highest number of contracts are "Play" contracts, meaning the contractors' employees are receiving the requisite level of health care insurance. Contractors utilizing the "Pay" option contribute a prescribed amount into the CRF for hours employees worked on the City of Houston eligible contracts. The number of contracts in which both the "Pay" & "Play" options are leveraged have also increased significantly over the past five years.

Executive Summary, Cont'd

PROGRAM TRENDS, Cont'd



	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
PAY	490	664	669	450	394
Play	749	1233	1254	869	820
Both	366	565	603	427	449
Total Contracts	1,605	2,462	2,526	1,746	1,663



FY 2026 Pay or Play Program Summary

Currently Funded Initiatives

The funds collected through the POP Program are deposited into the Contractor Responsibility Fund. In FY 2026, the revenue was used to support health programs such as the Client Access Program (CAP) and the Emergency Telehealth and Navigation Program (ETHAN)* as well as costs associated with administering the POP Program.

The currently funded initiatives contribute to alleviating the burden on emergency medical resources, providing subsidies to small businesses for health benefits to their employees and offering assistance with finding social and medical services for the uninsured public.



HOUSTON HEALTH
DEPARTMENT

Client Access Program (CAP)

The Client Access Program, formally known as the Care Houston Program, is a collaboration with the Houston Health Department (HHD). HHD works in partnership with the community to promote and protect the health and social well-being of Houstonians and the environment in which they live. OBO's POP Program exists to enhance fairness in competition for contracts between bidders who choose to offer a health benefit to their workforce and who do not. The CAP is intended to impact the lives of individuals and families who do not have access to health coverage by providing a linkage to health services through Harris Health, Title V, the Children's Health Insurance Program, etc. CAP provides access to Federally Qualified Health Centers and Community Health Centers for participants who meet eligibility requirements.



Crisis Call Diversion Program (CCD)

The City of Houston is the home of the first of its kind, Crisis Call Diversion (CCD) Program in the United States. This innovative program co-locates Crisis Phone Counselors from The Harris Center for Mental Health and Intellectual and Developmental Disabilities inside the Houston Emergency Communication Center (HEC), to work alongside Houston Police and Houston Fire Department Dispatchers with the mission of assisting callers to 911 with mental health-related concerns, to receive the most appropriate response for their crisis. The CCD Program co-locates Crisis Phone Counselors within 911 Dispatch to provide a risk assessment for mental health-related calls to 911 and divert non-imminent risk, non-criminal calls for service away from emergency services and towards a more appropriate mental health response.



CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

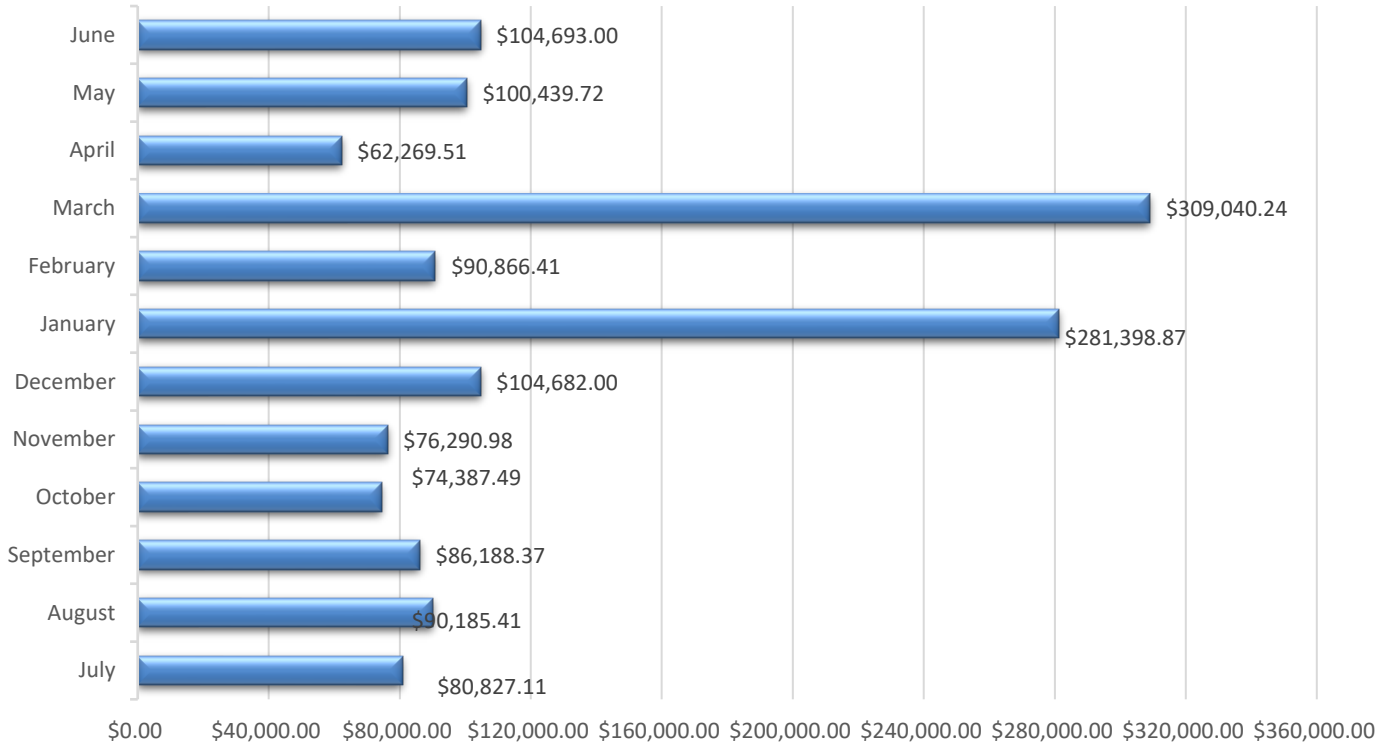
Pay or Play Program

Annual Report FY 2026

The City of Houston utilizes *Systems, Applications, and Products in Data Processing* (SAP) software for financial accounting and real-time budget management. SAP provides a month-to-month breakdown of revenue and expenditures for various programmatic budget items. This summary provides a financial analysis of the Pay or Play Program for Fiscal Year 2026 using SAP data. In FY 2026, the total revenue of the Pay or Play Program was \$1,461,269.11.

Pay or Play Funds by Month

Data provided by City of Houston Financial Management System (SAP)
July 2025 – June 2026



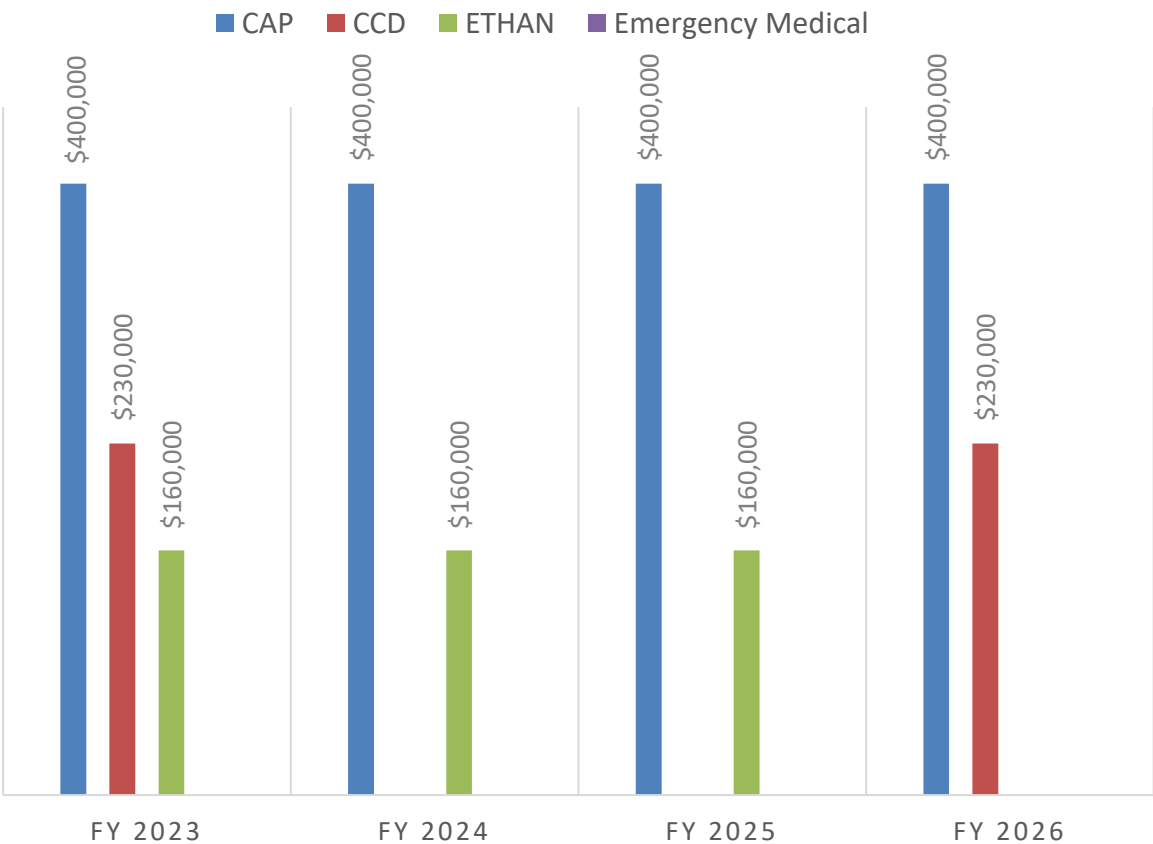
Pay or Play Program

Annual Report FY 2026

Expenditures

In FY 2026, \$400,000 was expended for the Client Access Program and \$230,000 for the Crisis Call Diversion Program. A total of \$630,000 in funds were disbursed for the two (2) programs in FY 2026.

Funded Initiatives' Expenditures Trend
FY 2023 – FY 2026



Note: HFD's Emergency Medical Services ETHAN Fire Personnel was funded for \$500,000 in FY 2022 only. The Crisis Call Diversion Program was not funded in FY 2024.

Pay or Play Program

Annual Report FY 2026

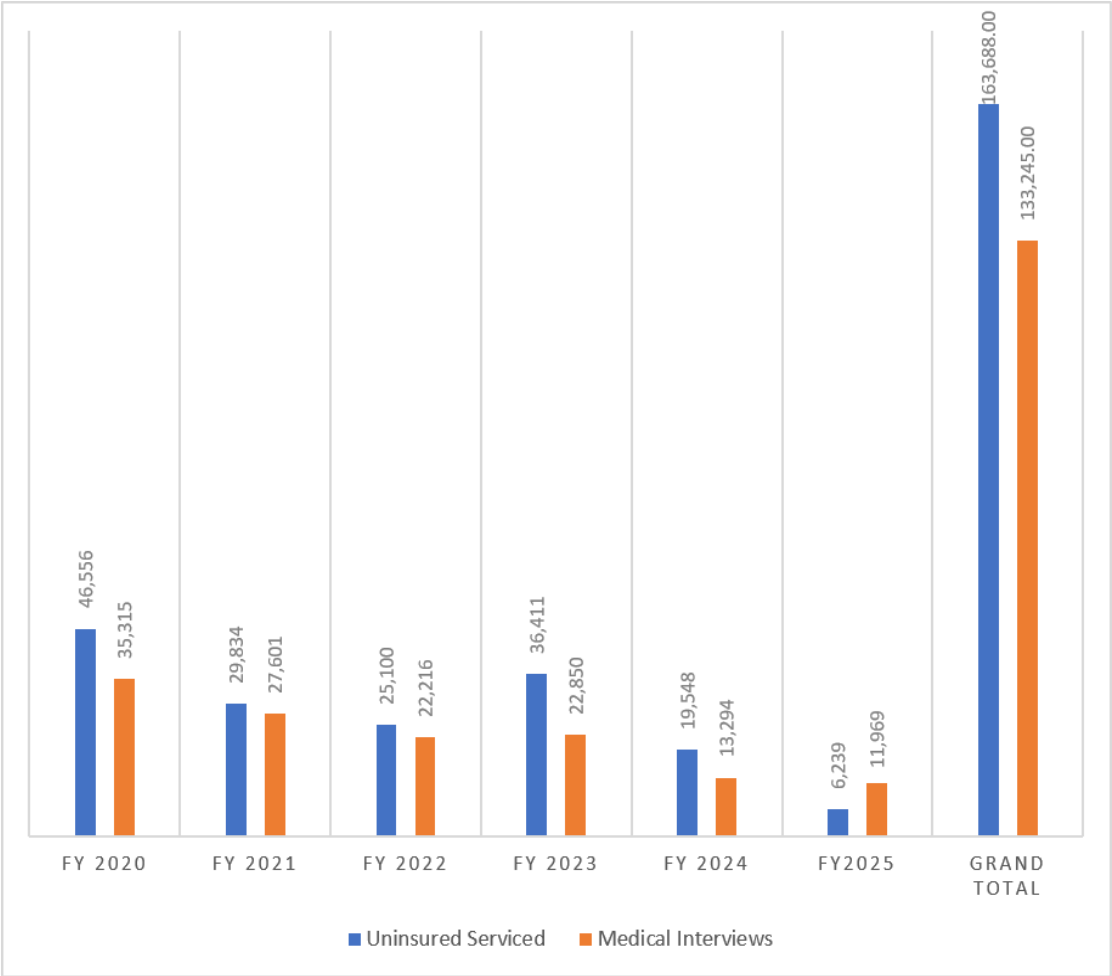
Expenditures Cont'd...

CLIENT ACCESS PROGRAM (CAP)

In FY 2026, the Client Access Program provided services to 7,112 uninsured individuals at the Houston Health Department (HHD) Health Centers as of June 2025. CAP conducted 11,266 interviews with individuals and families seeking connection to medical coverage.

**Data provided by HHD*

CLIENT ACCESS PROGRAM ACTIVITES



Pay or Play Program

Annual Report FY 2026

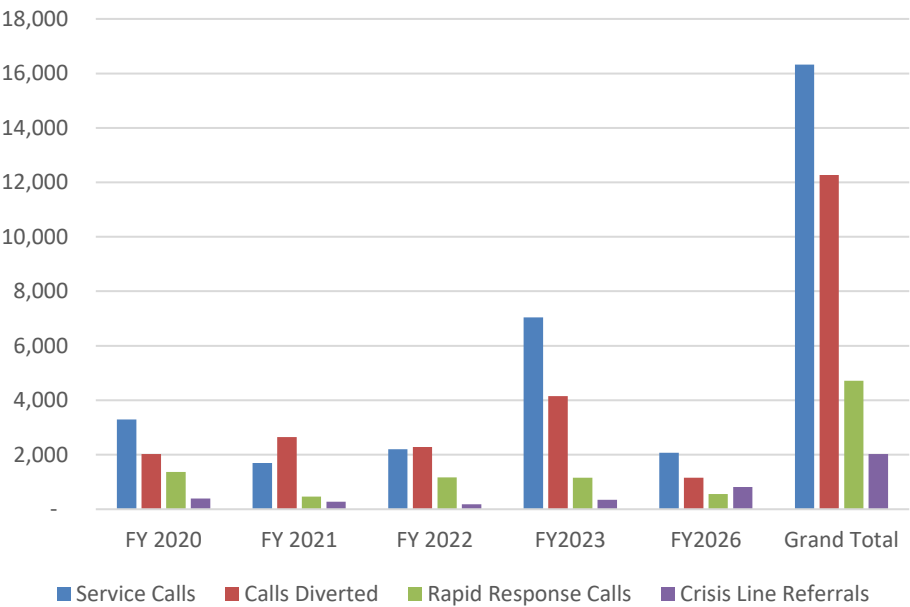
Expenditures Cont'd...

CRISIS CALL DIVERSION PROGRAM

In FY2026, The Crisis Call Diversion Program processed 2,079 calls for service. Counselors were able to divert 1,161 calls away from first responders(689 HPD diversions and 472 HFD diversions) toward a more appropriate and cost-effective mental health resource. CCD dispatched the Mobile Crisis Outreach Team-Rapid Response Unit (MCOT-RR) to 557 calls and provided 820 referrals to the 988/Crisis Line. \$2,012,659 is estimated in combined first responder resources reallocated.

** *Data provided by The Harris Center for Mental Health and IDD*

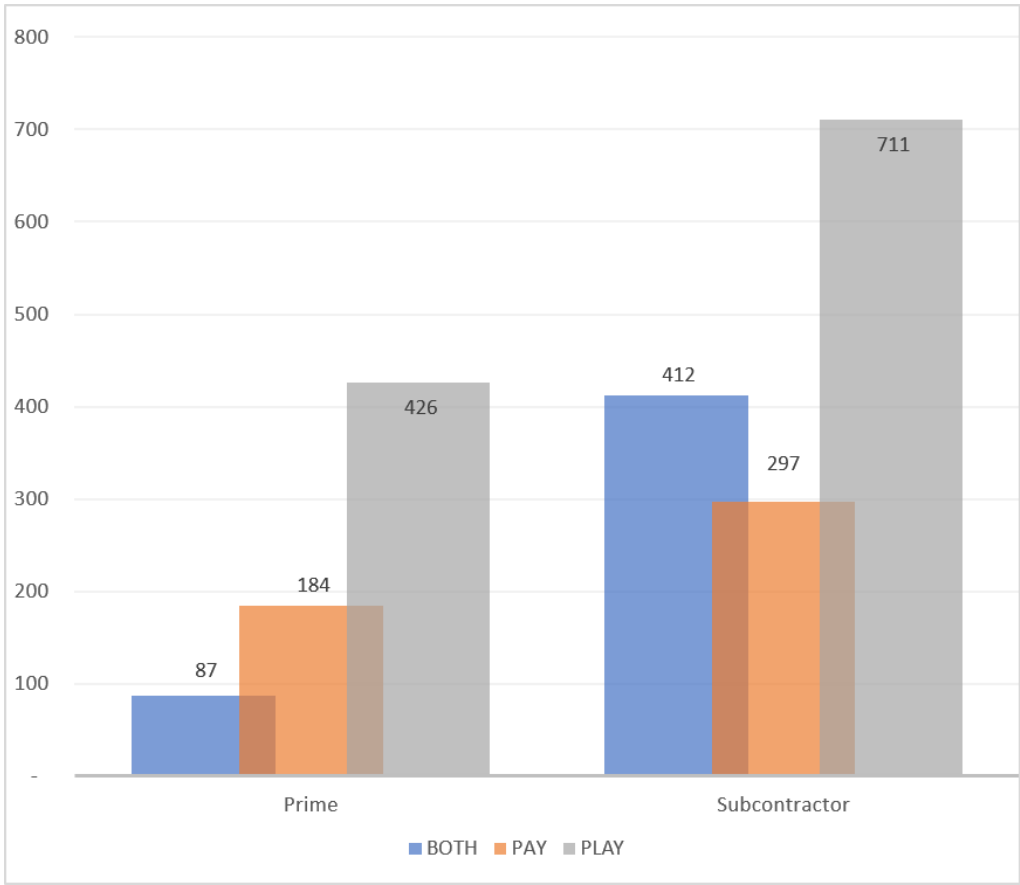
Crisis Call Diversion Program Activities



Pay or Play Program

Annual Report FY 2026

Pay or Play Options Selected by Prime Contractors and Subcontractors



POP Options Selected

Based on data in the B2G-POP Module, during FY 2026, -overall participants chose the “Play” option (to provide insurance) rather than the “Pay” option (to contribute to the CRF); which is consistent with historical data trends.

This data illustrates the impact of the program’s efforts to promote a workforce that is offering healthcare options to reduce the number of uninsured citizens in the covered areas.

Pay or Play Program

Annual Report FY 2026

POP Participation

In FY 2026, a total of 1,663 POP contracts were recorded in the B2G-POP Module.

City of Houston Department/Division	POP Eligible Contracts
Administration and Regulatory Affairs	21
Controller's Office	3
Department of Neighborhoods	3
Finance	11
Fleet Management	27
General Services	216
Houston Airport Systems	148
Houston & Community Development	87
Houston Emergency Center (Mayor's Office Division)	1
Houston Fire	10
Houston Health Department	97
Houston Information Technology Services	18
Houston Police	37
Houston Public Library	3
Houston Public Works	866
Human Resources	30
Legal	41
Municipal Courts	5
Mayor's Office	5
Office of Business Opportunity	3
Planning & Development	1
Parks & Recreation	7
Solid Waste Management	23
TOTAL	1,663



Educate. Connect. Grow.

Report Created by:
Walter Merrell, II, Pay or Play Contract Administrator
Letrista Brown, Division Manager

Co-Produced by:
Cylenthia Hoyrd, Director