TRAVIS COUNTY HEALTHCARE DISTRICT
BOARD OF MANAGERS

AGENDA

Thursday, September 25, 2008
5:30 p.m.

Granger Building, First Floor, Commissioners Courtroom
314 West 11th Street
Austin, Texas 78701

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 minutes for the following meetings of the Travis County Healthcare District Board of Managers:

a. August 28, 2008; and
b. September 4, 2008 (regular Board meeting).

C2. Receive the August 2008 Investment Report and ratify Healthcare District investments for August 2008.

C3. Approve a proposed Fifth Amendment and Renewal of the Memorandum of Understanding between the Travis County Healthcare District and the Integrated Care Collaboration f/k/a the Indigent Care Collaboration.

C4. Take appropriate action regarding the City of Austin's proposed creation of a tax increment financing reinvestment zone for the Seaholm Redevelopment Project.

REGULAR AGENDA*

1. Discuss and take appropriate action regarding proposed amendments to the Travis County Healthcare District Investment and Collateral Policies and Procedures.

2. Discuss and take appropriate action regarding a proposed renewal and amendment of the contract for indigent care services between the Travis County Healthcare District and People's Community Clinic.

3. Discuss and take appropriate action regarding a proposed renewal and amendment of a contract between the Travis County Healthcare District and Travis County Medical Society (Project Access) and authorize the expenditure of $30,000 in Fiscal Year 2009 expansion funds for this contract.

4. Discuss and take appropriate action on a proposed amendment to the Contract for Primary Care Services with El Buen Samaritano Episcopal Mission and authorize the expenditure of $10,000 in Fiscal Year 2008 expansion funds and $50,000 in Fiscal Year 2009 expansion funds for this contract.

5. Discuss and take appropriate action regarding a proposed Agreement for Family Medicine Services by and between the Travis County Healthcare District and Blackstock Family Health Center and authorize the expenditure of $300,000 in Fiscal Year 2009 expansion funds for this contract.

6. Discuss and take appropriate action regarding a proposed renewal and amendment of the Inpatient Mental Health Services Agreement among the Travis County Healthcare District, Austin/Travis County Mental Health Mental Retardation Center, Daughters of Charity Health Services of Austin d/b/a Seton Healthcare Network, Seton Shoal Creek Hospital, and the Austin Medical Education Program.

7. Discuss and take appropriate action regarding the renewal of the Professional Information Technology Consulting Services Agreement with MTG Management Consultant, L.L.C. and the issuance of task orders under that agreement and the issuance of task orders under the Professional Organizational and Operations Assessment Consulting Services Agreement with Phase 2 Consulting Inc.

8. Discuss and take appropriate action regarding an Assignment and Assumption of an Agreement for Specialized Data Processing Services between the Indigent Care Collaboration and the City of Austin.

9. Discuss and take appropriate action regarding a proposed renewal and amendment of the Interlocal Agreement between the Travis County Healthcare District and the City of Austin.

10. Discuss and take appropriate action on the Fourth Amendment to the Interlocal Agreement between Travis County Healthcare District and Travis County, Texas.

11. Receive and discuss a report of the August 2008 financial statements for the Travis County Healthcare District.

12. Receive and discuss the CEO's report on current District activities, including (a) updates on District staff activity; (b) updates on District contracts and related activities.

13. Receive and discuss reports from the Board committees: *ad hoc* Community Care Services Department Transition Committee, *ad hoc* Medical School Committee, Audit and Compliance Committee, Budget and Finance Committee, and Legislative Committee (including a report from HillCo Partners, the District's legislative consultant, on current and anticipated legislative and executive branch, including state agency, activities).

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

15. Receive and discuss an update regarding the transfer of the Federally Qualified Health Center (FQHC) status and the Community Care Services Department from the City of Austin to the Travis County Healthcare District or a section 501(c)(3) corporation, including infrastructure, governance, and retirement matters.[1]

16. Discuss and take appropriate action regarding the award of a contract with Network Logistics, Inc. for RFP 0804-001, information technology services.

17. Receive and discuss an update of the broadcast of "Critical Condition" on KLRU on September 30, 2008.

Note 1, Section 551.071, Government Code, Consultation with Attorney

* The Board of Managers may take items in an order that differs from the posted order.

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 a Bulletin Board in the Courthouse, Austin, Travis County, Texas on this the 19th day of September 2008

Dana DeBeauvoir
County Clerk, Travis County, Texas

By K. Mente Deputy
K. Mente

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item C1

Approve minutes for the following meetings of the Travis County Healthcare District Board of Managers: (a) August 28, 2008; and (b) September 4, 2008 (regular Board meeting).

(Back-Up: Minutes)

Unapproved

MINUTES OF MEETING – AUGUST 28, 2008

TRAVIS COUNTY HEALTHCARE DISTRICT
BOARD OF MANAGERS MEETING

On Thursday, August 28, 2008, a regular meeting and public hearing of the Travis County Healthcare District Board of Managers convened in open session at 5:00 p.m. in the Commissioners Courtroom of the Granger Building, 314 West 11th Street, Austin, TX 78701. A quorum was present. Secretary Lancaster presided in Chairperson Richie and Vice-Chairperson Coopwood's absence. Clerk for the meeting was Margo Davis.

PUBLIC HEARING

1. Present an overview of the Travis County Healthcare District's proposed Fiscal Year 2009 budget and the associated tax rate and receive public comment concerning the proposed budget and tax rate.

Manager Heidrick moved that the Board open the public hearing on the Travis County Healthcare District's proposed Fiscal Year 2009 budget and tax rate for the 2008 tax year. Manager Rodriguez seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	Absent
Vice-Chairperson Tom Coopwood	Absent
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	Absent
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	For

Clerk's Notes: Carolyn Konecny, District Chief Financial Officer, presented the proposed fiscal year 2009 budget and its major programmatic components: healthcare services; District operations; the Community Health Center transition; and revenue and tax rate considerations. The fiscal year 2009 strategic priorities were considered in formulating the budget. The expenditure increases in the budget are primarily related to providing increased access to primary care, specialty care, and mental health services; transition costs, including associated infrastructure; and expected annual cost increases due to inflation. The District's 2009 budget of $95.2 million is funded by a proposed tax rate of $.0679 and $7.5 million in reserves. The proposed Fiscal Year 2009 budget is a 6.1% increase over the 2008 adopted budget. The capital budget will cover information technology, facility-related equipment/renovations, and land and building improvements. The unallocated reserves continue to reflect 150 days cash on hand. Allocated reserves may be used in the future for transition, medical program

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redesign, mental health initiatives, reduction in Medicaid Disproportionate Share Hospital/Upper Payment Limit program funding and unforeseen expenses.

The current average homestead property value, taking into account applicable tax exemptions, is $211,389. The impact of the 2008 proposed tax rate to the average homeowner is an increase of $8.47 over the fiscal year 2008 tax payment.

After Ms. Konecny's presentation, the following individuals expressed their support for the District's proposed budget and tax rate and commented on other associated issues:

Jimmy Castro, a resident of Milwood neighborhood, stated that he supports the District's proposed 2009 budget and tax rate, as well as the proposed North Central Community Health Center. He described the impact that the proposed 2009 budget and tax rate will have on the individuals and communities in the Travis County area.

Mark Clayton, Senior Vice President of Strategic Planning and Development of St. David's Healthcare, expressed his support of the District's proposed 2009 budget and tax rate. He explained that the 2009 budget and tax rate will be an investment in the health of citizens because they permit the District to focus on expanding primary and specialty care and mental health services.

Frances McIntyre, President of the League of Women Voters of the Austin area, offered support for the District's proposed 2009 budget and tax rate. She stated that the 2009 proposed budget and tax rate will address access to mental health care and expand services.

Carl Angel, President of the Board of Directors of El Buen Samaritano, expressed his support of the District's proposed 2009 budget and tax rate. He explained that the District's payments to El Buen Samaritano has helped improve efficiency, expand hours of care, and expand the scope of services to the many families in need of care.

Mindy Gomillion, representing the Reach Out and Read Program, expressed her support of the District's proposed 2009 budget and tax rate. She also expressed support for the proposed location for the new North Central Community Health Center, which, in her opinion, will provide a significant opportunity for the families in the area.

Ashton Cumberbatch, Vice President of the Seton Family of Hospitals/Advocacy & Community Relations, offered his support for the proposed budget and tax rate. He acknowledged that the District contributed to the expansion of Seton's trauma services, mental health services, and collaborative efforts to expand the safety net.

Angela Baker, a resident who lives near the proposed location of the new North Central Community Health Center, provided her support of the proposed 2009 budget and tax rate and the North Central Community Health Center. She looks forward to having a clinic in her neighborhood and feels it will be a great asset to the area. As a

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Medicare beneficiary, she has experienced problems with access to healthcare, which she feels will be remedied by a clinic in her neighborhood.

There being no additional public comment, a motion was made by Manager Barker to close the public hearing. Treasurer Mendoza seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	Absent
Vice-Chairperson Tom Coopwood	Absent
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	Absent
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	For

REGULAR AGENDA

2. Notify the public of the date, time, and place of the second meeting at which an overview of the Fiscal Year 2009 budget and associated tax rate will be presented and of the meeting at which the Travis County Healthcare District Board of Managers will vote to adopt the Fiscal Year 2009 budget and the tax rate for the 2008 tax year.

Clerk's Notes: Secretary Lancaster announced that the second public hearing on the District's proposed Fiscal Year 2009 budget and the associated tax rate will be held on Thursday, September 4, 2008, at 6:30 p.m. in the Cesar Chavez Building, Board Conference Room, 1111 Cesar Chavez Street in Austin, Texas.

Secretary Lancaster also announced that the Board is scheduled to vote on the District's proposed Fiscal Year 2009 budget and tax rate for the 2008 tax year on Thursday, September 11, 2008, at 5:30 p.m. in the Granger Building, First Floor, Commissioners Courtroom, 314 West 11th Street in Austin, Texas.

There being no further discussion or agenda items, Treasurer Mendoza moved that the meeting adjourn. Manager Barker seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	Absent
Vice-Chairperson Tom Coopwood	Absent
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	Absent

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Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	For

The meeting adjourned at 5:30 p.m.

_____
Carl S. Richie Jr., Chairperson
Travis County Healthcare District Board of Managers

ATTESTED TO BY:

_____
Rose Lancaster, Secretary
Travis County Healthcare District Board of Managers

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Unapproved

MINUTES OF MEETING – SEPTEMBER 4, 2008

TRAVIS COUNTY HEALTHCARE DISTRICT
BOARD OF MANAGERS MEETING

On Thursday, September 4, 2008, a regular meeting of the Travis County Healthcare District Board of Managers convened in open session at 5:18 p.m. in the Cesar Chavez Building, Board Conference Room, 1111 E. Cesar Chavez, Austin, Texas 78702. A quorum was present. Secretary Lancaster was present, and Vice-Chairperson Coopwood presided in Chairperson Richie's absence. Clerk for the meeting was Margo Davis.

CITIZENS' COMMUNICATION

Clerk's Notes: None.

CONSENT AGENDA

C1. Approve minutes of the July 24, 2008, meeting of the Travis County Healthcare District Board of Managers.

C2. Receive the July 2008 Investment Reports and ratify Healthcare District investments for July 2008.

C3. Approve the Fourth Amendment to the External Auditing Contract between Maxwell Locke & Ritter LLP and the Travis County Healthcare District.

C4. Approve the Second Renewals of Agreements for Ophthalmologic Services by and between Travis County Healthcare District (a) Brian B. Berger, M.D., P.A.; (b) Austin Retina Associates; and (c) Richard B. Briggs, M.D., P.A.

C5. Approve the Second Renewal of the Radiation Oncology Services Agreement with Austin Texas Radiation Oncology Group, P.A. d/b/a Austin Cancer Centers.

Clerk's Notes: Consent Agenda Item C4 was not considered as part of the consent agenda on staff's recommendation. Manager Patrick moved that the Board approve Consent Agenda items C1, C2, C3, and C5. Secretary Lancaster seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	Absent
Vice-Chairperson Tom Coopwood	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	Absent
Manager Bobbie Barker	For
Manager Clarke Heidrick	For

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Manager Donald Patrick	For
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	Absent

REGULAR AGENDA

C4. Approve the Second Renewals of Agreements for Ophthalmologic Services by and between Travis County Healthcare District (a) Brian B. Berger, M.D., P.A.; (b) Austin Retina Associates; and (c) Richard B. Briggs, M.D., P.A.

Clerk's Notes: Vice-Chairperson Coopwood turned the Chairperson's role over to Secretary Lancaster for this item and neither participated in the discussion nor voted on this item.

Stacy Wilson, Travis County Assistant Attorney, explained that the Ophthalmologic Services Agreements expand access to specialty care services, specifically, eye screening services. These contracts have a combined annual payment cap of $72,000 and the proposed renewals are on the same terms and conditions as are in the current contracts.

Manager Patrick moved that the Board approve item C4 as presented by staff. Manager Heidrick seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	Absent
Vice-Chairperson Tom Coopwood	Abstain
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	Absent
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	For
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	Absent

1. Receive and discuss a City of Austin Community Care Services Department (CCSD) operational update from David Vliet, CEO, CCSD, or his designee.

Clerk's Notes: David Vliet, CCSD Chief Executive Officer, and Leslee Froehlich, CCSD Chief Operating Officer, provided an update on expansion projects funded by the District. Mr. Vliet announced that there will be a grand opening for the William Cannon health center in October.

Vice-Chairperson Coopwood relinquished the Chairperson's role to Chairperson Richie, who had joined the proceedings while they were in progress, for the remainder of the meeting.

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2. Discuss and take appropriate action on proposed revisions to the Section 401(a) retirement plan for District employees for Fiscal Year 2009.

Clerk's Notes: Ginger Baker, City of Austin Senior Process Consultant, highlighted the recommended changes and amendments to the District's retirement plan. The retirement plan has been restated to comply with new IRS requirements. Also, certain amendments have been proposed that address the treatment of certain income of the transitioning City employees and make changes required by law. Additionally, each year the Board must establish contribution levels for both the District and District employees. Staff's recommendation is to continue the current contribution rates for the next fiscal year, which recommendation is reflected in a proposed resolution.

Manager Barker moved that the Board approve the proposed revisions of and amendments to the Travis County Healthcare District Retirement Plan and the proposed Plan Year 2008-2009 resolution as presented by staff. Vice-Chairperson Coopwood seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	For
Vice-Chairperson Tom Coopwood	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	Absent
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	For
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	Absent

3. Receive, discuss, and take appropriate action on information related to the health insurance plan for District employees for the 2009 plan year.

Clerk's Notes: Carolyn Konecny, District Chief Financial Officer, explained that the District will experience premium decreases for the 2009 plan year based on the number of employees enrolled and their coverage as of July 2008. This change results in an annual savings of $3,488, or $1,453 for the five months of this abbreviated plan year. This plan will be effective from October 1, 2008 through February 28, 2009. Staff is recommending that the employee contributions to health insurance premiums for the abbreviated plan year remain at the fiscal year 2008 rates. Staff is also recommending that, in the future, the Board approve the proposed employee contributions not as a separate item but as part of the budget process.

Secretary Lancaster moved that the Board approve the proposed employee contributions to health insurance premiums for the 2008-2009 abbreviated plan year as presented by staff. She further moved that the Board authorize the District President and CEO to include the proposed employee contributions to health insurance premiums for Board consideration and approval not as a separate item but as part of the proposed

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budget beginning with Fiscal Year 2010. Manager Heidrick seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	For
Vice-Chairperson Tom Coopwood	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	Absent
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	For
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	Absent

4. Receive and discuss a report of the July 2008 financial statements for the Travis County Healthcare District.

Clerk's Notes: Carolyn Konecny, District Chief Financial Officer, gave an overview of the July financial statements, including a discussion of the Statement of Revenues, Expenses and Changes in Net Assets, and the Balance Sheet. No notable items were reported.

5. Receive and discuss the CEO's report on current District activities, including (a) updates on District staff activity; (b) updates on District contracts and related activities.

Clerk's Notes: Patricia Young Brown, District President and CEO, briefly reviewed the current procurement activity and several staff activity reports.

6. Receive and discuss reports from the following Board committees: ad hoc Community Care Services Department Transition Committee, Audit and Compliance Committee, Budget and Finance Committee, and Legislative Committee (including a report from HillCo Partners, the District's legislative consultant, on current and anticipated legislative and executive branch, including state agency, activities).

Clerk's Notes: No reports were presented, as no committee meetings had occurred since the last committee reports.

7. Receive and discuss an update regarding the transfer of the Federally Qualified Center (FQHC) status and the Community Care Services Department from the City of Austin to the Travis County Healthcare District or a section 501(c)(3) corporation, including infrastructure, governance, and retirement matters.

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Clerk's Notes: Sally Henly, District Transition Project Manager, provided an update on the various projects related to the transition. She discussed developments and tasks that have been completed since the last Board meeting update.

There being no further discussion or agenda items, Manager Patrick moved that the meeting adjourn. Secretary Lancaster seconded the motion. The motion was adopted on the following vote:

Chairperson Carl Richie	For
Vice-Chairperson Tom Coopwood	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	Absent
Manager Bobbie Barker	For
Manager Clarke Heidrick	For
Manager Donald Patrick	For
Manager Eduardo Sanchez	Absent
Manager Frank Rodriguez	Absent

The meeting adjourned at 6:15 p.m.

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Carl S. Richie Jr., Chairperson
Travis County Healthcare District Board of Managers

ATTESTED TO BY:

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Rose Lancaster, Secretary
Travis County Healthcare District Board of Managers

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travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item C2

Receive the August 2008 Investment Report and ratify Healthcare District investments for August 2008.

(Back-Up: Investment reports)

AGENDA ITEM #_____

STATE OF TEXAS)
)
COUNTY OF TRAVIS)

TRAVIS COUNTY HEALTHCARE DISTRICT

Whereas, it appears to the Board of Managers of the Travis County Healthcare District, Travis County, Texas that there are sufficient funds on hand over and above those of immediate need for operating demand,

Now, Therefore, the Board of Managers hereby orders

1.) that the County Treasurer of Travis County, Texas, acting on behalf of the Healthcare District, execute the investment of these funds in the total amount of $9,434,000.00 in legally authorized securities as stipulated in the Travis County Hospital District Investment and Collateral Policy for the periods as indicated in Attachment A, which consists of 5 pages.

2.) that the County Treasurer, acting on behalf of the Healthcare District, take and hold in safekeeping all individual security investment instruments, relinquishing same only by order of the Board of Managers or for surrender at maturity.

Date: September 25, 2008

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CHAIR, BOARD OF MANAGERS

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VICE CHAIR, BOARD OF MANAGERS

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MANAGER

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MANAGER

ATTACHMENT A

TRAVIS COUNTY HEALTHCARE DISTRICT

INVESTMENT DEPARTMENT

SECURITY TRANSACTION FORM

DATE: 08/01/2008

TIME: 10:30

The following transaction was executed on behalf of Travis County Healthcare District:

DESCRIPTION:	Texpool	FUND NAME:	HEALTHCARE DISTRICT
PAR VALUE:	101,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	2.3236%
PRINCIPAL:	101,000.00	PURCHASED THRU:	Texpool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	101,000.00	CUSIP #:	N/A
TRADE DATE:	08/01/2008	SETTLEMENT DATE:	08/01/2008

AUTHORIZED BY: Mary E Mayes

CASH/INVESTMENT MANAGER

ATTACHMENT A

TRAVIS COUNTY HEALTHCARE DISTRICT

INVESTMENT DEPARTMENT

SECURITY TRANSACTION FORM

DATE: 8/4/2008

TIME: 10:30

The following transaction was executed on behalf of Travis County Healthcare District:

DESCRIPTION:	Texas Daily	FUND NAME:	HEALTHCARE DISTRICT
PAR VALUE:	142,500.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	2.3700%
PRINCIPAL:	142,500.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	142,500.00	CUSIP #:	N/A
TRADE DATE:	8/4/2008	SETTLEMENT DATE:	8/4/2008

AUTHORIZED BY: _____

CASH/INVESTMENT MANAGER

ATTACHMENT A

TRAVIS COUNTY HEALTHCARE DISTRICT

INVESTMENT DEPARTMENT

SECURITY TRANSACTION FORM

DATE: 8/8/2008

TIME: 10:30

The following transaction was executed on behalf of Travis County Healthcare District:

DESCRIPTION:	Texpool	FUND NAME:	HEALTHCARE DISTRICT
PAR VALUE:	3,020,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	2.2531%
PRINCIPAL:	3,020,000.00	PURCHASED THRU:	Texpool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	3,020,000.00	CUSIP #:	N/A
TRADE DATE:	8/8/2008	SETTLEMENT DATE:	8/8/2008

AUTHORIZED BY: Mary E Mayes

CASH/INVESTMENT MANAGER

ATTACHMENT A

TRAVIS COUNTY HEALTHCARE DISTRICT

INVESTMENT DEPARTMENT

SECURITY TRANSACTION FORM

DATE: 8/14/2008

TIME: 10:30

The following transaction was executed on behalf of Travis County Healthcare District:

DESCRIPTION:	Texas Daily	FUND NAME:	HEALTHCARE DISTRICT
PAR VALUE:	6,157,500.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	2.3500%
PRINCIPAL:	6,157,500.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	6,157,500.00	CUSIP #:	N/A
TRADE DATE:	8/14/2008	SETTLEMENT DATE:	8/14/2008

AUTHORIZED BY: Mary E Mayes

CASH/INVESTMENT MANAGER

ATTACHMENT A

TRAVIS COUNTY HEALTHCARE DISTRICT

INVESTMENT DEPARTMENT

SECURITY TRANSACTION FORM

DATE: 8/28/2008

TIME: 10:30

The following transaction was executed on behalf of Travis County Healthcare District:

DESCRIPTION:	Texas Daily	FUND NAME:	HEALTHCARE DISTRICT
PAR VALUE:	13,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	2.4200%
PRINCIPAL:	13,000.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	13,000.00	CUSIP #:	N/A
TRADE DATE:	8/28/2008	SETTLEMENT DATE:	8/28/2008

AUTHORIZED BY: _____

CASH/INVESTMENT MANAGER

TRAVIS COUNTY HEALTHCARE DISTRICT MONTHLY INVESTMENT REPORT
PORTFOLIO STATISTICS

DATE: August 31, 2008

By Security Type		
Operating-		
TexasDAILY	30,632,109.58	28.50%
TexPool	23,660,996.53	22.02%
TexSTAR	1,999,777.59	1.86%
Treasury Securities	0.00	0.00%
Government Agencies	50,194,167.02	46.71%
Commercial Paper	981,590.28	0.91%
Total	$ 107,468,641.00	100.00%

Compared to Policy Limits		Actual %	Guidelines
Operating-			
TexasDAILY	30,632,109.58	28.50%	30.00%
TexPool	23,660,996.53	22.02%	60.00%
TexSTAR	1,999,777.59	1.86%	30.00%
Treasury Securities	0.00	0.00%	100.00%
Government Agencies	50,194,167.02	46.71%	75.00%
Commercial Paper	981,590.28	0.91%	20.00%
	$ 107,468,641.00	100.00%	

Investment Revenue & Accrued Interest	August 2008	Fiscal YTD
Operating-		
TexasDAILY	56,658.78	588,358.49
TexPool	49,306.35	1,052,068.09
TexSTAR	3,982.66	63,027.59
Treasury Securities	0.00	130,638.59
Government Agencies	128,490.07	1,588,952.83
Commercial Paper	0.00	57,111.66
	238,437.86	3,480,157.25
Discount Accretion & Accrued Interest		
Treasury Securities	0.00	83,378.13
-less previous accruals	0.00	(120,587.20)
Government Agencies	120,255.78	1,366,955.09
-less previous accruals	(122,987.39)	(1,411,026.97)
Commercial Paper	2,368.06	43,078.63
-less previous accruals	0.00	(53,365.55)
	(363.55)	(91,567.87)
Total Investment Revenue & Accrued Interest	$ 238,074.31	$ 3,388,589.38

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item C3

Approve a proposed Fifth Amendment and Renewal of the Memorandum of Understanding between the Travis County Healthcare District and the Integrated Care Collaboration f/k/a the Indigent Care Collaboration.

(Back-Up: Memo and contract)

Memorandum

To: Travis County Healthcare District Board of Managers

cc: Patricia A. Young-Brown

From: Sarah F. Churchill

Date: September 19, 2008

Re: Agenda Item C3: Approve a proposed Fifth Amendment and Renewal of the Memorandum of Understanding between the Travis County Healthcare District and the Integrated Care Collaboration f/k/a the Indigent Care Collaboration

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Background:

The Travis County Healthcare District (the "District") entered into a Memorandum of Understanding ("MOU") with the Integrated Care Collaboration (formerly, the Indigent Care Collaboration) ("ICC") on October 1, 2005. This is the third and final available renewal of the MOU. The proposed Fifth Amendment and Renewal of the Memorandum of Understanding ("Fifth Amendment") will renew the MOU on the current terms and conditions for one additional year. The Agreement will be amended to update the payment and reporting dates provided for in the Agreement. The District is currently providing the ICC $500,000 to fund the ICC's programs and projects and $22,275 to provide partial support of the ICC's Director of Research position.

Recommendation:

Staff recommends that the Board approve the proposed Fifth Amendment and Renewal of the Memorandum of Understanding between the Travis County Healthcare District and the Integrated Care Collaboration f/k/a the Indigent Care Collaboration and authorize the District President and CEO to negotiate and sign the Fifth Amendment on the terms presented or on terms more favorable to the District.

FIFTH AMENDMENT AND RENEWAL TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE INTEGRATED CARE COLLABORATION F/K/A THE INDIGENT CARE COLLABORATION AND THE TRAVIS COUNTY HEALTHCARE DISTRICT

This Fifth Amendment and Renewal ("Fifth Amendment") of the Memorandum of Understanding (the "Agreement") is entered into as of October 1, 2008, by and between the Integrated Care Collaboration f/k/a the Indigent Care Collaboration, a Texas Uniform Unincorporated Nonprofit Association (the "ICC"), and the Travis County Healthcare District, a political subdivision of the State of Texas created under Chapter 281 of the Texas Health and Safety Code (the "District").

RECITALS

WHEREAS, the ICC and District entered into the Agreement effective on October 1, 2005; and

WHEREAS, the Parties renewed and amended the Agreement effective October 1, 2006 and October 1, 2007 and amended the Agreement effective June 15, 2007 and July 1, 2008; and

WHEREAS, the ICC and the District have each determined that renewing the Agreement will be in the mutual interests of both entities, as the ICC's intent and the District's constitutional and statutory mission remain consistent; and

WHEREAS, certain technical changes are required to update payment and reporting dates provided for in the Agreement; and

NOW, THEREFORE, in consideration of the premises, of the payments to be made as herein provided, and the mutual covenants contained herein, the District and the ICC hereby agree as follows:

RENEWAL AND AMENDMENT

1.0 Except as amended herein, the terms of the Agreement are renewed through September 30, 2009.

2.0 Paragraph 1.2 of the Agreement is amended in its entirety to read as follows:

> 1.2 Reporting Obligations. The ICC agrees to provide to the District quarterly reports, accounting for both the expenditure of the funds disbursed pursuant to this Agreement and the progress of the ICC project(s), program(s) and/or positions that these monies fund, including a summary of the data collected and any reports or conclusions, if applicable, arising out of the analyses of such data, as well as reports concerning the projects completed by the Director of Clinical Research, with the reports due on January 2, 2009, April 2, 2009, July 2, 2009, and October 2, 2009. The District shall have the contractual right to receive

the reports provided for in this Section 1.2 and any other information that the District may request related to the funding or its expenditure. Additionally, the ICC agrees to make periodic presentations to the District Board of Managers, at the District's request, addressing the status of ICC project(s), program(s), data collection, and any reports or conclusions arising out of the analyses of such data and the status of projects completed by the Director of Clinical Research.

3.0 Paragraph 2.1 of the Agreement is amended in its entirety to read as follows:

2.1. Disbursement of Funds. The District agrees to provide to the ICC the sum of $500,000 to help fund the ICC's programs and projects and the sum of $22,275 to provide partial support of the ICC's Director of Research position.

4.0 Paragraph 2.2 of the Agreement is amended in its entirety to read as follows:

2.2 Timing of Disbursement. The District will disburse the funding quarterly, so that $130,568.75 is payable on each of the following dates: October 15, 2008, January 15, 2009, April 15, 2009, and July 15, 2009.

5.0 Except as provided herein, all terms, conditions, and provisions of the Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Fifth Amendment has been executed and delivered on behalf of the Parties by their duly authorized representatives in one or more counterparts, which together shall constitute one agreement effective as of the first date referenced above.

TRAVIS COUNTY HEALTHCARE DISTRICT,
a political subdivision of the State of Texas

By: _____
Name: _____
Title: _____
Date: _____

INTEGRATED CARE COLLABORATION
f/k/a the Indigent Care Collaboration, a Texas Uniform Unincorporated Nonprofit Association

By: _____
Name: _____
Title: _____
Date: _____

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item C4

Take appropriate action regarding the City of Austin's proposed creation of a tax increment financing reinvestment zone for the Seaholm Redevelopment Project.

(Back-Up: Memo and letter from City of Austin with exhibits)

Travis County Attorney's Office

Memo

To: Travis County Healthcare District Board of Managers

cc: Patricia A. Young Brown

From: Stacy E. Wilson

Date: September 19, 2008

Re: Agenda Item C4: Take appropriate action regarding the City of Austin's proposed creation of a tax increment financing reinvestment zone for the Seaholm Redevelopment Project.

Background

The Travis County Healthcare District (the "District") received notification from the City of Austin ("the "City") on September 17, 2008, of the City's intention to create a tax increment financing reinvestment zone for the Seaholm Redevelopment Project (the "TIF Zone") involving the rehabilitation of the historic Seaholm Power Plan and surrounding areas, as is explained in more detail in the attached letter from the City. The City has determined that it does not need financial participation from the District or any of the other applicable taxing entities to finance the project.

The City is seeking to expedite this process and, accordingly, is seeking the District's approval of a waiver of the 60-day notice requirement for a public hearing on the creation of the TIF Zone so that the hearing can occur on October 16, 2008. The City is also seeking the District's permission to hold one joint presentation to the taxing jurisdictions rather than separate presentations to each entity. The City also requests that the District designate a District contact person for this project. Finally, the District may appoint a member to the TIF Zone's board once the board has been established by City Council. The City would like to know if the District intends to appoint a TIF Zone board member or waive that right.

Recommendation

As the City does not need the District's financial participation in the project and given the District's other priorities at this point in time, staff is recommending that the Board vote to (1) waive the 60-day notice required under the Texas Tax Code; (2) agree to a joint formal presentation on the TIF Zone; (3) designate Carolyn Konecny, District Chief Financial Officer, as the District's point-of-contact on this matter; and (4) waive the right to appoint a representative to the TIF Zone board of directors.

City of Austin
Economic Growth and Redevelopment Services Office
301 W. 2nd Street, Suite 2030
Austin, Texas 78701
Telephone: (512) 974-7819 FAX: (512) 974-7825

NOTICE OF THE INTENTION OF THE CITY OF AUSTIN TO ESTABLISH A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURSUANT TO THE TAX INCREMENT FINANCING ACT, TEXAS TAX CODE CHAPTER 311

September 5, 2008

Samuel T. Biscoe, County Judge
Travis County
314 West 11th Street, #520
Austin, Texas 78701

Nan McRaven, President, Board of Trustees
Austin Community College
5930 Middle Fiskville Road
Austin, Texas 78752

Dr. Barbara Mink, Chair, Board of Trustees
Austin Independent School District
1111 West 6th Street
Austin, Texas 78703

Clarke Heidrick, Chair
Travis County Healthcare District
314 West 11th Street, #520
Austin, Texas 78701

HONORABLE MEMBERS OF THE ABOVE GOVERNING BODIES:

The City of Austin is proposing the creation of a tax increment financing reinvestment zone for the Seaholm Redevelopment Project ("the TIF Zone"). On August 28, 2008, the Austin City Council adopted a resolution approving the City's preliminary project and financing plan for the TIF Zone and authorizing the City Manager to distribute to all taxing units the City's notice of intent to create the TIF Zone. A copy of the approved plan accompanies this letter.

The purpose of this letter is to provide you with a copy of the City's preliminary project and financing plan, which is enclosed with this letter, and to officially notify you of the City's: (1) intent to create the TIF Zone, and (2) plan to hold a public hearing on the creation of the TIF Zone, pursuant to Texas Tax Code Chapter 311, the Tax Increment Financing Act (the "Act").

The area within the proposed TIF Zone comprises approximately 7.1 acres in total, including right-of-way and parkland owned by the City of Austin. The area will be benefited by the rehabilitation of the historic Seaholm Power Plant, the construction of two north-to-south roadways connecting Cesar Chavez Street and Third Street, the construction of a public plaza, and the construction of an office building and hotel/condominium tower. It is estimated that this redevelopment will add significantly to all jurisdictions' tax base, thereby benefiting all taxing units.

The City has determined that it can finance the Seaholm Redevelopment Project without financial participation in the TIF Zone from AISD, Travis County, Austin Community College, or the Travis County Healthcare District.

However, there are several actions we are requesting of the taxing jurisdictions, which are summarized in the table below. Please notify us of your jurisdiction's decision regarding the following matters.

City Request	Taxing Jurisdictions Affected
Take formal action to waive the 60-day notice requirement for holding a public hearing on the creation of the TIF Zone, to allow the hearing to be held on October 16, 2008.	All Jurisdictions
Agree to a joint formal presentation on the TIF Zone	All Jurisdictions
Designate in writing a representative for your jurisdiction (either staff or elected official) by September 20, 2008 to meet with City staff on any questions related to the TIF Zone.	All jurisdictions
Notify the City if you intend to appoint a representative to the board of directors of the TIF Zone.	All jurisdictions

The City has determined that the best method to accomplish financing the project is through the creation of a TIF Zone. To that end, the preliminary project and financing plan includes the following elements:

- List of estimated project costs of the TIF Zone
- Discussion of the economic feasibility study for the Seaholm Redevelopment Project
- The current appraised value of taxable real property in the TIF Zone
- Map of the TIF Zone boundaries
- Renderings of the Seaholm Redevelopment Project
- Seaholm Tax Revenue Schedule

There may be some changes to the project and financing plan as the City continues to refine its analysis, and these changes will be incorporated into the final project and financing plan that the Council and the TIF Zone board expect to approve later this year.

Again, please note that the City of Austin requests that all taxing jurisdictions take formal action to agree to waive the requirement set forth in Section 311.003(e) of the Act, that not later than the 60th day before the date of the public hearing, the City notify each taxing unit that levies real property taxes in the proposed TIF Zone that the City intends to establish the TIF Zone. Waiver of this 60-day notice requirement will allow the City to expedite the public hearing and the other steps required to form the TIF Zone.

If all jurisdictions agree to waive this 60-day advance notice requirement, a public hearing to receive public comment on the creation of the proposed TIF Zone and its benefits to the City and other taxing jurisdictions in the proposed TIF Zone, will be held at 6:00 p.m. on either October 16, 2008, or October 23, 2008, at the Austin City Hall, 301 West 2nd Street, Austin, Texas.

If the 60-day notice requirement is not waived, the public hearing will be held on November 6, 2008.

The City further requests that you designate within 15 days after the date of this letter (by September 18, 2008), a representative to meet with City staff to discuss any questions your jurisdiction may have regarding the TIF Zone project and financing plan. This person may be a staff member or an elected official.

In addition to the public hearing, the City is also required to provide formal presentations on the TIF Zone to the taxing jurisdictions. However, the presentations may be accomplished at one joint meeting if agreed to by all taxing jurisdictions. Please note that there is no requirement for a quorum of either governing body at the joint presentation. If the joint presentation approach is acceptable to all taxing jurisdictions, City staff will work with the governing bodies to schedule the most convenient time and place for the joint presentation.

Upon designating your representative, please advise the City in writing of his/her name and title. Please also send a certified copy of the action taken by your governing board waiving the 60-day notification requirement described above. Please forward this information to:

Rodney Gonzales
Acting Director
Economic Growth and Redevelopment Services Office
City of Austin
301 W. 2nd Street, Suite 2030
Austin, Texas 78701
rodney.gonzales @ci.austin.tx.us

Finally, as a taxing unit, you also have the right to appoint a member to the TIF Zone's board, once the board has been established by the City Council. If possible, the City would also like to know as soon as possible whether your taxing unit intends to appoint a TIF Zone board member, or will waive its right to an appointment.

Thank you for your assistance in this matter. If you need more information or have questions, please contact Rodney Gonzales at 974-2313 or Jeff Knodel at 974-2589.

Copy: Marc Ott, City Manager
Sue Edwards, Assistant City Manager
Leslie Browder, Chief Financial Officer
Jeff Knodel, Deputy Chief Financial Officer
David Lloyd, Senior Attorney

Enclosure:
TIF Zone No. 18 Preliminary Project Plan and Reinvestment Zone Financing Plan and Exhibits

Exhibit 1
Map – TIF Boundaries

Exhibit 2
Architectural Renderings – Seaholm Redevelopment Project

Overall Project Aerial

Lower Entry to Power Plant Building

Exhibit 2
(continued)
Architectural Renderings – Seaholm Redevelopment Project

Streetscape Improvements

Plaza

Exhibit 3
Seaholm District Master Plan

[see Internet link below]

http://www.ci.austin.tx.us/planning/seaholmdraft.htm

Exhibit 4
Seaholm Tax Revenue Schedule

	Assessed Value on Tax Roll by Fiscal Year by Use				Property Tax Revenue		Sales Tax Revenue	
Fiscal Year Ending	Office	Hotel/Condo	Power Plant	Project Total AV	Annual Collection	NPV at 7% (2009$)	Annual Collection	NPV at 7% (2009$)
2009	915,201	2,000,001	-	2,915,202	11,786	11,786	-	
2010	9,451,826	22,003,801	11,812,361	43,267,988	174,932	159,000	-	
2011	18,903,651	44,007,601	23,624,722	86,535,975	349,865	455,000	166,317	141,000
2012	19,376,243	66,011,402	24,215,341	109,602,985	443,125	806,000	170,475	276,000
2013	19,860,649	67,661,687	24,820,724	112,343,060	454,203	1,142,000	174,737	405,000
2014	20,357,165	69,353,229	25,441,242	115,151,636	465,558	1,464,000	179,105	529,000
2015	20,866,094	71,087,060	26,077,273	118,030,427	477,197	1,772,000	183,583	648,000
2016	21,387,746	72,864,236	26,729,205	120,981,188	489,127	2,068,000	188,172	761,000
2017	21,922,440	74,685,842	27,397,435	124,005,718	501,355	2,351,000	192,877	870,000
2018	22,470,501	76,552,988	28,082,371	127,105,861	513,889	2,622,000	197,699	975,000
2019	23,032,264	78,466,813	28,784,430	130,283,507	526,736	2,882,000	202,641	1,075,000
2020	23,608,070	80,428,484	29,504,041	133,540,595	539,905	3,131,000	207,707	1,170,000
2021	24,198,272	82,439,196	30,241,642	136,879,110	553,402	3,369,000	212,900	1,262,000
2022	24,803,229	84,500,175	30,997,683	140,301,087	567,237	3,597,000	218,222	1,350,000
2023	25,423,309	86,612,680	31,772,625	143,808,614	581,418	3,816,000	223,678	1,434,000
2024	26,058,892	88,777,997	32,566,941	147,403,830	595,954	4,025,000	229,270	1,515,000
2025	26,710,364	90,997,447	33,381,114	151,088,926	610,853	4,226,000	235,002	1,592,000
2026	27,378,124	93,272,383	34,215,642	154,866,149	626,124	4,418,000	240,877	1,666,000
2027	28,062,577	95,604,193	35,071,033	158,737,802	641,777	4,603,000	246,899	1,737,000
2028	28,764,141	97,994,297	35,947,809	162,706,248	657,821	4,779,000	253,071	1,804,000
2029	29,483,245	100,444,155	36,846,504	166,773,904	674,267	4,948,000	259,398	1,869,000
2030	30,220,326	102,955,259	37,767,667	170,943,251	691,124	5,110,000	265,883	1,932,000
2031	30,975,834	105,529,140	38,711,859	175,216,833	708,402	5,265,000	272,530	1,991,000
2032	31,750,230	108,167,369	39,679,655	179,597,253	726,112	5,414,000	279,343	2,049,000
2033	32,543,985	110,871,553	40,671,646	184,087,185	744,264	5,556,000	286,327	2,103,000
2034	33,357,585	113,643,342	41,688,438	188,689,364	762,871	5,692,000	293,485	2,156,000
2035	34,191,525	116,484,425	42,730,649	193,406,598	781,943	5,823,000	300,822	2,206,000
2036	35,046,313	119,396,536	43,798,915	198,241,763	801,491	5,948,000	308,342	2,254,000
2037	35,922,471	122,381,449	44,893,888	203,197,807	821,529	6,068,000	316,051	2,300,000
2038	36,820,532	125,440,985	46,016,235	208,277,753	842,067	6,183,000	323,952	2,344,000
2039	37,741,046	128,577,010	47,166,641	213,484,696	863,119	6,293,000	332,051	2,387,000

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 1

Discuss and take appropriate action regarding proposed amendments to the Travis County Healthcare District Investment and Collateral Policies and Procedures.

(Back-Up: Memo, amendment draft, related paperwork, Order of adoption)

travis county HEALTHCARE DISTRICT

ORDER OF THE TRAVIS COUNTY HEALTHCARE DISTRICT BOARD OF MANAGERS ADOPTING AMENDED INVESTMENT AND COLLATERAL POLICIES AND PROCEDURES

Pursuant to Section 2256.005 of the Texas Government Code, the Travis County Healthcare District Board of Managers, the governing body of the Travis County Healthcare District, has reviewed the District Investment and Collateral Policies and Procedures and hereby makes the following order:

The Board adopts the changes to the previously-adopted Investment and Collateral Policies and Procedures as summarized in the memorandum from Mary E. Mayes, Travis County Investment Manager, and reflected in the attached red-lined version of the Policies, both of which are attached hereto and incorporated into this order by reference, specifically to the following sections:

A. Part A, Section 017; and

B. Part L, Section 061.

The Board further ratifies the investment authority for the Travis County Cash/Investment Management Department's Senior Financial Analyst as previously authorized by the Travis County Commissioners Court.

The Board further orders that the amended Investment and Collateral Policies and Procedures take effect on the first business day following the date of this Order.

Date: _____

_____	_____
Carl S. Richie, Jr., Chairperson	Tom Coopwood, M.D., Vice-Chairperson
_____	_____
Rose Lancaster, Secretary	Rosie Mendoza, Treasurer
_____	_____
Bobbie Barker, Manager	Clarke Heidrick, Manager
_____	_____
Donald Patrick, M.D., J.D., Manager	Frank Rodriguez, Manager
_____	
Eduardo Sanchez, M.D., M.P.H., Manager	

CASH/INVESTMENT MANAGEMENT DEPARTMENT
TRAVIS COUNTY, TEXAS

Travis County Administration Building
314 W. 11th Street, Suite 540
P.O. Box 1748
Austin, Texas 78767

Phone: (512) 854-9085
Fax: (512) 854-4210
Email: mary.mayes@co.travis.tx.us

DATE: September 25, 2008

TO: Carl S. Richie Jr., Chairperson
Thomas B. Coopwood, M.D., Vice-Chairperson
Rose Lancaster, Secretary
Rosie Mendoza, CPA, Treasurer
Bobbie Barker, Manager
Clarke Heidrick, Manager
Donald Patrick, M.D., J.D., Manager
Frank Rodriguez, Manager
Eduardo Sanchez, M.D., Manager

FROM: Mary E. Mayes, Travis County Investment Manager

RE: Approval of Amendments to Travis County Healthcare District Investment and Collateral Policies and Procedures

In conjunction with your annual review of the Healthcare District Investment Policy and Procedures, Cash/Investment Management (CIM) recommends changes in the Policy to ratify the Cash/Investment Management Senior Financial Analyst as an Investment Officer. Changes are also proposed for the Healthcare District Certification and to be in agreement with changes in the Public Funds Investment Act regarding Certificates of Deposit.

1. Ratify Investment Authority for the Travis County Senior Financial Analyst

CIM's Financial Analyst position became full time during FY 2007. This recommendation is to ratify the Travis County Commissioners Court decision to authorize the Analyst to select investment instruments in which funds may be placed and to prepare any documentation necessary to evidence the investment of those funds.

Rationale: Travis County's investment portfolio has almost doubled in size since 2001, from a balance of $ 347 million on 2/28/01 to this year's high balance at $ 675 million on 2/29/08. The additional funds require additional time to select appropriate investments and go through the bid and documentation process to ensure that Travis County receives the best yield. In addition, the CIM staff invests the Travis County Healthcare District portfolio, at $122 million on 2/29/08.

Cash management for the Healthcare District, requiring investments in Local Government Investment Pools, also involves additional time.

Based on these needs, Travis County has designated the Senior Financial Analyst as an Investment Officer authorized to purchase individual securities and invest funds in local government investment pools. It would be most beneficial to the Investment and Assistant Investment Managers to have the Healthcare District ratify this change.

A successful background check was done on this full time employee in anticipation of this request. She has a degree in finance, experience in investments, and has been in on the job training in Travis County's and the Healthcare District's investment policies and procedures since June, 2007. She is currently in graduate school working toward an MBA.

Text: No text changes are needed. See Attachment A, Sections 002 (a), 006 and 040

2. Make Changes in the Investment Certification to Encourage Brokerage Firms to Sign.

To state that the Travis County Healthcare District retains the responsibility for monitoring its investments and following its Investment Policy and to make clear that the requirements in the Certification that brokers must implement reasonable procedures and controls to preclude investment transactions that are not authorized by the District's Investment policy are quoted from the Public Funds Investment Act (PFIA).

Rationale: The Travis County Healthcare District has lost a number of Primary brokers in the past several years because the firms would not sign the Travis County Certification, which is required by the PFIA, in its present form. The Certification section that is the most onerous to Brokers, requiring some effort on their part to keep from selling investments that are not authorized by the Healthcare District's Investment Policy, is a quote from the PFIA, and should not be left out or even changed, because the District would not want to work with a Broker who refused to obey the law. However, Brokers who are not from Texas may not realize that the section is part of the law, so making that clear may help them to accept the conditions. Another quote from the PFIA is recommended to be added to acknowledge that the Healthcare District has a responsibility to follow the District's Investment Policy as well and this requirement is not only for Brokers.

Text: See Attachment A, Section 061

3. Update Language Regarding Banks from which Certificates of Deposit May Be Purchased to Remain in Agreement with the Public Funds Investment Act.

Rationale: The Travis County Healthcare District Investment Policy mirrored the language in the State of Texas Public Funds Investment Act (PFIA). The language in the act no longer requires that certificates of deposit (CD's) be purchased from a bank or credit union domiciled in this state. The new policy language allows the purchase of CD's issued by "...a depository

institution that has its main office or a branch office in this state..." Section 2256.010 (a) and (b) (1). The new language recommended in the Policy mirrors the new language in the PFIA. This change is recommended to stay current with the PFIA, and would be necessary in order to take advantage of a new program which facilitates the efficient purchase of more than one CD under the $100,000 FDIC insurance limit, thus investing larger amounts all insured by FDIC.

Text: See Attachment A, Section 017 (7)

Attachment A, Travis County Healthcare District Investment and Collateral Policy with Recommended Changes.
Attachment B, Documents to authorize the Senior Financial Analyst to invest in TexPool, TexasDAILY, and TexSTAR, local government investment pools.

cc: Patricia Young Brown, President and CEO
Carolyn Konecny, Chief Financial Officer
Stacy Wilson, Assistant Travis County Attorney
Dolores Ortega-Carter, County Treasurer
Rodney Rhoades, Executive Manager, PBO
Leroy Nellis, Budget Manager
Barbara Wilson, Assistant County Attorney
Harvey Davis, Assistant Investment Manager
Krystal Bruton, Senior Financial Analyst
Rhonda Ambrose, County Treasurer's Office

TRAVIS COUNTY HEALTHCARE DISTRICT

INVESTMENT AND COLLATERAL

POLICIES AND PROCEDURES

Adopted by the Travis County Healthcare District Board of Managers
October 7, 2004
Revised – September 26, 2008

Deleted: January 25

TRAVIS COUNTY HEALTHCARE DISTRICT
INVESTMENT AND COLLATERAL POLICIES AND PROCEDURES

Part A
INVESTMENT AUTHORITY AND SCOPE OF POLICIES

§ 001 Legal Authority to Invest

The Board of Managers is authorized to invest District funds in compliance with TEX. GOV'T CODE ANN., ch. 2256.

§ 002 Delegation of Investment Authority

(a) The Board of Managers delegates the authority to select investment instruments in which District funds may be placed and to prepare any documentation necessary to evidence the investment of District funds to the Travis County Investment Officers. Occasionally, the Board of Managers may designate in writing Travis County staff authorized to invest District funds as back-ups. The Board of Managers approves or ratifies the investments, and the Board of Managers retains ultimate responsibility as fiduciaries of the assets of Travis County Healthcare District. The Travis County Treasurer's Office with the verification of the President and CEO wires the funds for the investment instruments purchased. No other person may invest, withdraw, transfer or manage Travis County Healthcare District funds without the express written authority of the Board of Managers. Authority granted under this section is effective until rescinded by Board of Managers or until termination of employment by Travis County of persons in the designated positions.

(b) The designated Travis County Investment Officers must perform their duties in compliance with these policies and the ethics portion of the Travis County Healthcare District Purchasing Policy and the TEX. GOV'T CODE ANN. ch 2256, known as the Texas Public Funds Investment Act. When the Travis County Investment Officers act in good faith and in compliance with these requirements, they have no personal liability for their actions.

§ 003 District Investment Portfolio Structure

The funds of Travis County Healthcare District that are entrusted to the Board of Managers for investment are divided into the following portfolios based on the source of funds:

(1) The operating account portfolio means funds from the general fund account, and all other Travis County Healthcare District funds except capital projects, and debt service.

(2) The pooled bond funds portfolio means bond funds from all capital projects.

(3) The debt service portfolio means all interest and sinking funds.

§ 004 Applicability of Policies

These policies govern the investment of the operating account portfolio, the pooled bond funds portfolio, and the debt service portfolio. The pooled bond funds portfolio is managed in compliance with their governing ordinances and federal laws, including the Tax Reform Act of 1986, as amended, in addition to compliance with these policies.

In these policies, the words "bond proceeds," "book value," "funds," "investing entity," "entity," "investment pool," "local government," "market value," "separately invested asset," "qualified representative," and "state agency" are used as defined in the TEX. GOV'T CODE ANN. § 2256.002.

§ 005 Prudence and Ethical Standards

These standards apply to Travis County Investment Officers and anyone acting on their behalf.

(a) Prudence

(1) Travis County Investment Officers serve as fiduciaries of the Travis County Healthcare District and are responsible for prudently investing its assets. The Investment Officers shall comply with the provision of this section, the Public Funds Investment Act, and all other applicable laws.

(2) Travis County Healthcare District uses the "prudent investor rule" when administering the duties of an investment officer within the applicable legal and policy constraints. The prudent investor rule is restated as follows:

The Travis County Investment Officers shall invest and manage Travis County Healthcare District assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the portfolio. In satisfying this standard, the Investment Officers shall exercise professional care, skill, and judgment. Among circumstances that an Investment Officer shall consider in investing and managing Travis County Healthcare District assets are the following:

(A) general economic conditions,

(B) the yield curve,

(C) the role that each investment plays within the overall portfolio, and

(D) the risk/reward relationship of investments considered.

(3) In determining whether the Travis County Investment Officers have exercised prudence with respect to an investment decision, the determination shall be made as follows:

(A) the Investment Officer's investment and portfolio management decisions must be evaluated not in isolation of an individual purchase or sale but in the context of the Travis County Healthcare District portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the portfolio; and

(B) whether the investment decision was consistent with the Travis County Healthcare District Investment and Collateral Policies and Procedures.

(4) Travis County Investment Officers must be honest in the exercise of their duties and must not take actions that will discredit the Travis Count Healthcare District.

(5) Travis County Investment Officers must comply with the Travis County Healthcare District Ethics Policy.

(b) Avoidance of Conflicts of Interest

(1) Travis County Investment Officers shall be loyal to the interests of the Travis County Healthcare District, the District Board of Managers, and to Travis County residents, to the extent that such loyalty is not in conflict with other duties or legal requirements. Officers shall avoid personal, employment, or business relationships that create conflicts of interest. Should they become aware of any conflict of interest, they have an affirmative duty to disclose and remedy the conflict promptly.

(2) A conflict of interest exists whenever Travis County Investment Officers have personal or private commercial or business relationships that could reasonably be expected to diminish their independence of judgment in the performance of their duties.

(3) Serving on the Board of a Local Government Investment Pool shall not be prohibited. However, the Board member should not be allowed to invest funds in that Pool without additional approval from his/her supervisor.

(c) Acceptance of Gifts

(1) Travis County Investment Officers may not personally accept gifts or entertainment from vendors or consultants doing or seeking to do investment or banking related business with the Travis County Healthcare District, except as noted below:

(2) Gifts, which may be accepted under these guidelines, should not exceed $50.00 per person, per vendor, in a given fiscal year. If gifts over $50.00 are provided, they must be returned, donated to a charitable cause, shared with District employees, or disclosed to the President and CEO of the Healthcare District. However, entertainment, food, or goods provided to all persons attending a conference or a continuing education activity and goods or services provided during meetings to conduct business and manage a contract generally do not violate this prohibition.

§ 006 Quality and Capability of Investment Management

Subject to availability of funds, Travis County Healthcare District shall provide periodic training in investments for the Travis County Investment Officers, the President and CEO and Chief Financial Officer through courses and seminars offered by professional organizations and associations, in order to insure the quality and capability of the persons designated to invest District's funds.

§ 007 Disclosure of Personal Business

(a) Any person designated to invest funds of Travis County Healthcare District who has a personal business relationship, as described in Texas Government Code § 2256.005(i), with any qualified representative offering to engage in an investment transaction with Travis County Healthcare District, shall file a statement disclosing that personal business interest with the Texas Ethics Commission and the Board of Managers (see Part L, Forms).

(b) Any person designated to invest funds of Travis County Healthcare District who is related within the second degree by affinity or consanguinity, as determined under TEX. GOV'T CODE ANN., ch. 573, to an individual seeking to engage in an investment transaction with Travis County Healthcare District shall file a statement disclosing that relationship with the Texas Ethics Commission and the Board of Managers (see Part L, Forms).

Part B
INVESTMENT OBJECTIVES

§ 008 Safety of Principal

The primary investment objective of Travis County Healthcare District is to ensure the safety of principal in all portfolios. (See Part D, Safety of Principal.)

§ 009 Maintenance of Adequate Liquidity

The secondary investment objective of Travis County Healthcare District for all portfolios is to provide the liquidity necessary to pay obligations as they become due. (See Part E, Liquidity.)

§ 010 Return on Investments

Travis County Healthcare District must invest its portfolios in eligible investments that yield the highest possible rate of return while providing the necessary protection of the principal. Travis County Healthcare District seeks to optimize return on investments in all portfolios. The average minimum rate of return for the entire portfolio, excluding funds needed for current obligations, must be at least equal to the Federal Reserve constant maturity treasury rate with a comparable maturity. The only exception to the average minimum rate of return is that the portfolios, during a period of rapidly rising interest rates, will not be able to meet or

exceed the rate of return indicator. If funds are subject to yield restrictions due to federal arbitrage regulations, those funds are excluded from the yield calculation.

Travis County Healthcare District may only invest in a particular eligible investment if its yields are equal to or greater than the Treasury Convention or Street Convention yield provided by the Bloomberg Financial Information System or the Interactive Data Corporation yield on United States Treasury obligations of comparable maturity. The Travis County Investment Officers and other staff designated by the Board of Mangers to invest District funds may establish additional appropriate criteria for investment performance measures.

§ 011 Additional Objectives for Pooled Bond Funds Portfolio

The major objectives for the pooled bond funds portfolio governed by Federal arbitrage regulations are to maximize permitted market yield and to minimize investment costs.

Part C
INVESTMENT STRATEGIES

§ 012 Operating Account Portfolio

The primary objective of the investment strategy for the operating account portfolio is to create a diversified structure (see § 024 through § 027) which will experience minimal volatility during economic cycles thus providing for preservation and safety of principal. The secondary objective is to assure that anticipated cash expenditures are matched with adequate liquidity. The tertiary objective is to ensure that the portfolio is invested in eligible securities that yield the highest possible rate of return while providing the necessary protection of principal. The suitable securities to accomplish these objectives are high quality, marketable, short-to-medium term securities that complement each other in a laddered maturity structure. All eligible securities described by Travis County Healthcare District Investment and Collateral Policies and Procedures are suitable for this fund. The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security.

§ 013 Debt Service Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the debt service portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-term securities that mature on or before the debt service payment dates. The securities suitable for this fund are described in § 017(b)(1).

§ 014 Pooled Bond Funds Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the pooled bond funds portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-to-medium term securities that match forecasted project expenditures to investment maturities. In addition, a three month historical cash expenditure balance is maintained in highly liquid securities to cover unexpected project outlays. All eligible securities described by Travis County Healthcare District Investment and Collateral Policies and Procedures are suitable for this fund.

Part D
SAFETY OF PRINCIPAL

§ 015 Protection of Principal

Travis County Healthcare District seeks to control the risk of loss due to the failure of a security issuer or grantor. To control that risk, Travis County Healthcare District purchases only eligible investments, requires prior approval of qualified representatives/business organizations with which it transacts business, diversifies investments in all portfolios based on maturity and type, monitors the market price of investments by way of independent sources such as market telecommunication services and financial publications, when possible, or through an approved Broker/Dealer other than the one that sold Travis County Healthcare District the security, and collateralizes deposits. The quarterly report will identify the method and source used to monitor the market price of investments. The quarterly report will also indicate whether the method and source changed from the previous quarterly report.

In addition, Travis County Healthcare District must execute the purchase of individual eligible investments only on the "delivery versus payment" (DVP) method with the exception of investment pools and money market mutual funds to ensure that District funds are not released until Travis County Healthcare District has received the securities purchased.

Investment securities must be held in Travis County Healthcare District's name by a third party custodian, as evidenced by safekeeping receipts from the institution with which the securities are deposited.

All investments made by Travis County Healthcare District must comply with all federal, state, and local statues, rules, and regulations.

Purchasing Only Eligible Investments

§ 016 Ineligible Investments

The following investments, which are legal investments under the Public Funds Investment Act, are ineligible investments for Travis County Healthcare District:

(1) Collateralized mortgage obligations

(2) Any security the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

§ 017 Eligible Investments

The following investments, which do not include all of the securities allowed by the Public Funds Investment Act, are the only eligible investments for all of Travis County Healthcare District's portfolios:

(1) Obligations of the United States or its agencies and instrumentalities;

(2) Direct obligations of the State of Texas or its agencies and instrumentalities;

(3) Other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or its agencies and instrumentalities;

(4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state that have received a rating of investment quality of not less than Aa2 by Moody's Investors Service or AA by Standard & Poor's Corporation;

(5) Domestic commercial paper, including commercial paper issued in the United States by corporations doing business and having a significant market presence in the United States, which are wholly owned by foreign entities, and with a stated maturity of 270 days or less from the date of its issuance that is rated not less than A-1 by Standard and Poor's and P-1 by Moody's, two nationally recognized credit rating agencies;

(6) Fully collateralized repurchase agreements including direct security repurchase agreements and reverse security repurchase agreements that:

A. have a defined termination date that does not exceed 90 days after delivery,

B. are placed either through a primary government securities dealer as defined by the Federal Reserve, or a financial institution doing business in this state,

C. are secured by obligations described by § 017(b)(1),

D. are pledged to Travis County Healthcare District, held in Travis County Healthcare District's name, and deposited with a third party selected and approved by Travis County Healthcare District, and

E. have a market value at the time funds are disbursed of not less than the principal amount of the funds disbursed. (See § 032, Collateral Requirements for Repurchase Agreements.)

(7) Certificates of deposit issued by a depository institution that has its main office or a branch office in this state that are:

Deleted: a state or national bank domiciled in Texas or a savings bank domiciled in Texas, or a state or federal credit union domiciled in this state

(A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or

(B) secured by obligations that are described by § 017(b)(1), § 017(b)(2), § 017(b)(3) or § 017(b)(4) that have a market value of not less than the principal amount of the certificates. (See § 028 Collateral Requirements for All Deposits.)

(8) A no-load money market mutual fund ("MMMF") that is registered with and regulated by the Securities and Exchange Commission and:

A. has a dollar-weighted average stated maturity of 90 days or less,

B. Whose investment objectives include maintenance of a stable net asset value of $1 per share, and

C. provides Travis County Healthcare District with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. §§ 78a, *et seq.*) or the Investment Company Act of 1940 (15 U.S.C. §§ 80a-1, *et seq.*).

(9) Public funds and local government investment pools ("LGIP") if the following conditions are met:

(A) the LGIP is organized under the Interlocal Cooperation Act, as amended,

(B) the Board of Managers has authorized investment in that particular LGIP by an order,

(C) the assets of the LGIP consist exclusively of obligations that are authorized investments in the TEX. GOV'T CODE ANN. ch 2256, known as the Texas Public Funds Investment Act,

(D) the LGIP meets all eligibility requirements of the Public Funds Investment Act, including disclosure and reporting,

(E) the LGIP meets all management requirements of the Public Funds Investment Act, including existence and reliance on maintenance of advisory board, net asset value and maintenance ratings, and

(F) the LGIP must be continuously rated no lower than AAA-m or at an equivalent rating by at least one nationally recognized rating service.

§ 018 Purchasing Eligible Investments

(a) The Travis County Investment Officers may invest all portfolios in the eligible investments described by § 017(b). When contemplating a new type of investment instrument, the Travis County Investment Officers shall submit a description to the Travis County Attorney to ensure that the proposed investment instruments are eligible investments described by § 017.

(b) If an investment becomes ineligible because of loss of the minimum required rating, then it no longer qualifies as an authorized investment under these Policies and Procedures. The Travis County Investment Officers shall take all prudent measures that are consistent with these Policies and Procedures to liquidate the investment.

Requiring Approval of Broker/Dealer/Financial Institutions

§ 019 Applications for Approval as Broker/Dealer/Financial Institutions

(a) When a primary broker/dealer/financial institution applies for approval, the Travis County Investment Officers provide a copy of Travis County Healthcare District Investment and Collateral Policies and Procedures to the qualified representative of that institution. To qualify for approval, the qualified representative of the primary broker/dealer/financial institution must comply with the following requirements:

(1) Provide the most recent audited financial statements of the institution,

(2) Sign the Certification in § 061,

(3) Acknowledge receipt, thorough review and understanding of Travis County Healthcare District Investment and Collateral Policies and Procedures and

(4) Acknowledge that the primary broker/dealer/financial institution has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between it and Travis County Healthcare District that are not authorized by Travis County Healthcare District Investment and Collateral Policies and Procedures except to the extent that this authorization is dependent on an analysis of the makeup of Travis County Healthcare District's entire portfolio or requires an interpretation of subjective investment standards.

(b) When a non-primary broker/dealer/financial institution doing business that is regulated by or registered with a securities commission applies for approval, the Travis County Investment Officers provide a copy of Travis County Healthcare District Investment and Collateral Policies and Procedures to the qualified representative of that institution. To qualify for approval, the qualified representative of the broker/dealer/financial institution must submit a written application that complies with the following requirements:

(1) Provides references by public fund investment officers, preferably from Texas,

(2) Gives evidence of capital adequacy (See § 020(b)(3)),

(3) Signs the Certification in §061,

(4) Acknowledges receipt, thorough review and understanding of Travis County Healthcare District Investment and Collateral Policies and Procedures,

(5) Acknowledges broker/dealer/financial institution has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between it and Travis County Healthcare District that are not authorized by Travis County Healthcare District Investment and Collateral Policies and Procedures except to the extent that this authorization is dependent on an analysis of the makeup of Travis County Healthcare District's entire portfolio or requires an interpretation of subjective investment standards, and

(6) Includes a completed Broker/Dealer Questionnaire in § 062.

(c) Travis County Healthcare District strives to include in the application process broker/dealers located in Travis County Healthcare District who are currently serving institutional clients.

§ 020 Qualifications for Approval as Broker/Dealer/Financial Institutions

The Travis County Investment Officers review the applications of the broker/dealer/financial institutions for compliance with these Policies and Procedures and recommend broker/dealer/financial institutions for approval. Although having an office in Texas is not a required criteria, Travis County Healthcare District prefers working with broker/dealer/financial institutions with offices located in Texas.

(a) To be recommended for approval, the qualified representative of the primary broker/dealer/financial institution must either be on the list of primary broker/dealer/financial institutions approved by the Travis County Commissioners for the current year or provide the information and comply with the requirements set forth in § 019 (a).

(b) To be recommended for approval, a non-primary broker/dealer/financial institution and/or its qualified representative(s) must either be on the list of non-primary broker/dealer/financial institutions approved by the Travis County Commissioners for the current year or demonstrate possession of the following criteria:

(1) Institutional investment experience,

(2) Good references from public fund investment officers, preferably from Texas,

(3) Adequate capitalization in compliance with the Capital Adequacy Guidelines for Government Securities Dealers published by the New York Federal Reserve Bank for banks or adequate capitalization in compliance with the Securities and Exchange Commission for broker/dealers,

(4) Acknowledgement of a thorough review and understanding of these Investment and Collateral Policies and Procedures,

(5) Regulation by the Comptroller of the Currency for banks or regulation by the Securities and Exchange Commission ("SEC") for broker/dealers,

(6) Membership in good standing in the National Association of Securities Dealers, Inc. by broker/dealers and subsidiaries of national banks,

(7) Valid licensure from the State of Texas, except for national banks, and

(8) Acknowledgement of implementation of reasonable controls and procedures in an effort to preclude investment transactions conducted between it and Travis County Healthcare District that are not authorized by Travis County Healthcare District Investment and Collateral Policies and Procedures except to the extent that this authorization is dependent on an analysis of the makeup of Travis County Healthcare District's entire portfolio or requires an interpretation of subjective standards.

(c) To be recommended for approval, broker/dealer/financial institutions previously approved by Board of Managers will also be evaluated based on the following criteria:

(1) Performance since the last review based on participation in competitive bids documented on bid sheets, and

(2) Activity level based on proposals presented since the last review.

§ 021 Approval of Broker/Dealer/Financial Institutions

The Board of Managers reviews the recommendations of the Travis County Investment Officers and may approve any number of broker/dealer/financial institutions. Travis County Healthcare District and the Travis County Investment Officers may only purchase securities, except for commercial paper, from qualified broker/dealer/financial institutions. Commercial paper shall be purchased in compliance with section § 046, Competitive Bidding. The Travis

County Investment Officers may limit the number of institutions with which Travis County Healthcare District does business.

§ 022 Annual Review of Approved Broker/Dealer/Financial Institutions

Each year new applicants and broker/dealer/financial institutions currently on the approved list must comply with § 019 and § 020 and submit applications to the Travis County Investment Officers. The Travis County Investment Officers' recommended changes to the approved list must be submitted to the Board of Managers for approval on an annual basis.

§ 023 Removal from Approved List

When the Travis County Investment Officers review and reevaluate the broker/dealer/financial institutions currently on the approved list and at any other time when the Travis County Investment Officers discover good cause, the Travis County Investment Officers may recommend that a broker/dealer/financial institution be removed from the approved list for the following reasons:

(1) Placing Travis County Healthcare District's funds at risk,

(2) Inactivity of the broker/dealer/financial institution,

(3) Failure to maintain one or more of the criteria in § 020,

(4) Offering to sell investments other than eligible investments described by § 017,

(5) Consistently causing an administrative burden by inaccurate documentation or late verification of trade,

(6) Consistently offering/bidding securities at non-competitive prices, or

(7) Undergoing material change through divestiture, merger, purchase, or other similar corporate transformations.

Diversifying Portfolios

§ 024 Diversifying Operating Account Portfolio by Type

The Travis County Investment Officers must minimize loss of principal in the operating account portfolio by diversifying investments by type and maturity. The Travis County Investment Officers must maintain diversity in the types of eligible investments purchased (see § 017 for full description of eligible investments) by limiting the percentage of the combined portfolios for each type of eligible investment to the percentage listed in this section. The limits will be tested each Tuesday and the Travis County Investment Officers will have 30 days following the test to bring the percentage back within the limits as described below:

Investment Type	Percentage Limit
Obligations of the U.S. – Treasury Notes/Bonds/Bills	100%
Obligations of U.S. Agencies – U.S. Agencies	75%
Direct obligations of the State of Texas or its agencies and instrumentalities	60%
Other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or its agencies and instrumentalities	60%
Obligations of states, agencies, counties, cities, and other political subdivisions of any state. The Travis County Investment Officers must not invest more than 5% of the portfolio in municipal securities of a single entity (See § 017 for full description)	20%
Domestic commercial paper. The Travis County Investment Officers must not invest more than 5% of the portfolio in the commercial paper of a single entity. If the amount held exceeds 5% during the life of the investment, the Travis County Investment Officers must either reduce the amount of the entity's commercial paper owned or obtained authorization from Commissioners Court for an exception to these Policies (See § 017 for full description.)	20%
Fully collateralized repurchase agreements are limited to 15% of the portfolio when purchased from an individual broker. (See § 017 for full description.)	50%
Certificates of Deposit (See § 017 for full description.)	50%
A no-load money market mutual fund ("MMMF") that is registered with and regulated by the federal Securities and Exchange Commission. The Travis County Investment Officers must not make an investment in any MMMF that exceeds 10% of the total assets of that MMMF. (See § 017 for full description.)	20%

TexPool if the following conditions are met:

(A) TexPool is organized under the Interlocal

Cooperation Act, as amended,

(B) the Board of Managers has authorized investment in TexPool by an order,

(C) the assets of TexPool consist exclusively of obligations that are authorized investments in the TEX. GOV'T CODE ANN. ch 2256, known as the Texas Public Funds Investment Act,

(D) TexPool meets all eligibility requirements of the Public Funds Investment Act, including disclosure and reporting, and

(E) TexPool meets all management requirements of the Public Funds Investment Act, including existence and reliance on maintenance of advisory board, net asset value and maintenance ratings 60%

Public funds and local government investment pools (LGIP). (See § 017 for full description.) 30%

§ 025 Diversifying All Other Portfolios by Type

Within the pooled bond funds portfolio and the debt service portfolio, the proceeds of a single bond issue may be segregated and invested in a single eligible investment or group of eligible investments designed to facilitate compliance with arbitrage regulations if the Travis County Investment Officers or Travis County Healthcare District's arbitrage advisors determine that this type of strategy is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation. In all other cases, the Travis County Investment Officers must apply the diversification requirements in § 024 to the pooled bond funds portfolio.

§ 026 Diversifying Operating Account Portfolio by Maturity

(a) The Travis County Investment Officers must monitor the maturity dates of all investments in the operating account portfolio to minimize risk of loss from interest rate fluctuations and to ensure that the maturities do not exceed the anticipated cash flow requirements of the operating account portfolio. The Travis County Investment Officers must also monitor the maturity dates of all investments in the operating account portfolio to ensure that the dollar-weighted average days to maturity are less than 365 days. The weighted average maturity is calculated as of the end of each month using the stated final maturity dates for each security.

If these levels are exceeded, the Travis County Investment Officers must make changes within 30 days in the investments held by Travis County Healthcare District to reduce the maturities to comply with these level requirements.

(b) The maximum allowable stated maturity of any individual investment owned by the operating account portfolio is as follows (see § 017 for full description of eligible investments):

Investment Type	Maturity Limit
Obligations of the U.S. – Treasury Notes/Bonds/Bills	3 years
Obligations of U.S. Agencies	3 years
Direct obligations of the State of Texas or its agencies and instrumentalities	2 years
Other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or its agencies and instrumentalities	2 years
Obligations of states, agencies, counties, cities, and other political subdivisions of any state (See § 017 for full description)	2 years
Domestic commercial paper (See § 017 for full description)	270 days
Fully collateralized repurchase agreements (See § 017 for full description)	90 days
Certificates of Deposit. (See § 017 for full description)	18 months
A no-load money market mutual fund ("MMMF") (See § 017 for full description)	1 day
Public funds and local government investment pools (LGIP) (See § 017 for full description)	1 day
TexasTERM local government investment pool	365 days

§ 027 Diversifying All Other Portfolios by Maturity

(a) The Travis County Investment Officers may limit the maturity of the pooled bond funds portfolio and the debt service portfolio to the "temporary period" as defined by the

Internal Revenue Code, § 148, during which bond proceeds may be segregated and invested at an unrestricted yield. After the temporary period ends, the Travis County Investment Officers must consider the anticipated cash flow requirements of the funds and invest the portions of the pooled bond funds portfolio, the debt service portfolio and the agency funds portfolio subject to yield restriction within limits permitted by Federal arbitrage regulations.

(b) The Travis County Investment Officers must monitor the maturity dates of all investments in the pooled bond funds portfolio and the debt service portfolio to ensure that the dollar-weighted average days to maturity for each portfolio are less than 365 days. The weighted average maturity is calculated as of the end of each month using the stated final maturity dates for each security.

If these levels are exceeded, the Investment Manager must make changes within 30 days in the investments held by Travis County Healthcare District to reduce the maturities to comply with these level requirements.

(c) The maximum allowable stated maturity of any individual investment owned by the pooled bonds funds portfolio and the debt service portfolio, which is not subject to the temporary period, is the same as the operating portfolio. (See section § 026)

Collateralizing Deposits

§ 028 Collateral Requirements for All Deposits

(a) Certificates of deposit and bank deposits in financial institutions must be either federally insured or collateralized only with the following securities:

(1) Securities that are authorized as eligible securities in § 017(b) of these policies;

(2) Fixed rate mortgage backed securities issued by agencies or instrumentalities of the United States government;

(3) Fixed rate Real Estate Mortgage Investment Conduit (REMIC) Collateralized Mortgage Obligations (CMOs) with original maturities not longer than 10 years and issued by agencies or instrumentalities of the United States government; and

(4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated not less than "A" or its equivalent by a nationally recognized rating agency are acceptable as collateral for Travis County Healthcare District deposits.

(b) At all times, the market value of collateral must be equal to or greater than 102% of the par value of the certificate of deposits plus accrued interest and equal to or greater than

102% of the bank deposits less $100,000, insured by the Federal Deposit Insurance Corporation.

§ 029 Monitoring Collateral Adequacy for All Deposits

Financial institutions with which Travis County Healthcare District has certificates of deposit or bank deposits must provide Travis County Healthcare District with monthly reports that state the market values of collateral. The Travis County Treasurer monitors the adequacy of collateral at least weekly. If the value of the collateral falls below the required level, the financial institution must pledge additional collateral no later than the end of the next business day after the value falls below the required level.

§ 030 Substituting Collateral for All Deposits

If the financial institution collateralizing certificates of deposit and bank deposits wants to substitute new collateral, the financial institution must contact the Travis County Treasurer for approval. The Travis County Treasurer must calculate the value of the substituted collateral and determine that the substituted collateral is within the requirements of these Investment and Collateral Policies and Procedures and the Depository Bank Contract. The value of the new collateral must equal at least the value of the original collateral. If the collateral has sufficient value, the Travis County Treasurer may approve the substitution. The Travis County Treasurer must notify the financial institution or the safekeeping agent holding the collateral when any substitution is approved. Although substitution is allowable, it should be limited to minimize a potential administrative burden. The Travis County Treasurer may limit substitutions and assess reasonable fees if requests for substitution become excessive or abusive.

§ 031 Agreements and Safekeeping for All Deposits

Financial institutions serving as District depositories must enter agreements for the safekeeping of collateral with both Travis County Healthcare District and its safekeeping agent, or agree to cooperate with the Federal Reserve Bank under the terms of its Pledgee Agreement Form, to define Travis County Healthcare District's rights to the collateral in case of default, bankruptcy, or bank closing. All collateral securing deposits is held by the safekeeping agent.

§ 032 Collateral Requirements for Repurchase Agreements

Issuers of repurchase agreements must collateralize them with obligations of the United States or its agencies. These issuers must wire transfer the collateral to the safekeeping agent designated by Travis County Healthcare District through the Federal Reserve System. If the collateral matures in one year or less, the value of the collateral must be at least 101% of the par value of the repurchase agreement plus accrued interest. If the collateral matures in one to two years, the value of the collateral must be at least 102% of the par value of the repurchase agreement plus accrued interest. Collateral maturity is limited to two years.

§ 033 Monitoring Collateral Adequacy for Repurchase Agreements

The Travis County Treasurer must monitor all collateral underlying repurchase agreements weekly. More frequent monitoring may be necessary during periods of market volatility. If the value of the collateral for a repurchase agreement falls below the required level, the Travis County Treasurer must make a margin call unless the repurchase agreement matures within five business days and the difference between the value of the collateral and the required level is immaterial.

§ 034 Substituting Collateral for Repurchase Agreements

Seller shall obtain written consent of Travis County Healthcare District prior to substitution. The duration (or maturity) of securities offered as substitutes may not exceed the duration or maturity of the originally purchased securities.

§ 035 Safekeeping of Repurchase Agreement Collateral

Issuers of repurchase agreements must transfer collateral for repurchase agreements to the safekeeping agent with which Travis County Healthcare District has established a safekeeping agreement.

Part E
LIQUIDITY

§ 036 Achieving Liquidity

Investments are selected to meet anticipated cash needs. The Travis County Investment Officers must achieve liquidity by purchasing eligible investments described by § 017 with active secondary markets, eligible MMMFs and LGIPs.

§ 037 Liquidating Investments

The Travis County Investment Officers may liquidate an investment to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or to adjust the portfolios for other reasons.

Part F
INVESTMENT RETURN ACHIEVEMENT

§ 038 Priority of Investment Goals

The Travis County Investment Officers must consider legality, safety, liquidity, diversification, risk and rate of return in investment selection for all portfolios. Investments are made in securities with maturities corresponding to anticipated cash requirements.

Investments are to take advantage of yield curves and earn additional returns. The Travis County Investment Officers must actively manage all Travis County Healthcare District portfolios to enhance total income in compliance with the "prudent investor rule" described by § 005. The Travis County Investment Officers may use bond swaps to achieve these management goals.

§ 039 Bond Swaps

If the demand for a bond from a particular agency creates a situation where the yields in that agency's bonds are the same or less than an equivalent treasury security, swapping the agency's bond for a treasury security can improve the quality of Travis County Healthcare District's portfolios. If bonds in a particular maturity range are limited in the market, swapping a bond in demand for a similar bond in a different maturity range may be advantageous. The Travis County Investment Officers may swap a bond held in any Travis County Healthcare District portfolio for a comparable bond in the market to improve portfolio yield even if the transaction results in an accounting loss. The Travis County Investment Officers may swap a bond held in any Travis County Healthcare District portfolio if the overall yield of the portfolio will not decrease after the swap and the date of maturity of the new security is less than 181 days after the maturity date of the old security. The Travis County Investment Officers must solicit competitive bids for bond swaps. All bids received are documented and filed for auditing purposes.

Part G
INVESTMENT RESPONSIBILITIES BY OFFICE

§ 040 Training

The Travis County Investment Officers, the Travis County Treasurer, the President and CEO, and Chief Financial Officer, if different from the President and CEO, shall attend at least one training session from an independent source approved by Board of Managers and containing at least 10 hours of instruction relating to his/her responsibilities under the Public Funds Investment Act within twelve months after taking office. These persons shall also attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by Board of Managers. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.

The independent sources approved by Board of Managers are:

Government Finance Officers Association
Government Finance Officers Association of Texas
Government Treasurers Organization of Texas
Texas Association of Counties

Austin Treasury Management Association
Alliance of Texas Treasury Associations
Texas Municipal League
Texas Society of CPAs
Association of Government Accountants
University of North Texas
University of Texas
Texas A&M University
County Treasurers Association of Texas
Texas Association of County Auditors
Western CPE
First Southwest Company

§ 041 Treasurer

In the investment function, the Treasurer has the following responsibilities:

(1) Notifying of Controlled Disbursement Requirements

The Treasurer notifies the Travis County Investment Officers if additional funds are required for the daily controlled disbursement to ensure that investments are liquidated in time to meet the controlled disbursement requirements.

(2) Processing Investments

The Treasurer may transact wire transfers for investment purposes for Travis County Healthcare District. The Travis County Investment Officers notifies the Treasurer of the amount to be transferred. In addition, the Treasurer and the Travis County Investment Officers approve the wire transfer form.

(3) Depositing Investment Principal and Interest

The Treasurer deposits principal and interest at maturity to the funds bank account indicated by the Travis County Investment Officers.

(4) Ensuring Security of Investments

The Treasurer accesses the depository's files daily to verify Travis County Healthcare District's account balances. The Treasurer adds the certificates of deposit purchased by the Travis County Investment Officers to the total District cash balances to obtain the total District balance. The Treasurer compares the total District balance to the total collateral purchased by the depository banks. The collateral must be 102% of Travis County Healthcare District's total balances held with the depository. If the collateral is less than 102% of Travis County Healthcare District's total balances, the Treasurer

must contact the depository bank to verify that the depository bank has increased the collateral to the required level.

§ 042 Cash/Investment Management

The Travis County Investment Officers are the primary managers of District investment portfolios. The Travis County Investment Officers make investment decisions and keep proper records of District investments. In the investment function, the Travis County Investment Officers have the following responsibilities:

(1) Developing Investment Strategies

The Travis County Investment Officers develop an investment strategy to administer investments of Travis County Healthcare District. The Travis County Investment Officers use the following procedures in the investment strategy:

(A) summarize the economic and market analysis;

(B) forecast available cash for investment;

(C) formulate strategies for asset mix, investment instruments, maturities, and target yields;

(D) monitor performance against the current investment strategy and evaluating reasons for variances; and

(E) report portfolio performance for the previous quarter to the Board of Managers.

(2) Selecting and Processing Investments

The Travis County Investment Officers review the composition of the current portfolio and determine whether the securities under consideration maintain the portfolio within policy guidelines. The Travis County Investment Officers and the Treasurer approve the wire transfer form authorizing the transfer of funds for a specific investment transaction.

(3) Documenting Investments and Providing Details

The Travis County Investment Officers retain documentation of all investment transactions, including bond swaps. The Travis County Investment Officers provide information and supporting documentation for all investment transactions to the President and CEO or Chief Financial Officer for appropriate accounting and recording. The Travis County Investment Officers provide information and back-up documentation of all investment transactions

to the President and CEO or Chief Financial Officer who takes the necessary steps to ensure accurate calculation of cash position and accurate posting to appropriate fund bank accounts.

(4) Developing Cash Flow Projections for All Portfolios

The Travis County Investment Officers analyze prior period data and meet with the President and CEO of the Travis County Healthcare District to develop and amend cash flow projections of Travis County Healthcare District cash requirements. The Travis County Investment Officers use cash flow projections to match assets and liabilities in addition to maximizing the return on investments.

(5) Determining Cash Available for Investment

The Travis County Investment Officers determine the amount of District funds available for investment each business day. All funds that can be legally invested and that are not required for that day's controlled disbursement are considered funds available for investment.

(6) Monitoring Investment Performance

(A) The Travis County Investment Officers must routinely perform market and economic analysis to forecast probable market conditions for the investment period by assembling and analyzing current and trend data to develop and plan investment strategy. This analysis uses information obtained from investment advisors, brokers, investment industry publications, and investment industry information systems.

(B) The Travis County Investment Officers monitor the current and expected yield curves for interest rate movements. When interest rates are expected to decline, maturity ranges are extended within portfolio and policy constraints. When interest rates are expected to increase, maturity ranges are shortened. The Travis County Investment Officers monitor yield spreads between various government agency issues and United States notes and bonds to determine the best value. The Travis County Investment Officers also present recommendations for investment strategy based on economic and market conditions.

(7) Reconciling Investment Records and General Ledger

The Travis County Investment Officers provide the President and CEO with a monthly report that states investments at par value, the identifying cusip number, the premium or discount and the interest purchased. The report includes monthly and year-to-date interest accruals and amortization/accretion of premium/discount. The President and CEO or Chief Financial Officer

provides this information to the Accountant who reconciles this report to the investment accounts in the general ledger.

(8) Providing Revenue Estimates for All Portfolios

The Travis County Investment Officers provide an estimate of the investment revenue for the annual budget.

§ 043 Accountant

The Accountant is the primary monitor of District transactions. The Accountant prepares the general ledger and makes all entries in it. In the investment function, the Accountant has the following responsibilities:

(1) Posting Investments and Reconciling to the General Ledger

The Accountant posts investment transactions, investment interest revenue received, and accrued interest income to the general ledger. The Accountant reviews and approves the monthly reconciliation of investments, investment interest revenue received, and accrued interest income to the general ledger. The Accountant notifies the Travis County Investment Officers if there are any discrepancies between the monthly investment report described in § 042(7) and the general ledger so that these two entities can work together to reconcile the differences.

(2) Reconciling Safekeeping Reports with Investments

On a quarterly basis, the Accountant reconciles the investment securities Safekeeping Report, provided to the Treasurer by the Depository Bank, to the report of currently owned investment securities as of that date, provided by the Travis County Investment Officers.

(3) Monitoring Arbitrage

The Accountant monitors Travis County Healthcare District's arbitrage responsibilities, if necessary, and provides the bond fund transaction information required by Travis County Healthcare District's arbitrage advisors.

(4) Allocating Budget from Interest Revenue

The Accountant allocates the interest revenue earned from investments proportionately to all funds that participate in the investment function.

§ 044 Auditor

The Auditor, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to Travis County Healthcare District Investment and Collateral Policies and Procedures and Tex. Gov't Code Ann. ch. 2256, known as the Texas Public Funds Investment Act.

§ 045 President and CEO

The President and CEO is the chief custodian of District funds. The President and CEO receives funds due to Travis County Healthcare District, makes disbursements authorized by the Board of Managers after the checks are co-signed by the President and CEO and one other authorized signatory for the District, and keeps proper records of District finances.

Part H
INVESTMENT PURCHASING PROCEDURES

§ 046 Competitive Bidding

(a) Travis County Healthcare District requires competitive bidding for all individual security purchases except for those transactions with MMMFs, LGIPs, treasuries purchased through the Federal Reserve Treasury Direct Accounts, and for government securities purchased at issue through an approved broker/dealer at the auction price. The Travis County Investment Officers may rely not only on yield in selecting MMMFs and LGIPs but also on adherence to applicable Securities and Exchange Commission (SEC) guidelines for MMMFs and other criteria determined by them.

(b) At least three bidders must be contacted in all transactions involving individual securities. For those situations where it may be impractical or unreasonable to receive three bids for an agency transaction due to secondary market availability, bids may be considered comparable for agencies with comparable structures and having maturities within 15 calendar days before and after the requested security. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law. All bids received must be documented and filed for auditing purposes.

(c) At least three bids must be obtained in transactions involving domestic commercial paper. These bids shall be obtained from approved broker/dealers or from a financial information source, such as Bloomberg. When bids are obtained from a financial information source, the commercial paper selected may be purchased directly from the issuer. Different issuers may be compared to select the highest yielding, domestic commercial paper. The Travis County Investment Officers may rely not only on yield in selecting commercial paper but also on other criteria determined by them. The criteria to follow when soliciting bids are as follows:

(1) The maturity dates must be the same, and

(2) The method of settlement must be the same whether regular settlement next day or cash settlement same day.

§ 047 Preliminary Requirements for Repurchase Agreements

Before Travis County Healthcare District enters into a repurchase agreement with any issuer, that issuer must sign a Master Repurchase Agreement approved by Board of Managers and return it to the Travis County Investment Officers for filing. All Repurchase Agreements are recommended by the Travis County Investment Officers, reviewed by Travis County Attorney's Office, and approved by the Board of Managers.

§ 048 Wire Transfer Procedures

(a) In executing investment transactions, the Treasurer must use pre-formatted repetitive wire transfers, whenever possible, to restrict transfers of funds to pre-authorized accounts.

(b) For transfer of investment funds via wire to non-District accounts, the agreement with the depository bank must require the depository bank to call the Travis County Investment Officers for confirmation that this transfer is authorized prior to the transfer.

Part I
PERFORMANCE EVALUATION AND REPORTING

§ 049 Levels of Evaluation

Evaluation is conducted at several levels. The Travis County Investment Officers continually monitor and evaluate the investment performance. The Board of Managers evaluates the Travis County Investment Officers' entire performance.

§ 050 Performance Analysis and Reporting

The Travis County Investment Officers determine the level and content of daily and weekly performance analysis and reporting. The Travis County Investment Officers and the Board of Managers jointly decide the level and content of monthly performance analysis and reporting.

§ 051 Quarterly Performance Analysis and Reporting

(a) The Travis County Investment Officers must prepare, provide, and sign a quarterly summary report, prepared in compliance with Generally Accepted Accounting Principles for each fund group, that describes in detail the investment position of Travis County Healthcare District and evaluates investment performance based on investment policy objectives. The quarterly report will identify the method and source used to monitor the market price of investments and also will indicate whether the method and source changed from the previous quarterly report. This report must be submitted to the Board of Managers. A comparison of

the performance of Travis County Healthcare District's portfolio to appropriate benchmarks selected by the Travis County Investment Officers is presented. The report addresses compliance with the investment policy in diversification by type and maturity. The report also includes the following information:

(1) Cash availability,

(2) Market review,

(3) Investment strategy – next quarter,

(4) Performance measurement: the standard used by Travis County Healthcare District to measure its investment return is based on the yield to maturity of all investments in the portfolio, using the stated final maturity date of each security,

(5) Portfolio statistics,

(6) Collateral adequacy for repurchase agreements,

(7) Collateral adequacy for bank deposits and certificates of deposit,

(8) Investment activity,

(9) Market valuation:

- (A) at beginning of quarter,
- (B) changes during the quarter, and
- (C) at end of the quarter, for each portfolio,

(10) Distribution of investments by broker/dealer/financial institution,

(11) Distribution of investments by type of investment,

(12) Fully accrued interest for the reporting period,

(13) For each separately invested asset,

- (A) state book value and market value at the beginning and end of the quarter by the type of asset and fund type,
- (B) state maturity date, and
- (C) state the fund for which it was acquired, and

(14) Signatures of the Travis County Investment Officers certifying compliance of the Travis County Healthcare District investment portfolios with the Travis County Healthcare District investment strategy, policy and the Public Funds Investment Act.

§ 052 Annual Performance Analysis and Reporting

The Travis County Investment Officers compile the quarterly reports into an annual report at the end of each fiscal year and submit it to the Board of Managers by the end of the first quarter of the following fiscal year.

An independent auditor chosen to audit the Travis County Healthcare District's annual financial statements must formally review the quarterly investment reports that are prepared in compliance with the Public Funds Investment Act. In conjunction with this audit, Travis County Healthcare District shall perform a compliance audit of management controls on investments and adherence to this Investment and Collateral Policies and Procedures. This review should be performed at least annually and the results reported to Board of Managers.

Part J
INVESTMENT POLICY REVIEW AND AMENDMENT

§ 053 Review Procedures

The Travis County Investment Officers must review Travis County Healthcare District Investment and Collateral Policies and Procedures annually to make revisions due to legislative actions and changing market conditions. This review must be done by the third quarter of the calendar year after each legislative session. The Board of Managers must review the investment policies and strategies at least annually.

§ 054 Changes to the Investment Policies

After adoption of Travis County Healthcare District Investment and Collateral Policies and Procedures, the Board of Managers must approve any revisions to the Policies and Procedures before they become effective, by adopting a written instrument stating that the Board of Managers has reviewed the Investment and Collateral Policies and Procedures and investment strategies. This written instrument must record any changes made to either the policies or strategies.

Part K
INTERPRETIVE PROVISIONS

§ 055 Authorization

The Public Funds Investment Act and the Public Funds Collateral Act authorize the Board of Managers to promulgate the Investment and Collateral Policies and Procedures.

§ 056 Effective Date

The Travis County Healthcare District Investment and Collateral Policies and Procedures are effective upon adoption by the Board of Managers.

§ 057 Definitions

(a) In this manual, the following words and phrases have the following meanings:

(1) "Accountant" means the external accountant under contract with the Travis County Healthcare District.

(2) "Auditor" means the external auditor under contract with the Travis County Healthcare District.

(3) "Board of Managers" means Travis County Healthcare District Board of Managers.

(4) "President and CEO" means the employee hired by the Board of Managers of the Travis County Healthcare District to perform the statutorily required functions of this position and other activities as directed by the Board of Managers.

(5) "Travis County Investment Officers" means the Travis County Budget Manager, Travis County Investment Manager and Assistant Travis County Investment Manager who have been authorized to invest Travis County Healthcare District funds by the Board of Managers.

(6) "Treasurer" means the Travis County Treasurer or her designees.

(b) Definitions in the Public Funds Investment Act shall be used to interpret these Policies and Procedures.

§ 058 The Public Funds Investment Act

When these Policies and Procedures are provided to broker/dealer/financial institutions, the Travis County Investment Officers shall also include a copy of the Public Funds Investment Act.

§ 059 Construction, Precedents, and Interpretation

Travis County Healthcare District Investment and Collateral Policies and Procedures must be construed to meet the following provisions:

(1) These Policies and Procedures must be construed liberally to give all of the authorization intended for the investment of all portfolios.

(2) The Board of Managers resolves any questions about the interpretation of these Policies and Procedures.

(3) If there is any conflict between these Policies and Procedures and the state constitution, or any state law or any rule adopted under a state law or the United States constitution, these Policies and Procedures prevail to the greatest extent possible without violating the United States constitution, the state constitution, any constitutional federal or state law or any constitutional rule adopted thereunder.

(4) The masculine, feminine and neuter genders are construed to include the other genders if required by the context or facts. The singular and plural are construed to include the other number if required by the context or facts. Words in the present tense are construed to include the future tense.

(5) Words and phrases are read in context and construed according to the rules of grammar and common usage. Words and phrases that have acquired a technical or particular meaning whether by definition in these policies and procedures or otherwise, are construed according to the acquired meaning. Throughout these policies and procedures, words defined in this section are shown with an initial capital. The use of an initial capital is construed to mean that the definition of the capitalized word or phrase is the definition in this section.

(6) Throughout these policies and procedures, headings for sections, subsections and portions of the text are inserted for convenience only. These headings are not to be construed to expand or limit the interpretation of the text that follows the heading.

(7) When a period is stated in days, the days are construed as calendar days unless otherwise stated. If the last day of any period is a Saturday, Sunday or District holiday, the period is extended to include the next day that is not a Saturday, Sunday or District holiday.

Part L
FORMS

§ 060 Disclosure

Investment officers required by § 007 to make disclosure shall report in a manner that is substantially similar to the forms in § 060 (1) and (2).

(1) Personal business interests which require disclosure should be reported in a format similar to the following:

Disclosure of Required Personal Business Interest Form

Date

Texas Ethics Commission
201 E. 14th Street (or current address)
Sam Houston Building, 10th Floor
Austin, Texas 78701

Dear Sir or Madam:

This letter is a disclosure statement to comply with the 1999 Public Funds Investment Act passed by the Texas Legislature, which requires, in § 2256.005(i), that an investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest.

Travis County Healthcare District purchases investments through *Name of Business Organization*. As an investment officer of the Travis County Healthcare District, I hereby disclose that I use *Name of Business Organization* for personal investment transactions.

Sincerely,

Signature of Travis County Healthcare District Investment Officer
Name of Travis County Healthcare District Investment Officer

CC: Travis County Healthcare District Board of Managers
Travis County Healthcare District President and CEO

(2) Investment officers who have a relationship within the second degree by affinity or consanguinity must use a form similar to the following example:

Disclosure of Relationship Within Second Degree of Affinity or Consanguinity

Date

Texas Ethics Commission
201 E. 14th Street (or current address)
Sam Houston Building, 10th Floor
Austin, Texas 78701

Dear Sir or Madam:

This letter is a disclosure statement to comply with the 1999 Public Funds Investment Act passed by the Texas Legislature, which requires, in § 2256.005(i), that an investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship.

Travis County Healthcare District purchases investments through *Name of Individual* with *Name of Business Organization*. As an investment officer of the Travis County Healthcare District, I hereby disclose that I am related to *Name of Individual* with *Name of Business Organization* within the second degree of affinity or consanguinity.

Sincerely,

Signature of Travis County Healthcare District Investment Officer
Name of Travis County Healthcare District Investment Officer

CC: Travis County Healthcare District Board of Managers
Travis County Healthcare District President and CEO

§ 061 Certification

TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of Travis County Healthcare District and (the Business Organization) pursuant to the Texas Public Funds Investment Act, Chapter 2256, Government Code, Texas Codes Annotated (the Act), in connection with investment transactions conducted between Travis County Healthcare District and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

(i) Public Funds Investment Act Section 2256.005 (k): Nothing in this Certification relieves the Travis County Healthcare District of the responsibility for monitoring the investments made by the Travis County Healthcare District to determine that they are in compliance with the Travic County Healthcare District Investment and Collateral Policies and Procedures.

(ii) The undersigned is a Qualified Representative of the Business Organization offering to enter into an investment transaction with Travis County Healthcare District as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code;

(iii) The Qualified Representative of the Business Organization has received and thoroughly reviewed the Investment and Collateral Policies and Procedures furnished by the Travis County Healthcare District Investment Officer;

(iv) Public Funds Investment Act Section 2256.005 (k) (2): The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between Travis County Healthcare District and the Business Organization that are not authorized by Travis County Healthcare District's Investment and Collateral Policies and Procedures, except to the extent that this authorization is dependent on an analysis of the makeup of Travis County Healthcare District's entire portfolio or requires an interpretation of subjective investment standards.

Deleted: ii

Qualified Representative of the Business Organization

Signature_____

Name_____

Title_____

Date_____

§ 062 BROKER/DEALER/FINANCIAL INSTITUTION QUESTIONNAIRE

Non-Primary Broker/Dealer/Financial Institutions must complete a Broker/Dealer Questionnaire in the following form to comply with § 019 and § 020:

TRAVIS COUNTY HEALTHCARE DISTRICT, TEXAS
BROKER/DEALER/FINANCIAL INSTITUTION QUESTIONNAIRE

Travis County Healthcare District operates under the laws of the State of Texas, including the State of Texas Public Funds Investment Act. Travis County Healthcare District manages an investment portfolio ranging in size from $76 million to $122 million, which is comprised mainly of U.S. Treasury and Agency obligations, and Local Government Investment Pools. Travis County Healthcare District has adopted written Investment and Collateral Policies and Procedures which regulate the standards and procedures used in its cash management activities. A copy of the Investment and Collateral Policies and Procedures is included, as well as a copy of the Public Funds Investment Act.

Travis County Healthcare District will review and substantiate information and references requested in this Questionnaire; therefore, please answer all questions as thoroughly as possible. Travis County Healthcare District will notify Broker/Dealers of their approval/non-approval in writing. No transactions will be conducted with a Broker/Dealer who has not signed the Travis County Healthcare District Certification. Travis County Healthcare District solicits competitive bids and offers on the majority of its transactions. All securities will be delivered against payment to the third party custodian named by Travis County Healthcare District.

Note that instructions in bold print require information to be provided in addition to the completed questionnaire.

1. Name of Firm_____

2. Local Address_____
_____
_____

3. National Address_____
_____
_____

4. Local telephone number (____)_____
National telephone number(____)_____

5. Primary representative (the person Travis County Healthcare District will be primarily doing business with)

Name_____
Title_____
Telephone number (____)_____CRD#_____

6. Secondary representative

Name_____
Title_____
Telephone number (____)_____CRD#_____

7. Identify all personnel who will be trading with or quoting securities to the Travis County Healthcare District (additional back-ups)

Name	Title	CRD Number
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Attach resumes of all the above persons.

8. Have all of the above personnel read our investment and collateral policies and procedures and signed our certification?

Yes [ ] No [ ]

If above answer is no, please explain:_____
_____
_____
_____

9. (A) If you are a broker/dealer or subsidiary of a national bank, is your firm licensed to do business in Texas?

Yes [ ] No [ ]

(B) If you are a broker/dealer or subsidiary of a national bank, is your firm a member of National Association of Securities Dealers in good standing?

Yes [ ] No [ ]

Please provide your firm's CRD number_____

10. What was your firm's trading volume in United States Government and Agency securities for the most recent fiscal year?

Firm-wide $_____
Number of Transactions_____
Local office $_____
Number of Transactions_____

11. Which instruments are offered regularly by your local desk?

[ ] Treasury Bills
[ ] Treasury notes/bonds
[ ] Agencies - specify

_____
_____
_____

[ ] Commercial paper
[ ] Other – specify

_____
_____
_____

12. Please identify at least three of your most directly comparable public sector clients in Texas who have done business with the primary representative listed in question 5.

Entity	Contact Person	Telephone no.	Client since
_____	_____	( ) _____	_____
_____	_____	( ) _____	_____
_____	_____	( ) _____	_____
_____	_____	( ) _____	_____

13. Has your firm or any of your employees ever been investigated by a regulatory or state agency for alleged improper, fraudulent, disreputable, or unfair business practices in the sale of securities or money market instruments? If yes, please explain.

_____
_____
_____
_____

14. Please provide the most recent audited financial statements for your firm.

15. Are you representing a parent corporation or a subsidiary of another corporation?

Parent [ ] Subsidiary [ ]

If you are a subsidiary, please provide the most recent audited financial statements for your parent corporation.

16. If your institution is a bank,

(A) Has your bank consistently complied with the Federal Reserve Bank's capital adequacy guidelines?

(B) Is your bank in compliance with these guidelines on the date of this questionnaire?

(C) Has your capital position ever fallen short of these guidelines?

(D) Does your bank presently exceed the capital adequacy guidelines' measure of risk? If so, by what factor? Example: 1.5X, 2X, etc.

(E) Please provide certified documentation of your capital adequacy as measured by the Federal Reserve Bank standards.

17. If your institution is a broker/dealer or a subsidiary of a national bank, please provide your most recent FOCUS report.

18. What portfolio information do you require from your clients?

19. What reports, transactions, confirmations and paper trail will we receive?

TEXPOOL
An Investment Service for Public Funds

RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES

WHEREAS, Travis County Healthcare District, Location 78849

(Participant Name & Location Number)

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool/ Texpool *Prime*"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool *Prime* and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by all remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool *Prime* account or (2) is no longer employed by the Participant; and

C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representatives of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Name Krystal Bruton Title Senior Financial Analyst

Signature Krystal Bruton Phone Number 512-854-9779

ORIGINALS REQUIRED

TEX – REP

2. Name Mary E. Mayes Title Investment Manager

Signature Mary E. Mayes Phone Number 512-854-9085

3. Name Harvey L. Davis Title Asst Investment Manager

Signature Phone Number 512-854-4743

4. Name Leroy Nellis Title Budget Manager

Signature Phone Number 512-854-9066

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name Mary E. Mayes

Email mary.mayes@co.travis.tx.us Fax Number 512-854-4210

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

5. Name * Carolyn Konecny Title Chief Financial Officer

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the _____day _____, 20 ___.

NAME OF PARTICIPANT: Travis County Healthcare District

BY: _____
Signature
Carl S. Richie, Jr
Printed Name
Chairperson, Board of Managers
Title

ATTEST: _____
Signature
Rose Lancaster
Printed Name
Secretary, Board of Managers
Title

This document supersedes all prior Authorized Representative designations.

* Jane Cravey Senior Financial Analyst
(View Only Access)

ORIGINALS REQUIRED

TEX – REP

TexasDAILY
Published by the Texas TERM Local Government Investment Pool

Easy Online Network (EON)

Online Account Access Authorization

Instructions: Complete one form for each user. Fax form to EON Coordinators at **1.800.252.9551**

Questions? Call 1.866.839.8376

Type: ☒ New User
☐ Reactivate expired login for current user
☐ Remove User as indicated below

Basic Information
Name of Entity: TRAVIS COUNTY HEALTHCARE DISTRICT

Entity Tax Identification Number: [redacted]

User Information

First Name: JANE KURZAWA Last Name: CRAVEY
☐ Mr. ☒ Ms.

Title/Position: SR FINANCIAL ANALYST

E-Mail: jane.cravey@traviscountyhd.org Tel: 512-978-8164

Preferred Username [redacted] **Mother's Maiden Name** [redacted]
(An EON Coordinator will contact you if the preferred username is unavailable)

Account Access

☒ User may access **all accounts** under entity name

☐ User may access the following account(s) only: (Use additional sheet if necessary)

_____ _____ _____ _____
_____ _____ _____ _____
_____ _____ _____ _____

Access Type (User will be granted FULL ACCESS if this section is not completed)

☐ **FULL ACCESS** – Initiate and reverse transactions; view all current and historical statements & activity

☒ **VIEW ONLY ACCESS** - No online transactions; view all current and historical statements & activity

☐ **PARTIAL ACCESS** - View all current and historical statements & activity, access the following transactions only:

Purchases	Redemptions	General
___ All Purchases	___ All Redemptions	___ Transfer between accounts/series
___ Wire Purchase Notify	___ Initiate Wire Redemption	___ Reverse Pending Transactions
___ Initiate ACH Purchase	___ Initiate ACH Redemption	

Authorized By: (Authorized Individual as designated per Fund records)

Name: Mary E. Mayes Title: Investment Mgr Date: 9/12/2008

Signature: Mary E. Mayes Phone Number: 512-854-9085

(By signing you are authorizing access to your accounts as specified above and indemnifying the Fund of responsibility for unauthorized use.)

Note: It is your entity's responsibility to notify the Fund of any changes needed for users with online access to your accounts.

FUND USE ONLY		
	Date	Initials
Processed		
Confirmed		

Help Desk: 1-888-693-7274

TexasTERM
Local Government Investment Pool

P.O. Box 1767
Austin, TX 78767-1767

Online Access Registration Form

ALL INFORMATION IS REQUIRED

_____FIRST REGISTRATION __X__ CHANGE/ADD INFORMATION

Name of Entity: **Travis County Healthcare District** Person applying for access: **Krystal Bruton**

Address: **314 W. 11th Street Suite 540 Austin, TX 78701**

Phone: (512) 854-9779 Fax: **(512) 854-4210**

E-Mail Address: krystal.bruton@co.travis.tx.us

(E-mail address should be private. Password will be sent by e-mail if e-mail address is provided.)

User Name: BrutonK Mother's Maiden Name: Rippy
(Online user name must be between 6 and 25 alphanumeric characters with no spaces or punctuation and is case insensitive.)

Authorized Signature: Mary E Mayes Title: Investment Manager

(By signing you are authorizing access to your accounts and indemnifying PFM Asset Management LLC of responsibility for unauthorized use.)

This form may be used to register access to your accounts. Each account must be listed separately. There is no limit to the number of accounts you may access. Additional accounts can be listed on the back of this form. This form may be copied to add additional users or additional accounts at a future time.

ACCOUNT TITLE	ACCOUNT NUMBER	VIEW ACCOUNT		INITIATE TRANSACTIONS	
		Yes	No	Yes	No
Operating	1090-00	X		X	

This form cannot be sent via fax. Please mail completed form to the address listed above:

Internal Use Only

Date Received: Reset Dates:
Implemented By:
Verified By: PASSWORD:

Updates to TexasTERM Official Records

TexasTERM
Local Government Investment Pool

Please use this form to change the authorized representative(s) who may open or close accounts and initiate transactions on behalf of the entity or update entity address and contact information. Please indicate who the new contact person is.

Date: 8/28/2008 Name of Governmental Entity: Travis County Healthcare District

Does this information apply to all accounts? [X] Yes. Or list accounts at bottom left.

Please use this section to update your entity's address and contact name.

Previous	New

Phone: 512-854-9085
Fax: 512-854-4210
Date: 8/28/2008

Signatures of two Authorized Signers are required to update

Signature: Mary E. Mayes

Attesting Signature: Harvey L. Davis

These changes apply to listed Specific Accounts:

Web address:

Email:

** Please use this section to update Authorized Signers. A copy of Minutes or Resolution approving resignation or succession may be used in place of actual Signatures to be Removed. All Authorized Signers should sign bottom section.**

REPRESENTATIVES TO BE REMOVED:

Please Print:	Signature

**ALL AUTHORIZED REPRESENTATIVES:

Please Print:	Signature
Mary E. Mayes	Mary E. Mayes
Harvey L. Davis	Harvey L. Davis
Leroy Nellis	Leroy Nellis
Krystal Bruton	Krystal Bruton

**The undersigned certify that any one of the persons signing below has the full authority and capacity to open an account with TexasTERM. The undersigned affirm that I/We have received and read TexasTERM and TexasDAILY Information Statements and agree to be bound by their terms. The undersigned agree that the certification, instructions and authorizations contained in the TexasTERM/DAILY Registration Form, will remain in effect until TexasTERM receives written notice of change.

TexSTAR

ADDITION/DELETION FORM FOR AUTHORIZED REPRESENTATIVES

LOCATION NUMBER: 22708 EFFECTIVE DATE: 8/28/2008

PARTICIPANT NAME: Travis County Healthcare District

PART I: DELETIONS - Please enter the names of the individual(s) to be *deleted* as Authorized Representatives.

PRINTED NAME	PRINTED NAME
1.	3.
2.	Inquiry Only Representative*

PART II: ADDITIONS - Please enter the names of the individual(s) to be *added* as Authorized Representatives.

PRINTED NAME	TITLE	SIGNATURE
Krystal Bruton	Senior Financial Analyst	Krystal Bruton

PART III: APPROVALS - Please enter the names of *all* individuals who are currently Authorized Representatives and who authorize the deletions and additions of the individuals above.

PRINTED NAME	TITLE	SIGNATURE
Mary E. Mayes	Investment Manager	Mary E. Mayes
Harvey L. Davis	Assistant Investment Manager	Harvey L. Davis
Leroy Nellis	Budget Manager	Leroy Nellis

TexSTAR

ADDITION/DELETION FORM FOR AUTHORIZED REPRESENTATIVES

PART IV: PRIMARY CONTACT - If the Primary Contact on file with TexSTAR was deleted in Part I of this form, please provide the name of the Authorized Representative that will be the Primary Contact. The Primary Contact is the individual who will receive the daily transaction confirmations, monthly statements, monthly newsletter, TexSTAR Updates and other TexSTAR mailings. [required]

Name: Mary E. Mayes

Email Address: mary.mayes@co.travis.tx.us

Phone Number: 512-854-9085

PART V: INQUIRY ONLY - If an Inquiry Only Representative was deleted in Part I and you wish to replace this representative or add an inquiry only representative to your TexSTAR account for the first time, please list this individual below. This limited representative cannot make deposits or withdrawals or sign Bank Information Sheets. [optional]

PRINTED NAME	TITLE	SIGNATURE
Jane Cravey	Senior Financial Analyst	

If you have any questions regarding this form or the Authorized Representatives currently on file with TexSTAR for your entity, please contact TexSTAR Participant Services at 1-800-839-7827.

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 2

Discuss and take appropriate action regarding a proposed renewal and amendment of the contract for indigent care services between the Travis County Healthcare District and People's Community Clinic.

(Back-Up: Memo with term sheet)

travis county HEALTHCARE DISTRICT

Memo:

To: Travis County Healthcare District Board of Managers

From: Larry Wallace, Associate Administrator

CC: Patricia A. Young Brown, Claudia Lindenberg, Stacy Wilson, Sarah Churchill

Date: September 18, 2008

Re: Agenda Item #2: Discuss and take appropriate action regarding a proposed renewal and amendment of the contract for indigent care services between the Travis County Healthcare District and People's Community Clinic.

Background

Travis County entered into a contract on March 1, 2004 with People's Community Clinic ("PCC") to provide indigent healthcare services. That contract was subsequently assigned to the District. The initial contract allowed for up to six, one-year renewals. The proposed renewal would be the fourth renewal allowed under the contract. Contract term sheet information is provided below.

Contract Term Sheet

Amendment and Renewal: This Fifth Amendment and Renewal to the Indigent Healthcare Services Contract would provide healthcare services to MAP enrollees in addition to continued healthcare services for Eligible Patients whose income is at or below 200% of the Federal Poverty Income Guidelines. PCC will provide services for up to an average of 1,000 MAP patients per month whose primary care provider is PCC.

Services to both eligible patients and MAP enrollees include adult primary and preventive healthcare; gynecology services; routine laboratory; and disposable medical supplies routinely provided during an office visit. PCC will bill and receive reimbursement on a per-encounter basis.

Cost: Total contract not-to-exceed cost is $700,000 with the following reimbursement rates:

- Eligible Patients as defined in the contract: $91 per encounter (this is a reduction from the current $133.78 per encounter approved by the Board on May 1, 2008)
- MAP enrollees: 110% of the Medicare fee applicable at the time of service

Term: October 1, 2008 through September 30, 2009.

Recommendation

Staff recommends that the Board of Managers approve the proposed Amendment and Renewal based on the contract term sheet and authorize the District President and CEO to negotiate and execute the Amendment and Renewal on terms as favorable or more favorable to the District.

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 3

Discuss and take appropriate action regarding a proposed renewal and amendment of a contract between the Travis County Healthcare District and Travis County Medical Society (Project Access) and authorize the expenditure of $30,000 in Fiscal Year 2009 expansion funds for this contract.

(Back-Up: Decision paper and contract)

Travis County Healthcare District
Request for Board of Managers Consideration
September 25, 2008

Board of Managers Agenda Item:

3. Discuss and take appropriate action regarding a proposed renewal and amendment of a contract between the Travis County Healthcare District (District) and Travis County Medical Society (Project Access) and authorize the expenditure of $30,000 in Fiscal Year 2009 expansion funds for this contract.

Recommended Board Action: Approve the renewal of an amended contract with the Travis County Medical Society (Project Access) in the amount of $330,000 to continue to provide expanded access to primary care, specialty care, and related diagnostic and other services for the District's target population.

Related TCHD Strategic Direction: SC03: Increase the availability of specialty care services.

Resource Impact: The requested amount of $330,000 is available in the District's FY09 approved budget. This amount reflects a $30,000 increase over the FY08 contract amount for Project Access. The $300,000 FY08 contract amount is included as part of the FY09 base budget. The additional $30,000 is included within the FY09 expansion budget.

Anticipated Result: The increased contract amount will allow for the continued growth in access to and quality of services for the Project Access program.

Background Summary:

Background: The District initially entered into an agreement with Project Access in March 2004. This would be the fifth amendment and renewal of this contract.

Project Access provides access to primary care and specialty care services through the pro bono services of community physicians. However, in addition to office visits, Project Access strives to provide any additional medical services needed by its clients to ensure continuity of care. These additional services include medications, durable medical equipment, home health services, diagnostic services, cancer treatments, and orthotics. Not all of these additional services are able to be provided on a pro bono basis.

During the past fiscal year, the unduplicated number of individuals served by Project Access is projected to increase by over 13% from 726 served in FY07 to 823 in FY08. The number of additional services needed also increased substantially, including imaging, laboratory, and inpatient physician care. The additional dollars being requested for FY09 will help to offset the increased costs related to these and other services as well as assist Project Access in activities to promote and improve their services, including –

- Improvements to the Project Access website to allow for prospective patients to apply for services on-line;

- Advertising through local media (newspapers and radio) to educate the public on the program;
- Revamping of specialty care referral process to address feedback from current physicians;
- Implementation of a physician recruitment initiative using current program physicians; and
- Implementation of physician office recognition activities.

Board Committee Coordination:

COMMITTEE	CHAIR	COMMENTS	DATE CONSIDERED
NONE			

FIFTH AMENDMENT AND RENEWAL OF CONTRACT BETWEEN TRAVIS COUNTY MEDICAL SOCIETY FOUNDATION AND TRAVIS COUNTY HEALTHCARE DISTRICT

This Fifth Amendment and Renewal of Contract ("Fifth Amendment and Renewal") is entered into by Travis County Medical Society Foundation and Travis County Healthcare District (individually, "Party," and collectively, "Parties") and is effective on October 1, 2008.

RECITALS

WHEREAS, Travis County Medical Society Foundation ("Contractor") and Travis County entered into a contract ("Original Contract") under which Contractor agreed to perform certain activities and provide professional services for care of indigents and other qualified recipients, the Initial Term of which commenced on March 1, 2004, and terminated on February 28, 2005; and

WHEREAS, the Travis County Healthcare District ("District") was created to provide indigent health care for Travis County, and the Original Contract was assigned by Travis County to District by mutual agreement; and

WHEREAS, Section 3.0 of the Original Contract provides for amendment of the Original Contract by written agreement of the Parties; and

WHEREAS, District and Contractor amended the Original Contract, effective February 28, 2005, and renewed and amended the Original Contract effective October 1, 2005, October 1, 2006, and October 1, 2007 (the Original Contract as renewed and amended is referred to as the "Contract"); and

WHEREAS, District and Contractor desire to amend the Contract to make substantive and technical amendments; and

WHEREAS, District and Contractor desire to renew the Contract, as herein amended;

NOW, THEREFORE, for and in consideration of the mutual benefits received by these changes, and other good and adequate consideration as specified herein, the Parties agree to the terms of this Fifth Amendment and Renewal.

II. RENEWAL

1.0 The Parties renew the terms of the Contract, as amended, for a period beginning on October 1, 2008, and ending on September 30, 2009 ("2009 Term").

III. AMENDMENT

2.0 The Parties amend Section 13.1.1, entitled "Maximum Amount," to read as follows:

> 13.1.1 Maximum Amount. Subject to the requirements of this Section 13.1.1 and other applicable provisions of this Contract, in consideration of full and satisfactory performance of the services and activities provided by Contractor under the terms of this Contract, as determined by District, District shall provide Contract Funds not to exceed the following amount during the 2009 Term:
>
> $330,000

Contractor expressly acknowledges and agrees that the sum stated in this Section 13.1.1 is the maximum amount to be paid by District to Contractor during the 2009 Term unless Section 13.1.1 is changed pursuant to Section 3.0 and that the total costs of this Contract shall not exceed the amount included in the District budget and designated for this purpose for this Contract for the Contract Term unless or until an increase in the District budget for this Contract is approved by the Board.

3.0 Attachment A, entitled "Project Access Work Statement and Performance Measures," is replaced in its entirety with Attachment A, entitled "Project Access Work Statement and Performance Measures," attached hereto and incorporated into the Contract by reference.

4.0 Except for the changes made in this Fifth Amendment and Renewal, District and Contractor hereby ratify all the terms and conditions of the Contract.

TRAVIS COUNTY MEDICAL SOCIETY FOUNDATION

By:_____ Date:_____
[Name]
[Title]

TRAVIS COUNTY HEALTHCARE DISTRICT

By:_____ Date:_____
Patricia A. Young Brown
President and CEO

Travis County Healthcare District
Attachment A: Project Access Work Statement and Performance Measures

Background:

The Travis County Medical Society Foundation's Project Access is a coordinated system of volunteer physician care, hospital care, diagnostic services, and medication assistance for low-income uninsured residents of Travis County. Utilizing a coordinated network of volunteer primary care and specialty care physicians, *pro bono* hospital and diagnostic services and medications, Project Access provides eligible individuals with access to preventive and specialty health care services.

Project Access uses a controlled referral system to assure that the number of patients referred to each physician does not exceed the individual physician's voluntary pledge. Primary care physicians are asked to accept for *gratis* care up to ten (10) new patients a year into their office practice. Specialty care physicians are asked to accept for *gratis* care up to 20 new patients a year into their office practices.

The Travis County Healthcare District ("District"), created pursuant to Chapter 281 of the Texas Health and Safety Code, is a limited-purpose taxing district responsible for providing or arranging for the provision of healthcare to indigent persons residing in Travis County, Texas.

Scope of Services:

The District is interested in obtaining access to primary and specialty care services (including ancillary services and access to both acute and maintenance medications) for Eligible Patients, including those patients screened by Project Access, as well as referrals from community-based clinics and the Community Health Centers ("CHCs") operated by the City of Austin on behalf of the District. As the physician, hospital, and diagnostic services are provided *pro bono*, the model for calculating the value of these services, depending on the service, is based on the prevailing Medicaid fee schedule, billed charges, or the contracted rate Project Access has with providers.

Target Population:

Eligible Patients are uninsured individuals who are able to (1) provide proof of U.S. citizenship or legal permanent resident status; (2) provide proof of residency in Travis County; (3) prove their income is at or below 200 percent of the Federal Poverty Level Guidelines; and (4) demonstrate that they are not eligible for any other assistance program and have no other health care benefits.

Description of Services to be provided by Contractor:

Contractor shall provide the facility space, equipment, and staff to expand access to a network of service providers by:

- Recruiting primary and specialty care physicians to provide *pro bono* services;
- Expanding *pro bono* hospital and diagnostic services;
- Arranging for ancillary services;
- Screening eligible patients and scheduling appointments, including referrals from community-based clinics and the CHCs; and
- Providing medication assistance to give Eligible Patients access to both acute and maintenance medications.

Expected performance measures for these services are outlined in Table 1 and 2 below. These performance measures shall come from encounter data sent to the ICC and data from Project Access databases.

Table 1: Performance Measures (Summary)

Category	Quarterly Totals	Year to Date Totals
Number of Eligible Patients		
Number of patients receiving services		
Number of participating specialists		
Number of participating primary care physicians		
Number of patients receiving primary care services		
Number of patients receiving specialty care services		

Table 2: Performance Measures (Detailed)

Service Category	# of Encounters for Quarter	YTD Encounters	Value for Quarter	YTD Value
Primary Care				
Specialty Care, Office based				
Specialty Care, Procedures				
Imaging				
Inpatient Facility				
Inpatient Physician Care				
Emergency Department				
Outpatient Laboratory				
Pharmacy				
Pharmaceutical Patient Assistance Program value				

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 4

Discuss and take appropriate action on a proposed amendment to the Contract for Primary Care Services with El Buen Samaritano Episcopal Mission and authorize the expenditure of $10,000 in Fiscal Year 2008 expansion funds and $50,000 in Fiscal Year 2009 expansion funds for this contract.

(Back-Up: Decision paper and contract)

Travis County Healthcare District
Request for Board of Managers Consideration
September 25, 2008

Board of Managers Agenda Item:

4. Discuss and take appropriate action on a proposed amendment to the Contract for Primary Care Services with El Buen Samaritano Episcopal Mission.

Recommended Board Action: Approve an increase of $10,000 in FY08 expansion funds to support the increased level of services being provided under the District's contract with El Buen Samaritano for primary care services. This amount will cover the anticipated number of encounters through the end of September.

TCHD Strategic Direction: PC01: Assure all clinics dedicated to serving underserved populations operate at their full capacity. **PC03:** Organize and link various safety net providers within Travis County into a "virtual system of care" for indigent patients which delivers a single coordinated standard of care and identifies a "medical home" when appropriate for persons using the network.

Resource Impact: The requested amount of $10,000 for increased FY08 services is available in the District's FY08 expansion funds.

Anticipated Result: The additional encounters to be provided by El Buen over the initial estimate will be financially supported.

Background Summary:

Background: In December 2007, the Board of Managers approved a contract between the District and El Buen Samaritano in the amount of $96,000. The goal of the contract was to expand the District's network of primary care providers to facilitate access to these services for the District's target population. The contracted amount was based on an initial estimate of 2,400 visits at $40 per encounter. From the initiation of the contract in January 2008 through June 2008, El Buen has provided almost 1,800 encounters. It is anticipated, based on their current rate of visits, that El Buen will exceed their contract amount by $10,000 by the end of September.

An increase over their current contract amount will be requested in FY09 during the contract renewal process to ensure that the higher rate of services will be covered in FY09.

Board Committee Coordination:

COMMITTEE	CHAIR	COMMENTS	DATE CONSIDERED
NONE			

FIRST AMENDMENT OF THE AGREEMENT FOR PRIMARY CARE SERVICES BY AND BETWEEN THE TRAVIS COUNTY HEALTHCARE DISTRICT AND EL BUEN SAMARITANO EPISCOPAL MISSION

This First Amendment of the Agreement for Primary Care Services ("First Amendment") is entered into by and between the Travis County Healthcare District, a hospital district created under Chapter 281 of the Texas Health and Safety Code ("District"), and El Buen Samaritano Episcopal Mission, a Texas 501(c)(3) non-profit corporation ("Contractor"), effective as of September 25, 2008 (the "Effective Date").

I. RECITALS

WHEREAS, the Parties entered into an Agreement for Primary Care Services (the "Agreement") effective January 2, 2008; and

WHEREAS, Section 3.1 of the Agreement acknowledges that the Initial Term Cap, as defined in the Agreement, is an estimate and subject to change based on actual utilization of the Services as defined in the Agreement; and

WHEREAS, Contractor has notified the District that actual utilization is exceeding the cost estimate as expressed by the Initial Term Cap and the parties desire to amend the Initial Term Cap to recognize this increased utilization; and

WHEREAS, Section 5.10 of the Agreement permits the parties to amend the Agreement by a writing signed by all parties; and

NOW, THEREFORE, in consideration of the agreements, covenants, and payments, the amount and sufficiency of which are acknowledged, set forth herein, District and Contractor:

II. AMENDMENT

1.0 The parties amend Section 3.1, entitled "General Provisions," in its entirety to read as follows:

3.1 **General Provisions.** District shall reimburse Contractor $45.00 (Forty-five dollars) for the first face-to-face meeting between a Eligible Patient and a provider in which Services are provided and $30.00 (Thirty Dollars) for each face-to-face meeting between an established Eligible Patient and a provider in which Services are provided. For purposes of this Agreement, a "provider" means a physician, a physician assistant, or an advanced nurse practitioner. District and Contractor have estimated, based on past utilization, that Contractor's provision of Services as specified in the Agreement during the Initial Term will result in fees up to $156,000.00 (One Hundred and Fifty-Six Thousand Dollars) ("Initial Term Cap"). However, the parties recognize that the Initial Term Cap may be exceeded during the Initial Term if current utilization exceeds past utilization. If Contractor reasonably foresees that utilization will cause the fees to exceed the Initial Term Cap during the Initial Term, Contractor shall notify

District of this possibility immediately pursuant to Section 5.6 of this Agreement. The parties will then negotiate to determine whether to amend the estimated fees in this Section 3.1 or to take other steps as agreed upon by the parties. No fees above the Initial Term Cap shall be payable by District unless an amendment to this Agreement has been executed, whereby a specified increase in expenditures for services to be provided under this Agreement during the period has been stipulated. District's obligation is payable only and solely from current funds available for payment of services provided under this Agreement.

2.0 Except as provided herein, all terms, conditions, and provisions of the Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective on September 25, 2008.

EL BUEN SAMARITANO EPISCOPAL MISSION	**TRAVIS COUNTY HEALTHCARE DISTRICT**
_____	_____
Signature	Signature
_____	_____
Name Printed	Name Printed
_____	_____
Title	Title
_____	_____
Date	Date

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 5

Discuss and take appropriate action regarding a proposed Agreement for Family Medicine Services by and between the Travis County Healthcare District and Blackstock Family Health Center and authorize the expenditure of $300,000 in Fiscal Year 2009 expansion funds for this contract.

(Back-Up: Contract with exhibits)

AGREEMENT FOR FAMILY MEDICINE SERVICES BY AND BETWEEN TRAVIS COUNTY HEALTHCARE DISTRICT AND [PROVIDER NAME]

This Agreement for Family Medicine Services ("Agreement") is entered into by and between the Travis County Healthcare District, a hospital district created under Chapter 281 of the Texas Health and Safety Code ("District"), and [Provider Name], a [describe type of entity] ("Contractor"), effective as of [date] (the "Effective Date").

WHEREAS, District desires to increase capacity for family medicine services ("Services"), which include primary and preventive care for enrollees in the Travis County Healthcare District Medical Assistance Program ("MAP") ("Eligible Patients") ; and

WHEREAS, the Services cannot be made available to these Eligible Patients using District staff; and

WHEREAS, Contractor is engaged in the business of performing such Services; and

WHEREAS, District desires to contract with Contractor to provide those Services, and Contractor desires to provide those Services;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the amount and sufficiency of which are acknowledged, District and Contractor agree as follows:

SECTION 1. RESPONSIBILITIES OF CONTRACTOR

1.1 **Contractor Responsibilities.** Contractor shall provide all Services at its licensed facilities as specified in Attachment A hereto. In providing the Services, Contractor shall be responsible for ensuring that all facilities, equipment, and staff are qualified to provide the Services.

1.1.1 Contractor shall ensure that all physicians providing Services under this Agreement are licensed to practice medicine in the State of Texas and that they maintain good professional standing at all times. Evidence of such licensing shall be submitted to District within thirty (30) days of the Effective Date and thereafter upon request by District.

1.1.2 Contractor shall ensure that all medical and support staff are licensed by the appropriate State of Texas licensing agency and that they maintain their licensure throughout the term of this Agreement. Evidence of such licensing shall be submitted to District within thirty (30) days of the Effective Date and thereafter upon request by District.

1.1.3 Contractor shall obtain and maintain all federal, state, and local licenses, certificates, and permits required in connection with the provision of Services at all Contractor facilities. Evidence of such licensing shall be submitted to District

within thirty (30) days of the Effective Date and thereafter upon request by District.

1.1.4 Contractor agrees and warrants that all Services performed under this Agreement shall be consistent with the proper practice of medicine and that such Services shall be performed in accordance with the customary rules of ethics and conduct of the State of Texas and professional licensure boards and agencies.

1.1.5 Contractor agrees that it will ensure compliance with all Texas Medical Board rules regarding physician supervision of physician assistants and advanced nurse practitioners.

1.1.6 Contractor shall notify District immediately if any licensure(s) required under this Agreement is/are restricted, suspended, or revoked.

1.1.7 Contractor shall ensure that Services performed by employees, affiliate staff, and medical staff are consistent with local, state, and federal health care guidelines, standards, statutes, and regulations.

1.1.8 Contractor shall periodically test, calibrate, and adjust all equipment used in connection with the Services as necessary to ensure its proper and accurate operation.

1.1.9 Contractor represents and warrants that its physicians:

1.1.9.1 hold a current DEA narcotic registration certificate, where applicable, and a current State narcotics license, where applicable; and

1.1.9.2 shall maintain all such licensure, compliance, certification, and registration throughout the term of this Agreement.

1.2 **Availability of Services.** Contractor shall make available all Services required under this Agreement to Eligible Patients on Monday through Friday, with appropriate coverage available after normal business hours and on holidays on a schedule to be mutually agreed upon by the parties.

1.3 **Records and Confidentiality.** Contractor shall maintain medical and billing records of Eligible Patients in accordance with all applicable laws and regulations, including but not limited to the federal Health Information Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations, as amended. Attachment B sets out the responsibilities of business associates under HIPAA.

1.4 **Quality**

1.4.1 Contractor warrants that it will maintain an ongoing Quality Assurance/Quality improvement (QA/QI) program.

1.4.2 Upon request, Contractor shall provide District with access to clinical records of Eligible Patients for review of quality assurance compliance with the provisions of federal, state, or local law or regulation.

1.4.3 District may perform quality and utilization reviews/audits upon three (3) business days' notice to Contractor. Access to Eligible Patients' records, including clinical records, financial records, results of patient satisfaction surveys, information regarding patient complaints and feedback, incident reports, etc., shall be provided to District staff contemporaneously with these reviews/audits. If, during a District review, a utilization trend or quality problem is noted, Contractor agrees to develop a corrective action plan to address that trend or problem and will share that plan with District.

1.4.4 Contractor shall provide suitable space and communication access for District staff to perform on-site reviews in a confidential setting.

1.5 **Complaints.** Contractor shall develop, if necessary, and maintain a process for resolving complaints from Eligible Patients and shall monitor complaints from Eligible Patients on an ongoing basis. Contractor shall track and promptly resolve any service issues, problems, or complaints regarding Services provided under this Agreement. Contractor shall provide a printed copy of the process to District within thirty (30) days after request.

1.6 **Credentialing.** Contractor will participate in the formal process through which District or its designee collects, verifies, and evaluates the professional credentials and qualifications of licensed individual providers against the criteria, standards, and requirements established by District for providing health care services to Eligible Patients. A credentialing committee will determine whether such individual providers meet these criteria, standards, and requirements.

SECTION 2. SCOPE OF SERVICES

2.1 **General Requirements.** Contractor shall provide all qualified personnel, workspace, equipment, and materials required to perform the Services required under this Agreement.

2.2 **Services.** Contractor shall provide the Services pursuant to the terms of Attachment A.

2.3 **Co-Payments.** Contractor shall collect Co-payments pursuant to the terms of this section. A "Co-payment" means the fee that an Eligible Patient is obligated to pay to Contractor under the MAP guidelines as established by the District Board of Managers for each face-to-face meeting between an Eligible Patient and a provider. For some Eligible Patients, the Co-payment may be Zero Dollars ($0.00). As of the Effective Date, except for those Eligible Patients who have a $0.00 Co-payment, the Co-payment is Ten Dollars ($10.00); said fee will automatically be amended under this Agreement to match any fee set by the District Board of Managers during the term(s) of this Agreement. District will attempt to notify Contractor in writing at least thirty (30) days in advance of the Co-payment increase. However, District is not responsible for any loss of revenue by

Contractor due to the increased Co-payment amount if the increase goes into effect less than thirty (30) days from the date of District's notice to Contractor.

2.3.1 Contractor shall collect from each Eligible Patient a Co-payment of $10.00 (or such rate as is set and approved by the District Board of Managers), unless the patient's Co-payment is $0.00, at each face-to-face meeting between an Eligible Patient and a provider. The Co-payment may be collected from or billed directly to the patient.

2.3.2 Contractor shall not deny services to any Eligible Patient who is unable to submit the full Co-payment at the time of service.

2.3.3 Contractor may offer Eligible Patients who are unable to submit the full Co-payment at the time of service the option to work out a payment schedule.

2.3.4 Contractor shall not bill any Eligible Patient for any difference between the customary cost of services and prices that have been agreed to pursuant to this Agreement, except for the Co-payment as provided herein.

SECTION 3. COMPENSATION

3.1 **General Provisions.** District shall pay Contractor for Services provided under this Agreement according to the provisions set out in Attachment A.

3.2 **Claims.** Contractor shall submit to District a separate and complete CMS 1500 form for each Eligible Patient to whom Services are provided within fifteen (15) calendar days after the close of the month in which Services were provided. Contractor shall use its best efforts to submit electronic claims through Availity (claims clearinghouse) under Payer ID # TCHD1. At a minimum, each CMS 1500 claim shall include the following information for each Eligible Patient:

ID number;
Name;
Date of birth;
Residence address;
Date of service;
Procedures/services provided (CPT);
Modifiers;
Diagnoses (ICD-9); and
Fee for each procedure/service provided.

3.3 Contractor must submit final claims for Services rendered during an Agreement Term to District within sixty (60) calendar days after the expiration date that Agreement Term. If this Agreement is terminated prior to the expiration date of any Agreement Term, Contractor must submit final claims for services rendered during that abbreviated Agreement Term to District within sixty (60) calendar days after the Termination Date.

District shall have no obligation to pay claims received after the date specified in this subsection.

3.4 **Prompt Payment Act**

3.4.1 Chapter 2251 of the Texas Government Code (the "Prompt Payment Act") applies to this Agreement. The Prompt Payment Act requires that District payments be made within forty-five (45) calendar days after the latest of the following, unless an exception as specified in section 2251.002, Texas Government Code, applies: (i) the date District receives goods in compliance with the terms of the Agreement; (ii) the date the performance of services under the Agreement is completed in compliance with the terms of the Agreement; or (iii) the date District receives at the location designated in the Agreement a correct and proper invoice for the goods or services under this Agreement.

3.4.2 If District fails to pay within forty-five (45) days of the appropriate event listed above, on the forty-sixth (46th) day, a 1% per-month interest penalty must be added at the time payment is made. Contractor must pay its subcontractors and suppliers the same 1% per month interest on bills that Contractor does not pay within ten (10) days. Subcontractors must pay suppliers within ten (10) calendar days after the subcontractor receives payment. Contractor must apply for interest payments if it believes interest was due but not paid.

3.4.3 Invoices must include all information required in this Agreement and be mailed to the address called for in the Agreement. For purposes of complying with the Prompt Payment Act, time does not begin unless or until all billing instructions have been complied with and proper delivery or performance has been made satisfactorily, whichever is later. District has twenty-one (21) days after the date District receives the invoice in which to notify Contractor of an error in the invoice. Disputes will be decided at an administrative hearing held by District or in a court of competent jurisdiction. If no Contractor error is found, Contractor is entitled to receive interest on the unpaid balance of the invoice calculated from the date on which the invoice was originally overdue under the Prompt Payment Act. If Contractor error is found, Contractor will submit a corrected invoice, rendering the prior invoice a nullity. Payment will be deemed to have been made on the payment postmark date or date of electronic transmission.

3.5 **Remittance Advices.** District will provide to Contractor a "remittance advice" that describes each claim with a status of paid or denied.

3.5.1 Contractor may appeal a denied claim by submitting an appeal in writing within 180 days of the date of the Remittance Advice to:

TCHD MAP
P.O. Box 14447
Austin, Texas 78761-4447

Appeals submitted after the 180-day period specified in this section will be denied.

3.5.2 Contractor shall accept payment from District (with any Co-payment made by an Eligible Patient) as payment in full for Services rendered under this Agreement and shall not bill Eligible Patients for Services provided under this Agreement.

3.5.3 Contractor agrees that District is the payor of last resort.

3.5.4 If an Eligible Patient becomes eligible for Medicare, Medicaid, private insurance, or other funding source(s) ("Alternate Coverage"):

3.5.4.1 District will cease to be responsible for payment to Contractor for Services as of the effective date of the Alternate Coverage; and

3.5.4.2 Contractor shall bill the source of Alternate Coverage and shall accept payment from same as payment in full.

3.5.5 Contractor acknowledges and agrees that District shall not be responsible for payment:

3.5.5.1 of co-payments or deductibles required by Alternate Sources;

3.5.5.2 if the Eligible Patient has been admitted to a nursing home or institutional facility;

3.5.5.3 if Contractor has been notified by District of the Eligible Patient's ineligibility for Services; and/or

3.5.5.4 if Contractor has not maintained licensure, certifications, and/or liability insurance, or has not met other required standards and obligations under this Agreement.

3.6 **W-9 Taxpayer Identification Form.** Contractor shall provide District with an Internal Revenue Service Form W-9 Request for Taxpayer Identification Number and Certification that is completed in compliance with the Internal Revenue Code and its rules and regulations. Contractor understands that this W-9 Form must be provided to District before any funds are payable under this Agreement. If there are any changes in the W-9 Form during the term of the Agreement, Contractor will immediately provide District with a new and correct W-9 Form.

SECTION 4. TERM AND TERMINATION

4.1 **Term.** This Agreement shall become effective on [Effective Date], and shall expire on [Expiration Date] ("Initial Term").

4.2 **Extensions.** This Agreement may be extended for up to [XX] [(X)] additional twelve (12) month periods upon written agreement by both parties (each a "Renewal Term"). The Initial Term and any Renewal Term shall be referred to as an "Agreement Term."

4.3 **Holdover.** Upon expiration of the Initial Term or any Renewal Term, Contractor agrees to hold over under the terms and conditions of this Agreement for such a period of time as is reasonably necessary to negotiate or award a new contract for the Services encompassed by this Agreement.

4.4 **Termination without Cause.** Either party shall have the right to terminate this Agreement, in whole or in part, without cause, at any time upon thirty (30) days prior written notice to the other party. Upon receipt of a notice of termination, the other party shall promptly cease all further work pursuant to the Agreement, with such exceptions, if any, specified in the notice of termination. District shall pay Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all services performed and obligations incurred prior to the date of termination if the terms of the Agreement have been met.

4.5 **Termination for Cause**. If either party defaults in the performance of its obligations (including compliance with any covenants) under this Agreement and such default is not cured within thirty (30) days of the receipt of written notice thereof, then the non-defaulting party shall have the right (in addition to any other rights that it may have) by further written notice to terminate the Agreement on any future date that is not less than thirty (30) days from the date of that further notice.

4.6 **Funding-Out.** Despite anything to the contrary in this Agreement, if, during budget planning and adoption, the District Board of Managers fails to provide funding for this Agreement for the following District fiscal year, District may terminate this Agreement after giving Contractor notice that this Agreement is terminated due to failure to fund it.

4.7 **Gratuities.** District may terminate this Agreement if it is found that gratuities of any kind, including entertainment or gifts, were offered or given by Contractor or any agent or representative of Contractor to any District official or employee for the purpose of attempting to secure favorable treatment with respect to this Agreement. If this Agreement is terminated by District pursuant to this provision, District shall be entitled, in addition to any other rights and remedies, to recover from Contractor at least three (3) times the cost incurred by such Contractor in providing the gratuities.

SECTION 5. MISCELLANEOUS

5.1 **Compliance with Federal, State, and Local Laws.** Each party shall provide the services and activities to be performed under the terms of this Agreement in compliance with the Constitutions of the United States and Texas and with all applicable federal, state, and local orders, laws, regulations, rules, policies, and certifications governing any activities undertaken during the performance of this Agreement, including, but not limited to: Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794); the Americans With Disabilities Act

of 1990, Public Law 101-336 [S.993] ("ADA"), and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations. No party shall discriminate against any employee, applicant for employment, or Eligible Patient based on race, religion, color, gender, national origin, age, or handicapped condition. In performance of all Agreement services and activities, each party will comply with applicable state and federal licensing and certification requirements, health and safety standards, and regulations prescribed by the U. S. Department of Health and Human Services, the Texas Department of State Health Services, or any other state regulatory agency.

5.2 **Insurance**

5.2.1 General Requirements

5.2.1.1 Contractor shall, at a minimum, carry insurance in the types and amounts indicated below for the duration of the Agreement.

5.2.1.2 Contractor shall forward certificates of insurance with the endorsements required below, or proof of self-funded liability coverage policy, as the case may be, to District as verification of coverage within fourteen (14) calendar days after the Effective Date, unless otherwise specified by District. Contractor shall provide new certificates or proof within ten (10) working days of any renewal term of this Agreement.

5.2.1.3 Contractor shall not commence work until the required insurance is obtained and has been reviewed by District. Nothing in this Agreement is intended to and shall not relieve or decrease the liability of Contractor hereunder and shall not be construed to be a limitation of liability on the part of Contractor.

5.2.1.4 Contractor must submit certificates of insurance to District for all subcontractors prior to subcontractors commencing work on the project.

5.2.1.5 Contractor's and all subcontractors' insurance coverage shall be provided through a funded self-insurance program or written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.

5.2.1.6 If insurance policies are written for less than the amounts specified below, Contractor shall carry umbrella or excess liability insurance for any differences between the amounts specified and the actual coverage amounts. If excess liability insurance is provided, it shall follow the form of the primary coverage.

5.2.1.7 District shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any

reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

5.2.1.8 District reserves the right to review the insurance requirements set forth during the effective period of this Agreement and to request reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by District based upon changes in statutory law, court decisions, the claims history of the industry, or the financial condition of the insurance company or Contractor. District shall not be responsible for any failure by Contractor to comply with a District request under this section that results in a loss to Contractor under this Agreement or as a result of services provided pursuant to this Agreement.

5.2.1.9 Contractor shall not cause any insurance required by this Agreement to be canceled nor permit any insurance to lapse during the term of the Agreement.

5.2.1.10 Contractor shall be responsible for premiums, deductibles, and self-insured retentions, if any, stated in the policies. All deductibles or self-insured retentions shall be disclosed on the certificate of insurance or proof of self-funded coverage.

5.2.1.11 Contractor shall provide District thirty (30) days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Agreement.

5.2.2 Specific Requirements

5.2.2.1 Commercial General Liability Insurance. The minimum bodily injury and property damage per occurrence is $500,000 for coverages A and B. The policy shall contain the following provisions:

- Blanket contractual liability coverage for liability assumed under this Agreement; and

- Independent Contractor's Coverage.

If Contractor is self-insured for this coverage, this section 5.2.2.1 will not apply to Contractor.

5.2.2.2 Professional Liability. Contractor shall provide professional liability coverage at a minimum limit of $1,000,000 per occurrence and $3,000,000 aggregate coverage to pay on behalf of the assured all sums that the assured shall become legally obligated to pay as damages by

reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement. Contractor shall provide copies of any self-funded medical liability plan to District for District's approval. If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the Effective Date of the Agreement, and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for twenty-four (24) months following the completion of the Agreement.

5.3 **INDEMNITY**

5.3.1 Indemnification. Contractor agrees to and shall indemnify and hold harmless District, its officers, agents, and employees from and against any and all claims, losses, damages, negligence, causes of action, suits and liabilities of every kind, whether meritorious or not, including all expenses of litigation, court costs, and reasonable attorney's fees, for injury to or death of any person arising out of Contractor's negligence or Contractor's intentional acts or omissions or for damage to any property arising out of or in connection with Contractor's performance of Services and other obligations under this Agreement. It is the express intention of the parties to this Agreement, both Contractor and District, that the indemnity provided for in this Agreement is indemnity by Contractor to indemnify and protect District from the consequences of Contractor's negligence or Contractor's intentional acts or omissions.

5.3.2 Claims Notification. If Contractor receives notice or becomes aware of any claim or other action, including proceedings before an administrative agency, which is made or brought by any person, firm, corporation, or other entity against Contractor, Contractor shall give written notice within three (3) working days after being notified of a claim or other action to District of: (A) the claim or other action or the threat of it; (B) the name and address of the person, firm, corporation, or other entity that made or threatened to make a claim or that instituted or threatened to institute nay type of action or proceeding; (C) the basis of the claim, action, or proceeding; (D) the court or administrative tribunal, if any, where the claim, action, or proceeding was instituted; and (E) the name or names of any person and/or entity(ies) against whom this claim is being made or threatened. This written notice shall be given in the manner provided in Section 5.6 of this Agreement. Except as otherwise directed, Contractor shall furnish to District copies of all pertinent papers received with respect to these claims or actions.

5.4 **Right to Audit.** Contractor shall maintain and make available for inspection, audit, and/or reproduction by any authorized representative of District or any other governmental agency books, documents, and other evidence pertinent to the costs and expenses of this Agreement. Within seventy-two (72) hours of the receipt of notification that an audit will be made, all materials requested shall be made available to District's authorized representatives. All records pertinent to the performance of this Agreement

shall be maintained by Contractor until an audit is completed and all questions arising there from are resolved or four (4) years after termination of this Agreement, whichever occurs first, unless a longer retention period is required by law; except that records will be retained beyond the fourth year if an audit is in progress and/or the findings of a completed audit have not been satisfactorily resolved, and/or litigation involving this Agreement or the Services provided hereunder is still pending.

5.5 **Independent Contractor.** This Agreement does not create and shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. Contractor's services are and shall remain throughout the term of this Agreement those of an independent contractor. Contractor agrees and understands that Contractor is not and shall not be entitled to any of the rights and privileges established for District employees.

5.6 **Notices.** Any notice or other communication by either party to the other shall be in writing and shall be given, and be deemed to have been given, if either delivered personally or mailed, postage prepaid, registered or certified, return receipt requested, addressed as follows:

To District: Travis County Healthcare District
Attention: Patricia A. Young Brown (or her successor in office)
President and CEO
1111 E. Cesar Chavez, Suite B
Austin, Texas 78702

To Contractor: [Provider Name]
ATTN: [Contact Name]
[Street Address]
[City, State Zip]

5.7 **Attachments**. The attachments to this Agreement are hereby made a part of this Agreement as if set forth verbatim herein and constitute promised performances by the parties in accordance with all terms of this Agreement.

5.8 **Assignment-Delegation.** The Agreement shall be binding upon and inure to the benefit of District and Contractor and their respective successors and assigns. Contractor may not assign or transfer any of its rights or obligations under the Agreement without the prior written consent of District. District may make such assignment

5.9 **Waiver of Breach.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

5.10 **Amendments.** This Agreement can be amended only by a writing signed by both parties. No pre-printed or similar terms on any Contractor invoice, order, or other document shall have any force or effect to change the terms, covenants, and conditions of the Agreement. Contractor acknowledges that no officer, agent, employee, or representative of District has any authority to change the terms of this Agreement or any attachments to it unless

expressly granted that authority by the Board of Managers under a specific provision of this Agreement or by separate action of the Board of Managers.

5.11 **Force Majeure.** Neither party shall be liable for any default or delay in the performance of its obligations under this Agreement if, while, and to the extent such default or delay is caused by acts of God, acts of domestic or foreign terrorism, fires, floods, riots, sabotage, strikes, or any other cause beyond the reasonable control of such party. Force majeure does not include economic or market conditions that affect a party's cost but not its ability to perform. The party invoking force majeure shall give prompt, timely, and adequate notice to the other party by facsimile transmission or by telephone confirmed promptly thereafter in writing and shall use due diligence to remedy the event of force majeure as soon as reasonably possible. In the event of default or delay in Agreement performance due to any of the foregoing causes, then the time for completion of the service(s) will be extended by a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

5.12 **Subcontracts.**

5.12.1 Prior Approval Required. Contractor shall not enter into any subcontracts for any service or activity relating to the performance of this Agreement without the prior written approval or the prior written waiver of this right of approval from District. To the extent that Contractor has existing subcontracts as of the Effective Date of this Agreement, those subcontracts are hereby approved.

5.12.2 HUB Subcontracting. If a subcontract is approved, Contractor must make a "good faith" effort to take all necessary and reasonable steps to insure that HUBs have a maximum opportunity to be subcontractors under this Agreement. Contractor must obtain District approval of all proposed HUB subcontractors. Failure by Contractor to make a good faith effort to employ HUBs as subcontractors constitutes a breach of this Agreement and may result in termination of this Agreement.

5.12.3 HUB Defined. "Historically Underutilized Business" or "HUB" means any entity or association formed to make a profit in which one (1) or more persons who are educationally or economically disadvantaged because of their identification as members of one of the following groups: African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, or women of any ethnicity have the following rights:

a own at least fifty-one percent (51%) of all classes of shares or other equitable securities; and

b. have incidents of ownership, including an interest in profit and loss, equivalent to the percentage of capital, equipment, or expertise contributed to the business, where ownership is measured as though the community property interest of a spouse is the separate property of that spouse, if both spouses certify in writing that the non-participating spouse relinquishes

control over his or her spouse, and his or her community property, and not as if it is subject to the community property interest of the other spouse; and

c. have a proportionate interest and demonstrated active participation in the control, operation, and management of the business's affairs, where control means having recognized ultimate control over all day-to-day decisions affecting the business, and

d. is known to and at least tacitly acknowledged in day-to-day operations by employees of the business and by those with whom business is conducted, and holding a title commensurate with that control.

5.13 **Contingent Fees.** Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, District shall have the right, in addition to any other right or rights, to cancel this Agreement without liability and to deduct from the Agreement price, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

5.14 **Rights, Copyrights, Patents, and Licenses.** Contractor warrants and agrees that: (a) all applicable copyrights, patents, and licenses that may exist on materials used in this Agreement have been adhered to; (b) District shall not be liable for any infringement of those rights; and (c) any rights granted to District shall apply for the duration of this Agreement. Contractor agrees to indemnify District, its officers, agents, and employees from all claims, losses, damages, causes of action and liability of every kind, including expenses of litigation and court costs and attorney's fees for damages to any person or property arising in connection with any alleged or actual infringement of existing licenses, patents, or copyrights applicable to material used in this Agreement.

5.15 **Authority to Obligate District.** Contractor acknowledges that no District officer, agent, employee, or representative other than the Board of Managers has any authority to sign any document obligating District unless expressly granted that authority by the Board of Managers under a specific provision of this Agreement or by separate action by the Board of Managers.

5.16 **Payment of Taxes.** Contractor acknowledges and agrees that neither federal, state, nor local income tax, nor payroll tax of any kind, will be withheld or paid by District on behalf of Contractor or its employees. Contractor and its employees will not be treated as District employees with respect to the services performed under the terms and conditions of this Agreement for federal and state tax purposes. Contractor accepts responsibility for the compensation of its employees, withholding and payment of taxes, and for purchasing any liability, disability, or health insurance coverage deemed necessary by Contractor. Contractor understands that it is responsible for paying, according to the law, its income tax. If Contractor is not a corporation, it further understands that it may be liable for self-employment (social security) tax to be paid by it according to law.

5.17 **Debarment, Suspension and Other Responsibility Matters.** Certification under this section provides for compliance with certification requirements under 15 C.F.R. part 26, "Government-wide Debarment and Suspension." Contractor, by signing this Agreement, hereby certifies that, to the best of its knowledge and belief, it:

(a) is not presently debarred suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

(b) has not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal of State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction or records, making false statements, or receiving stolen property;

(c) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b); and

(d) has not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.

Where Contractor is unable to certify to any of the statements in this section, Contractor shall provide an explanation of such inability prior to the Effective Date of this Agreement for District's consideration and evaluation, with the understanding that such inability may result in termination of this Agreement by District.

5.18 **Conflict-of-Interest Questionnaire.** Contractor shall complete the Conflict-of-Interest Questionnaire, ("Questionnaire") attached to this Agreement as Attachment C and submit it together with this signed Agreement. If any statement on the submitted Questionnaire becomes incomplete or inaccurate, Contractor shall submit an updated Questionnaire to the District Administrative Coordinator at the address listed in Section 5.6 not later than the seventh (7th) business day after the date of an event that makes a statement in the Questionnaire incomplete or inaccurate.

5.19 **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be in full force and effect and enforceable in accordance with its terms.

5.20 **Jurisdiction and Venue.** The laws of the State of Texas (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement and all of the transactions it contemplates, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Venue for any dispute arising out of this Agreement is in Travis County, Texas.

5.21 **Public Information Act.** The parties acknowledge and agree that District is subject to the provisions of the Texas Public Information Act ("PIA"). If District receives a request for disclosure of any information related to the Services provided under this Agreement or for information provided to District under this Agreement that constitutes public information under the PIA, the information must qualify for an exception provided by the PIA to be withheld from public disclosure. Contractor authorizes District to submit any information provided under the Agreement or otherwise requested to be disclosed, including information that Contractor has labeled as confidential or proprietary, to the Office of the Attorney General for a determination as to whether any such information may be excepted from public disclosure under the PIA. If District does not have a good faith belief that information may be subject to an exception to disclosure under the PIA, District is not obligating itself by this Agreement to submit the information to the Attorney General for a determination. District shall have no obligation or duty to advocate the confidentiality of Contractor's material to the Attorney General or to any other person or entity. It is Contractor's responsibility and obligation to make any legal argument to the Attorney General or court of competent jurisdiction regarding the exception of the information in question from disclosure. Contractor waives any claim against and releases from liability District, its officers, board members, employees, agents, and attorneys with respect to disclosure of information provided under this Agreement or otherwise created, assembled, maintained, or held by Contractor, including that information marked as confidential or proprietary and determined by the Attorney General or a court of competent jurisdiction to be subject to disclosure under the Act. This section shall survive the termination of this Agreement.

5.22 **Entire Agreement.** This Agreement supersedes all previous representations or contracts and constitutes the entire agreement between the parties. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by both parties hereto.

5.23 **No Third-Party Beneficiary.** No provision of this Agreement is intended to benefit any person or entity, nor shall any person or entity not a party to this Agreement have any right to seek to enforce or recover any right or remedy with respect hereto.

5.24 **Dispute Resolution**

5.24.1 Definition of Dispute. "Dispute" means any and all disagreements, questions, claims, or controversies arising out of or relating to this Agreement, including the validity, construction, meaning, performance, effect, or breach of the Agreement.

5.24.2 Negotiation. In the event of a Dispute between the parties, the parties shall promptly, amicably, and in good faith attempt to resolve the Dispute through informal negotiations. A disputing party shall give written notice of the Dispute to the other party that shall contain a brief statement of the nature of the Dispute. If the parties are unable to resolve the Dispute within thirty (30) days of the receipt by the adverse party of the written notice of Dispute, the parties may submit to mediation as set forth herein.

5.24.3 Mediation. If a Dispute arises between the parties that cannot be resolved through negotiation, the parties may submit that Dispute to mediation. The parties agree to use a mutually agreed upon mediator, or someone appointed by the Court having jurisdiction, as the provider of mediators for mediation as described in Section 154.023 of the Texas Civil Practice and Remedies Code. Unless both parties are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the Dispute. All communications within the scope of the mediation shall remain confidential as described in Section 154.073 of the Texas Civil Practice and Remedies Code, unless both parties agree, in writing, to waive the confidentiality.

5.25 **Headings.** Headings and titles at the beginning of the various provisions of this Agreement have been included only to make it easier to locate the subject matter covered by that provision or subsection and shall not be used in construing this Agreement.

5.26 **Computation of Time.** When any period of time is stated in this Agreement, the time shall be computed to exclude the first day and include the last day of period. If the last day of any period falls on a Saturday, Sunday, or a day that District has declared a holiday for its employees, the last day is the next business day that is not a District holiday.

5.27 **Gender and Number.** Words of any gender in this Agreement shall be construed to include any other gender, and words in either number shall be construed to include the other unless the context in the Agreement clearly requires otherwise.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective on [date].

[PROVIDER NAME]	**TRAVIS COUNTY HEALTHCARE DISTRICT**
_____	_____
Signature	Signature
_____	_____
Name Printed	Name Printed
_____	_____
Title	Title
_____	_____
Date	Date

ATTACHMENT A
SCOPE OF SERVICES AND COMPENSATION TERMS

A. SCOPE OF SERVICES

1. Locations. Contractor shall provide Services to Eligible Patients at the following location(s): Blackstock Family Health Center, 1313 Red River St., Suite 100, Austin, Texas 78701.

2. Eligible Patients

   a. Contactor agrees to provide Services to an average of 240 Eligible Patients per month whose assigned primary care provider ("PCP") is Blackstock Family Health Center. Further enrollment will be mutually agreed upon by both parties. The enrollment will not exceed an average of 1,000 Eligible Patients per month.

   b. Contractor is responsible for verifying an Eligible Patient's MAP eligibility and PCP on the date of service.

3. Services. "Services" means medical and ancillary or incidental services, including:

   - Adult primary and preventive health care;
   - Pediatric primary and preventive health care;
   - Gynecology services;
   - Disposable medical supplies routinely provided during a provider's office visit;
   - Pharmaceuticals (Class D as routinely provided during a provider's office visit);
   - Case management services; and
   - Clinical pharmacy services.

4. Appointments. Contractor shall provide Eligible Patients with timely appointments.

B. COMPENSATION. District shall reimburse Contractor at 108% of the Medicare fee schedule prevailing on the date of service for each face-to-face meeting between an Eligible Patient and a provider. A "provider" means a physician, physician assistant, or an advanced nurse practitioner. District and Contractor have estimated that Contractor's provision of Services as specified in the Agreement during the Initial Term will result in fees not-to-exceed $300,000 (Three Hundred Thousand Dollars) ("Initial Cap"). However, the parties recognize that the Initial Cap may be exceeded during the Initial Term if current utilization exceeds past utilization. If Contractor reasonably foresees that utilization will cause the fees to exceed the Initial Cap during the Initial Term, Contractor shall notify District of this possibility immediately pursuant to the section of the

Agreement entitled "Notices." The parties will then negotiate to determine whether to amend the estimated fees or take other steps as agreed upon by the parties. No fees above the Initial Cap shall be payable by District unless an amendment to the Agreement has been executed, whereby a specified increase in expenditures for Services to be provided under the Agreement during the period has been stipulated. District's obligation is payable only and solely from current funds available for payment for Services provided under the Agreement.

ATTACHMENT B

CONFIDENTIALITY OF PATIENT INFORMATION FOR BUSINESS ASSOCIATES

For purposes of this Attachment, District is hereby referred to as "Recipient."

In performing the services hereunder, Recipient may receive from Contractor, or create or receive on behalf of Contractor, or transmit electronically, patient healthcare, billing, or other confidential patient information (hereinafter collectively referred to as "Patient Information"). Patient Information, as the term is used herein, includes all "Protected Health Information," as that term is defined in 45 C.F.R. § 164.501. Recipient shall use Patient Information only as necessary to provide the services and/or make payment to Contractor as set forth in this Agreement. Recipient shall comply with all laws, rules and regulations relating to the confidentiality of Patient Information, including the applicable provisions of Texas law and the privacy and security regulations promulgated pursuant to Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Without limiting the foregoing, Recipient shall:

a) not use or disclose any Patient Information except as may be necessary to perform Recipient's services under this Agreement and as may be allowed by law;
b) use appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Patient Information;
c) notify Contractor, as applicable, in writing within a reasonable time after becoming aware of any use or disclosure of or security incidents relating to Patient Information other than such use or disclosures specifically allowed under this Agreement, and of any follow-up;
d) disclose Patient Information to Recipient's employees, officers, or directors only in furtherance of the services contemplated by Recipient pursuant to this Agreement and on a need-to-know basis only;
e) ensure that any agents or representatives (including all subcontractors) of Recipient to whom Recipient provides Patient Information agree to the confidentiality provisions of this Agreement in writing (copies of such writings to be provided to Contractor upon request);
f) make Patient Information available to the appropriate individuals (including the patient him or herself) as required by 45 C.F.R. § 164.524;
g) make Patient Information available for amendment and incorporate any amendments to Patient Information in accordance with 45 C.F.R. § 164.526;
h) make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528;
i) make its internal practices, books and records relating to the use and disclosure of Patient Information available to the Department of Health and Human Services for the purpose of determining compliance with HIPAA; and
j) at the termination of this Agreement for any reason, return or destroy all Patient Information; except that Recipient may retain such records as necessary for purposes of its rights, if any, to conduct audits related to such records, to utilize such records in

connection with an audit of a Recipient, and/or to retain records in accordance with its records retention policies and/or obligations.

Recipient understands and acknowledges that Recipient is fully responsible for requiring compliance with these obligations by its employees, officers, directors, agents, representatives, and Subcontractors. Contractor may terminate this Agreement, without liability, upon Recipient's breach of this confidentiality obligation. The confidentiality obligations contained in this Attachment B shall survive the termination of the Agreement.

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of person who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has employment or business relationship.**

_____

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

_____ _____

Signature of person doing business with the governmental entity Date

Adopted 06/29/2007

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 6

Discuss and take appropriate action regarding a proposed renewal and amendment of the Inpatient Mental Health Services Agreement among the Travis County Healthcare District, Austin/Travis County Mental Health Mental Retardation Center, Daughters of Charity Health Services of Austin d/b/a Seton Healthcare Network, Seton Shoal Creek Hospital, and the Austin Medical Education Program.

(Back-Up: Decision paper)

Travis County Healthcare District
Request for Board of Managers Consideration
September 25, 2008

Board of Managers Agenda Item:

6. Discuss and take appropriate action regarding a proposed renewal and amendment of the Inpatient Mental Health Services Agreement among the Travis County Healthcare District, Austin/Travis County Mental Health Mental Retardation Center, Daughters of Charity Health Services of Austin d/b/a Seton Healthcare Network, Seton Shoal Creek Hospital, and the Austin Medical Education Program.

Recommended Board Action: Approve an amendment to the contract which will allow for 1) the use of contract funds to purchase inpatient mental health services at The Lakes Hospital as well as at Seton Shoal Creek based on patient eligibility for services and bed capacity; and 2) the use of contract funds to purchase intensive outpatient services for adults needing mental health and/or dual diagnosis services to allow for the most appropriate level of service to be provided to District-eligible clients and a renewal of the contract, as amended, for the final available one-year term. The amended contract also reflects the expanded funding for these services which has been approved by the Board through prior Board action and the FY09 budget approval process.

TCHD Strategic Direction: MH01: Building on the work of the Mental Health Stakeholders Group convened by the District, continue the collaborative approach to develop a mental health crisis system.

Resource Impact: There is no additional resource impact for this request. The dollars to be included in the contract have already been approved to support inpatient mental health services.

Anticipated Result: This request will allow for an additional facility from which to purchase inpatient services as well as to expand the continuum of services covered by District funds by allowing for the support of intensive outpatient services, as appropriate, for District-eligible individuals needing mental health or dual-diagnosis outpatient services.

Background Summary:

Background: As part of the on-going work of the Psychiatric Services Stakeholder group, the District is working with community stakeholders to expand the network of providers for inpatient mental health services as well as to expand the continuum of services offered so that individuals in need of mental health services can be served in the most appropriate and cost-effective setting. To this end, the District proposes to amend its current contract for inpatient mental health services to allow for the purchase of these services at The Lakes Hospital in addition to the Seton Shoal Creek Hospital. This will allow for more timely access to care for individuals needing inpatient services as there will be more beds available between the two facilities to which patients can be referred. In addition, for individuals for whom intensive outpatient services are determined to be needed following the inpatient stay, the District is requesting to use some of the allocated funds under this contract to purchase intensive outpatient services from Seton Shoal Creek or The Lakes. These services will be pre-authorized to ensure appropriateness of services. Finally, the contract, as amended, will be renewed for the final available term.

Board Committee Coordination:

COMMITTEE	CHAIR	COMMENTS	DATE CONSIDERED
Board Work Session	Carl Richie	Initial discussion on these services occurred as part of the FY09 budget discussion.	7/30/2008
Board of Managers Meeting	Carl Richie		9/25/2008

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 7

Discuss and take appropriate action regarding the renewal of the Professional Information Technology Consulting Services Agreement with MTG Management Consultant, L.L.C. and the issuance of task orders under that agreement and the issuance of task orders under the Professional Organizational and Operations Assessment Consulting Services Agreement with Phase 2 Consulting Inc.

(Back-Up: Memo and contract)

travis county HEALTHCARE DISTRICT

Memo:

To: Travis County Healthcare District Board of Managers

From: Donna Scarbrough, Purchasing Administrator

cc: Patricia A. Young Brown, Stacy Wilson, Carolyn Konecny

Date: September 16, 2008

Re: Agenda Item 7: Discuss and take appropriate action regarding the renewal of the Professional Information Technology Consulting Services Agreement with MTG Management Consultant, L.L.C. and the issuance of task orders under that agreement and the issuance of task orders under the Professional Organizational and Operations Assessment Consulting Services Agreement with Phase 2 Consulting Inc.

MTG Management Consultant, L.L.C ("MTG")

Background

The District entered into a contract for information technology (IT) infrastructure consulting services ("Contract") with MTG on October 12, 2007. MTG was retained to assist the District with: 1) an IT infrastructure analysis and design alternatives study (Task 1); 2) the procurement of IT infrastructure (Task 2); and 3) implementation assistance to transition IT support currently received from the City to the selected IT provider as needed (Task 3). The Contract allows for two one-year renewals. If the Contract is not renewed, it will expire on October 11, 2008.

Task 1 is complete, and Task 2 is scheduled to be completed in October 2008 when a contract is awarded to an external IT provider. Task 3 (implementation assistance) will be needed in fiscal year 2009 to transition IT support from the City to the selected vendor. MTG's contract allows the District to access services on an as-needed basis through the issuance of a task order – a document that has a defined scope of work with agreed-upon tasks, hours, deliverables, and costs based on quoted contract rates.

The use of task orders allows the District to contract for services only as they are needed to support specific District and CHC implementation tasks. The projected contractual requirement for these services is expected to exceed the District President and CEO's signatory authority of $50,000.

To meet transition timelines and to minimize disruption of the implementation process, District staff is requesting that the Board of Managers: a) approve the renewal of the MTG agreement, and b) authorize the President and CEO to issue task orders to MTG up to the

fiscal year 2009 budgetary amount of $100,000. Any task order issued would be reported as part of the President and CEO's monthly procurement activity report to the Board.

Phase 2 Consulting Inc. ("Phase 2")

Under the District's contract with Phase 2, awarded April 1, 2008, Phase 2 was to develop an operational business model design to support a proposed 501(c)(3) corporation for the existing CHC clinic system. Similar to the MTG contract, the Phase 2 contract also allows the District to issue task orders to obtain as-needed assistance in implementing recommended organizational and operational changes (known as Phase III services).

As noted earlier, the use of task orders allows the District to contract for services only as they are needed to support specific District and CHC implementation tasks. The projected contractual requirement for these services is also expected to exceed the District President and CEO's signatory authority of $50,000.

To meet transition timelines and to minimize disruption of the implementation process, District staff is requesting that the Board of Managers authorize the President and CEO to issue task orders to Phase 2 Consulting up to the fiscal year 2009 budgetary amount of $190,000. Any task order issued would be reported as part of the President and CEO's monthly procurement activity report to the Board.

Recommendation

Staff recommends that the Board of Managers authorize the President and CEO to execute the renewal of the MTG agreement and to issue task orders for MTG and Phase 2 subject to budget and reporting requirements as presented by staff.

FIRST RENEWAL OF THE PROFESSIONAL INFORMATION TECHNOLOGY CONSULTING SERVICES AGREEMENT

This First Renewal of the Professional Information Technology Consulting Services Agreement ("First Renewal") is effective as of October 12, 2008.

WHEREAS, the Travis County Healthcare District (the "District") and MTG Management Consultants, L.L.C. ("Consultant") (individually a "Party" and collectively, the "Parties") entered into the Professional Information Technology Consulting Services Agreement ("Agreement"), effective October 12, 2007, under which Consultant provides assistance in identifying, acquiring and building infrastructure; consulting services; and certain other services to the District; and

WHEREAS, Section 3.2 of the Agreement permits the District to unilaterally extend the Agreement for two (2) additional one (1) year periods with all provisions of the Agreement remaining unchanged and in full force and effect unless otherwise amended by the Parties pursuant to the terms of the Agreement; and

WHEREAS, the District wishes to renew the Agreement for the first of the potential one-year renewal periods ("First Renewal Term") with all provisions of the Agreement remaining unchanged and in full force and effect; and

NOW THEREFORE, for and in consideration of the mutual benefits received by the parties and other good and adequate consideration as specified herein, the parties agree to the terms and conditions stated in this First Renewal.

RENEWAL

1.0 The parties renew the Agreement, effective October 12, 2008, for a one-year term.

2.0 Except as provided herein, the Agreement remains in full force and effect, being hereby ratified, approved, and affirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this First Renewal effective as of the first date referenced above.

.

MTG MANAGEMENT CONSULTANTS, L.L.C.

By: _____

Printed Name:_____

Title:_____

Date: _____

TRAVIS COUNTY HEALTHCARE DISTRICT

By: _____

Printed Name: _____

Title: _____

Date: _____

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 8

Discuss and take appropriate action regarding an Assignment and Assumption of an Agreement for Specialized Data Processing Services between the Indigent Care Collaboration and the City of Austin.

(Back-Up: Memo)

travis county HEALTHCARE DISTRICT

Memo:

To: Travis County Healthcare District Board of Managers

From: Donna Scarbrough, Purchasing Administrator

CC: Patricia A. Young Brown, Larry Wallace, Claudia Lindenberg, Stacy Wilson

Date: September 18, 2008

Re: Agenda Item #8: Discuss and take appropriate action regarding an Assignment and Assumption of an Agreement for Specialized Data Processing Services between the Indigent Care Collaboration and the City of Austin.

Background

In June 2008, the City (Community Care Services Department) entered into an agreement with the Indigent Care Collaboration, now the Integrated Care Collaboration ("ICC"). Under this agreement, the ICC provides the Community Care Services Department Medical Assistance Program employees with access to the medical eligibility software known as Medicaider/Case Tracker and technical support associated with the software. The current contract amount is $140,000. Requested programming changes are at an additional cost and are priced at a rate of $125/hour.

The funding for this contract was previously budgeted in the Community Care Services Department. In fiscal year 2009, the funding is included in the District budget because the MAP/eligibility function will be transferring to the District as part of the transition.

Therefore, staff is requesting that the District assume this agreement effective October 1, 2008.

Recommendation

Staff recommends that the Board of Managers authorize the District President and CEO to execute the appropriate documentation to assume the obligations of the City under the Agreement for Specialized Data Processing Services between the City and the ICC effective October 1, 2008, as presented by staff.

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 9

Discuss and take appropriate action regarding a proposed renewal and amendment of the Interlocal Agreement between the Travis County Healthcare District and the City of Austin.

(Back-Up: Contract)

Travis County Attorney's Office

Memo

To: Travis County Healthcare District Board of Managers

cc: Patricia A. Young Brown

From: Stacy E. Wilson

Date: September 19, 2008

Re: Agenda Item 9: Discuss and take appropriate action regarding a proposed renewal and amendment of the Interlocal Agreement between the Travis County Healthcare District and the City of Austin.

Background

The City of Austin ("the "City") provides services on the District's behalf through the City's Community Care Services Department. As you are aware, the anticipation is that most of these services will cease on February 28, 2009, when the FQHC status is transferred from the City to the District. In anticipation of that transfer, the parties are proposing to amend certain terms and renew those amended terms for the five-month period, with the understanding that, should the transfer not occur as expected, the parties could seek approval from their respective governing bodies to renew the agreement until the end of the original term, which is September 30, 2009.

The parties are still negotiating the terms of this amendment and renewal. The service payments had previously been agreed to but one additional change is now being requested to reflect a reduction for certain expenses that the District will be incurring beginning October 1, instead of the City. Some additional terms, including those related to contract assignments and payment of funds upon termination of services, remain to be negotiated. Staff is attaching a draft prepared by the City Attorney's office with the revised service payments for your information.

Recommendation

Staff recommends that the Board delegate negotiation and execution of the renewal and amendment of the Interlocal Agreement between the Travis County Healthcare District and the City of Austin to the District President and CEO.

RENEWAL AND EIGHTH AMENDMENT TO THE
INTERLOCAL AGREEMENT BETWEEN TRAVIS COUNTY
HEALTHCARE DISTRICT AND CITY OF AUSTIN, TEXAS

This Renewal and Eighth Amendment to the Interlocal Agreement between the Travis County Healthcare District and the City of Austin, Texas ("Eighth Amendment") is entered into this ___ day of _____, 2008, and is effective as of October 1, 2008.

Whereas, the Travis County Healthcare District (the "District") and the City of Austin, Texas (the "City") entered into an interlocal agreement, effective on October 1, 2004, as amended ("Interlocal Agreement") under which the City manages community health centers and provides certain other services to the District; and

Whereas, Section 10(b) of the agreement provides that the agreement will terminate on September 30, 2008, unless otherwise extended in writing by the parties; and

Whereas, the City acknowledges that the District has provided reasonable assurance that the District has appropriated sufficient funds and taken sufficient steps to provide for the prompt, non-discretionary payment of all applicable Service Payments, and that the District's budget (as approved by the County) for the applicable Service Payments and other terms are consistent with the scope of services and obligations requested of the City for the applicable period, as demonstrated by new Exhibit J to the Interlocal Agreement; and

Whereas, the District and the City wish to renew the Interlocal Agreement for a five-month period, beginning October 1, 2008, and ending February 28, 2009, unless extended as provided below, and

Whereas, the District and the City wish to amend the Interlocal Agreement to address the hiring of additional employees by City and certain issues related to the transition of Clinic operations and employees to the District, and

Whereas, the District and the City also wish to amend the Interlocal Agreement to address the District's Fiscal Year 2009 budget and revised payments due under the Interlocal Agreement for Fiscal Year 2009;

NOW, THEREFORE, the District and the City hereby agree as follows:

1. Except as amended herein, the terms of the Interlocal Agreement, as amended and renewed to date, are renewed through February 28, 2009.

2. The District may make additional investments in the District Clinics to expand services and has considered potential funding amounts as part of its Fiscal Year 2009 budget. The Service Payments as set out in Exhibit H have been modified to reflect this additional funding. It is anticipated that, during the renewal term, the City will hire up to twenty-one (21) additional full-time equivalents (FTEs) in the Community Care Services Department. The Service

Payments set out in Exhibit H have been modified to include funding for the hiring of these additional 21 FTEs during the renewal term.

3. In 2007, the City and District submitted an application to the United States Health Resources and Services Administration ("HRSA") requesting that HRSA approve a successor-in-interest transfer of the City's public entity Federally Qualified Health Center ("FQHC") Section 330 grantee designation to the District, and requested that such transfer become effective on February 28, 2009. The City and District anticipate that this transfer will become effective on February 28, 2009, and agree that if HRSA provides official written notice of approval of the transfer as anticipated, the Interlocal Agreement shall terminate on such date. In order to prepare for this transfer, the parties agree to complete the following documents and take the following actions in accordance with completion dates set forth below:

a) Execution of documents necessary to implement the transition of Community Care Services employees to the District or to the 501c3 non-profit corporation affiliated with the District, as applicable. Completion date: *[To be determined]*

b) Execution of contract assignment and assumption agreements to assign City contracts for the Community Care Services Department to the District or, if requested by District and permitted by a contract's assignment language, to the 501c3 non-profit corporation that will operate the Clinics on behalf of the District. The completion date for executing the assignment and assumption agreements will correspond to the deadlines for notice of assignment contained in the contracts. Completion dates for executing and sending assignment documents to contractors will be based upon the contract's notice of assignment, as follows: October 27, 2008, for those contracts with 120 day assignment deadlines; November 24, 2008, for those contracts with 90 day assignment deadlines; December 17, 2008, for those contracts with 60 day assignment deadlines, and January 24, 2009, for those contracts with 30-day assignment deadlines. In the event the District or, if applicable, the 501c3 corporation, does not obtain the necessary approval to assume a contract by the notice of assignment deadline, the District agrees to continue to provide funding to the City so the City may make payments under such contract through the earlier of the date of actual assignment to the District or the date such contract terminates. This obligation shall survive the termination of the Interlocal Agreement.

c) Negotiate and execute a transitional interlocal agreement to govern any issues the parties wish to address regarding the transitional period that will follow transfer of the Section 330 grant status and termination of this Agreement, including but not limited to the continued provision of certain services. Completion Date: _____, 2009.

City and District agree that if the District does not receive official written notice of approval of the Section 330 transfer application from HRSA by January __, 2009, the District will provide written notice to City and the parties shall promptly seek approval from their respective governing bodies to renew the Interlocal Agreement for an additional seven months (through September 30, 2009), or for a shorter period as agreed upon by the parties.

4. The parties agree to delete Section 8 (i) (B) of the Interlocal Agreement and replace it in its entirety with the following:

(B) If there is an excess of such revenue and payments over such expenses and costs ("Positive Balance"), the City shall either (i) apply the amount of such Positive Balance to the then current year's Service Payments or (ii) if the City is no longer providing Services, transfer such amount to the District. If there is a deficiency in such revenue and payments over such expenses and costs ("Negative Balance"), then (i) if the City is still providing Services, the Service Payments for the then current year shall be increased by the amount of the Negative Balance, but (ii) if the City is not then providing Services, the District shall pay to City an amount equal to the Negative Balance.

5. The portion of Exhibit G entitled "Operating Budget" is amended in its entirety to read as follows:

Attached hereto as Exhibit G-1 is the original operating budget for the Services for Fiscal Year 2005. The total amount of payments to be made from October 1, 2004 through September 30, 2005, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $41,752,392, which shall be paid to the City in accordance with the schedule on Exhibit H, as amended by the First Amendment to the Interlocal Agreement, effective March 1, 2005.

Attached hereto as Exhibit G-2 is the operating budget for the Services for Fiscal Year 2006. 7The total amount of payments to be made from October 1, 2005 through September 30, 2006, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $45,084,126, which shall be paid to the City in accordance with the schedule on Exhibit H.

Attached hereto as Exhibit G-3 is the operating budget for the Services for Fiscal Year 2007. The total amount of payments to be made from October 1, 2006 through September 30, 2007, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $26,910,624, which shall be paid to the City in accordance with the schedule on Exhibit H.

Attached hereto as Exhibit G-4 is the operating budget for the Services for Fiscal Year 2008. The total amount of payments to be made from October 1, 2007 through September 30, 2008, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $28,554,851.58, which shall be paid to the City in accordance with the schedule on Exhibit H.

Attached hereto as Exhibit G-5 is the operating budget for the Services for October 1, 2008 through February 28, 2009. The total amount of payments to be made from October 1, 2008, through February 28, 2009, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $$12,545,714, which shall be paid to the City in accordance with the schedule on Exhibit H.

6. Exhibit H, entitled "Service Payments," shall be amended to insert the following schedule of payments after the schedule currently in Exhibit H and before the text "as supported by the schedule attached hereto as Attachment 1" to read as follows:

10/08	$2,509,142.80	02/09	$2,509,142.80
11/08	$2,509,142.80		
12/08	$2,509,142.80		
01/09	$2,509,142.80		

7. The following exhibit is added to the Agreement as Exhibit J to read as follows:

EXHIBIT J
CERTIFIED MINUTES OF THE COMMISSIONERS COURT APPROVING FISCAL YEAR 2009 DISTRICT BUDGET AND DISTRICT FISCAL YEAR 2009 BUDGET

IN WITNESS WHEREOF, this Renewal and Eighth Amendment has been executed and delivered on behalf of the District and the City by their duly authorized representatives in one or more counterparts, which together shall constitute one agreement.

TRAVIS COUNTY HEALTHCARE DISTRICT

By: _____
Name: Patricia A. Young Brown
Title: President and Chief Executive Officer

CITY OF AUSTIN, TEXAS

By:_____
Name:_____
Title:_____

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 10

Discuss and take appropriate action on the Fourth Amendment to the Interlocal Agreement between Travis County Healthcare District and Travis County, Texas.

(Back-Up: Memo and contract)

Travis County Attorney's Office

Memo

To: Travis County Healthcare District Board of Managers

cc: Patricia A. Young Brown

From: Stacy Wilson

Date: September 19, 2008

Re: Agenda Item 10: Discuss and take appropriate action on the Fourth Amendment to the Interlocal Agreement between Travis County Healthcare District and Travis County, Texas.

Background

Since the Travis County Healthcare District (the "District") was established in 2004, Travis County (the "County") has provided certain services to the District under the terms of an Interlocal Agreement. The agreement itself automatically renews every year but is amended to reflect changes in the scope of services provided or the charges for those services. This year, the proposed amendments increase the not-to-exceed amounts for services that the County Attorney's office provides to the District for both Fiscal Year 2008 and Fiscal Year 2009, increases the amount that the District pays for cash management services, and eliminates the current limit of two District depository bank accounts.

This draft has been submitted to the County for review, and staff understands that the agreement will be presented to the Travis County Commissioners Court for approval at the Court's September 23, 2008 meeting.

Recommendation

Staff recommends that the Board approve the proposed Fourth Amendment to the Interlocal Agreement between Travis County Healthcare District and Travis County on the terms and conditions as presented by staff or on terms and conditions more favorable to the District.

FOURTH AMENDMENT OF INTERLOCAL AGREEMENT BETWEEN TRAVIS COUNTY HEALTHCARE DISTRICT AND TRAVIS COUNTY, TEXAS

This Fourth Amendment of Interlocal Agreement (this "Amendment") is entered into between the Travis County Healthcare District (the "District"), a hospital district created under Chapter 281 of the Texas Health & Safety Code, as amended (the "Act"), and Travis County, Texas (the "County"), a political subdivision of the State of Texas.

RECITALS

District and County entered into an Interlocal Agreement regarding services that County would provide District.

District and County desire to amend the Agreement to update the amounts payable for certain Services to ensure that the efficient delivery of health care to indigent and needy residents of the District continues and make other agreed-upon amendments.

IN WITNESS WHEREOF, and in consideration of the premises, the payments to be made by each party to the other hereunder, and the services to be rendered by County, District and County hereby agree as follows:

AMENDMENT

1.0 Section 3(a)(i)(C) is amended in its entirety to read as follows:

> (C) In exchange for the Services described in Section 3(i)(A) and Section 3(i)(B), and subject to the provisions of Section 8(f), District agrees to pay County the total sum of $58,179.46, paid in monthly amounts of $4,848.29, with the first payment to be made no later than October 31, 2008, and monthly thereafter.

2.0 Section 3(a)(ix) is amended in its entirety to read as follows:

> (ix) County shall provide legal advice and counsel through the Travis County Attorney's Office in compliance with Texas Health and Safety Code Section 281.056, reimbursable to County up to a cost not-to-exceed $280,000 for Fiscal Year 2008 and up to a cost not-to-exceed $405,880 for Fiscal Year 2009. The County Attorney's Office will invoice District monthly for the cost of services. District shall pay the invoice within 30 days of receipt.

3.0 Section 4(a)(iv) is amended in its entirety to read as follows:

> (iv) The District will coordinate the opening of any new bank account with Cash/Investment Management prior to such opening to ensure that Cash/Investment Management can provide the necessary services to related to that new account.

4.0 Except as provided herein, all terms, conditions, and provisions of the Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Fourth Amendment has been executed and delivered on behalf of District and County as of the date set forth below by their duly authorized representatives in one or more counterparts, which together shall constitute one agreement.

TRAVIS COUNTY HEALTHCARE DISTRICT

By:_____
Name:_____
Title:_____
Date:_____

TRAVIS COUNTY, TEXAS

By:_____
Name:_____
Title:_____
Date:_____

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 11

Receive and discuss a report of the August 2008 financial statements for the Travis County Healthcare District

(Back-Up: Financial statements)

Travis County Healthcare District
August 2008

Statement of Revenues, Expenses and Changes in Net Assets

Operating Revenues:
DSH/UPL – August DSH payment.
Operating Lease – August lease payment for Seton (Brackenridge) and UTMB (Austin Women's Hospital)

Operating Expenses:
Healthcare delivery – This is $5.3 million for the month and $63.2 year to date. It is within budget.
Salaries & Benefits- This area is within budget.
Other Purchased Goods & Services-This area is within budget.

Non Operating Revenues:
Tax Revenue- Tax revenue collected is $68,700 for August and $58.6 million year to date.

Investment Income-Investment income is $346,500 for the month and $3.5 million year to date.

Change in Net Assets for the current period is an unfavorable $4.9 million and the change year to date is a favorable $19.8 million. This favorable amount is partially the result of a timing difference, with most property tax revenue collected early in the fiscal year and expenses spread more evenly over the year. Other contributing factors are increased revenue from additional rent related to DSH/UPL and maintaining expenses below budget.

Statement of Net Assets (Balance Sheet)
Assets:
The Statement of Net Assets reflects $106.5 million in cash and investments. There is $6.5 million in restricted cash in addition to this amount which reflects the regional (private) UPL escrow account.

Taxes Receivable-The balance of $554,000 is reflective of the additional expected property tax to be collected from all tax years.

Due from Other Governments – The receivable from the City of Austin is being adjusted to reflect results of the FY07 audit.

Liabilities:
Private UPL Payable - $6.5 million
Other Liabilities – This reflects deferred tax revenue for the current year of $658,000.

Travis County Healthcare District

Statement of Revenues, Expenses & Changes in Net Assets

From 8/1/2008 Through 8/31/2008

(In Whole Numbers)

	August 2008 Actual	Year to Date August 31,2008 Actual	YTD Budget - Revised	Total Budget - Revised
Operating revenues:				
DSH/UPL Program	378,607	22,227,715	17,191,980	18,754,887
Operating lease revenue	96,283	1,059,113	1,059,113	1,155,396
Total Operating revenues:	474,890	23,286,828	18,251,093	19,910,283
Operating expenses:				
Health care delivery	5,310,802	63,221,815	76,073,656	82,904,154
Salaries and benefits	191,590	1,677,244	1,757,420	2,002,474
Other purchased goods and services	134,114	1,373,621	2,016,578	2,199,903
Depreciation	149,705	1,729,069	1,730,380	1,887,687
Total Operating expenses:	5,786,211	68,001,749	81,578,033	88,994,218
Operating income (loss)	(5,311,321)	(44,714,921)	(63,326,940)	(69,083,935)
Nonoperating revenues (expenses):				
Ad valorem tax revenue	68,735	58,671,241	58,265,924	58,452,387
Tax assessment and collection expense	(57,805)	(622,370)	(656,268)	(715,929)
Tobacco settlement revenue	0	5,316,234	4,668,000	4,668,000
Tobacco settlement expense	0	(2,322,663)	(2,168,000)	(2,168,000)
Investment income	346,584	3,507,402	3,215,320	3,492,055
Other revenue	0	6,250	0	0
Total Nonoperating revenues (expenses):	357,514	64,556,094	63,324,976	63,728,513
Changes in net assets	(4,953,807)	19,841,174	(1,965)	(5,355,422)
Total net assets - beginning of year	0	177,333,856	0	0
Total net assets - end of year	(4,953,807)	197,175,030	(1,965)	(5,355,422)

Travis County Healthcare District

Statement of Net Assets

As of 8/31/2008
(In Whole Numbers)

	Current Year
Assets	
Current Assets	
Cash and cash equivalents	(52,214)
Restricted cash and cash equivalents	6,518,884
Short-term investments	106,581,278
Ad valorem taxes receivable	554,057
Due from other governments	
Accounts Receivable-City of Austin	1,793,632
A/R-Other Governments	0
Total Due from other governments	1,793,632
Other receivables	738,333
Prepaid expenses	103,703
Total Current Assets	116,237,673
Capital Assets	
Land	8,497,335
Buildings and improvements	90,127,953
Equipment and furniture	462,426
Less accumulated depreciation	(7,403,477)
Total Capital Assets	91,684,237
Total Assets	207,921,910
Liabilities	
Current Liabilities	
Accounts payable	3,453,563
Private UPL payable	6,518,884
Salaries and benefits payable	116,410
Other liabilities	658,024
Total Current Liabilities	10,746,881
Total Liabilities	10,746,881
Net Assets	
Unrestricted	105,490,792
Investment in Capital Assets	91,684,237
Total Net Assets	197,175,030
Liabilities and Net Assets	207,921,910

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 12

Receive and discuss the CEO's report on current District activities, including (a) updates on District staff activity; (b) updates on District contracts and related activities.

(Back-Up: Procurement Status report, Budget and Finance Committee Activity report, Communications report, ICC Project Status report)

Travis County Healthcare District
Budget and Finance Committee Activity Report

Major Initiatives/Projects for August/September 2008:

Initiative Description	Status/Staff Work
North Central Clinic	Responded to extensive open records request. Continued preparation work on the zoning case submittal scheduled for September 16.
Website Design Services. This procurement is to design the post-transition websites for the District and 501(c)(3) Corporation. *(FY09 Expense)*	District staff issued the RFP on August 18, with a response date of September 2. Staff is evaluating four proposals received in response to RFP. Target contract award date is October 1, 2008. Estimated contract amount (website design for both entities): $75,000.
FY09 Contract Renewals	District staff and legal counsel completed 10 renewal documents for contracts expiring on 9/30. Staff continues to work with legal counsel to prepare remaining renewals for expiring contracts.
Benefits RFPs. These procurements are to obtain standard employee benefits/insurance coverages (e.g. health, dental, vision, insurance etc.) for the District and 501(c)(3) Corporation employees. (*FY09 expense, beginning March 1,2009*)	District staff worked with Aon Consulting and issued 10 RFPs in July. Benefits solicited include: health, dental, vision, disability (long/short-term), pre-paid legal, sick child care, life, COBRA administration, FMLA administration, and wellness. Initial proposals were evaluated and finalists were selected for interviews that will be held through September 26.
HR System. This procurement is for systems that will initially be implemented by the District and then by the 501(c)(3).	Staff evaluated and recommended the ADP HRIS which included a benefits portal. The Board authorized the President and CEO to negotiate and execute an agreement on September 11, 2008.
Benefits Management RFP. This procurement is to outsource HR benefits management services (e.g. third party administration, a Web portal system for online benefits administration and call center support (Estimated annual scope - $100,000, fiscal year 2009 expense)	District staff issued the RFP in June and received 5 proposals July 25. Evaluated responses and narrowed list to 3 vendors that demonstrated the Web portal system. Two firms completed negotiations and submitted Best and Final Offers. Holmes Murphy & Associates is recommended for award with a 2009 price of $30,000* and a 2010 price of $45,000* (*excludes printing costs for benefit materials).
Fiscal Year 2009 Budget Development.	The Board held public hearings 8/28 and 9/4 and adopted the budget and tax rate on 9/11/08. The Commissioners Court approved the adopted budget and tax rate on September 16, 2008.

Travis County Healthcare District
Budget and Finance Committee Activity Report

Initiative Description	Status/Staff Work
Financial Staff Activities. These are initiatives and activities performed by Finance in support of the CHC transition.	Continued development of proposed structures and policies related to CHC financial functions (chart of accounts, accounts receivable integration, banking, asset management, payroll and timekeeping, contracts transfer, Medicaid/Medicare number transfer, and purchasing).
Information Technology Infrastructure RFP. This RFP would encompass the services currently provided by the City of Austin (networking, data center management, help desk, user support).	Issued the RFP in late April and received three proposals in late June that are under evaluation. The negotiations phase began with all three proposers and has been narrowed to one proposer for Best and Final Offer. The projected contract award date is 10/11/08. The estimated amount for IT infrastructure for the District and CHCs is a seven-figure range and is consistent with the estimated amount provided by the City to continue this support.
Community Health Planning Consulting Services. These services provide support to address community health planning, including standards for a healthy community and priorities for health care and planning, including the development of a model of integrating services provided by Graduate Medical Education (GME) in the community care delivery model.	District staff is in preliminary discussions regarding a scope of work with estimated costs. Depending on the outcome of initial discussions, an exemption order and/or agreement may need to be developed in the future.
Cesar Chavez Space Redesign. This study will include design drawings to reconfigure space for District staff and meeting needs.	Revised sketches were provided and reviewed by a District work group in August. Additional revisions will be needed to finalize space redesign. Drawings will commence once an option is selected.
Primary Care Services (RediClinic). This would be for primary care services using a convenient care model.	District and CHC staff (MAP/medical utilization) are in preliminary discussions regarding a scope of work and contractual arrangements.
Primary Care Services (Blackstock). This agreement would be for primary care services.	District and CHC staff (MAP/medical utilization) are in final discussions regarding a scope of work and contractual arrangements. This item will be brought to the Board for consideration in late September or early October.

Recent Completed Activities and Updates (August 2008):

- **FY2009 Budget.** Staff presented and the Board adopted the FY2009 preliminary budget on August 14. The budget was presented to Commissioners Court on August 16.

- **Payroll/Timekeeping Systems.** District staff recommended using ADP, Inc. for payroll and timekeeping services and systems. The Board authorized the President and CEO to execute an agreement on August 14, 2008. Legal counsel has been working with ADP, Inc. to finalize an agreement.
- **Strategic Communications Consulting Services.** The District President and CEO exempted these services. Staff developed an agreement for strategic communications services with Adelánte Solutions, Inc. (HUB firm). Estimated total fees are not-to-exceed $50,000. Estimated FY08 support ($23,000).
- **Emerge Program Evaluation:** Interlocal agreement with UT School of Pharmacy under development as approved by the Board in June. The estimated fees for this work are approximately $150,000.

Description of Activity	Vendor (*=HUB firm)	Fiscal Amount
Healthcare South – urgent care center sublease assumption	Seton/UMC Brackenridge	$5,313.65/month ($73,764 annual)
Regional UPL document revisions to meet new federal guidelines and allow transfer of funds to new account	N/A	N/A
Deferred compensation services amendment to update fee information	Great West	N/A depends on investments selected
Interlocal (seventh amendment) (clarifies City's responsibility for direction and operation of Red River and William Cannon clinic sites	City of Austin	N/A
Inpatient mental health services (third amendment)	Seton, AMEP, Austin/Travis County MHMR	$2,924,701
Communications services contract amendment (increased scope for CHC Identity project)	Creative Heads Advertising, Inc.*	$24,861 (total contract NTE: $73,746)
Pharmacy benefits management services (fifth renewal)	Walgreens Health Initiative	$3,787,566
Service capacity expansion (trauma, emergency department, psychiatric, perinatal)	Seton	$3,500,000
Continuity Clinic agreement (primary care services to MAP program enrollees provided by internal medicine residents)	UTMB, UMCB	$429,000
Legal services (Medicaid/Medicare number transfers)	Fulbright & Jaworski, L.L.P.	$25,000
Medical insurance renewal assistance	Aon Consulting, Inc.	$4,800
Employment background checks	Wackenhut	Per Use Fee Schedule
External audit renewal – Board approved	Maxwell, Locke, Ritter* (HUB subcontractor)	$36,750
Partial funding of Director of Clinical Research position approved by Board (6/2008)	ICC	$22,275
Northbluff Lease – buildout services (provided funding mechanism)	Northbluff (landlord)	$47,893
Facilitation services – Board strategic planning retreat (June 2008)	Corder/Thompson & Associates *	$1,300
Financial System – additional license	Sage Software	$24,156

Travis County Healthcare District
Budget and Finance Committee Activity Report

Description of Activity	Vendor (*=HUB firm)	Fiscal Amount
purchases of Sage MIP		
Medical Services (People's Community Clinic) Contract amendment increasing the per-encounter pricing	People's Community Clinic	Per Encounter pricing increased from $70 to $133.78 effective May 1
Sage FAS (fixed asset system) – module purchase and implementation	Sage FAS	$15,610
Case preparation – North Central Clinic zoning	Site Specifics*	$5,000
Field survey – North Central Clinic zoning	Smith Surveyors, Inc.	$800
Appraisal Services – North Central Clinic	McCluskey and Associates	$7,500
Space planning/design drawings – Cesar Chavez build-out	The Arizpe Group, Inc.*	$47,890
HR support (classification, compensation, performance management, HR systems)	Aon Consulting, Inc. ($22,050 subcontract*)	$170,000 (turnkey)
Orthotics services for MAP patients	Multiple vendors	$30,000 shared cap
CHC business model design/implementation	Phase 2 Consulting	$209,500
HR executive compensation benchmarking	Aon Consulting, Inc.	$15,000
Investment advisory services (457 deferred compensation plan)	Fred Meyers, CPA	$5,000
Staff implemented District financial system including development of chart of accounts	N/A	N/A
District annual audit completed– received unqualified opinion	N/A	N/A
Disposed of 80 computers	City of Austin repurchase	$4,000 (revenue generated)
Disposed of 90 computers/monitors	Texas Correctional Industries	(donation program to schools of refurbished computers)
Bond counsel legal services	Bates & Coleman	
Contract renewal for electronic bid distribution system	RFP Depot	$3,000
Labor-related legal services	Cornell, Smith, Mierl	$50,000
Facilities condition assessment study (CHC/District buildings)	Facilities Engineering Associates	$41,400
Communications work – organizational identity, branding and internal communications (CHC and District)	Creative Heads Advertising, Inc.*	$44,885
CHC internal communications/identity/ employment package tasks	Creative Heads Advertising, Inc.*	$3,275
IT Infrastructure study	MTG ($22,176 subcontract*)	$154,760
RFP support for outsourcing IT services	MTG	$49,456
Subscription - comparative financial and operations benchmarks	Morningside Research and Consulting*	$8,000
Participation in survey to obtain data regarding healthcare trends, perspectives, and other District areas of interest	Central Texas Sustainability Indicators Project (CTSIP)	$5,000
Temporary accounting assistant (staff leave of absence)	Onin Staffing	$6,022

travis county HEALTHCARE DISTRICT

Communications/Outreach Statistics
August-September 2008

Presentations/Events			
Date	**Venue/Topic**	**Presenters**	**~# in attendance**
8/28/08	North Central CHC, Greater Austin Chamber	Christie Garbe	15
8/29/08	Northwest Austin Rotary; District Overview	Trish Young Brown	40
9/3/08	North Central CHC, Greater Austin Hispanic Chamber	Trish Young Brown	6
9/9/08	Hogg Foundation on E-Merge Program	Trish Young Brown	100
9/11/08	North Central CHC Property Owners Meeting	TCHD & CHC staff	15

Web Site Statistics						
Month	**Visits**	**Unique Visitors**	**Page views ***	**Bounce Rate ****	**Time on Site**	**Top 3 Pages**
Aug., 2008	1,884	1,232	5,701	46.97%	2:18	1) traviscountyhd.org - 15.87% 2) /employment.htm - 12.45% 3) /northcentral - 11.66%
July, 2008	2,021	1,270	6,471	45.23%	2:54	1) /northcentral - 14.94% 2) traviscountyhd.org - 13.34% 3) /healthcare_services.htm - 10.21%

**Pageviews is the total number of pages viewed on your site and is a general measure of how much your site is used.*
***Bounce Rate is the percentage of single-page visits (i.e. visits in which the person left your site from the entrance page).*

Earned Media			
Date	**Media Outlet**	**Title/Content**	**Author/Reporter**
9/12/08	Austin American Statesman	Healthcare district adopts $95.2 million budget, up 6 percent	Mary Ann Roser
9/17/08	Community Impact Newspaper	Court approves 2009 budget and tax rate for Travis County Healthcare District	Candace Birkelbach
9/17/08	INFACT Daily	Commissioners approve $95 million Healthcare District budget	Kimberly Reeves
9/17/08	Austin American Statesman	Healthcare district budget, clinic OK'd; zoning delayed	Mary Ann Roser

Special Projects
Annual report, Web site proposal evaluation

ICC 2007 Priority Projects – Status Report
ICC Board of Directors, September 9, 2008

Document Owner(s)	Date
Ann Kitchen, ICC Executive Director	ICC Board of Directors, Report Date, September 9, 2008

Dashboard Description

- Project Plan tasks are reflected in the Major Task Groups and Key Milestones columns below.
- Due dates and status are reflected in the last column.
- Green, yellow or red lights reflect the "Status" as defined below:

  Green: "Completed" or "Ahead of Schedule"

  Yellow: "On schedule" or "Watching closely" or "Pending"

  Red: "Behind Schedule"

- Stoplight Table includes all milestones due in current month and following month, as included on the Strategic Plan adopted by the ICC Board of Directors at the February 2008 Board meeting and the Use Case Adoption Work Plan.

ICC Priority Project Highlights – Strategic Plan Milestones

1. **Access –**
   - ***Regional Health Coverage Project.*** Meetings of Finance, Philanthropy, Marketing, Executive Committee scheduled for September to select TPA; confirm initial investments; select name; determine legal structure; finalize design issues. Next meeting of Regional Advisory Council is September 17th. HHSC LAR and TDI Sunset Review processes begun regarding potential legislative support.
2. **Health Information Technology**
   - ***New Medication Interfaces –*** Project Access medication interface in process, target date October, awaiting information from Express Scripts.
   - ***Other Interfaces –*** Addition of Front Steps recuperative care center data in process
   - ***Lab Interface –*** Configuration options set up and tested; awaiting real data from CCSD to test further, CCSD checking with LabCorp to determine best approach to filtering data so that David Powell data not included.
   - ***AISD School Nurse Adoption Plan –*** Initial meeting held and use case approach determined
3. **Disease Management –**
   - ***Dashboard Report –*** Dashboard concept report presented at July 25th Sustainability Committee meeting; Draft Dashboard scheduled for presentation to Sustainability Committee September 12th and to full Board at October meeting.

- ***Expand Asthma Program* –** First year operational and clinical evaluation report completed, presented at July ExCom and August Board meeting. Business plan completed and discussed at August Sustainability Committee meeting, and approach for funding decided upon.
- ***Other DM Programs* –** Business Plan for Diabetes completed and scheduled for presentation at September Sustainability Committee; High User Intensive Case Management program pending discussion at Sustainability Committee targeted for September or October meeting.

ICC Priority Project Highlights – Use Case Adoption Milestones

Develop, Monitor, and Report Metrics – proposed metrics presented to ExCom and under consideration. Date changed in order to include in Dashboard development process.

Implement Use Cases for ICC Members –

- Use cases completed with Front Steps Recuperative Care Program, People's Community Clinic program; MATCH presentation scheduled for September Board meeting.
- Initial meeting with physicians / stakeholders completed and Use Case development in progress for AISD Student Health Service, Seton Medical Center; Dell Children's Hospital; WCCHD; St. David's South Austin Hospital Emergency Department; UTSON Family Wellness Clinic; VHC

Strategic Plan Summary

1. and 2. Access and Community Integration (pages 1 – 3)

Milestones relate to development of multi-year workplans for each of these areas to reflect the goals developed by the Retreat WorkGroups

Milestones related to the Regional Health Coverage Program reflect the target launch date for that program of August 2008.

Milestones related to Impact Austin program sustainability and results of the MAP project are also included as discussed at the September retreat and the December Board meetings.

3. Health Information Technology:

The highest priority proposed for 2008 is investment in the ICC's asset, it's ICare database, through a focus on data integrity and member adoption of the health information exchange.

Milestones related to Physician Adoption include development and approval of an Adoption Plan that develops "use cases" for each member location that describes how physicians, social workers, office staff, and others use the data at that location to further their mission.

Milestones related to ICare capacity building, adding additional data elements and/or data sources, are related to the Cerner Project Timeline and will be accomplished in a manner that to the greatest extent possible is transferable and avoids duplication of effort.

Priorities for capacity building include the addition of lab and medication data, as well as connection to EMS and criminal justice health care data sources.

4. Disease Management:

Milestones related to data integrity, a high priority, include addressing appropriate levels of dupes and related data issues that impact the usefulness and reliability of the data.

Milestones related to mining the database for member use, another high priority, include development of a focused dashboard report and clinical evaluation plan for care coordination programs. The dashboard report will identify selected ICare data useful in pinpointing and tracking progress on issues critical to the community's health, such as ER usage for primary care treatable conditions.

Use Case Adoption Project Plan Summary

Milestones related to developing, monitoring, and reporting metrics

Milestones related to implementing use cases customized for each member. "Use case" defined as description of use of ICare data to support treatment of patients.

STOPLIGHT TABLE – ICC STRATEGIC PLAN

Major Task Groups	Key Milestones (January/June 2008)	Due Date & Status
ACCESS		
No Wrong Door Pilot	MAP Pilot Program Interim Report	Sept 23rd
Regional Health Coverage Project	Regional Advisory Council Meetings ▪ Sept 17th Regional Nonprofit Corporation Board Formed – *Pending Finalizing Reserves; date TBD* TPA Partner Selected – *Final Selection Pending Interim CEO review; date changed to Sept 12th*	Sept 17th Sept. 12th Sept 12th
COMMUNITY INTEGRATION		
Rename ICC	Develop Multi-Year Workplan for Strategic Plan – *pending committee initiation*	Dec 30th
HEALTH INFORMATION TECHNOLOGY		
Complete EMR Development	Integrate ICare adoption with LSCC EMR roll-out – *pending LSCC timeline*	June 30th
Build / Expand New DBs	Develop Research Database Plan	Dec 31st
School Nurse Health Data	Develop adoption plan with AISD school nurses	Sept. 23rd
Expand Mental Health Data Integration	Collection of auth flag MHMR Use Case plan with Wmson Cnty Mobile Outreach Program – *date changed to reflect their timeline*	Aug. 30th Dec. 31st
Interface Criminal Justice	Use Case adoption plan – *date changed to reflect Sheriff's Office timeline*	Dec 31st
New Export Interfaces (data pushed to member systems)	Complete export interfaces LSCC EMR – *pending LSCC timeline* Complete additional export interfaces – *TBD based on member request*	June 30th Dec 31st
New Medication Interfaces	MHMR – *pending MHMR action*	Dec 31st
EPIC Web Light Print Group Dev	Display lab, immunization, other data **TBD**	Dec 31st
Lab Results Interface	Demo to ExCom	Oct 30th

	Go-Live date for initial interface	Dec 31st
DISEASE MANAGEMENT		
Data Mining and Clinical Evaluation	Develop Dashboard Report Draft to ICC Board for Approval	October 14th
Expand PharmCare Program	Start Date – PharmCare Phase II Pilot; *date changed to Sept 1st*	Sept 1st
Centralized Training for CHPs	Develop Business Plan – *date changed*	October 30th
Physician Advisory Board DM Collaboration	Develop Methodology for DM Metrics Collection – Report to PAB Board	October 30th
Other DM Programs	Secure Funding for High User Intensive Case Management – *date changed pending Sustainability Committee discussion TBD*	Aug 22nd

STOPLIGHT TABLE – USE CASE ADOPTION PROJECT PLAN

Major Task Groups	Key Milestones (January/June 2008)	Due Date & Status
DEVELOP, MONITOR, REPORT METRICS		
Approval of metrics by ICC Executive Committee	In progress, *date changed to be consistent with Dashboard development*	July 25th
IMPLEMENT USE CASES FOR ICC MEMBERS		
Customize UseCase types and implement at each ICC site – *pending LSCC timeline* **LoneStar Circle of Care**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	June 5th June 5th
Customize UseCase types and implement at each ICC site **WCCHD**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	Sept 23rd Sept 23rd
Customize UseCase types and implement at each ICC site **Front Steps Recuperative Care Program**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	Sept 23rd Sept 23rd

STOPLIGHT TABLE – 2008 COMPLETED MILESTONES, ICC STRATEGIC PLAN

Major Task Groups	Key Milestones - COMPLETED	Due Date & Status
ACCESS		
Access Committee Mtngs	Committee– ExCom approved Chair naming Develop Multi-Year Work Plan for Strategic Plan	March 25th May 30th
Impact Austin Pilot	Impact Austin Report Access Barriers / Gap Report	Feb 28th Feb 15th
No Wrong Door Pilot	MAP Pilot Start Date	March 3rd
Regional Health Coverage Project	Regional Advisory Council Meetings January 16th Meeting March 26th Meeting May 21st Meeting Interim CEO Hired Marketing Activities Begin	January 16th March 26th May 21st May 30th May 1st
COMMUNITY INTEGRATION		
Committee Formation	Committee – ExCom approved Chair naming	March 25th
Rename ICC	ExCom Approved 3/26, Board May 2008 mtng	May 13th
HEALTH INFORMATION TECHNOLOGY		
Expand Public Health Data Integration	Continue Use Case Adoption (vaccine, surveillance)	March 31st
Physician Adoption	**Adoption Plan**: Consultant Hiring Decision Adoption PMO Review Adoption Plan / Prioritize Use Case I-Care Adoption Plan to BOD for Approval Begin Quarterly Review of Progress	April 30th April 30th April 30th April 30th April 30th

DISEASE MANAGEMENT		
Expand PharmCare Program	Complete revised Business Plan	January 31st
Data Mining and Clinical Evaluation	Data Integrity Program Work Plan Draft to ExCom for Review (moved to 4/22)	April 22nd
Data Mining and Clinical Evaluation	Develop Dashboard Report Draft to Sustainability / ExCom	July 25th
	Clinical Evaluation Methodology, Asthma	July 22nd
	Data Integrity Program Work Plan Draft to ICC Board for Approval (moved to 6/13) – *pending member IT staff review*	August 12th
	Clinical Evaluation Report, Asthma	July 22nd
	Clinical Eval Plan, Care Coordination	August 31st
Expand Asthma Program	Complete First Year Operational and Clinical Evaluation Report	July 22nd
	Develop Business Plan for Program Expansion	Aug 22nd
Other DM Programs	Develop Diabetes Program Business Plan	Aug 22nd

STOPLIGHT TABLE – COMPLETED USE CASE ADOPTION PROJECT PLAN

Major Task Groups	Key Milestones (January/June 2008)	Due Date & Status
DEFINE REQUIREMENTS FOR ICARE SYSTEM ADOPTION		
Gather General System Requirements	Completed requirements definitions	Feb 29th
IMPLEMENT USE CASES FOR ICC MEMBERS		
Develop functionality for each UseCase type	Report defining completed status of functionality builds	May 1st
Customize UseCase types and implement at each ICC site **Seton High Alert Program**	Develop and Implement UseCase • Final approval of UseCase by ICC member • Implementation of UseCase functionality Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	Mar 28th June 30th Mar 28th
Customize UseCase types and implement at each ICC site **ATCMHMR**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	April 15th April 30th
Customize UseCase types and implement at each ICC site **Seton Asthma Program (ICC Asthma Network)**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	May 27th May 27th
Customize UseCase types and implement at each ICC site **Peoples Community Clinic**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	July 22nd July 22nd
Customize UseCase types and implement at each ICC site **St Davids – MATCH Program**	Develop and Implement UseCase • Final approval of UseCase by ICC member Develop / Implement UseCase Enhancements • Final approval of UseCase enhancements by ICC member	July 22nd July 22nd

Travis County Healthcare District
Board of Managers
Procurement Activity Report

Through its purchasing policy (PUR001), the Board of Managers has authorized the District President and CEO to execute District contracts with a value of less than $50,000 without requiring board action or approval. In addition, the Board of Managers also authorizes the President and CEO to execute certain contracts on its behalf where the terms are as or more favorable than those presented to the Board at a regularly-scheduled meeting.

The following list identifies the contracts that were executed by the District President and CEO from August 26 through September 15, 2008. A contract summary page outlining specific terms, conditions, and award information (as applicable) is provided for each contract directly executed by the President and CEO as authorized by PUR001.

Contracts approved by Board of Managers with authorization for the District President and CEO to execute:

- Contract amendment with Maxwell, Locke, and Ritter for external auditing services to clarify notification point of contact.
- Contract renewal with Austin Radiation Oncology d/b/a Austin Cancer Centers for radiation oncology services.
- Contract renewal with Austin Retina Associates for ophthalmologic services.

Contracts (<$50,000) executed by District President and CEO as authorized by PUR001:

- Contract renewal with RFP Depot for the use of its automated bid distribution system.
- Contract renewal with D. Ladd Pattillo & Associates, Inc. for financial advisory services.

Conflict-of-Interest Statement Information:

Chapter 176 of the Local Government Code requires that local government officers file a conflict-of-interest statement disclosing certain relationships with a vendor within seven (7) days of becoming aware of facts that give rise to the conflict. The District has contracted with the following new vendors:

- N/A

Please ensure that you have no conflict-of-interest with this vendor that would require the filing of a conflict-of-interest statement. You do not need to do anything if you have no conflict. Completed conflict-of-interest statements should be filed with the District Administrative Coordinator (Kay Williams) using the form found in your Board packet. If you have any questions about whether you have a conflict, please contact Stacy Wilson.

Travis County Healthcare District
Board of Managers
Procurement Activity Report

Vendor Name: RFP Depot, LLC
Board Approval for President and CEO Action: N/A
Contract Effective Date: October 1, 2008

New Contract Information	
Parameter	**Description**
Procurement Method/Process	Procured through Travis County.
HUB Participation	0%
Award Amount	$3,000
Budgeted Account Line Item/Percent of Total Account Line Item Budget	
Performance Measures	Annual
Contract Period of Performance (including number/type of renewals)	
Amendment/Renewal	
Parameter	**Description**
Summary of Proposed Changes in Amendment/ Renewal	Renews contract for an additional one-year period at the same contract term price ($3,000) as original base contract. Renewal period is from October 1, 2008 through September 30, 2009.
Proposed Change in Contract Amount/Account Line Item	No change in contract amount. Accounting line item is 6603 (Computer Support – non-City of Austin) (39.3% of budgeted line item)
Summary of Previous Amendments/Renewals	Base contract is from February 16, 2007 through September 30, 2007 for use of the RFP Depot online competitive solicitation, requisition, and purchase order system for an annual fee of $3,000. Contract allowed for up to five additional one-year periods.
Number of Remaining Renewals	Three remaining one-year periods.

Travis County Healthcare District
Board of Managers
Procurement Activity Report

Vendor Name: D. Ladd Pattillo & Associates, Inc
Board Approval for President and CEO Action: N/A
Contract Effective Date: October 1, 2008

New Contract Information	
Parameter	**Description**
Procurement Method/Process	n/a exempted - specialized consulting (debt obligation expertise)
HUB Participation	0%
Award Amount	n/a – fee schedule dependent upon actual debt obligation issuance; estimated amount based on $18M issuance would be $44,500
Budgeted Account Line Item/Percent of Total Account Line Item Budget	n/a
Performance Measures	Assistance with issuance of debt obligations as needed
Contract Period of Performance (including number/type of renewals)	Base period of performance from January 31, 2007 through September 30, 2008 with two, two-year renewals.
Amendment/Renewal	
Parameter	**Description**
Summary of Proposed Changes in Amendment/ Renewal	Renewal on same terms and conditions for a period from 10/1/2008 through 9/30/2010
Proposed Change in Contract Amount/Account Line Item	No change
Summary of Previous Amendments/Renewals	n/a
Number of Remaining Renewals	One, two-year renewal

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 13

Receive and discuss reports from the Board committees: *ad hoc* Community Care Services Department Transition Committee, *ad hoc* Medical School Committee, Audit and Compliance Committee, Budget and Finance Committee, and Legislative Committee (including a report from HillCo Partners, the District's legislative consultant, on current and anticipated legislative and executive branch, including state agency, activities).

(Back-Up: None)

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 14

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

(Back-Up: None)

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

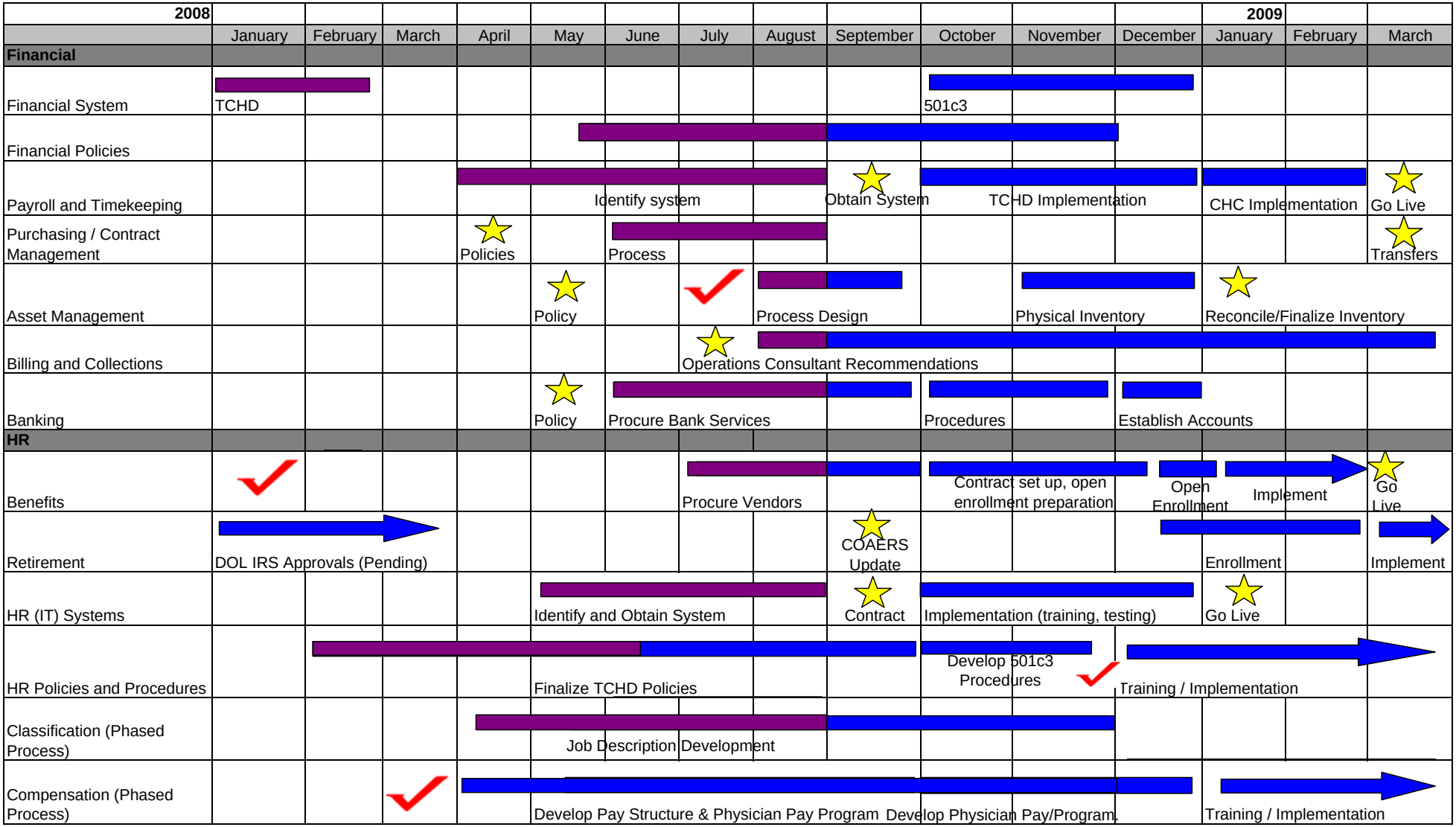
Agenda Item 15

Receive and discuss an update regarding the transfer of the Federally Qualified Health Center (FQHC) status and the Community Care Services Department from the City of Austin to the Travis County Healthcare District or a section 501(c)(3) corporation, including infrastructure, governance, and retirement matters.

(Back-Up: Transition timeline)

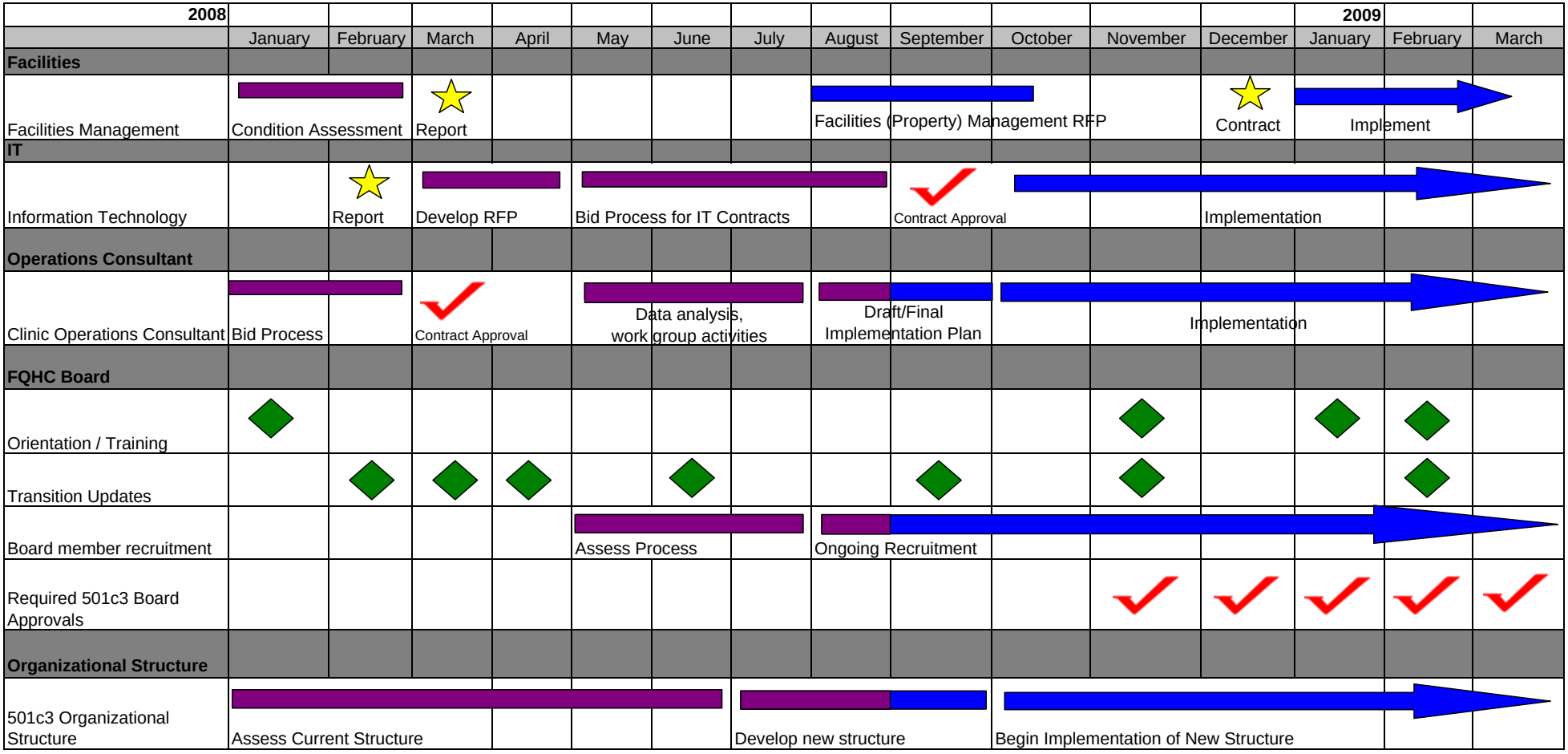
CCSD Transition Major Project Timeline

9/19/2008



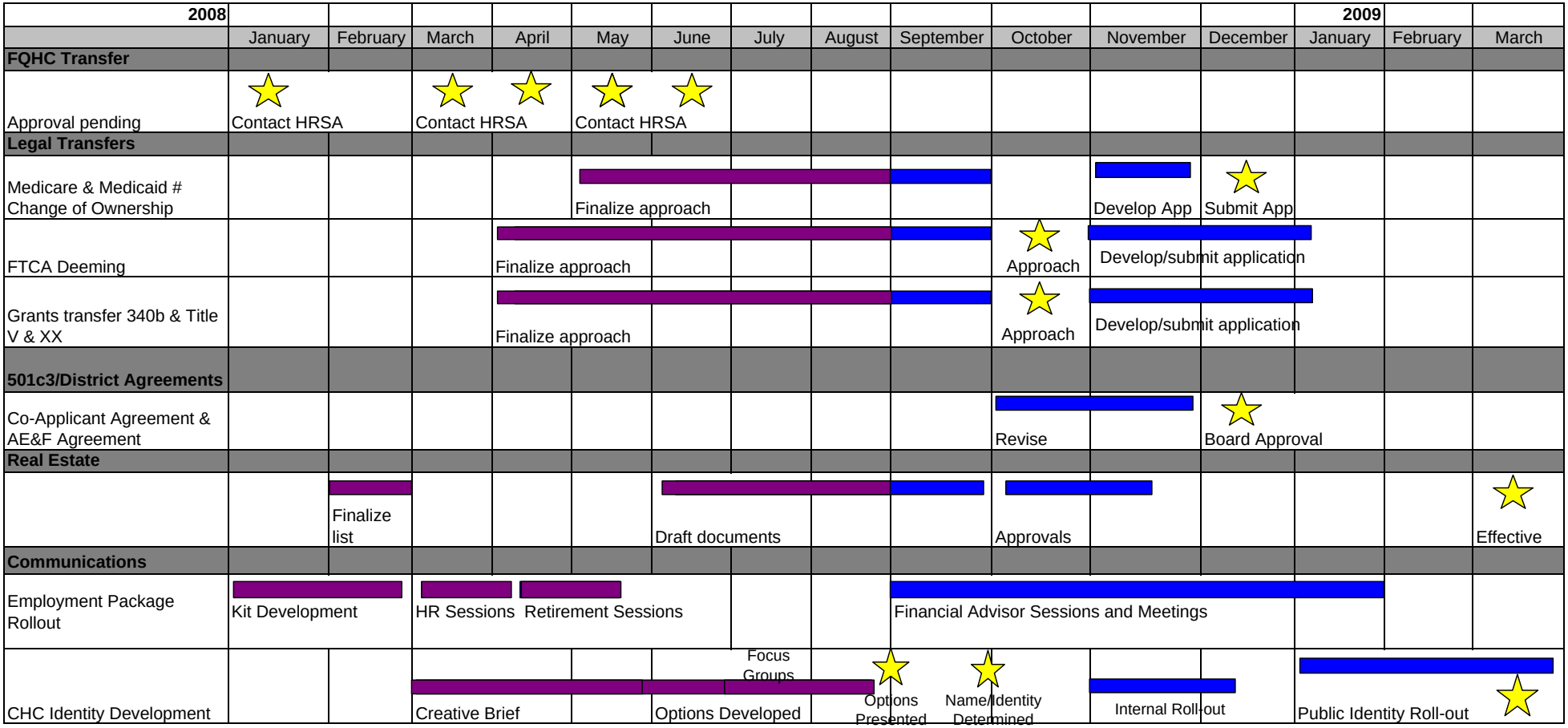
CCSD Transition Major Project Timeline

9/19/2008



CCSD Transition Major Project Timeline

9/19/2008



Approval
Task Duration
Meeting
Completed Task
Milestone
End Date Not Yet Determined

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 16

Discuss and take appropriate action regarding the award of a contract with Network Logistics, Inc., for RFP 0804-001, information technology services.

(Back-Up: None)

travis county HEALTHCARE DISTRICT

Memo:

To: Travis County Healthcare District Board of Managers

From: Donna Scarbrough, Purchasing Administrator

CC: Patricia A. Young Brown, Carolyn Konecny, Stacy Wilson

Date: September 22, 2008

Re: Agenda Item #16: Discuss and take appropriate action regarding the award of a contract with Network Logistics, Inc. for RFP 0804-001, information technology services.

Background

In April 2008, the District issued RFP 0804-001 to solicit information technology services for the District and post-transition 501(c)(3) organizations. Three written proposals, representing three very different approaches were received and scored by the evaluation committee. All three vendors were invited to make technical presentations and submit clarifications and updates to their proposals.

Based on the scoring of the updated proposals, District staff requests authorization to award a contract to the top ranked firm, Network Logistics, Inc. (NLI). NLI's proposal was deemed to be the most flexible and cost effective, providing the District/501(c)(3) Corporation with two technical approaches for consideration. NLI's proposed transition approach included two phases: phase one which includes the conduct of detailed site surveys culminating with a detailed network design plan ("Plan"); and phase two, implementation of the desired network based on the Plan, with refinement and finalization of all network component costs.

District staff recommends award of a contract now for phase one services to NLI, with a fixed amount of $50,000 for conduct of detailed site surveys and development of the Plan. A contract action for phase two would be initiated after the successful completion of phase one. Phase two pricing will reflect the refined costs identified in the Plan and be based on the final options as defined by the District/501(c)(3) technical staff.

The award of phase one is recommended with the understanding that should NLI be selected to perform phase two, which is the most likely occurrence, the phase two contract will be brought back to the Board for action.

Recommendation

Staff recommends that the Board of Managers authorize the District President and CEO to execute the phase one portion of the contract with Network Logistics, Inc. as presented by staff.

travis county HEALTHCARE DISTRICT

Travis County Healthcare District
Board of Managers Meeting

September 25, 2008

Agenda Item 17

Receive and discuss an update of the broadcast of "Critical Condition" on KLRU on September 30, 2008.

(Back-Up: None)