CENTRAL HEALTH

CENTRAL HEALTH
BOARD OF MANAGERS

AGENDA

Wednesday, July 7, 2010
5:30 p.m.

1111 E. Cesar Chavez Street
Austin, Texas 78702
Cesar Chavez Board Room

CITIZENS' COMMUNICATION

CONSENT AGENDA

Notice to Public

All matters listed under the CONSENT AGENDA will be considered by the Board of Managers to be routine and will be enacted by one motion. There will be no separate discussion of these items unless members of the Board or persons in the audience request specific items be moved from the CONSENT AGENDA to the REGULAR AGENDA for discussion prior to the time the Board of Managers votes on the motion to adopt the CONSENT AGENDA.

C1. Approve the appointment of Chairperson Coopwood to serve as Chairperson of the Performance Improvement Subcommittee.

C2. Approve the appointments of Manager Daniel and Manager Patrick to the Performance Improvement Subcommittee.

C3. Approve the appointment of Manager Haley to the Brackenridge Lease Team Committee.

REGULAR AGENDA

1. Discuss and take appropriate action on a resolution supporting the role of Central Health as one of the governing agencies of the Austin-Travis County Mental Health and Mental Retardation Center d/b/a Austin Travis County Integral Care.

2. Discuss and take appropriate action on information related to development of the District's fiscal year 2010-2011 budget and strategic objectives, including a discussion of the Central Health's tax rate for that fiscal year.

3. Discuss and take appropriate action on a recommendation to request approval from Travis County to issue Certificates of Obligation to finance the construction of the North Central Health Center.

4. Receive and discuss a long term visioning process for Central Health, including a discussion of current and future provider capacity.

5. Confirm the next regular Board meeting date, time, and location.

The Board of Managers may consider any matter posted on the agenda in a closed meeting if there are issues that require consideration in a closed meeting and the Board announces that the item will be considered during a closed meeting.

SEAL OF COUNTY CLERK TRAVIS COUNTY, TEXAS

Came to hand and posted on Bulletin Board in the Courthouse, Austin, Travis County, Texas on this the 2nd day of July A.D. 20 10

Dana DeBeauvoir
County Clerk, Travis County, Texas

By J. Thalken Deputy

J. Thalken

CENTRAL
HEALTH

Board of Managers meeting

July 7, 2010

AGENDA ITEMS C1 – C3

C1. Approve the appointment of Chairperson Coopwood to serve as Chairperson of the Performance Improvement Subcommittee.

C2. Approve the appointments of Manager Daniel and Manager Patrick to the Performance Improvement Subcommittee.

C3. Approve the appointment of Manager Haley to the Brackenridge Lease Team Committee.

DAVID A. ESCAMILLA
COUNTY ATTORNEY

STEPHEN H. CAPELLE
FIRST ASSISTANT

JAMES W. COLLINS
EXECUTIVE ASSISTANT

MAILING ADDRESS:
P. O. BOX 1748
AUSTIN, TEXAS 78767

(512) 854-9513
FAX: (512) 854-4808

HEALTH SERVICES DIVISION

BETH DEVERY, RN, JD
DIRECTOR †

† Member of the College
of the State Bar of Texas

314 W. 11TH, STREET
GRANGER BLDG., SUITE 420
AUSTIN, TEXAS 78701

MEMORANDUM

To: Central Health Board of Managers

cc: Patricia A. Young Brown, President and CEO

From: Beth Devery, Health Services Division Director, Travis County Attorney's Office

Date: July 1, 2010

Re: Consent Agenda Item C1: Approve the appointment of Chairperson Coopwood to serve as the Chairperson of the Performance Improvement Subcommittee.

Consent Agenda Item C2: Approve the appointments of Manager Daniel and Manager Patrick to the Performance Improvement Subcommittee.

Consent Agenda Item C3: Approve the appointment of Manager Haley to the Brackenridge Lease Team Committee.

Background

Consent Agenda Item C1

On May 27th, 2010, Central Health Board of Managers ("Board") adopted changes to the Central Health Board of Managers Bylaws ("Bylaws") which created the Performance Improvement Subcommittee. On June 16, 2010, the Board appointed Chairperson Coopwood to replace Audit and Compliance Chairperson Heidrick upon his resignation. Chairperson Coopwood now serves as the Chairperson of the Audit and Compliance Committee. In furtherance of the recommendation by staff that the Chairperson of the Performance Improvement Subcommittee be a physician, and since Chairperson Coopwood is the only physician serving on the Audit and Compliance Committee, approval of Consent Agenda Item #1 would designate Chairperson Coopwood as the Chairperson of the Performance Improvement Subcommittee.

Consent Agenda Item C2

Pursuant to Section 7.1.1.1.8.2 of the Bylaws, the Chairperson of the Audit and Compliance Committee appoints the members of the Performance Improvement

Subcommittee. In that capacity, Chairperson Coopwood selected Manager Patrick and Manager Daniel, a physician and registered nurse, respectively, to serve on the Performance Improvement Subcommittee. Both Manager Patrick and Manager Daniel have expressed a desire to serve on the Performance Improvement Committee.

Consent Agenda Item C3

The Brackenridge Lease Team Committee currently has three Board members assigned to it: Managers Heidrick, Patrick and Rodriguez. It is proposed that Manager Haley be appointed to serve on the Brackenridge Lease Team Committee. Manager Haley has expressed a desire to serve on the Brackenridge Lease Team Committee, and members of the Committee support the appointment.

Recommendation

Staff recommends the approval of Consent Agenda Items 1-3 as proposed to fill the current vacancies of the Board committees.

CENTRAL
HEALTH

Board of Managers meeting

July 7, 2010

AGENDA ITEM 1

Discuss and take appropriate action on a resolution supporting the role of Central Health as one of the governing agencies of the Austin-Travis County Mental Health and Mental Retardation Center d/b/a Austin Travis County Integral Care.

CENTRAL HEALTH

MEMORANDUM

To: Travis County Healthcare District Board of Managers

From: Patricia A. Young Brown

Date: June 30, 2010

Re: **Agenda Item**: Discuss and take appropriate action on a resolution supporting the role of Central Health as one of the Governing Agencies of the Austin-Travis County Mental Health and Mental Retardation Center d/b/a Austin Travis County Integral Care.

Background

In 1965, the Texas Legislature enacted the Texas Mental Health and Mental Retardation Act. Within the next year, the City of Austin, Travis County, the University of Texas and the Austin Independent School District jointly established the Austin-Travis County Mental Health and Mental Retardation Center, now operating under their assumed name, Austin Travis County Integral Care ("ATCIC"). ATCIC began providing community based mental health services. In 1982, ATCIC adopted the Restated Articles of Organization. It identified three then-current Governing Agencies: the City of Austin, acting by and through its City Council; Travis County, acting by and through its County Commissioners Court; and the Austin Independent School District, acting by and through its School Board. Each Governing Agency designated seats on the nine member Board of Trustees as follows:

City of Austin – 4 Trustees
Travis County - 4 Trustees
A.I.S.D. - 1 Trustee

In 2005, Central Health began to take an active role in facilitating planning and delivery of mental health services. It convened a group of mental health stakeholders, the Psychiatric Services Stakeholder's Group, which includes ATCIC, City of Austin, Travis County, Seton Family of Hospitals, St. David's Healthcare, St. David's Community Healthcare Foundation and Austin Lakes Hospitals, among others. To address the tremendous unmet inpatient mental health needs, Central Health in 2006 provided funds for inpatient crisis stabilization services for those Travis County residents who did not have insurance and could not receive services at the Austin State Hospital. Since then, the need for additional inpatient services has increased every year. Strategies are

being discussed and developed by the Stakeholder's Group on how best to continue to meet the mental health needs in our community.

As part of those discussions, ATCIC looked at the structure of its organization and began to look at how it could better coordinate with its partners in the community. Central Health has worked with ATCIC since its inception to improve the availability of services. ATCIC recognized that the interests of the community might be better served by having Central Health participate as a Governing Agency.

The ATCIC Board of Trustees adopted a resolution on June 24, 2010 supporting the addition of Central Health as a Governing Agency. If Central Health further adopts a resolution supporting its addition as a Governing Agency, it is anticipated that the other Governing Agencies will support this restructuring.

Recommendation

Based on the above information, staff is recommending that the Board adopt a resolution supporting the role and addition of Central Health as one of the Governing Agencies of Austin Travis County Integral Care and authorize the President and CEO to take the necessary steps to effectuate this process.

Attachments:
Letter from ATCIC to Board
Resolution adopted June 24, 2010, by ATCIC
ATCIC Executive Committee Report
Restated Articles of Organization

CENTRAL HEALTH

RESOLUTION OF THE TRAVIS COUNTY HEALTHCARE DISTRICT DBA CENTRAL HEALTH BOARD OF MANAGERS SUPPORTING THE ROLE OF CENTRAL HEALTH AS A GOVERNING AGENCY OF THE AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER DBA AUSTIN TRAVIS COUNTY INTEGRAL CARE

WHEREAS, the Travis County Healthcare District d/b/a Central Health ("Central Health") is a hospital district created under Chapter 281 of the Texas Health and Safety Code; and

WHEREAS, Austin-Travis County Mental Health and Mental Retardation Center d/b/a Austin Travis County Integral Care ("ATCIC") is a community center formed under and governed by Chapter 534 of the Texas Health and Safety Code; and

WHEREAS, ATCIC's Restated Articles of Incorporation dated July 11, 1982 name the City of Austin, Travis County and the Austin Independent School District as ATCIC's Governing Agencies and authorizes each of those Governing Agencies to appoint a stated number of members to ATCIC's Board of Trustees; and

WHEREAS, Central Health has an active role in providing mental health services to indigent and needy persons residing in Travis County; and

WHEREAS, Central Health actively collaborates and participates with its partners in creating a community based network of mental health services to residents in Travis County; and

WHEREAS, on June 24, 2010, the ATCIC Board of Trustees adopted a Resolution that supports the addition of Central Health as a Governing Agency of ATCIC and as a "local agency" pursuant to Chapter 534 of the Texas Health and Safety Code; and

WHEREAS, Central Health believes that becoming a Governing Agency of ATCIC would continue to further its mission and allow closer collaboration on the planning for and delivery of mental health services;

NOW, THEREFORE, BE IT RESOLVED that the Board of Managers supports the addition of Central Health as a Governing Agency of ATCIC and as a "local agency" pursuant to Chapter 534 of the Texas Health and Safety Code; and

It is **FURTHER RESOLVED** that the Central Health President and CEO is authorized to take the necessary steps to effect the foregoing.

_____

Tom Coopwood, MD., Chairperson
Travis County Healthcare District Board of Managers

Austin Travis County
Integral Care
Behavioral Health & Developmental Disabilities Services

June 28, 2010

Thomas B. Coopwood, MD and Central Health Board
1111 East Cesar Chavez Street
Austin, TX 78702

Dear Dr. Coopwood and Board Members:

Austin Travis County Integral Care (ATCIC) is in the final stages of a strategic plan process which will result in a board-approved plan covering the period from September 2010 to August 30, 2013. This plan draft after having input from over 350 people is posted on our website for comment for the next two weeks. As part of the strategic planning process the Board of Trustees responded to an environmental scan to "express its belief that Central Health would be both appropriate and desirable to be added as a governing agency for the center."

Attached is a resolution being forwarded to you authorizing the Executive Director and designees to facilitate discussions toward this possible reconfiguration. Also attached is a brief background paper highlighting some of the changes in our community with the advent of a health care district taxing authority in a climate of healthcare reform.

In addition to any resulting formal process we would invite any of your thoughts to be considered as we move forward. Any changes by individual agencies would need to formally culminate in an "articles of organization" which establishes and maintains a formal governing authority.

In the 43 years that the center has operated as a public agency, we have undergone numerous changes and this rapidly evolving period of healthcare reform are open to change which will best align our community mission toward the success of the individuals and families we serve.

Sincerely,

Genevieve Hearon
Chair
Board of Trustees

David Evans
Executive Director

st

attachment

cc Patricia A. Young, President and CEO, Central Health

Resolution

Of the

Board of Trustees of
Austin-Travis County Mental Health and Mental Retardation Center, d/b/a
Austin Travis County Integral Care

The Board of Trustees of Austin-Travis County Mental Health and Mental Retardation Center, doing business as Austin Travis County Integral Care ("ATCIC"), a community center formed under and governed by Chapter 534 of the Texas Health & Safety Code, hereby makes the following resolution pursuant to a vote taken at its regularly held meeting on June 24, 2010, as follows:

WHEREAS, the formation in 2004 of Central Health, formerly known as the Travis County Healthcare District, expanded the healthcare services, including behavioral health services, that are available to residents of Travis County; and

WHEREAS, Central Health has worked closely and collaboratively with ATCIC since Central Health's inception to improve the availability of services that ATCIC provides to its consumers; and

WHEREAS, ATCIC's Restated Articles of Organization dated July 11, 1982 names the City of Austin, Travis County and the Austin Independent School District as ATCIC's Governing Agencies (as defined therein), and authorizes each of those Governing Agencies to appoint a stated number of members of ATCIC's Board of Trustees; and

WHEREAS, ATCIC's Board of Trustees believes it would be both appropriate and desirable for Central Health to be added as a Governing Agency of ATCIC.

It is, therefore,

RESOLVED, that the Board of Directors supports the addition of Central Health as a Governing Agency of ATCIC and as a "local agency" pursuant to Chapter 534 of the Texas Health & Safety Code; and

IT IS FURTHER RESOLVED, that the Board of Trustees authorizes ATCIC's Executive Director and his designees to do any acts as necessary to effect the foregoing.

Adopted and approved by the Board of Trustees on the 24th day of June, 2010.

Austin-Travis County Mental Health and Mental Retardation Center, d/b/a Austin Travis County Integral Care

Genevieve T. Hearon

Genevieve Hearon, Chair, Board of Trustees

EXECUTIVE COMMITTEE REPORT

David Evans

May 27, 2010

Update on Environmental Scan for "Articles of Organization"
Review of Governance and Appointing Bodies
Tied to the Strategic Planning Process

In three year planning cycles, ATCIC has produced Board-directed Strategic Plans. The next planning cycle is September 2010 through August 2013. On February 5, the Board held the first session with Hilliard Resources to begin the strategic planning process. There have been subsequent Board opportunities to engage this process— March 5th, May 7th and May 26th. As part of the governance review, a parallel process was begun to explore community and Board interest as to any strategic change in the Board appointment and accountability process. The AISD School Board President, the Mayor, the Healthcare District Board Chair and a County Commissioner were engaged in informal discussion and expressed an interest in exploring a Central Health appointing authority.

I have engaged ATCIC Board members individually to discuss interests and rationale for moving a community discussion forward.

An overall policy driver in achieving our mission is the integration of health care and behavioral health. HB 2292 combined twelve state agencies into a health and human services commission. TDMHMR no longer exists and we are now funded by an agency, the Department of State Health Services that has combined mental health and substance use into a new health approach. In 2005, Travis County formed a Healthcare District with a campaign promoting the need to improve local funding, and expand access for mental health for contracted services. We have partnered with the District (now Central Health) on system planning, hospital beds, intensive outpatient, medications and the E-Merge program. Also, the Integrated Care Collaboration (ICC) and jail-based health care are common planning venues and the Central Health sponsored Crisis Implementation Committee (CIC) in reporting data and advising the Mayor's Mental Health Task Force.

Wellness and health improvement programs for our consumers are critical for resiliency and disease management. Dental care and related conditions such as diabetes, asthma and obesity need to be addressed through joint health planning and integrated funding opportunities. Many developmental disabilities have related conditions and a Surgeon General's report has called for progress in addressing related health conditions. As an example, cardiac conditions are common in persons with Down Syndrome.

The passage of health care reform means nearly everyone we serve will be covered by health insurance by year 2014. There are pilots and delivery system options for behavioral health and chronic disabilities that will require us to have health care partnership as a condition of participation.

Another critical area for our strategic development is Health Information Technology. The Dr's Home Page, interoperable communications, e-prescribing, HITECH, and "meaningful use" health information exchange will be inescapable in the future. Already in the "Beacon Grant" application for $18 million we recently experienced the potential in health collaboration.

Also leadership and planning for behavioral health is essential (Goal 4 of our current plan). The Healthcare District has demonstrated this progressive leadership in forming a top-level stakeholder group that has produced measurable improvements in crisis services, community standards of care and significant financial resources.

The enabling legislation of Central Health has provisions to allow for surrounding counties to join forming a regional solution. We currently do not have a regional partner for future catchment area changes. When the Healthcare District formed, the City and County turned over their health care assets and the City no longer funds medical services; i.e., hospitals, doctors, medications. The County is closely affiliated in the approval of property tax rates and our potential funding is linked to this governance decision.

Current precedence for Healthcare District appointments to ATCIC's Board occurs in the following examples. Central Health appoints two CommUnityCare clinics board members, Bexar County Healthcare District appoints four of the community center trustees (the City of San Antonio zero) and Tarrant County works to fund approximately $12 million a year through its healthcare district to the Tarrant County Center.

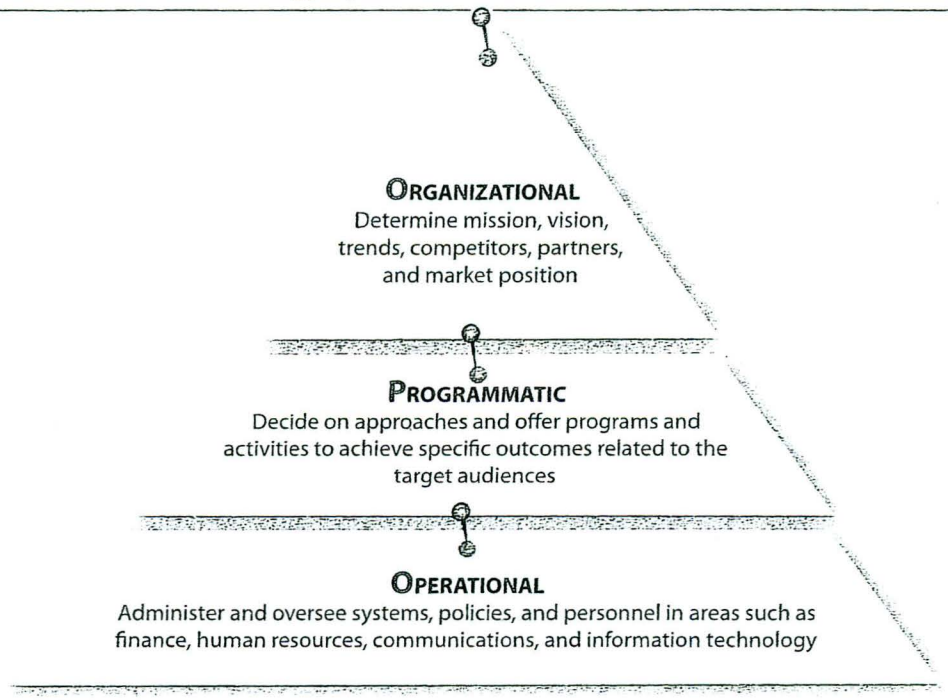
Section 554.003 of the Health and Safety Code stipulates the establishment of community center board of trustees (see attached). With the extensive influence and changing local health and human service trends and conditions with the establishment of a health care district, there have been initial conversations to explore interest. The attached matrix on "community partnership" gives an outline of discussion to date, financial resources and strengths/interests.

Next Steps

Policy decisions and changes to the "Articles of Organization" need to be considered outside ATCIC and reside with the community funding agencies. We have referenced in our Local Services Plan that change consistent with community trends will be considered. Each of the following, the City of Austin, Travis County Commissioners Court and the Austin Independent School District, need to consider giving over a Board appointment to the Central Health. Central Health would then need to act on formally accepting and appointment transfers. On October 1, 2010, four of the ATCIC Trustees' current terms are up. There are currently no term limits in local or state law that limits reappointments. No current appointee would need to vacate seats in this process.

No member of our ATCIC Board, to date, has expressed an opinion "no change" should happen. The details and extent of any change would originate from the appointing bodies. Also attached from the book, "The Nonprofit Strategy Revolution—Real-Time Strategies Planning in a Rapid-Response World," (David LaPiana, author) is attached. The Strategy Pyramid raised the important top of the pyramid question, "How can the organization garner resources of all kinds to best pursue its mission?" "In the ideal (NP) organization, the strategies align from bottom to top to produce outcomes that achieve the organization's mission."

EXHIBIT E The Strategy Pyramid



Strategies can be formed at any of the three levels. Beginning at the base:

Operational strategies are aimed at enhancing a nonprofit's administrative efficiency, preparedness, and execution. Examples include

- A new model for staff training
- A long-range plan for repair and replacement of the physical plant as it ages
- Integrating a new technology into the programmatic work, such as the use of a web site

Programmatic strategies are intended to increase programmatic impact. Examples include

- A new approach to the work that promises better results at lower costs
- A new type of work that will better address the problem
- A new way of thinking about the problem

Organizational strategies help the nonprofit to garner resources of all kinds as it pursues its mission. Examples include

- A merger with the biggest competitor in the market
- An effort to appeal to more funders by becoming the most responsive player
- An offering of services in a new geographic location in order to attract new clients

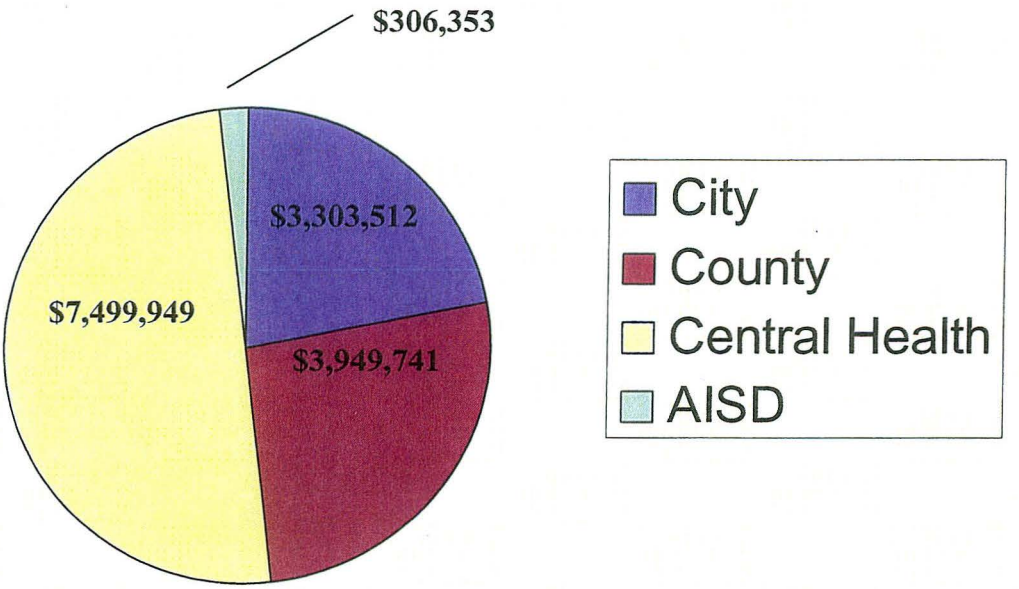
In an ideal nonprofit organization, the strategies align from bottom to top to produce outcomes that achieve the organization's mission.

Articles of Organization – Community Partnership

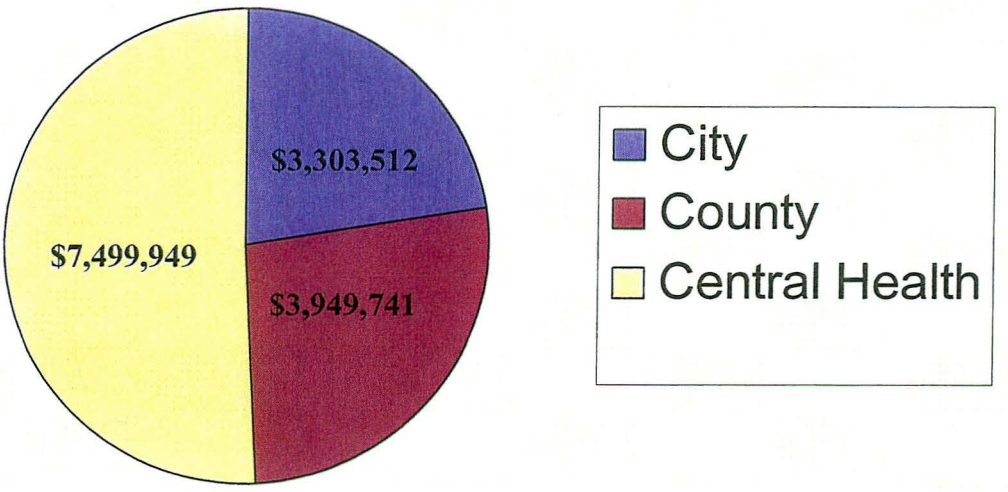
Local Taxing Authority	Informal Discussions to Date	Financial Resources	Strengths/Interests
City of Austin	Mayor's Office	$3,303,512 (Interlocal)	• Network • Housing • Wellness • Homelessness • Planning/GAPS • Prevention
Travis County	Commissioner	$3,949,741 (Interlocal)	• Juvenile Probation • Jails • Youth Services • Public Safety
Austin Independent School District	School Board President	$306,353 (Provider)	• Safe Schools • Ready to learn • Graduation • Special Education
Central Health	Board of Managers	• $1,449,949 Emerge • Medications($850,000 offset) • $5,200,000 hospital beds	• Health care system • Uninsured • ACCESS • Regional Planning • Health Information Exchange
Austin Community College			• Jobs/employment • Work force/higher education • Transportation • Child Care

Articles of Organization

Local Taxing Agency



Local Funding Agency



Sec. 534.003. BOARD OF TRUSTEES FOR CENTER ESTABLISHED BY AT LEAST TWO LOCAL AGENCIES. (a) The board of trustees of a community center established by an organizational combination of local agencies is composed of not fewer than five or more than 13 members.

(b) The governing bodies of the local agencies shall appoint the board members either from among the membership of the governing bodies or from among the qualified voters who reside in the region to be served by the center.

(c) When the center is established, the governing bodies shall enter into a contract that stipulates the number of board members and the group from which the members are chosen. They may renegotiate or amend the contract as necessary to change the:

(1) method of choosing the members; or

(2) membership of the board of trustees to more accurately reflect the ethnic and geographic diversity of the local service area.

Added by Acts 1991, 72nd Leg., ch. 76, Sec. 1, eff. Sept. 1, 1991. Amended by Acts 1993, 73rd Leg., ch. 107, Sec. 6.10, eff. Aug. 30, 1993; Acts 2003, 78th Leg., ch. 198, Sec. 2.200, eff. Sept. 1, 2003.

Sec. 534.004. PROCEDURES RELATING TO BOARD OF TRUSTEES MEMBERSHIP. (a) The local agency or organizational combination of local agencies that establishes a community center shall prescribe:

(1) the application procedure for a position on the board of trustees;

(2) the procedure and criteria for making appointments to the board of trustees;

(3) the procedure for posting notice of and filling a vacancy on the board of trustees; and

(4) the grounds and procedure for removing a member of the board of trustees.

(b) The local agency or organizational combination of local agencies that appoints the board of trustees shall, in appointing the members, attempt to reflect the ethnic and geographic diversity of the local service area the community center serves. The local agency or organizational combination shall include on the board of trustees one or more persons otherwise qualified under this chapter who are

RESTATED

ARTICLES OF ORGANIZATION

For

AUSTIN-TRAVIS COUNTY MENTAL HEALTH
AND MENTAL RETARDATION CENTER

PREAMBLE

WHEREAS, pursuant to authority granted in the Texas Mental Health and Mental Retardation Act of 1965 (House Bill No.3, 59th Legislature; now codified as Article 5547-201 et. seq., Revised Civil Statutes of Texas), the City of Austin, County of Travis, Austin Independent School District, and the University of Texas jointly established the Austin-Travis County Mental Health and Mental Retardation Center in late 1965 and early 1966; and,

WHEREAS, the Austin-Travis County Mental Health and Mental Retardation Center, under the guidance and control and with the professional and financial support of the Texas Department of Mental Health and Mental Retardation and each of the organizing agencies, has, from its initial organization, continued to provide comprehensive mental health and mental retardation services at the community level to citizens in the Austin and Travis County area; and

WHEREAS, it has now been determined that there is a need for more formal organizational structure and certain basic policy changes so that the Center may meet current needs and continue to provide quality services in the future;

NOW, THEREFORE, for the purpose of providing a formalized basic organizational structure, the Governing Agencies, as hereinafter defined, do hereby adopt the following Articles of Organization:

1. Agency Designations. The following agency designations will apply herein:

1.1. "Organizing Agency" or "Organizing Agencies," as used herein, refers to those agencies originally involved in the organization of Austin-Travis County Mental Health and Mental Retardation Center and acting as its original sponsoring agencies, i.e., the City of Austin, Travis County, the Austin Independent School District, and the University of Texas (now the University of Texas at Austin).

1.2. "Governing Agency" or "Governing Agencies," as used herein, refers to those agencies involved in the organization and operation of the Austin-Travis County Mental Health and Mental Retardation Center and its sponsoring agencies under these Articles of Organization. Such agencies are as follows: the City of Austin, acting by and through its City Council; Travis County, acting by and through its County Commission Court; and the Austin Independent School District, acting by and through its School Board.

2. Prior Organization and Operation Ratified. The Austin-Travis County Mental Health and Mental Retardation Center, as heretofore established and operated since 1966 is hereby expressly ratified and approved. As of the effective date of these articles defined in Provision 7, and until such time as all nine (9) initial Trustees have been nominated and jointly approved as required herein, five (5) initial Trustees shall constitute a full Board and a majority of these 5 may act to the fullest extent of the Board's authority under these articles and under applicable law.

3. Agreement for Reconstitution. The Governing Agencies, with the approval and consent of the University of Texas at Austin, have and do hereby contract and agree by and among themselves that the Austin-Travis County Mental Health and Mental Retardation Center, shall, from and after the "Effective Date," as herein determined, be reorganized and reconstituted as provided herein.

4. Services Provided and Service Area. The Austin-Travis County Mental Health and Mental Retardation Center shall provide comprehensive mental health and mental retardation services at the community level to citizens residing in the areas served by the Governing Agencies, known as the "service area" or "service region." The Center's service area shall not extend beyond the jurisdictional boundaries of the Governing Agencies establishing the Center, except where required or encouraged to be greater by law or regulation. Such services shall include all services concerned with prevention and detection of mental disorders and disabilities and all services necessary to treat, care for, control, supervise, and rehabilitate mental disordered and disabled persons; including persons mental disordered and disabled from alcoholism and drug abuse, and all services concerned with prevention and detection of mental retardation and all services related to the education, training, rehabilitation, care, treatment, supervision and control of mentally retarded persons residing within the service area.

The board of trustees, with the consent of the Governing Agencies, shall establish and define, from time to time, the designated "service area" or "service region," and the specific services to be available therein. The board may establish reasonable requirements, not inconsistent with law, for delivery of services to non-residents under emergency or special circumstances.

5. Governing Body - The Board of Trustees. The management and affairs of the Austin-Travis County Mental Health and Mental Retardation Center shall be governed by the Board of Trustees. Each member shall be duly nominated, qualified, and appointed by the Governing Agencies as herein provided.

5.1. Qualifications. Each trustee shall be a qualified voter within the area served, as defined in Provision 4, by the Austin-Travis County Mental Health and Mental Retardation Center. Further, any applicable Federal or State legal requirements for eligibility or relating to the composition of the board as a whole shall be adhered to. No member of any governing body of any governing agency shall be disqualified from service on the Board because of such public service.

It is the desire of the Governing Agencies that individuals trained and experienced in administration, fiscal management, and/or legal matters be appointed to the Board of Trustees, consistent with the Agencies' recognized obligation to comply with State and Federal Law.

5.2. Number and Regular Term. The total membership of the Board shall be nine (9). Members selected subsequent to the selection, as per Provisions 5.3 and 8, of the initial Board of Trustees, shall serve for a term commencing on October 1st of the year of selection and continuing for two (2) years or until a successor is duly appointed and qualified. Members shall be eligible for reappointment if otherwise qualified.

5.3. Composition and Initial Appointments. The governing bodies of each Governing Agency shall be entitled to designate persons for membership on the Board as follows:

City of Austin:	4 Trustee Positions
Travis County:	4 Trustee Positions
A.I.S.D.:	1 Trustee Position

The City of Austin and Travis County shall designate one-half of their initial, authorized selectees to serve one (1) year terms and one-half to serve for two (2) years. The Austin Independent School District shall designate its member to serve a two (2) year term.

5.4. Annual Nominations and Appointments.

On or before the first day of September each year, other than for the nomination of the initial members, the governing body of each Governing Agency shall select the number of nominees authorized for the Agency for that year. The name, qualifications, and a brief biographical statement of each nominee shall be submitted in writing by the nominating Agency to each other Governing Agency and to the Chairperson of Austin-Travis County Mental Health and Mental Retardation Center so as to be received on or prior to September 10th (or the first working day thereafter if a holiday). The nominating agency may also designate alternate nominees of relative ranking if desired. The written nominee submissions shall indicate whether or not the name of any nominee is to be kept confidential.

Unless the Chairperson reports that there are qualification questions as defined in Provision 5.1., a nominee shall be deemed to be qualified and duly appointed for the term commencing October 1st; and Austin-Travis County Mental Health and Mental Retardation Center shall be authorized thereafter to recognize such person as a "trustee-designate."

Nothing herein is intended to prevent or limit the right of the governing bodies to meet in joint session or adopt other procedures for the selection of trustees so long as such procedures do not violate the provisions of applicable Federal and State Laws.

5.5. Vacancy.

In the event any vacancy shall occur in the Board of Trustees for whatever reason, the Agency responsible for such trustee position shall promptly submit in writing to each other Governing Agency and

to the Chairperson of the Austin-Travis County Mental Health and Mental Retardation Center the name, qualifications and biographical ~~information~~ of a successor nominee in the same manner as provided for annual nominations. Unless there shall be a question of qualification as defined in Provision 5.1., the nominee shall be deemed to be approved and appointed. Such nominee shall thereafter serve for the unexpired term of his or her predecessor and until a successor be nominated, qualified and duly appointed.

5.6. Removal. Members of the Board of Trustees shall be subject to removal in accordance with the following: Any member of the Board of Trustees deemed to be derelict in his or her duties shall be removed upon the agreement of five (5) of the remaining eight (8) members of the Board or a majority if less than eight. For purposes of this provision, an absence from three (3) consecutive, regularly scheduled meetings of the Board within a twelve (12) month period or four (4) regularly scheduled meetings of the Board within a twelve (12) month period shall be deemed a dereliction of duty unless poor health is the cause of the absence or absences. Regular meetings shall be held no less frequently than once a month. A trustee shall also be removed if determined by five (5) of the remaining members to be disqualified under Federal or State funding requirements. A board member shall also be removed if found by five (5) of the remaining trustees to have a conflict of interest, as defined in Provision 11. At least seven (7) working days prior to a Board meeting at which a member's removal is to discussed and acted upon, that member shall be given notice of same and an opportunity to be heard at the meeting. The governing body which nominated him shall also be so notified.

5.7. Successor Trustees. Any person designated to fill a vacancy on the Board, regardless of how created, shall serve the unexpired term of his or her predecessor and until a successor be duly nominated, qualified and appointed. Any successor trustee so appointed shall be eligible for reappointment or for subsequent appointment in any other position on the Board of Trustees upon completion of his or her designated term, so long as such trustee shall be otherwise qualified.

5.8. Trustee Relationships. The authority and responsibility of the Board of Trustees insofar as it relates to the management and affairs of the Austin-Travis County Mental Health and Mental Retardatic Center shall be joint only and not individual. The Chairperson, or, in his or her absence, the Vice-Chairperson, shall be the official spokesperson for the Board and for the Austin-Travis County Mental Health and Mental Retardation Center, both with the administrative staf and with other agencies and interested persons.

Notwithstanding the above, it is understood that each trustee has been nominated by a particular Governing Agency and is subject to removal by such nominating Agency. Each trustee is expected and encouraged to maintain full and open communications with the appropriate persons within the nominating Governing Agency so as to be able to secure the effective coordination of effort and support of the Governing Agency as necessary.

6. Officers, Chairperson. As soon as practicable, and prior to the first day of November of each year (or no later than one month subsequent to the approval of the initial Board), the trustees shall select from among their number of persons to serve as Chairperson, Vice-Chairperson and Secretary-Treasurer. Such persons shall promptly assume their respective offices and shall continue until the next succeeding October 1st and until their successors be duly elected. Each officer shall be eligible for re-election.

The Chairperson shall be the presiding officer at all meetings of the Board of Trustees and the official representative of the Austin-Travis County Mental Health and Mental Retardation Center in all policy matters. In the absence of the Chairperson, these duties and responsibilities shall be performed by the Vice-Chairperson. All official records of the Board of Trustees shall be maintained by or under the direction of the Secretary-Treasurer.

The Board may also establish other offices as it may deem necessary or desirable in the conduct of its affairs.

7. Effective Date. Except as expressly provided herein, these Articles of Organization shall be effective immediately after the Articles have been approved by all governing bodies in accordance with their respective procedures for such matters and a true copy bearing the appropriate signatures has been duly filed with the Texas Department of Mental Health and Mental Retardation. Such date is defined as the "Effective Date."

From and after the Effective Date, all trustees and all officers shall be nominated and appointed as herein provided; but the initial membership of the Board shall be nominated and appointed according to the following procedure. Within thirty (30) working days immediately following this effective date, each Governing Agency shall select its nominee(s) to the Board and submit the name, qualifications, and a brief biographical statement of each to the other Agencies. Unless any Governing Agency reports an objection to such person within ten (10) working days from receipt of the nominations, a nominee shall be deemed to be duly qualified and duly appointed by joint approval of all the Agencies for his/her initial term. If affirmative, joint approval is bestowed by all of the Agencies prior to the close of the ten (10) day period, such nominee(s) so approved shall be deemed duly qualified and appointed at that time.

8. Extension of Terms of Initial Board of Trustees. The terms of all initial trustees appointed for terms expiring at the end of one and two years, as described in Provision 5.3., shall be automatically renewed and extended to the October first subsequent to the one or two year period of their appointment so that thereafter the regular two-year term of each trustee shall commence on the first day of October and terminate on the last day of September two years later, as provided for in Provision 5.2.

9. Executive Committee of the Board of Trustees. The Chairperson, Vice-Chairperson and one other Board member designated by a majority vote of the entire Board, shall constitute the "Executive Committee" of Austin-Travis County Mental Health and Mental Retardation Center. The Executive Committee shall have the authority to consider matters and take action under urgent or emergency situations where consideration by the whole Board is impossible or unfeasible. For all such urgent or emergency actions, the Executive Committee shall have and may exercise the authority that the Board of Trustees had in the business and affairs of the Austin-Travis County Mental Health and Mental Retardation Center and for such other matters as the Board of Trustees shall determine and resolve. The Executive Committee shall keep regular minutes of its meeting and activities and report the same to the Board upon request.

10. Other Committees. The Board may establish from time to time such other committees as it shall deem desirable in the conduct of the affairs of the Board of Trustees. Each committee shall have such members and such duties and responsibilities as the Board shall determine.

11. Conflicts of Interest. No member of the Board of Trustees or employee of the Austin-Travis County Mental Health and Mental Retardation Center shall have a financial interest, direct or indirect, in any contract with the Center or shall be financially interested, directly or indirectly, in the sale to the Center of any materials, supplies or services.

12. Indemnification of Trustees. The Austin-Travis County Mental Health and Mental Retardation Center is expressly authorized to obtain and purchase from operating funds such insurance as may be deemed adequate to insure and indemnify the Board of Trustees and individual trustees from personal liability, including costs of defense arising out of the good faith performance of their duties.

13. Administrative Director. Other Directors. The Board of Trustees shall appoint an Administrative Director who shall have direct overall principal administrative and executive responsibility and authority for the day-to-day administration and management of the business and affairs of Austin-Travis County Mental Health and Mental Retardation Center. The Administrative Director serving as of the effective date of these articles shall continue to serve, to the extent of the authority vested in him by the former Board until such time as all of the initial trustees have been nominated and jointly approved by all of the Governing Agencies, as per Provision 7. The Administrative Director shall attend all regular and special meetings of the Board of Trustees unless excused by the Chairperson, and shall preside (without right to vote) whenever no duly elected officers are present.

The Board may also authorize the employment of one or more Assistant Administrative Directors and program or functional directors with such duties as the Board, with the advice of the Administrative Director, may determine from time to time. All authority, duties, powers and responsibilities of the Administrative Director and other directors shall be subject to the policy direction of the Board of Trustees. However, the Board's authority to appoint and remove the Center's personnel extends only to the Administrative Director. This authority, regarding employees of the Center, rests with the Administrative Director.

14. Rules and Regulations. Personnel Policies and Procedures. The Board of Trustees shall make rules and regulations and establish personnel policies and procedures (consistent with applicable Federal and State Laws), and standards established by the Texas Department of Mental Health and Mental Retardation. To the extent not in conflict with other laws and regulations, the established rules and regulations shall also be consistent with those established by the Governing Agencies for similar situations.

15. Budget. Funding Approval by Governing Agencies. On or before the deadlines established by the Governing Agencies, the Board of Trustees shall prepare a proposed budget for the ensuing year. In the course of such preparation, the Board shall estimate the amount of funds to be received from sources other than the Governing Agencies. The Governing Agencies shall review the Board of Trustees proposed budget and estimated funds to be received from these other sources. The funding Governing Agencies shall then determine what services they wish to purchase, including those described in the proposed budget and/or others and the funding to be provided therefor. These determinations shall be negotiated with the Board and embodied in an annual contract between the Governing Agencies purchasing services and the Board of Trustees.

16. Allocation of Governing Agency Funds. The Board of Trustees shall enlist an independent certified public accountant to perform an annual audit and prepare certified financial statements which shall be presented to the Board and the Governing Agencies. During any given year, should other audits be performed which are deemed satisfactory by the Board, the Board may, with the consent of the Governing Agencies, waive the annual audit requirement.

17. Amendments. These Articles of Organization shall be amended only by approval of all of the Governing Agencies, as described herein. Any Agency may recommend an amendment by majority vote of its governing body, and such amendment shall be effective on the first day of the second calendar month after it shall have received approval by majority vote of each of the other Governing Bodies and a signed true and correct copy filed with the Texas Department of Mental Health and Mental Retardation.

SIGNED this 11th day of July, 1982.

MIKE RENFRO
County Judge
Travis County, Texas

CAROLE McCLELLAN
Mayor
City of Austin

ED SMALL
Chairman
Board of Trustees
A.I.S.D.

ADDENDUM

TO THE

RESTATED

ARTICLES OF ORGANIZATION

FOR

AUSTIN-TRAVIS COUNTY MENTAL HEALTH

AND MENTAL RETARDATION CENTER

The AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER is a non-profit corporization (organized under Article 5547-201 et. seq., Revised Civil Statutes of Texas); operating from its central location at 1430 Collier Street, Austin, Texas 78704; under the direction of John Brubaker, Executive Director, as authorized by the Agency's Board of Trustees.

BOARD OF TRUSTEES:

Judy Yudof, Chairman
6302 Shadow Mountain Drive
Austin, Texas 78731

John Moore, II, Vice-Chairman
1611 East First Street
Austin, Texas 78702

Dr. Lenora Waters,
Secretary/Treasurer
6509 Greensboro Drive
Austin, Texas 78723

Jeff Heard
Seibert, Edwards, Heath & Co. CPA
1524 South IH 35, Suite 322
Austin, Texas 78704

E. Jan Summer
Daugherty, Kuperman, Golden
Carlisle & Morehead
1500 American Bank Tower
Austin, Texas 78701

General Marshall
2508 Givens
Austin, Texas 78722

Beatrice Fincher
200 Prairie Dell
Austin, Texas 78752

James Lockhart
Southside Savings and Loan
4303 Victory Drive
Austin, Texas 78704

Dr. Theodore Dake, Jr.
711 West 38th Street, Suite C-3
Austin, Texas 78705

Before me, on this day, personally appeared Carole Keeton McClellan, organizer of the AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER, who under oath stated that the above and foregoing

constitutes a true and correct original of the Restated Articles of Organization for AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER.

Carole Keeton McClellan

Carole Keeton McClellan, Mayor
City of Austin
P. O. Box 1088
Austin, Texas 78767

Subscribed and sworn before me, Grace Monroe, a Notary Public for the County of Travis, on the 16th day of August, 1982.

Grace Monroe
Notary Public, County of Travis
State of Texas

Before me, on this day, personally appeared Mike Renfro, organizer of the AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER, who under oath stated that the above and foregoing constitutes a true and correct original of the Restated Articles of Organization for AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER.

Mike Renfro

Mike Renfro, County Judge
County of Travis
P. O. Box 1648
Austin, Texas 78767

Subscribed and sworn before me, Josie Z. Zavala, a Notary Public for the County of Travis, on the 17th day of August, 1982.

JOSIE Z. ZAVALA
Notary Public, County of Travis
State of Texas

Before me, on this day, personally appeared Ed Small, organizer of the AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER, who under oath stated that the above and foregoing

constitutes a true and correct original of the Restated Articles of Organization for AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER.

Ed Small

Ed Small, Chairman
Board of Trustees
Austin Independent School District
6100 Guadalupe
Austin, Texas 78752

Subscribed and sworn before me, Ramona Schiraldi
Notary Public for the County of Travis, on the 20th day of August, 1982.

Notary Public, County of Travis
State of Texas

RAMONA SCHIRALDI
Notary Public, State of Texas
My Commission expires August 1985

RAMONA SCHIRALDI
Notary Public, State of Texas
My Commission expires August 1985

CENTRAL
HEALTH

Board of Managers meeting

July 7, 2010

AGENDA ITEM 2

Discuss and take appropriate action on information related to development of the District's fiscal year 2010-2011 budget and strategic objectives, including a discussion of the Central Health's tax rate for that fiscal year.

CENTRAL HEALTH

Draft 2011 Budget

Presented to
Central Health Board of Managers

July 7, 2010

Presented by
John Stephens and Larry Wallace

Mission

Central Health creates access to healthcare for those who need it most.

Overview

- Review changes from May 13
- Review changes from 2010 to 2011
- Review capital budget
- Policy considerations
- Next steps

Comparison: Summary Pages

(in millions)

	2011 (May 13)	2011 (July 7)	Change
Property Tax Revenue	66.4	66.4	0
Seton Lease	29.5	29.5	0
Interest/Tobacco Settlement	3.2	3.2	0
Use of Reserves	7.6	7.8	0.2
Total Sources of Funds	106.7	106.9	0.2
Healthcare Delivery	100.2	100.1	(.1)
Administration	5.7	6.0	0.3
Tax Collection	0.8	0.8	0.0
Total Uses of Funds	106.7	106.9	0.2

Significant Changes

(in millions)

	2011 (May 13)	2011 (July 7)	Change
Reduce CommUnityCare	36.2	35.4	(0.8)
UPL*	25.0	24.0	(1.0)
Program Transfers	0.5	0.7	0.2
Recuperative Beds	0	0.3	0.3
Pharmacy Program	3.7	4.2	0.5
Mental Health	5.9	6.4	0.5
Service Expansions	5.6	5.8	0.2
New Positions	0.0	0.2	0.2

* The $24.0 million UPL requirement for 2011 may increase, based on data received June 28 from Seton and St. David's regarding the private UPL program for 2010 and 2011. This item will be discussed in more detail in the July 7 presentation to the Board.

Overview of 2011 Draft Budget

(in millions)

	2010	2011 (July 7)	Change
Property Tax Revenue	65.4	66.4	1.0
Seton Lease	29.5	29.5	0.0
Interest/Tobacco Settlement	3.1	3.2	0.1
Use of Reserves	0.0	7.8	7.8
Total Sources of Funds	98.0	106.9	8.9
Healthcare Delivery	91.5	100.1	8.6
Administration	5.7	6.0	0.3
Tax Collection	0.8	0.8	0.0
Total Uses of Funds	98.0	106.9	8.9

Administration –
Significant Changes
(in thousands)

	2010	2011	Change
Data/IT Support	290	134	(156)
Other Professional Services	200	11	(189)
New Positions	0	240	240
Reserve for Salaries	0	250	250
Reserve for Insurance/Other	200	400	200
Total			345

Healthcare Delivery

Significant Changes

(in thousands)

	2010	2011	Change
Pharmacy Program	2,800	4,200	1,400
Mental Health	5,224	6,225	1,001
Third Party Administrator	988	1,434	446
Service Expansions	5,404	5,845	441
United Way (Call Center)*	0	350	350
Recuperative Beds*	0	300	300
Medicaid/CHIP Screening	0	140	140
South Austin Eligibility Office	0	170	170
			4,248

*Used service expansion funds in FY 2010

Healthcare Delivery-Contracted Providers

(in thousands)

	2010	2011	Change
Lone Star Circle of Care*	538	1,348	810
El Buen Samaritano*	490	1,020	530
Paul Bass-Primary Care	429	710	281
Dental Services	370	474	104
Samaritan Health Ministries*	0	100	100
Volunteer Healthcare Services*	0	100	100
SIMS*	0	200	200
			2,125

*Used service expansion funds in FY 2010

Healthcare Delivery-CommUnityCare

	2010	2011	Change - $	Change - %
CommUnityCare	32,332,854	*35,433,755	3,100,901	9.59%
CommUnityCare Facility Maintenance	1,219,544	0	(1,219,544)	
Seton Hospital	4,067,304	3,467,304	**(600,000)	
Net Increase to Central Health	37,619,702	38,901,059	1,281,357	3.41%

*Still preliminary; includes facility maintenance

** High risk OB/Gyn Clinic

Service Expansions

	2011
Mental Health Services	500,000
Behavioral Health	300,000
Program Evaluation/R&D	1,000,000
Specialty Care	1,000,000
Ancillary Services	500,000
Primary Care	1,000,000
Dental Services	1,000,000
Eligibility Enhancements	345,000
Medical Management	200,000
	5,845,000

Capital Improvement Projects

	2011
Building Improvements	
CommUnityCare-Capital Maintenance	312,000
CommUnityCare-East Austin Renovation	1,100,000
Central Health-Cesar Chavez Renovation	800,000
	2,212,000
Information Technology	
CommUnityCare/Central Health	
Disaster recovery, wireless for all sites, Exchange server, Windows 7 OS	791,000
Central Health-SQL Server/Licenses	119,400
	910,400
Total	3,122,400

Where are we going?
How do we get there from here?

2011 Policy Considerations

- Proposed tax rate at effective
- Proposed use of reserves
- MAP enrollment levels
- Preparing for health care reform
- North Central Health Center financing

CENTRAL HEALTH

Learn more about us at:

www.centralhealth.net

CENTRAL HEALTH

Proposed 2011 Operations Plan

Presented to
Central Health Board of Managers

July 7, 2010

Presented by Beth Peck

Proposed FY 2011 Operations Plan

- Identifies major activities to achieve Board-approved strategies and goals
- Helps drive achievement of draft dashboard measures
- Will be reported quarterly with expenditure report

CENTRAL HEALTH

FY 2010 Budget and FY 2011 Proposed Budget Revenue and Expense Summary

DESCRIPTION	FY 2010 APPROVED BUDGET **Restated in program format	FY 2011 PROPOSED BUDGET
TAX RATE	**0.0674**	**0.0724**
REVENUE		
Property Taxes	65,403,436	66,431,022
Seton Lease-Base	1,096,656	1,096,656
Seton Lease-Additional based on DSH/UPL	28,389,113	28,389,113
Interest	1,800,000	1,800,000
Tobacco Litigation Settlement	1,280,000	1,400,000
University of Texas Medical Branch Contract	58,740	58,740
Contributions from reserves		7,815,086
Total Revenue	**98,027,945**	**106,990,617**
EXPENSE		
Healthcare Delivery	91,536,883	100,111,221
Administration	5,735,414	6,077,416
Tax Collection	755,648	801,980
Total Expenses	**98,027,945**	**106,990,617**
RESERVES		
Capital	1,317,151	8,218,172
Allocated Reserve	37,482,849	30,081,046
Unallocated Reserve	48,500,000	55,765,940
Total Reserves	**87,300,000**	**94,065,158**
CAPITAL BUDGET		
Land	-	-
Building	-	-
Facility Improvement	2,514,226	2,212,000
Equipment & Information Systems	560,000	910,400
Total Capital	**3,074,226**	**3,122,400**

FY 2010 Budget and FY 2011 Proposed Budget Detail

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
HEALTH CARE DELIVERY		***Restated in Program Format*			
	Personnel Expenses				
07.01	Salaries - Regular Salaries	1,826,498		2,156,531	
20.02	Benefits - FICA Tax-OASDI	101,510		127,170	
20.03	Benefits - Hospitalization	145,005		186,309	
20.04	Benefits - Life Insurance	2,386		3,067	
20.05	Benefits - Retirement Contribution 401a	105,705		131,689	
20.05	Benefits - Def Comp 457	16,633		21,372	
20.06	Benefits - Worker's Compensation	5,305		6,816	
20.07	Benefits - FICA Tax-Medicare	25,756		31,270	
20.08	Benefits - Dental	7,958		10,224	
20.09	Benefits - LTD/STD	5,014		6,441	
20.10	Benefits - Other	1,382		1,761	
20.10	Benefits - Back up Care	1,713		1,761	
25.00	PTO	125,142		148,427	
27.10	Benefits-Unemployment	5,958		7,384	
	Subtotal Personnel Expenses	**2,375,965**	2.44%	**2,840,222**	2.67%
	Operating Expenses				
30.01	Supplies - Supplies, Equip & Furniture	50,673		63,589	
30.02	Supplies - Software	10,000		7,500	
30.03	Supplies-Hardware	-		21,600	
30.05	Supplies-Minor tools, office furniture	12,584		21,034	
30.16	Supplies - Meetings & Refreshments	-		1,528	
40.07	Professional Svc - Consulting	15,000		690,000	
40.12	Professional Svc - Legal	-		50,000	
40.99	Professional Svc - Other Professional Servic	56,000		137,900	
41.02	Communication - Postage/Freight	643		10,158	
41.06	Cellular Phone	1,790		1,440	
42.02	Routine Travel - Auto Mileage-Employees	4,605		4,855	
42.06	Contracted Transportation	820		2,820	
48.01	Public Utility Svcs - Utilities	-		4,000	
48.04	Water	-		2,000	
48.05	Waste Disposal	-		1,200	
60.27	Printing	78,000		85,000	
60.29	Advertising	3,120		3,120	
60.50	Custodial	-		38,875	
60.52	Security	-		44,000	
61.03	Rent - Office Equipment	6,280		6,280	
61.04	Rents & Leases (property)	-		90,400	
64.06	Employee Relations	-		20,000	
65.01	Prof Dev - Subscriptions & Publications	5,060		5,060	
65.02	Prof Dev-Professional Memberships	3,500		3,500	
65.03	Prof Dev-Travel Meals & Lodging	8,117		8,108	
65.04	Prof Dev - Training & Seminars	21,200		21,200	
65.05	Prof Dev-Professional Licenses	1,500		1,500	
84.01	Depreciation	2,281,241		2,500,000	
	Subtotal Operating Expense	**2,560,133**	2.63%	**3,846,667**	3.62%

FY 2010 Budget and FY 2011 Proposed Budget Detail

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
	Healthcare Services				
61.05	Rental equipment(MAP)	3,000	0.00%	3,000	0.00%
62.76	OAC-Transportation(MAP, non emergency & EMS	367,000	0.38%	381,560	0.36%
62.77	OAC-Other Medical (MAP)	200,000	0.21%	200,000	0.19%
62.78	OAC-Dental Services (MAP)	369,951	0.38%	473,711	0.45%
62.79	OAC-ICC Medicaider(MAP)	164,760	0.17%	164,760	0.16%
62.80	OAC-Childrens Optimal Health	35,000	0.04%	35,000	0.03%
62.81	OAC-Continuity Clinic-Paul Bass	429,000	0.44%	709,647	0.67%
62.81	OAC-Paul Bass Specialty Care	462,000	0.47%	462,000	0.44%
62.82	OAC-Other Primary Care (El Buen)	490,000	0.50%	1,020,000	0.96%
62.82	OAC-Other Primary Care (Lone Star Circle c	538,000	0.55%	1,347,500	1.27%
62.82	OAC-Other Primary Care (Blackstock)	312,000	0.32%	100,000	0.09%
62.82	OAC-Urgent Care	100,000	0.10%	65,000	0.06%
62.83	Medicaid Payments (Physician)	6,351,246	6.53%	24,000,000	22.60%
62.84	Medicaid Payments (MAP)	17,648,754	18.14%		0.00%
62.85	OAC-Mediview TPA	988,079	1.02%	1,434,215	1.35%
62.85	OAC-Three Share Program	379,601	0.39%	194,180	0.18%
62.86	OAC-Speciality Care-Vision	117,277	0.12%	117,277	0.11%
62.87	OAC-Seton Brack Pharmacy	142,595	0.15%	171,670	0.16%
62.89	OAC-Austin Cancer Centers	466,131	0.48%	334,000	0.31%
62.89	OAC-Orthotics	58,253	0.06%	27,000	0.03%
62.90	OAC -CommUnityCare	32,332,854	33.24%	35,433,755	33.37%
62.90	OAC -CommUnityCare-Facility Improvement	1,219,544	1.25%		0.00%
62.91	OAC - Seton Hospital	4,067,304	4.18%	3,467,304	3.27%
62.92	OAC - UTMB	3,900,000	4.01%	3,900,000	3.67%
62.93	OAC - People's Comm Clinic	728,000	0.75%	728,000	0.69%
62.94	OAC - Women's Services	450,000	0.46%	450,000	0.42%
62.95	OAC - Other (Project Access)	330,000	0.34%	330,000	0.31%
62.96	OAC - ICC	522,275	0.54%	551,275	0.52%
62.97	OAC - Pharmacy Program	2,798,597	2.12%	4,203,160	3.96%
62.99	OAC - Seton/Other Mental Health	5,224,701	5.37%	6,425,319	6.05%
	United Way	-	0.00%	350,000	0.33%
	Samaritan Health Ministries	-	0.00%	100,000	0.09%
	Recuperative Care Beds	-	0.00%	300,000	0.28%
	Volunteer Healthcare Clinic	-	0.00%	100,000	0.09%
98.50	Service Expansion Funds	5,404,863	5.56%	5,845,000	5.50%
	Subtotal Healthcare Services	**86,600,785**	89.03%	**93,424,333**	87.98%
	Total Healthcare Delivery	**91,536,883**		**100,111,221**	

FY 2010 Budget and FY 2011 Proposed Budget Detail

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
	ADMINISTRATION	***Restated in Program Format*			
	Personnel Expenses				
07.01	Salaries - Regular Salaries-Operations	2,158,555		2,259,736	
07.91	Salaries - Reserve	-		250,000	
20.02	Benefits - FICA Tax-OASDI	119,964		110,596	
20.03	Benefits - Hospitalization	182,995		174,491	
20.04	Benefits - Life Insurance	3,014		2,873	
20.05	Benefits - Retirement Contribution 401a	133,398		123,644	
20.05	Benefits - Def Comp 457	20,992		20,016	
20.06	Benefits - Worker's Compensation	6,695		6,384	
20.07	Benefits - FICA Tax-Medicare	30,438		30,359	
20.08	Benefits - Dental	10,042		9,576	
20.09	Benefits - LTD/STD	6,327		6,033	
20.10	Benefits - Other	1,718		1,649	
20.10	Benefits - Back up Care	2,187		2,500	
25.00	PTO	147,893		175,411	
27.10	Benefits-Unemployment	7,042		6,794	
	Subtotal Personnel Expenses	**2,831,260**	2.91%	**3,180,062**	2.99%
	Operating Expenses				
05.20	Salaries - Administrator's Car Allowance	5,000		5,000	
30.01	Supplies - Supplies, Equip & Furniture	20,060		21,600	
30.02	Supplies - Software	51,945		23,245	
30.03	Supplies-Hardware	31,505		33,000	
30.05	Supplies-Minor tools, office furniture	14,180		3,000	
30.11	General Maintenance	58,038		62,355	
30.16	Supplies - Meetings & Refreshments	6,800		10,250	
40.05	Professional Svc - Auditing	54,867		40,000	
40.06	Professional Svc - Accounting	-		21,000	
40.07	Professional Svc - Consulting	510,119		483,620	
40.08	Professional Svc - Data - IT Support	289,511		133,650	
40.09	Bank Fees	6,000		6,000	
40.12	Professional Svc - Legal	586,500		611,500	
40.99	Professional Svc - Other Professional Servic	199,600		11,100	
41.02	Communication - Postage/Freight	9,293		3,870	
41.06	Cellular Phone	2,920		7,744	
42.02	Routine Travel - Auto Mileage-Employees	2,825		5,300	
42.06	Contracted Transportation	1,580		1,200	
42.07	Routine Travel - Travel, Meals & Lodging	2,000		5,000	
42.09	Business Meetings & Meals	4,000		4,000	
44.01	Insurance - General Insurance Premium	76,750		99,526	
48.01	Public Utility Svcs - Utilities	26,700		26,700	
48.02	Public Utility Svcs - Telephone Lines	500		1,700	
48.04	Water	8,400		8,400	
48.05	Waste Disposal	3,400		4,400	
48.06	Gas	3,587		5,946	
60.08	OPS-Contracted Employees	52,000		26,000	
61.02	Rent - Land & Buildings	-		32,600	
60.27	Printing	54,500		54,500	
60.29	Advertising (includes $25,000 public notice)	98,000		92,250	
60.37	OPS-Retirement fees	20,500		12,000	

FY 2010 Budget and FY 2011 Proposed Budget Detail

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
60.37	OPS-Benefit Services	45,000		86,500	
60.40	OPS - Reimbursed Services - Travis County	68,286		88,351	
60.50	OPS-CAN	25,000		25,000	
60.50	Custodial	45,023		85,900	
60.52	Security	75,725		51,670	
60.53	Records storage	6,263		8,965	
61.03	Rent - Office Equipment	24,400		28,000	
61.04	Rents & Leases (property)	50,400		-	
64.05	Employee Training - Employee Relocation E	5,000		5,000	
64.06	Employee Relations	16,000		17,000	
65.01	Prof Dev - Subscriptions & Publications	9,554		12,700	
65.02	Prof Dev-Professional Memberships	4,273		9,323	
65.03	Prof Dev-Travel Meals & Lodging	7,500		19,250	
65.04	Prof Dev - Training & Seminars	20,975		36,064	
65.05	Prof Dev-Professional Licenses	2,675		675	
75.21	Misc - Legislative Services	90,000		163,200	
75.22	Misc - Employment Recruiting	3,800		3,300	
98.92	Reserve for property insurance, utilities	200,000		400,000	
	Subtotal Operating Expense	**2,904,154**	2.99%	**2,897,354**	2.73%
	Total Administration	**5,735,414**		**6,077,416**	
	Tax Collection				
60.03	OPS - Appraisal District Svcs	360,536		371,980	
60.04	OPS - Tax Collector	395,112		430,000	
	Subtotal Tax Collection Expense	**755,648**		**801,980**	
	Tobacco Settlement				
72.00	Tobacco Settlement Received-payable to T	326,000		266,746	
72.20	Tobacco Settlement Paid to Travis County	(326,000)		(266,746)	
72.10	Tobacco Settlement Received-payable to S	904,000		628,190	
72.30	Tobacco Settlement Paid to Seton	(904,000)		(628,190)	
	Subtotal Tobacco Settlement	**-**		**-**	
	Disproportionate Share Program				
71.00	Disproportionate Share/Upper Payment Limi	54,400,000		63,432,412	
71.20	Disproportionate Share/Upper Payment Limi	(54,400,000)		(63,432,412)	
71.10	Disproportionate Share Received payable to	19,300,000		17,252,548	
71.30	Disproportionate Share Paid - Seton	(19,300,000)		(17,252,548)	
	Subtotal Disproportionate Share	**-**		**-**	
	TOTAL EXPENSE	**98,027,945**		**106,990,617**	
	Tax Collection Expense	**(755,648)**		**(801,980)**	
	TOTAL EXPENSE LESS PASS THROUGH & TAX COLLECTION	**97,272,297**		**106,188,637**	

FY 2010 Budget and FY 2011 Proposed Budget Detail

ACCOUNT	DESCRIPTION		FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
	RESERVES					
98.60	Capital Reserve		1,317,151		8,218,172	
98.91	Allocated Reserve		37,482,849		30,081,046	
98.98	Unallocated Reserve		48,500,000		55,765,940	
	Total		**87,300,000**		**94,065,158**	
	CAPITAL BUDGET					
81.12	Land					
81.04	Building					
81.02	Building Improvements		2,514,226		2,212,000	
80.02	Equipment & Information Systems		560,000		910,400	
	Total		**3,074,226**		**3,122,400**	

FY 2010 Budgeted and FY 2011 Proposed Service Expansions

Service Expansion	FY 2010 Approved Budget	FY 2011 Proposed Budget	Prior Year Expansion now in FY11 Base
Mental Health			
Mental Health Services		500,000	870,000
Behavioral Health/Psychiatry		300,000	200,000
One Time Capacity Expansion	2,730,648		
Regional Health Initiatives			
Graduate Medical Education	50,000		
Program Evaluation/Research and Development			
Program Evaluation (*eg* , *HMO feasability study, Regional Healthcare Planning, Health Reform Planning*)		1,000,000	
ICC Changes			29,000
Healthcare Information Technology			75,000
Specialty Care			
Specialty Care Expansion	483,084	1,000,000	
Ancillary Services		500,000	
Pharmacy	168,838		
TPA/Other Services	61,345		
Orthotics	3,652		-
Primary Care			
Samaritan Health Ministries			100,000
Volunteer Healthcare Clinic			100,000
El Buen Samaritano			266,865
Lone Star Circle of Care			575,000
Seton Community Health Centers			250,000
Eligibility Call Center			250,000
Primary Care Expansion	1,404,240	1,000,000	
Dental Services			
Dental Specialty Care	23,056	400,000	
Primary Dental Care	480,000	600,000	200,000
Eligibility Enhancement			
Healthcare Linkage Services		195,000	
Community Financial Screening		150,000	
Medical Management Enhancement			
Credentialing		200,000	
Total	**5,404,863**	**5,845,000**	**2,915,865**

Categories not fixed--funding can be allocated as needed.

CENTRAL HEALTH

DRAFT

FY2011 Operational Plan Reporting Tool

Goal	Strategy	Activity	Progress	Assigned To	Dashboard
A. Access: Increase access to healthcare for residents of Travis County	A1. Develop expanded capacity to assist people in accessing proper healthcare resources	A.1.a. Develop and implement service navigation/healthcare linkage capabilities		Larry Wallace	• By 2013, increase the number of individuals served through Central Health contracted providers by X%. • Central Health will spend at least X% of its operating budget on healthcare services.
	A2. Increase healthcare service capacity	A.2.a. Continue to pursue additional service contractors and/or expand contracts with current providers		Larry Wallace	
		A.2.b. Expand access to dental services		Larry Wallace	
		A.2.c. Expand access to mental health services		Larry Wallace	
	A3. Explore innovative approaches to enhance healthcare access	A.3.a. Use data on size and location of need for additional services to create new access opportunities		Larry Wallace	
		A.3.b. Explore opportunities for additional resources (HMO, FQHC affiliations, resource development)		John Stephens	
B. Technology: Maximize the use of technology community-wide to inform healthcare decisions and delivery.	B.1. Increase community capacity for healthcare information exchange (HIE)	B.1.a. Advocate for the implementation of electronic health records for safety net healthcare providers		Trish Young	• By 2013, all Central Health contracted providers will participate in the community Health Information Exchange (HIE).
		B.1.b. Educate legislative representatives on the capabilities and utilization of the community Health Information Exchange (HIE)		Christie Garbe	
		B.1.c. Seek and leverage local and non-local funds to support the development of HIE capabilities for the community		John Stephens	
	B.2. Maintain a leadership role toward further development of community HIE capabilities	B.2.a. Support efforts to further develop and maintain a community HIE		Trish Young	
		B.2.b. Pilot use of data to impact healthcare outcomes and/or cost		Trish Young	

Shaded areas not yet approved by Board.

CENTRAL HEALTH

DRAFT

FY2011 Operational Plan Reporting Tool

Goal	Strategy	Activity	Progress	Assigned To	Dashboard
C. Quality: Strategically invest in practices designed to improve healthcare outcomes.	C.1. Improve management of program enrollees	C.1.a. Develop and implement a disease management program C.1.b. Strengthen relationships with contracted health services providers		Larry Wallace Larry Wallace	• 80% of the Health Services Performance Measure Goals for Central Health funded service contractors will be met.
	C.2. Direct efforts to improve service effectiveness and client satisfaction	C.1.a. Increase capacity for performance improvement activities C.1.b. Increase satisfaction survey activities		Larry Wallace Larry Wallace	• By 2013, overall client satisfaction for Central Health will be greater than 90%.
D. Leadership: Assume a leadership role in convening and planning for the healthcare needs of our community.	D.1. Collaborate with other leaders to shape the expansion of academic medicine, including Graduate Medical Education (GME)	D.1.a. Further define role of Central Health in academic medicine, including graduate medical education (GME)		Trish Young	• By 2013, increase positive awareness of Central Health by X%.
	D.2. Maximize the community benefits of national health reform.	D.2.a. Influence policy and implementation of national health reform at federal and state level D.2.b. Respond appropriately to opportunities and implement program requirements D.2.c. Develop capacity to become a reliable local source of information on national health reform		Christie Garbe Larry Wallace Christie Garbe	
	D.3. Collaborate with the community to improve the healthcare delivery system	D.3.a. Initiate community leadership dialogue on a long-range plan for healthcare infrastructure in Central Texas D.3.b. Position Central Health to become a resource for community-level healthcare services data for Central Texas D.3.c. Continue to identify and address community healthcare needs based on data D.3.d. Work with other Central Texas communities to promote regional integration		Trish Young Christie Garbe Christie Garbe Christie Garbe	

Shaded areas not yet approved by Board.

D R A F T
As of 7/1/2010

Operational Definitions for Strategic Plan Dashboard Measures

Measure: (a) By 2013, increase the number of individuals served through Central Health contracted providers by X%.

Related Strategic Goal: Access

General Description (What does this measure?): This will measure the number of individuals able to access healthcare services due to Central Health funding for community providers.

Application (How Can Central Health Impact This Measure?): Central Health can impact the number of individuals served through increased contracted providers and increased funding for services.

Definitions of Each Component:

- Number of individuals served will be an unduplicated count, to the extent that is possible.
- Contracted providers include only those providers with whom Central Health contracts for the provision of direct healthcare services (does not include contracts for items such as durable medical equipment or supplies).

Calculation: The number of individuals served will be the number of unduplicated individuals counted by combining all service related data into one database and then counting each individual only once.

Limitations/Caveats: It may not be entirely possible to completely unduplicate individuals between providers in instances where a unique identification is not possible (no common unique identifier number and/or no ability to unduplicate individuals based on name and date of birth).

Source of Data: All claims data received for Central Health program enrollees and service-related reports for self-funded clients.

Reporting Frequency: At least annually

D R A F T
As of 7/1/2010

Operational Definitions for Strategic Plan Dashboard Measures

Measure Name: Central Health will spend at least X% of its operating budget on healthcare services.

Related Strategic Goal: Access, Quality

General Description (What does this measure?): This measures the proportion of the operating budget that is spent on healthcare delivery rather than administrative services.

Application (How Can Central Health Impact This Measure?): Central Health can directly impact this measure by controlling administrative expenses and maintaining health care delivery expenses.

Definitions of Each Component:

1. *Operating Budget* is the non-capital and non-debt service portion of the Central Health budget.
2. *Healthcare Services* reflects eligibility and medical management staff, contracted providers, and other related services supported under the Healthcare Delivery Program portion of the operating budget.

Calculation: The percentage is calculated by dividing the total expenditures under the Healthcare Delivery Program by the total operating expenditures for the same period of time.

Limitations/Caveats: Maintenance of this percentage at a certain level does not necessarily indicate the same level of access. As health costs rise, the same funds may not purchase the same level of access.

Source of Data: Central Health financial system

Reporting Frequency: Monthly as part of financial reports

D R A F T
As of 7/1/2010

Operational Definitions for Strategic Plan Dashboard Measures

Measure Name: By 2013, all Central Health contracted providers will participate in the community Health Information Exchange (HIE).

Related Strategic Goal: Data/Technology

General Description (What does this measure?): This measures the ability of community providers to access health care information on shared patients.

Application (How Can Central Health Impact This Measure?): Central Health is helping to support local efforts to draw down federal funds to support the implementation of an HIE that will meet federal requirements.

Definitions of Each Component:

3. Central Health contracted providers include all direct health care service providers that have an executed contract with Central Health.
4. Participation in the HIE means that the contracted health care provider provides data to and accesses data directly from the HIE or is a Central Health contractor for whom Central Health provides service data for that provider for Central Health funded clients into the HIE.
5. Health Information Exchange – A health information exchange is a central data repository that stores data collected from multiple sources via electronic health records and is able to share patient health data among multiple sources.

Calculation: This measure will be calculated by dividing the number of Central Health contracted providers participating in the community HIE by the total number of Central Health contracted providers.

Limitations/Caveats: Central Health can influence this through its work with the ICC to help establish an HIE. However, this effort will be made much more difficult without additional funding to enhance HIE abilities within the current system and help expand access to more providers.

Source of Data: List of participants in HIE from the Integrated Care Collaboration or HIE managing entity

Reporting Frequency: Annually

D R A F T
As of 7/1/2010

Operational Definitions for Strategic Plan Dashboard Measures

Measure Name: By 2013, overall client satisfaction for Central Health will be greater than 90%.

Related Strategic Goal: Quality

General Description (What does this measure?): This will measure the level of satisfaction of Central Health clients with care experience based on HEDIS standards, including the enrollee's experience with:

- Health care
- Personal doctor and specialist
- Customer service
- Timeliness of care access
- Obtaining needed care
- Communication by provider
- Shared decision making in care plan

Application (How Can Central Health Impact This Measure?): Central Health can work with contracted providers to help address identified issues.

Definitions of Each Component:

- Client is defined as –
    1. any current map enrollee (all plans, as applicable) with no more than one gap in enrollment of up to 45 days during the measurement period
    2. any self-pay individual referred by Central Health to contracted providers; and
    3. any individual that was referred and screened by the call center or Central Health eligibility staff.
- Overall client satisfaction is defined as the overall score for all HEDIS categories.

National Standard/Guideline (if applicable): The proposed measure and strategy is based on the HEDIS standard for Consumer Assessment of Healthcare Providers and Systems (CAHPS) for Adult Medicaid enrollees. Central Health plans to conduct quarterly surveys with current MAP enrollees (see Client definition above).

Calculation: The satisfaction rate will be calculated by dividing the number of individuals who respond that the standard met or exceeded their expectations based on the HEDIS designated response categories to the particular question or set of questions on the 4 quarterly surveys by the total number of individuals who responded to those surveys.

Limitations/Caveats: May be difficult to determine how individuals interpret the question and who they understand "Central Health" or "map" to be.

Source of Data: Telephone or mailed survey

Reporting Frequency: At least annually

D R A F T
As of 7/1/2010

Operational Definitions for Strategic Plan Dashboard Measures

Measure: 80% of the Health Services Performance Measure Goals for Central Health funded services will be met.

Related Strategic Goal: Quality

General Description (What does this measure?): The Performance Improvement plan outlines multiple areas of monitoring, evaluation and compliance for the variety of programs and functions at Central Health. Each measure has a goal associated with it that is tied to a national or local standard. This measure will be reported as an umbrella that represents the success in achievement of the goals. The multiple areas of monitoring may include:

- Services provided in inpatient and outpatient facility-based settings
- Services provided through Central Health contracted providers
- Services provided by Central Health Patient Services staff
- Acute and chronic care services

Application (How Can Central Health Impact This Measure?): Central Health can work with contracted entities or staff who are identified as not meeting performance measures and/or can use documented performance in determining future contracts for services.

Definitions of Each Component:

6. Performance measures to be reviewed for this measure will fall under the following criteria –
    1. Effectiveness of Care – clinical quality of care delivered within the organization
    2. Access/Availability of Care –the accessibility of services offered
    3. Use of Service – appropriate utilization of services

Calculation: This measure will be calculated by dividing the total number of measures that met the established goal by the total number of measures tracked.

Limitations/Caveats: The ability of Central Health to impact measures for contracted providers is based on an influential relationship (amending or terminating of contract) rather than direct control of staff.

Source of Data: Surveys, patient files and other audited records for contracted providers.

Reporting Frequency: At least annually

D R A F T
As of 7/1/2010

Operational Definitions for Strategic Plan Dashboard Measures

Measure Name: By 2013, increase positive awareness of Central Health by X%.

Related Strategic Goal: Leadership

General Description (What does this measure?):

Application (How Can Central Health Impact This Measure?):

Definitions of Each Component:

7. .

Calculation:

Limitations/Caveats:

Source of Data:

Reporting Frequency:

CENTRAL
HEALTH

Board of Managers meeting

July 7, 2010

AGENDA ITEM 3

Discuss and take appropriate action on a recommendation to request approval from Travis County to issue Certificates of Obligation to finance the construction of the North Central Health Center.

CENTRAL HEALTH

1111 East Cesar Chavez St.
Austin, Texas 78702
Phone: 512-978-8155
Fax: 512-978-8156
www.centralhealth.net

MEMORANDUM

To: Central Health Board of Managers

From: John Stephens, Chief Financial Officer

Date: July 7, 2010

Re: **Agenda Item** – Discuss and take appropriate action on a recommendation to request approval from Travis County to issue Certificates of Obligation to finance the construction of the North Central Health Center.

Background

When the Board approved the construction of the North Central Health Center on Braker Lane and related construction budget of $18 million, Central Health (CH) staff discussed the possibility that the construction cost could be paid out of existing reserves or, alternatively, the cost could be financed.

Based upon preliminary work with Central Health's financial advisor, Ladd Pattillo, and our bond counsel, Vinson and Elkins, we believe that the timing and circumstances of this financing are appropriate for CH to establish a credit rating and a credit history and therefore, we are now recommending that the construction cost be financed through the issuance of Certificates of Obligation.

Benefits to Central Health

Although interest rates are beginning to move up, they are still relatively low from a historical perspective. For instance, on April 12, the annual yield on a triple A-rated ("AAA") 20-year Certificate of Obligation (CO) was 4.09%. Travis County's bond rating is AAA, and while CH has the same tax base as the County and would pledge only property tax revenue to repay the COs, its rating would likely not be AAA; however, even with a lower rating, CH should still be able to get a low interest rate.

CH is in excellent financial condition for credit establishment purposes with net assets (cash and investments) in excess of $105 million at September 30, 2009. CH's tax base is stable and expected to continue to grow into the future.

The amount to be financed is a relatively small financing and with a pledge of its property tax, the financing would be simple and straightforward, allowing CH to establish a credit rating and begin to establish a credit history.

Thomas B. Coopwood *M.D.*
Chairperson
Rosie Mendoza, C.P.A.
Vice-Chairperson
Frank Rodriguez
Treasurer
Bobbie Barker
Secretary
Clarke Heidrick, J.D.
Donald Patrick, M.D., J.D.
Brenda Coleman-Beattie, M.A.
Anthony Haley, J.D.
Katrina Daniel, R.N.

Patricia Young Brown, C.P.A.
President & CEO

Schedule and Logistics

If the Board approves this recommendation to request Travis County's approval to issue Certificates of Obligation, we would plan to sell the COs this autumn, and we are proposing to pay the first year's debt service out of Central Health reserves. Therefore, if the Board approves this approach, there would be no debt service tax for fiscal year 2011.

If approved, the 2011 debt service will be incorporated into the draft budget as debt service expenses to be funded from reserves. It is estimated that for COs issued at a 4% interest rate, the annual debt service would be about $1.3 million.. Beginning in 2012 and for subsequent years, the annual debt service would be funded by a tax rate of about .14 cents (14% of one penny).

For a homeowner with a homesteaded single-family residence appraised at $200,000, this debt service would mean an additional $2.58 in the annual tax bill. At a 5% interest rate, the increase would be .16 cents on the tax rate and $2.81 cents on the annual tax bill.

Action Item

Because interest rates are low, because Central Health is in excellent financial condition, because our tax base is healthy, and because this is a relatively small and straightforward financing, we believe that this is an opportune financing for Central Health to establish itself in the credit market.

We therefore recommend the Board's authorization to request approval from Travis County to issue Certificates of Obligation to finance the construction of the North Central Health Center.

CENTRAL
HEALTH

Board of Managers meeting

July 7, 2010

AGENDA ITEM 4

Receive and discuss a long term visioning process for Central Health, including a discussion of current and future provider capacity.

CENTRAL HEALTH

Long-Range Visioning
Part II: Provider Capacity

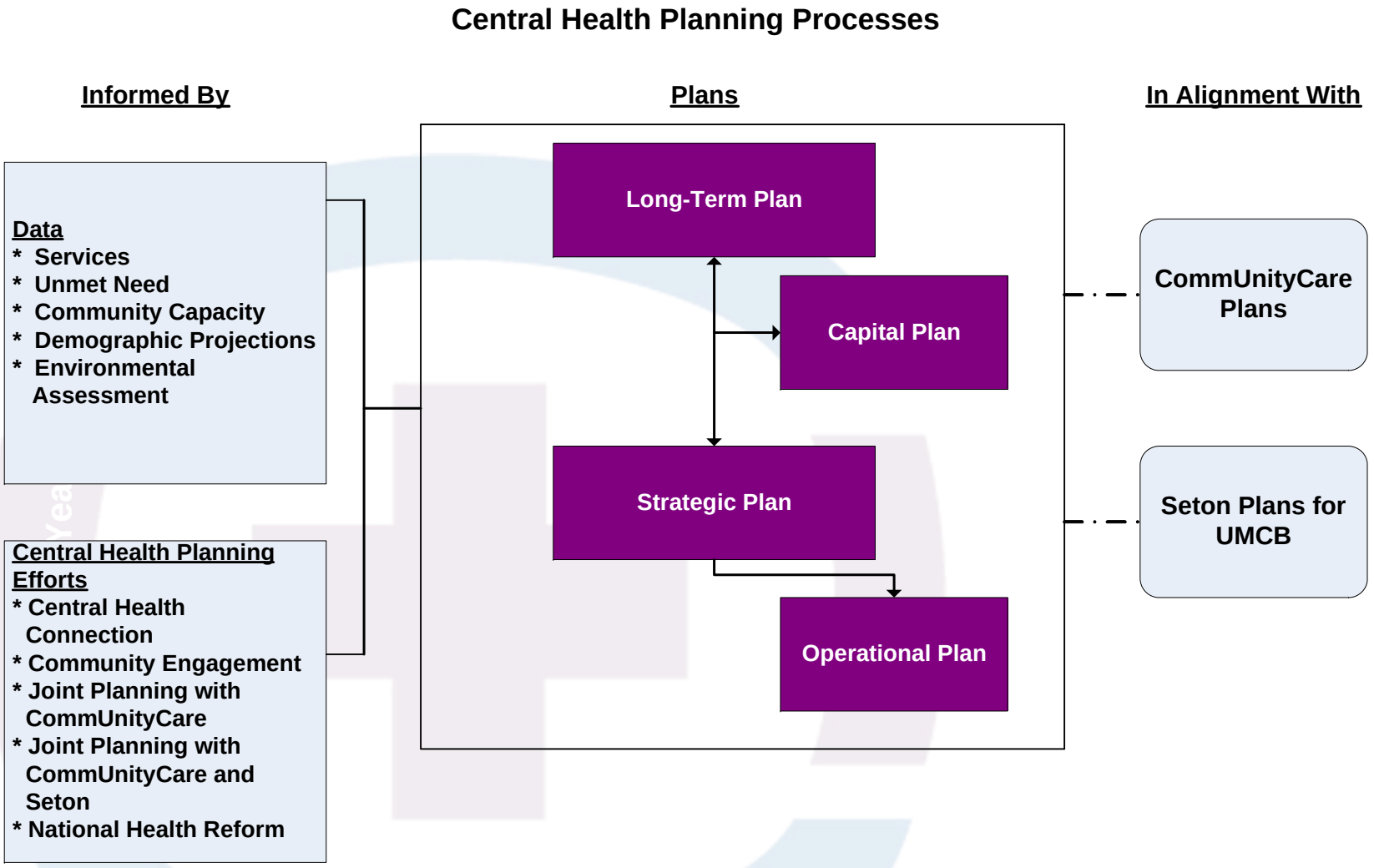
Christie Garbe,
Chief Communications and Planning Officer

July 7, 2010

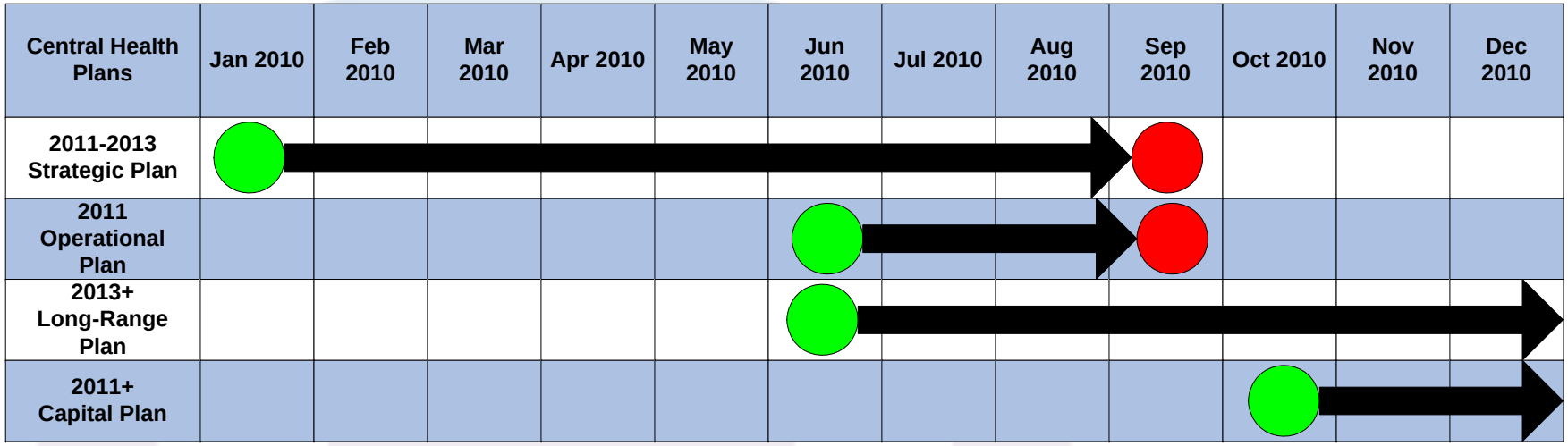
Presentation Overview

- High-Level Review of **Planning Processes** and Status of Various Plans
- Review of Discussion from Initial **Long-Range Visioning** Session
- Overview of **Provider Capacity Issues** and Academic Medicine

Planning Processes: Central Health Plans



Planning Processes: Timelines



Planning Processes: Board Schedule

Planning Activity	Topic	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Dec 2010
FY11 Operational Plan	Review Draft in July Seek Approval in September with Budget		7/7		9/15		
FY11-FY13 Strategic Plan	Approve Proposed Dashboard			8/4			
Long-Range Plan	Big Vision: What is a Model Healthy Community?	6/1				10/6	
	Provider Capacity Q1: What is Central Health role in further development of academic medicine? Q5: Or in development of other health care professionals?		7/7			10/6	
	Service Capacity #1— Q2: How does Central Health best utilize CommUnityCare and FQHC status?			8/4		10/6	
	Service Capacity #2 – Q4: What are Central Health's goals for UMCB?				9/1	10/6	
	Recap of Discussions to Date					10/6	
	Saturday Retreat – Additional work on any of above or discussion of 3 (HIE) and 6 (tools)					10/9	
	Review Draft Plan						12/15
Capital Plan	Review Draft Plan						12/15

Long-Range Visioning: Session I Results

Key Components of a Model Healthy Community

- Appropriate access to health care services
- Coordinated delivery systems that provide quality care
- Environment that supports healthy activities
- Prevention
- Collaboration among community agencies to help make vision real

Long-Range Visioning: Session I Results

Current Central Health Roles

- Health Care Services Purchaser
- Mental Health Stakeholder Convenor
- Hospital Owner
- MAP Administrator
- FQHC Co-Applicant and Designee
- Community Collaborator
- Taxing Authority

Long-Range Visioning: Session I Results

Possible Future Roles to Help Achieve a Model Healthy Community:

- High-Level Health Care Policy Leader
- Identifier of Broad Community Infrastructure Needs and Priorities
- Acknowledged Health Care Expert
- Influencer of City/County Policy Decisions
- Enabler of Accountable Care Organizations
- Provider of Coverage to Additional Counties
- Enabler of Wellness Programs

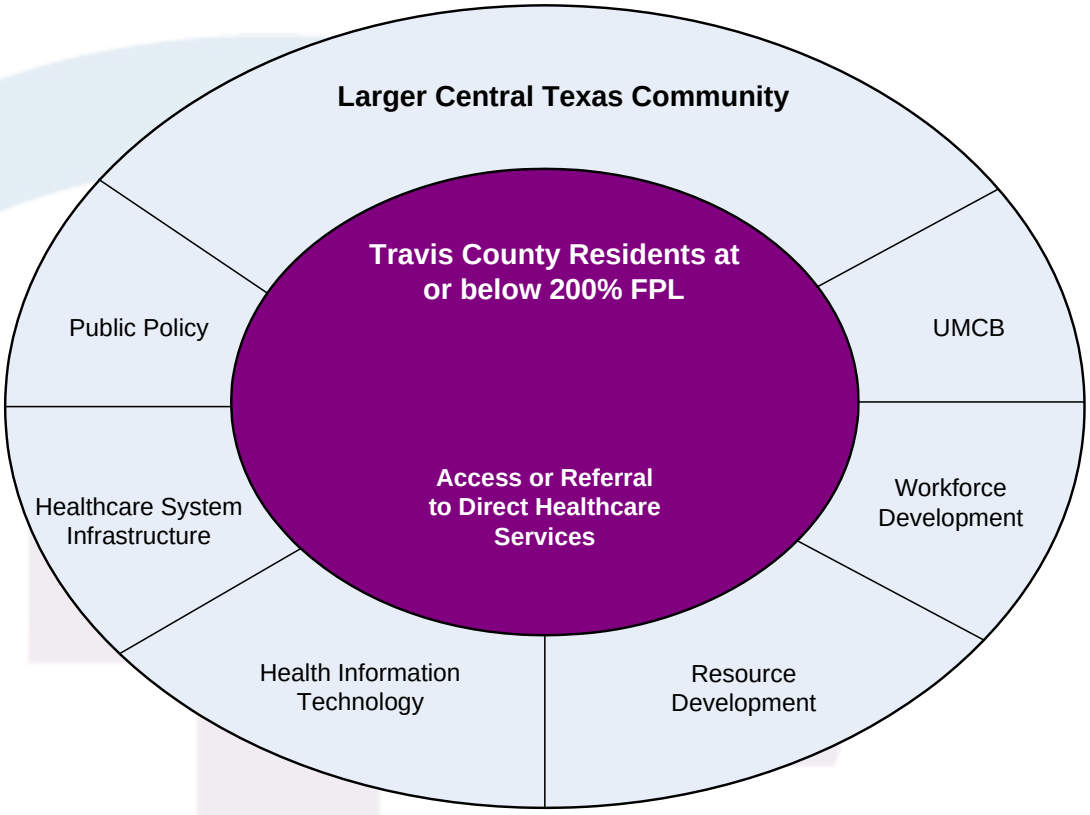
Long-Range Visioning: Session I Results

Possible Future Roles to Help Achieve a Model Healthy Community:

- Role in Re-Insurance Function
- Provider of Healthy, Robust Primary Care Provider Base
- Resource Developer
- Medicaid HMO
- Owner of the land for medical campus
- Possible review/reconsideration of role in public health
- Leveraging of FQHC status

Long-Range Visioning: Session I Results

Potential Central Health Roles for Different Populations
As Discussed at 6/1/10 Board Meeting



Provider Capacity: Overview

Providers Critical to Health Care Access

- **Medical**: Primary and Specialty Care Physicians, Mid-Level Providers (Nurse Practitioners and Physician Assistants), Nurses

- **Behavioral Health**: Psychiatrists, Behavioral Health Counselors, Psychiatric Nurses

- **Dental**: Dentists, Dental Hygienists

Provider Capacity: Overview

Reasons for Needing Additional Capacity

- Unable to currently serve all target population
- Current access issues for Medicare and Medicaid enrollees
- Growing population
- Aging population
- Increase in insured individuals with national health reform
- Time required to train new providers

Provider Capacity: Overview

Medical Providers

Provider Type	Education	Role	Example of Local Starting Salary
Physicians	Typically **11-15+** years: 1. Undergraduate Degree 2. Medical School Degree 3. Residency Program 4. Pass Board Certification	Leader of health care delivery team – can supervise up to 4 FTEs of PAs or NPs	Primary Care -- $148K -- $156K
Physician Assistants (PAs)	Typically **6** years: 1. Bachelors Degree 2. Master's Degree 3. Physician Assistant exam	Can act as primary health care provider under the supervision of a physician	Primary Care -- $77K -- $83K
Nurse Practitioners (NPs)	Typically **6** years: 1. Bachelors of Science in Nursing Degree 2. Master's Degree 3. National board certification	Can act as primary health care provider under the supervision of a physician	Primary Care -- $77K -- $83K
Nurses	Typically **2** or **4** years for RN status; **2** years for LVN/LPN status	Member of healthcare team	Staff RN – $46K -- $70K

Provider Capacity: Overview

Behavioral Health Providers

Provider Type	Education	Role	Example of Local Starting Salary
Psychiatrists (physician specialty type)	Typically **12** years: 1. Undergraduate Degree 2. Medical School Degree 3. Residency Program 4. Pass Board Certification	Leader of psychiatric health care delivery team	$124K -- $165K
Licensed Clinical Social Worker	Typically **8** years: 1. Undergraduate Degree 2. Master's Degree 3. 2 years supervised clinical experience	Can practice on their own and also consult with a psychiatrist	$47K--$55K
Licensed Professional Counselor	Typically **8** years: 1. Undergraduate Degree 2. Master's Degree 3. 2 years supervised clinical experience	Can practice on their own and also consult with a psychiatrist	$47K--$55K
Psychiatric Nurses	Varies – can be LVN, RN, or APN who choose to work or have special training in mental health issues	Member of inpatient hospital healthcare team	$35K--$60K+ depending on degree

Provider Capacity: Overview

Dental Providers

Provider Type	Education	Role	Example of Local Starting Salary
Dentists	Typically **8** years: 1. Undergraduate Degree 2. Medical School Degree 3. Obtain Licensure – completion of written and practical exams	**Leader** of dental health care delivery team	$116K-$131K
Dental Hygienists	Typically 2 years: 1. Completion of accredited dental hygiene program 2. Passing of written and clinical exam	Conduct routine dental services under supervision of a dentist	$52K-$77K

Provider Capacity: Education & Training

Provider Type	Education Required	Central Health Involvement
Physicians (including Psychiatrists)	1. Undergraduate Degree 2. Medical School Degree 3. Residency Program	1. None 2. Student training conducted at UMCB* (UT Southwestern) and LoneStar (Texas A&M) 3. Purchase services which may be provided by a resident or an attending physician (Central Health-funded locations with residents include UMCB, AWH, CommUnityCare, Seton Shoal Creek and LoneStar – all from UT Southwestern.)
Physician Assistants	1. Undergraduate Degree 2. Graduate Degree	1. None 2. None – no local graduate programs
Nurse Practitioners	1. Undergraduate Degree 2. Graduate Degree	1. None 2. CommUnityCare affiliated UT locations provide training opportunities for 2nd year of masters program.
Nurses	1. Undergraduate Degree	1. CommUnityCare affiliated UT locations provide clinical training opportunities for nursing program.

Central Health does not have any existing formal role with the education and/or training of any dental providers, behavioral health counselors, or nurses.

Provider Capacity: Potential *CommUnityCare* Roles

- Expand current residency programs
  (i.e., pediatrics and internal medicine)
- Partner with academic institutions to --
  -- Use FQHCs as teaching sites as part of regional GME strategy
  -- Expand specialty care training
  -- Expand training opportunities for Nurse Practitioners
- Develop strategically placed academic centers that expand capacity and increase local training opportunities to assist in workforce development

Provider Capacity: Potential *Central Health* Roles

- Provide clinical slots for training
- Recruit new providers to Central Texas
- Fund education/scholarships
- Seek grant opportunities to increase providers
- Provide partial loan repayment
- Form local collaborative to address need
- Others?

CENTRAL HEALTH

Memo

To: Central Health Board of Managers

From: Beth Peck, Senior Healthcare Planner

CC: Patricia A. Young Brown, Christie Garbe

Date: June 25, 2010

Re: Preparation for Board Meeting

One of the items scheduled for the Board of Managers' worksession on Wednesday, July 7, is the second part of our long-range visioning work. This session will focus on a discussion around Central Health's potential role(s) with academic medicine and/or helping to increase provider capacity in Central Texas.

In preparation for the July 7, 2010, worksession, I have attached a number of materials that address the role, capacity, need for, and educational process and opportunities for physicians, physician assistants, advanced practice nurses, and nurses. To facilitate your review of the material, highlights from the various documents are set out below. More information will be recapped in a "setting the stage" presentation at the July 7 meeting. I am sending this information out to you in advance of the regular board packet in order to give you adequate time for review.

Physicians

- To become an attending physician, an individual must complete a 4-year undergraduate program, a 4 - year medical school or university ("medical school"), and a residency program ("graduate medical education") the length of which is dependent on the program selected (family medicine, neurology, etc.)
- Currently, Central Health is involved in graduate medical education with the University of Texas Southwestern who provides residents for services to clients with various funding sources including MAP enrollees and self-pay individuals at University Medical Center Brackenridge, Austin Women's Hospital, and CommUnityCare. Currently, Central Health is not directly financially supporting medical education or graduate medical education but does indirectly support graduate medical education through payment for services rendered by residents/their attending faculty under certain provider contracts and by having residents perform services in certain CommUnityCare locations under the supervision of their attending faculty.
- Each of the 10 largest hospital districts has an affiliation arrangement with at least one medical school related to teaching and services provided in the hospitals that those districts operate.
- Texas ranks high in retaining physicians who are either educated here, train here, or both. Texas retains 58.8% of physicians who graduate from an in-state medical school, regardless of where their residency was completed (2nd in nation). Texas retains 56.8% of physicians who complete their residency program in Texas (7th in nation). Texas retains 79.9% of physicians who complete both their medical school program and residency training in Texas (4th in nation).

- A May 2009 report by the Seton Family of Hospitals notes that the demand (overall need) for physicians in Central Texas will grow to more than 5,000 by 2020 with the gap (unfilled need) growing from 600 in 2010 to nearly 3,000 in 2020. The largest gaps will be in primary care (family practice, internal medicine, and pediatrics) and in medical and surgical sub-specialties.

Mid-Level Providers

- A mid-level provider is a clinical medical professional who provides patient care under the supervision of a physician. Mid-level providers include advance practice nurses (usually nurse practitioners) and physician assistants. Both of these providers help to "extend" the ability of the supervising physician by increasing the number of individuals who can be seen within his/her practice.
- A nurse practitioner (NP) is a registered nurse who has advanced education and clinical training in a health care specialty (generally family or adult medicine but also pediatrics, women's health, acute care, etc.). A recent study by the American Academy of Nurse Practitioners of 129 of 133 accredited MD-granting schools compared the cost of two-year NP programs (Master of Science in Nursing) to the cost of physician programs. The study found that the total tuition cost to prepare a primary care NP is less than one year of medical tuition in either a Medical Doctor (MD) or Doctor of Osteopathy (DO) program.
- A physician assistant (PA) is a graduate of an accredited PA program who is academically and clinically trained to practice medicine with the supervision of a licensed physician. There are seven PA programs in Texas – the closest ones being at the University of Texas Health Science Center in San Antonio and at the Baylor School of Medicine in Waco. Prior to admission to a PA program, a candidate typically has four years of college and over four years of health care experience. Studies conducted by the RAND Corporation have found that PAs save as much as 20% of the costs of medical care, can perform most of the routine functions of physicians in a general medical practice, and are widely accepted by patients.

Nurses

- There are a number of educational opportunities for nurses in the Central Texas area including Austin Community College (Associate Degree and LVN/LPN programs), University of Texas (BSN and MSN programs), Texas State University (BSN program), and Concordia College (BSN program).
- According to the latest projections from the Texas Center for Nursing Workforce Studies, demand for full-time registered nurses in Texas in 2008 exceeds supply by 22,000. This gap is anticipated to grow to 70,000 by 2020. Texas schools currently turn away thousands of nursing students every year due to a shortage of qualified faculty.

To help assist with the anticipated new demand for medical services that will be created by the passage of the Affordable Care Act, grant opportunities are being offered at the national level to help increase the availability of primary care services including the support of additional nurses, Advance Practice Nurses, and Physician Assistants.

I hope you find this information of use for our discussion. If there is a particular piece of data that you do not see in the memo or any of the attachments but you feel is important to the discussion, please let me know and we will try to locate that information prior to the meeting.

As always, thank you for your commitment to Central Health and to this planning process.

Physicians

Physicians

1. Role of Physicians: Physicians diagnose illnesses and prescribe and administer treatment for people suffering from injury or disease. Physicians examine patients, obtain medical histories, and order, perform, and interpret diagnostic tests. They counsel patients on diet, hygiene, and preventive healthcare.

   There are two types of physicians: *M.D.* (*Medical Doctor*) and *D.O.* (*Doctor of Osteopathic Medicine*). M.D.s also are known as *allopathic physicians*. While both M.D.s and D.O.s may use all accepted methods of treatment, including drugs and surgery, D.O.s place special emphasis on the body's musculoskeletal system, preventive medicine, and holistic patient care. D.O.s are most likely to be primary care specialists although they can be found in all specialties. About half of D.O.s practice general or family medicine, general internal medicine, or general pediatrics.

2. Current Supply: According to the Texas Medical Board, there are 2,853 licensed physicians in Travis County of which approximately 37%, or 1,067 physicians, are in primary care (Family Medicine, Family Practice, Internal Medicine, OB/Gyn, and Pediatrics).

3. Identified Need. There have been a number of analyses (not all of which agree) regarding the increasing need for physicians at the national, state, and local levels. The following summarizes some of these findings:

   - **National Level**: The Association of American Medical Colleges has warned of a deficiency of up to 125,000 doctors by 2025. The Health Resources and Services Administration has projected that the supply of primary care physicians will be adequate through 2020, at which point there will be a deficit of 65,560 physicians. The American Academy of Family Physicians estimates the need for al most 149,000 extra doctors by that year. In addition, nationally, nearly one fourth of the active physician workforce is age 60 or older. (See Attachment on Workforce Development under the Affordable Care Act to help address the need for additional providers at all levels which will be exacerbated by Health Care Reform.)

   - **State Level**. The Texas Medical Association reports that Texas has about 43,000 physicians engaged in patient care for a population of about 23 million. This ranks Texas 45th in the nation in the number of physicians per population. Its eight medical schools and their partner organizations educate and train about 5,400 medical students and 65,000 resident physicians, numbers that have changed very little in about 25 years.

     Texas ranks 2nd in total population. When compared with the top six most populous states, Texas falls to 4th in the ranking of both the number of medical students and the number of physicians in training (resident physicians) per capita. Other high-population states have been successful in educating or recruiting more physicians than Texas, leaving Texas at the bottom in the number of physicians per capita for high-population states.

	TX	CA	FL	IL	NY	PA	US Total
Population	22,859,968	36,132,147	17,789,864	12,763,371	19,254,630	12,429,616	296M
Med Education							
# of Med Schools (MD/DO)	7/1	8/2	4/2	7/1	12/1	6/2	125/21
Total Med Students	5,419	5,591	2,578	5,238	8,148	6,307	80,200
Med Grads per 100,000 pop	5.5	3.6	2.9	9.6	10.4	11.8	6.2
Patient Care Phys per 100,000 pop	186	227	217	241	330	255	236

- **Local Level**. A May 2009 study by Seton estimates that the demand for physicians to meet Central Texas' healthcare needs will grow to more than 5,000 by 2020. The gap between supply and demand, estimated at 600 for 2010, is projected to grow to nearly 3,000 by 2020. the largest gaps are in primary care (family practice, internal medicine, pediatrics) and in medical and surgical sub-specialties. (See full report attached.)

4. Education. To become an attending physician, an individual must complete a 4-year college or university program, a 4-year medical program, and then a residency training program the length of which is dependent upon the field of study (primary care is typically a 3 year residency program). See attachment on Physician Education/Training Process.

   There is currently no medical school in Austin to provide the 4-year medical education program. There are residency opportunities here in affiliation with the University of Texas Southwestern. UT Southwestern residents are currently providing services in a number of locations locally including University Medical Center Brackenridge and CommUnityCare. The following statistics demonstrate the retention rates of physicians within Texas when they have completed some or all of their education/training here.

Active Physicians who **Graduated from Medical School** in Texas	Active Physicians who **Graduated from Medical School** in Texas and Are Active in Texas		
	Number	Percent	Rank in U.S.
34,619	20,370	58.8%	2

Active Physicians who **Completed GME** in Texas	Active Physicians who **Completed GME** in Texas and Are Active in Texas		
	Number	Percent	Rank in U.S.
42,551	24,171	56.8%	7

Active Physicians who **Graduated from Medical School and Completed GME** in Texas	Active Physicians who **Graduated from Medical School and Completed GME** in Texas and Are Active in Texas		
	Number	Percent	Rank in U.S.
17,689	14,127	79.9%	4

5. Hospital District/Medical School Affiliations. Each of the largest hospital districts in Texas has an affiliation with at least one Medical School. Central Health's current "affiliation" is much looser than the others in terms of only providing residency slots and not providing any direct financing or having any other direct contracting arrangements with a medical school at this time. Corpus Christi is like Central Health in that they also do not operate the District hospital.

   Locally, UT Southwestern signed an affiliation agreement with Seton Family of Hospitals on December 1, 2009 (See attached presentation on UT Southwestern and Austin that Dr. Cox provided at the April 22, 2010 board meeting). They have 186 residents providing services in Austin within ten programs – dermatology, family medicine, internal medicine, neurology, OB/Gyn, pediatrics, psychiatry and child psychiatry, surgery, and transitional. These residents are providing care not just at Seton facilities but also at the Central Health-owned University Medical Center Brackenridge and CommUnityCare health centers as well as some psychiatric services provided through Capital Psychiatry Associates, Austin Travis County Integral Care, the Veterans Administration, UT counseling center, and the Bastrop federal correctional facility.

   See the Analysis of Hospital Districts and Teaching Hospitals within the packet for information on the affiliations.

   To help further inform this issue, Stacy Wilson spoke with representatives of a number of the hospital districts to obtain their "pros and cons" regarding working with medical schools. Her findings are reported on the attached Pros and Cons report.

Summary of Workforce Development under the Affordable Care Act
Secretary Sebelius of HHS and Dr. Wakefield, head of HRSA
June 17, 2010

Focused on primary care providers

Administration believes that we need good quality providers or there effectively is no health care. Essential to making sure that we have high-quality care. Recovery Act made first investment in work force. Need to make sure that Americans can see a doctor.

Issue for rural communities – primary care providers in necessary in both urban and rural settings but in rural settings they may be only type of provider that residents have access to – focus on prevention in addition to delivering acute care. Backbone to keep communities healthy.

Nurses – New provisions have 2 important initiatives: $30 million into training programs for nurse practitioners to produce an additional 600 primary care NPs. Second, there is additional funding to support nurse-managed health clinics. Those funds will provide training opportunities for NPs and nurses – also social workers and medical students trained because the clinics will likely be tied to academic medicine.

The Affordable Care Act builds on the investment in community health centers that was begun under the stimulus act. Add new sites; update existing CHCs and add nurse-led health centers, They anticipate that twice as many Americans will have access to CHCs by 2015 (increase from 20 million to 40 million).

There are now 7,900 CHC sites across the country. The Affordable Care Act provides $11 billion in additional resources for renovation/expansion – expanding availability of services.

College student interested in being a family doctor – what help is available? National Health Service Corp provides for repayment of loans or scholarships for individual medical students PAs, NPs who agree to work in underserved area – very important program. More scholarships and loan repayments in exchange for services in underserved areas is a win-win.

Medicare physicians – afraid lose physician. Biggest threat to physicians has to do with a payment situation that has been there for the last 10 years – Congress hasn't fixed it. Hoping that Congress will fix today – cannot threaten doctors with a cut in pay – they are the delivery system. President has put a long-term fix in his budget so that Medicare enrollees won't lose their providers.

Physician Education/Training Process

1

Student attends and graduates from a 4-year college/university.

2

Student attends and graduates from a 4-year **medical college or university**.

Step 2 is what is referenced in discussions around the establishment of a **"medical school"** in Austin. This currently does not exist in Travis County.

3

Individual is matched with a **residency program** for required years of training for chosen specialty (usually 3 years for primary care, longer for other specialties).

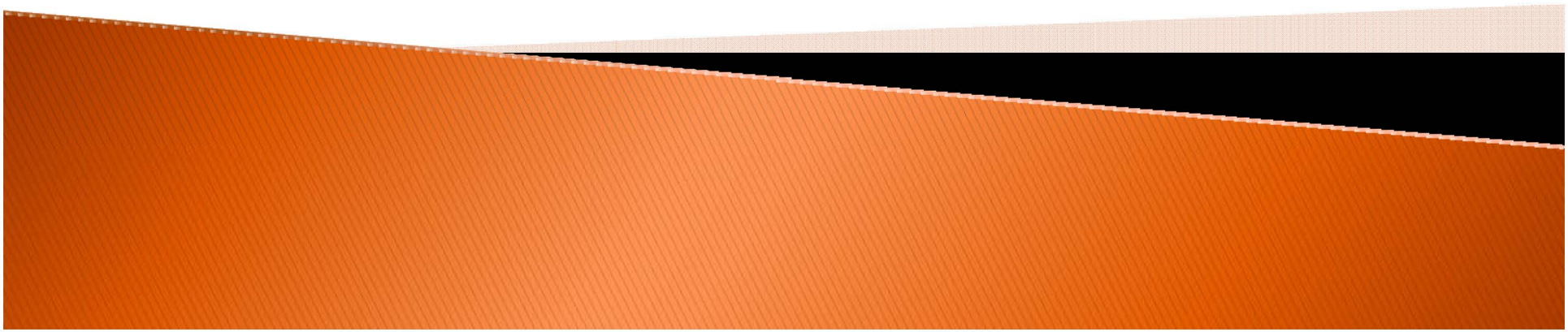
Step 3 is what is referred to as "**Graduate Medical Education**." This is currently available for a designated number of individuals within Travis County.

4

Individual becomes an attending physician after successful completion of residency program.

UT Southwestern and Austin, TX

UT Southwestern Facts



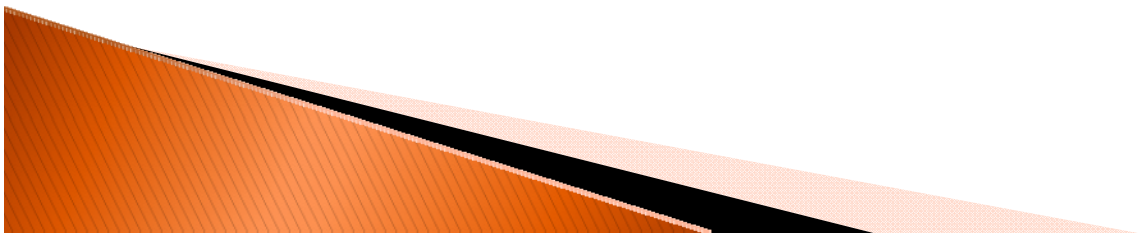
UT Southwestern Medical Center

- Ranks among the top academic medical centers in the world
- Faculty members
  - Groundbreaking biomedical research advances
  - Respected for dedication to teaching
- Patient care
  - Highest quality of care throughout the medical center's outpatient clinics and affiliated hospitals.

The medical center has three degree-granting institutions: **UT Southwestern Medical School, UT Southwestern Graduate School of Biomedical Sciences** and **UT Southwestern School of Health Professions**

UT Southwestern Medical Center

- Train nearly 4,400 medical, graduate and allied health students, residents and postdoctoral fellows each year.
- Ongoing support from federal agencies such as the National Institutes of Health, along with foundations, individuals and corporations provide more than $400 million per year to fund about 3,500 research projects.
- Faculty and residents provide care to nearly 97,000 hospitalized patients and oversee 1.8 million outpatient visits a year.



Mission

- To improve the health care in our community, Texas, our nation, and the world through innovation and education.
- To educate the next generation of leaders in patient care, biomedical science and disease prevention.
- To conduct high-impact, internationally recognized research.
- To deliver patient care that brings UT Southwestern's scientific advances to the bedside — focusing on quality, safety and service.

The future of medicine, today
UT Southwestern

UT Southwestern GME

Graduate Medical Education
Accreditation

- All UT Southwestern programs are approved by the GMEC and one of the following:
  - ACGME / RRC's
  - Texas Medical Board
  - American Dental Association
  - Specialty Board

ABO+G

ADA American Dental Association®
America's leading advocate for oral health

ACGME

UT Southwestern

- **95 ACGME Residency & Fellowship Programs**
- **1354 Residents and Fellows (186 in Austin)**
  - **481 in PRIMARY CARE (plus an additional 150 in FM Wichita Falls, Waco, Methodist, and JPS)**
- **TMB Approved = 37 plus 7 new pending**

Seton
Family of Hospitals

children's
MEDICAL CENTER OF DALLAS

VA
NORTH TEXAS
HEALTH CARE
SYSTEM

Graduate Medical Education
Major Participating Institutions

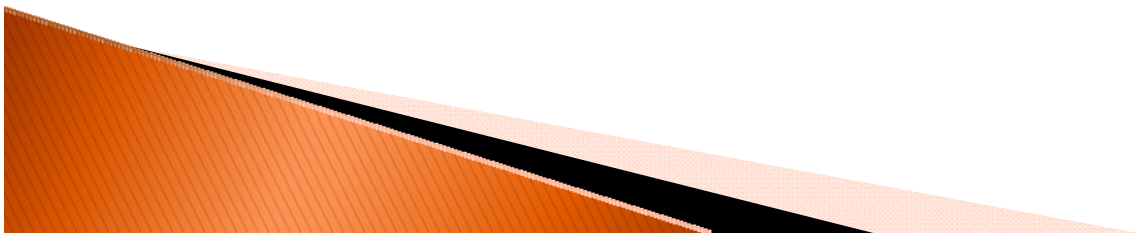
- Baylor University Medical Center
- Children's Medical Center of Dallas
- **Dallas County Hospital District-Parkland**
- **Dallas VA Medical Center**
- John Peter Smith Hospital (Tarrant County Hospital District)
- Methodist Health System Dallas
- **Seton Family of Hospitals in Austin**
- Texas Health Presbyterian Dallas
- Texas Scottish Rite Hospital for Children
- **University Hospitals (St Paul and Zale)**

Dec 1, 2009

- Signed affiliation agreement with **Seton Family of Hospitals**
  - Sponsoring Institution for the GME programs in Austin
  - Plans to develop a research program

Graduate Medical Education

- Current status
  - 10 programs (Derm, Family Medicine, Internal Medicine, Neurology, ObGyn, Peds, Psych & Child Psych, Surgery, and Transitional)
- Future
  - Add Emergency Medicine and PM & R
  - Explore Medicine, Pediatric, and Surgery subspecialty programs
    - Cardiology, Gastroenterology, Geriatrics, Hospice & Palliative Care, Plastic Surgery, Neurosurgery



National Residency Matching Program

2010

NRMP

National Resident Matching Program

NRMP 2010

- **Residency 306 total spots**
  - Matched 298
    - **Dallas 231**
    - **Austin 67**
  - Unfilled 8
    - Surgery Preliminary 6 openings*
    - Clinical Pathology 1 opening
    - Neurosurgery 1 opening*

    ** Filled in scramble*

NRMP 2010
Matched to UT Southwestern

Matched 231 to Dallas Campus

117 from Texas

UT Southwestern = 60
UTHSCH = 6
UTSAHSC = 17
UTMB = 10
Baylor = 5
Texas A & M = 5
Texas Tech = 7
UNTHSC = 7

Match 67 to Austin Campus

43 current Texas address

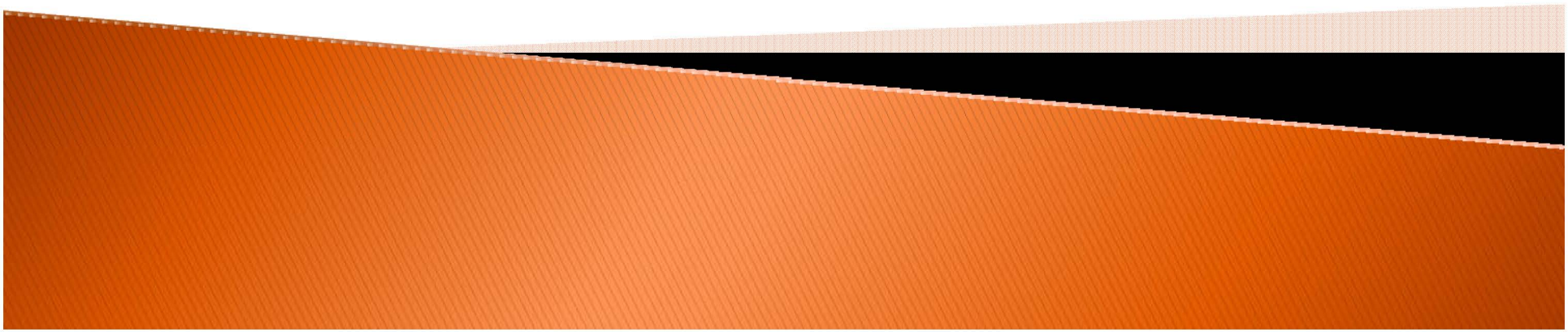
Austin the future…. Research

- Current
  - Pediatrics
    - obesity studies
    - Pediatric Oncology clinical trials
  - Brain & Spine – Neuro emergencies
  - Pharmacy clinical trials
- Future
  - Develop and implement clinical research programs in Austin and surrounding areas
  - Partner with UT Austin, Dell Pediatric Research Institute, Central Health (previously know as Travis County Healthcare District), and others

Research

- Currently underway
  - Develop Seton/UT Southwestern Center for Clinical Investigation
  - Recruit a Chief Executive Officer for Research and Clinical Investigation
  - Recruit 20 clinical scholars
    - Offer out to the first

More good things to come…



Analysis of Hospital Districts and Teaching Hospitals

Hospital District/dba	County Population Size/Rank	Hospital/ Health System	Medical Education Affiliation	Hospital District Tax Rate/Rank	Hospital District Tax Levy per Capita/Rank
Bexar County/ University Health System	1.6M (4)	University Hospital & 5 community clinics	University of Texas Health Science Center at San Antonio	.2374 (2)	$139 (4)
Dallas County/Parkland Health & Hospital System	2.4M (2)	Parkland Hospital, 9 community health centers, 11 youth/family centers, 8 women's clinics, a senior outreach program	University of Texas Southwestern Medical School (teaching and research)	.2540 (1)	$174 (2)
Ector County/Medical Center Hospital	128,221 (9)	Medical Center Hospital, West Texas Cancer Center	Texas Tech University Health Science Center at Odessa (teaching)	.0695 (9)	$206 (1)
El Paso County/ University Medical Center of El Paso	747,477 (6)	University Medical Center of El Paso, Thomason C.A.R.E.s primary care clinics	Texas Tech University School of Medicine (primary), El Paso Community College, New Mexico State University, Sul Ross State University	.1723 (5)	$71 (8)
Harris County/Harris County Hospital District	3.9M (1)	3 hospitals (Ben Taub, LBJ, & Quentin Mease), 2 specialty centers, and 11 community health centers	Baylor College of Medicine, University of Texas Medical School, University of Texas Dental Branch, University of Texas Health Science Center at Houston	.1922 (4)	$109 (5)
Lubbock County/ University Medical Center	260,258 (8)	University Medical Center, UMC Southwest Cancer & Research Center, Lubbock EMS	Texas Tech University Health Sciences Center	.1166 (8)	$61 (10)
Midland County/Midland Memorial Hospital	125,707 (10)	3 hospitals – Midland Memorial, Memorial West, Memorial Rehabilitation Allison Cancer Center	Texas Tech University Health Sciences Center	.1423 (7)	$106 (6)

Source: 2009 Report. Primary Care and Indigent Care Comparison Report. Morningside Research and Consulting, Inc. except for last 2 columns which are taken from the 2008 Report. Public Hospital Strategic Financial Planning. Morningside Research and Consulting.

Hospital District/dba	County Population Size/Rank	Hospital/ Health System	Medical Education Affiliation	Hospital District Tax Rate/Rank	Hospital District Tax Levy per Capita/Rank
Nueces County/Nueces County Hospital District	319,881 (7)	Memorial Medical Center (owned by District, leased by Christus Spohn)	N/A	.1448 (6)	$79 (7)
Tarrant County/JPS Health Network	1.7M (3)	John Peter Smith Hospital and 27 affiliated medical centers	Texas Southwestern Medical Center, Texas A&M University System Health Science Center, University of North Texas Health Science Center, Baylor University Medical Center	.2304 (3)	$155 (3)
Travis County/ Central Health	947,215 (5)	University Medical Center Brackenridge (owned by District leased by Seton Family of Hospitals), Austin Women's Hospital (owned by District, managed by UTMB Galveston), 19 FQHC clinics	University of Texas Southwestern, University of Texas Medical Branch Galveston	.0693 (10)	$62 (9)

Source: 2009 Report. Primary Care and Indigent Care Comparison Report. Morningside Research and Consulting, Inc. except for last 2 columns which are taken from the 2008 Report. Public Hospital Strategic Financial Planning. Morningside Research and Consulting.

Pros and Cons of Academic Medicine/Hospital District Relationships*

PROS	CONS
Ability to deliver a broader scope of services and "cutting edge" services to enrollees/patients	Mission tension: academic medicine mission is education and research, and the hospital district mission is service delivery and productivity, which can clash and often do
Public perception that academic medicine delivers higher-quality care; certain panache associated with academic medicine that may attract paying patients	Once the entities are in the relationship, it is very difficult to terminate
Ready pool of physicians to see enrollees/patients – alleviates need to contract with many different providers and provider groups; this is especially important with uninsured and underserved populations	Resource-intensive relationship: • Some districts perceive that they are paying too much for the services received • Difficult to incentivize/measure productivity due to the mission tension • Infrastructure to support the medical students and residents always costs more and is more extensive than anticipated – depends on what the district agrees to pay for
Retention rate for physicians who supervise residents is higher than for physicians who do not supervise residents	Current culture of districts needing medical schools more than medical schools needing districts; the districts need physicians to provide care to the uninsured and underserved and use medical schools to do that; in other areas of the country where there are fewer uninsured, the medical schools need hospitals to train their residents more than the hospitals need the residents
Many opportunities are available for both parties to benefit if the relationship is structured appropriately, as both parties have things of value that they bring to the relationship	Difficult to establish consistent, effective lines of communication between the two organizations
Residency program provides ready source for both new supervising physicians (faculty) and providers	Ready source for negative publicity depending on how the residents are treated
Residents leverage faculty physicians and can make them more effective, depending on the discipline – for example, a family practice physician can supervise four residents, who make the faculty physician four times more effective; the same would not be true for a neurosurgeon	

*Compiled from responses from Dallas, El Paso, Harris, and Lubbock County Hospital Districts

Mid-Level Providers

Advanced Practice Nurses
Nurse Practitioners

1. Role of Advanced Practice Nurses (APNs): Advanced Practice Nurses is a global term to describe a level of nursing practice that utilizes extended and expanded nursing skills, and advanced healthcare experience and knowledge in assessment, planning, implementation, and diagnosis and evaluation of the care required. Nurses practicing at this level are educationally prepared at post-graduate level and may work in a specialist or generalist capacity.

   The APN term encompasses four areas of specialty practice – clinical nurse specialists, nurse anesthetists, nurse midwives, and nurse practitioners. This analysis focuses on the Nurse Practitioner role and its ability to "extend" the services of a physician. A nurse practitioner (NP) is a registered nurse who has advance education and clinical training in a health care specialty. Most NPs have national certification in their areas of expertise. NPs serve as primary health care providers for children and adults during health and illness. Areas of specialty can include acute care, adult medicine, family medicine, geriatrics, neonatal, oncology, pediatrics, psychiatrics/mental health, and women's health.

   Specific services that can be provided by NPs include –
   - Physical examination, treatment, and procedures
   - Ordering and interpretation of laboratory and diagnostic studies
   - Family planning services
   - Healthcare during pregnancy
   - Well/sick care for all ages
   - Health risk evaluation
   - Psychological counseling
   - Coordination of healthcare services
   - Health education
   - Prescribing of medication, as regulated by each state's Nurse Practice Act

2. Current Supply: According to the Texas Board of Nursing, there are 711 APNs in Travis County, 361 of which are Nurse Practitioners. There are over 12,000 APNs in Texas and 7,900 NPs throughout the state.

3. Identified Need. There is no analysis regarding the specific number of additional Nurse Practitioners needed at the local, state, or national level. However, it is worth noting that a physician can have up to 4 full-time equivalents of either physician assistants or advanced practice nurses working under him/her. Increasing the NP to provider ratio may be a more inexpensive and quicker way to help fill the identified need for additional physicians (See Physician sheet).

4. Education. Nurse Practitioners are registered nurses who receive advanced education (master's degree) in their chosen field. The following educational options are available for individuals in Central Texas:

   a. The UT School of Nursing offers the following programs –
      - Family Nurse Practitioner
      - Pediatric Nurse Practitioner
      - Neonatal Nurse Practitioner
      - Acute Care Pediatric Nurse Practitioner
      - Family Psychiatric Mental Health Nurse Practitioner
      - Clinical Nurse Specialist

b. Texas Tech Health Science Center offers the following programs (distance learning opportunities available)
    - Family Nurse Practitioner
    - Pediatric Nurse Practitioner
    - Acute Care Nurse Practitioner
    - Geriatric Nurse Practitioner

A recent study by the American Academy of Nurse Practitioners of 129 of 133 accredited MD-granting schools compared the cost of two-year NP programs (Master of Science in Nursing) to the cost of physician programs. The study found that the total tuition cost to prepare a primary care NP is less than one year of medical tuition in either a Medical Doctor (MD) or Doctor of Osteopathy (DO) program.

- For the 2009-2010 school year, the average tuition of one year of public medical school was $3,610 more than the entire MSN tuition cost at a public university.
- For the same year, the average tuition of one year of private medical school was $4,951 more than the entire MSN tuition cost as a private university.

Physician Assistants

1. Role of Physician Assistants (PAs): Physician Assistants are health care professionals licensed to practice medicine with physician supervision. As part of their comprehensive responsibilities, PAs conduct physical exams, diagnose and treat illnesses, order and interpret tests, counsel on preventive health care, assist in surgery, and in virtually all states can write prescriptions. Within the physician-PA relationship, PAs exercise autonomy in medical decision making and provide a broad range of diagnostic and therapeutic services. A PA's practice may also include education, research, and administrative services.

2. Current Supply: According to the American Academy of Physician Assistants, there were approximately 72,000 individuals eligible to practice as PAs across the country in 2009. There were approximately 4,600 PAs in clinical practice in Travis County in 2008. The majority of PAs in Travis County work in Family/General Medicine (35%) and Internal Medicine (11%).

3. Identified Need. There is no analysis regarding the specific number of additional Physician Assistants needed at the local, state, or national level. However, it is worth noting that a physician can have up to 4 full-time equivalents of either physician assistants or advanced practice nurses working under him/her. Increasing the PA to provider ratio may be a more inexpensive and quicker way to help fill the identified need for additional physicians (See Physician sheet).

4. Education. To be licensed as a PA in Texas, an individual must graduate from an accredited PA program, have passed the National Commission on Certification of Physician Assistants exam, and be approved by the Texas State Board of Physician Assistant Examiners. Prior to admission, a typical PA student has four years of college and over four years of health care experience. PA education is typically 25 to 27 months of intensive and comprehensive course work, and PA students may take some of their classes with medical students. Most PA programs award a Master's degree.

   There are no physician assistant programs in Central Texas. There are seven in the state with the closest ones being at the University of Texas Health Science Center in San Antonio and the Baylor School of Medicine in Waco.

   The Texas Academy of Physician Assistants notes that studies conducted by the RAND Corporation have found that PAs save as much as 20% of the costs of medical care, can perform most of the routine function in a general medical practice, and are widely accepted by patients. PAs spend more time seeing routine cases and educating patients, freeing up the physician to handle more complicated cases.

Nurses

Nurses

1. Role of Registered Nurses: A registered nurse is a healthcare professional who works as a member of a healthcare team. Registered nurses (RNs) record patient's medical histories and symptoms, help perform diagnostic tests and analyze results, operate medical machinery, administer treatment and medications, and help with patient follow-up and rehabilitation. They also educate patients and the public about various medical conditions and provide advice and emotional support to patient's family members.

2. Current Supply: Based on the Texas Board of Nursing website, Travis County has approximately 6,000 RNs, most of whom work in an inpatient hospital setting (53%) or in a physician or dentist office (8%).

3. Identified Need: There is no current analysis of the unmet need for nurses at the local level. At the state level, the Texas Center for Nursing Workforce Studies, reports that demand for full-time registered nurses in Texas in 2008 exceeded supply by 22,000. Without major increases in funding for nursing education, this gap is projected to widen to 70,000 by 2020 as the state's rapidly growing population ages and requires more acute care, and as older nurses retire or reduce the hours they work.

   At the same time, Texas nursing schools have turned away thousands of qualified applicants – some 8,000 in 2008 alone due to a shortage of qualified faculty willing to teach at prevailing salaries. Nurse faculty salaries must be competitive with schools in other states and with what nurses qualified to teach can earn in clinical practice settings.

4. Education: The three typical educational paths to registered nursing are a bachelor's degree, an associate degree, and a diploma from an approved nursing program. There are a number of educational opportunities for nurses in the Central Texas area including –

   - Austin Community College (Associate Degree and Licensed Vocational Nurse/Licensed Practical Nurse programs)
   - University of Texas (Bachelor of Science in Nursing)
   - Texas State University (Bachelor of Science in Nursing)
   - Concordia College (Bachelor of Science in Nursing)

CENTRAL
HEALTH

Board of Managers meeting

July 7, 2010

AGENDA ITEM 5
(No backup)

Confirm the next regular Board meeting date, time, and location.