



The Affordability Solution for Health Care in Travis County Partners in Care:

Community, Central Health, Seton and Brackenridge

Since 2004, Central Health has been the public entity in Travis County that makes our community stronger by investing in access to health care for our most vulnerable residents. As the population of Travis County surged upward during the past decade, so too have the health care needs of its residents.

For nearly 100 years, the city of Austin owned, operated and funded Brackenridge Hospital, the safety-net hospital in Travis County that treated patients regardless of ability to pay. As our community grew, so did the financial burden of care, and by the early 1990s hospital operations were running at a \$38 million annual deficit.

There was talk of closing Brackenridge entirely, but in 1995 the city entered into a lease agreement with the nonprofit Seton Healthcare Family, whose mission “to care for and improve the health of those we serve with a special concern for the poor and vulnerable” aligned with Brackenridge’s public purpose.

In 2004, voters approved the creation of Central Health as the healthcare district for Travis County. The property and lease of Brackenridge Hospital transferred upon the district’s creation from the city to Central Health.

In the intervening years, health care has advanced to include technology that treats illness and injury in ways that could not have been imagined in the 1970s. What is now called University Medical Center Brackenridge became outdated and unable to meet our community’s needs. The global health care firm Huron Consulting Group was hired by State Sen. Kirk Watson in 2012, with funding from Opportunity Austin, to analyze Brackenridge’s future potential and concluded that:

University Medical Center Brackenridge’s existing facilities, no matter how extensively renovated, would not meet even the well-recognized needs of its current clinical and educational programs, let alone position the hospital and its remarkably dedicated staff to fulfill their missions in the future. A new ... hospital is necessary and fully justified on these grounds alone.

The Huron report also acknowledged that a unique opportunity existed to do more than simply replace UMC Brackenridge with a modern hospital:

[T]he potential for a new medical school at the University of Texas-Austin offers a historic opportunity for UMCB to become the school’s principal teaching hospital. ... A new ... facility designed for this purpose, as well as for continuation of its current



missions, would permit the institution to greatly expand its public benefits.

In 2012, voters in Travis County approved a 5-cent property tax rate increase to support Central Health’s work to transform safety net health care delivery. The additional funding provided to Central Health by voters is beginning to show tangible results. In 2016, the Dell Medical School at The University of Texas will accept its first class of students, and Dell Seton Medical Center at The University of Texas at Austin teaching hospital will open the following year. These facilities will offer a direct return on investment to taxpayers by providing a state-of-the-art facility, new doctors, new bedside treatments stemming from increased local medical research, and the clinical care services necessary to make Austin and Travis County a healthier community.

Seton has affiliated with Central Health in the Community Care Collaborative to better deliver care to underserved populations in community settings before an emergency room or hospital stay is required.

In our agreements with Seton and UT, Seton will operate the teaching hospital and maintain safety net services for Travis County for 60 years or as long as it is subleasing or operating the hospital. If Seton withdraws from the Master Agreement, Central Health can purchase the new teaching hospital. If Seton is unable

to maintain the hospital as a teaching and safety net hospital, UT and Central Health will work together to locate a new operator of the hospital that can provide those services.

Central Health will experience a decrease in lease payments when Seton transfers UMC Brackenridge operations to the new teaching hospital in 2017. With Seton’s new hospital, the community’s teaching hospital and health care safety net needs will be met, and Central Health will have six blocks of prime downtown real estate—with few restrictions on its redevelopment potential—that it will leverage to continue fulfilling its mission.

Central Health is working on a master plan for its Brackenridge campus and is seeking significant community input through workshops, open houses, events, online surveys, canvassing, in-clinic surveys and neighborhood association and interest group meetings. We have spoken to almost 2,000 people so far, and the gathering of community input will continue. Central Health is incorporating feedback into this master plan as it works to be the best possible steward of taxpayer dollars.

Central Health’s mission is to create access to health care for those most in need. Thanks to the support of the residents of Travis County, Central Health is working to improve how low-income residents access high-quality, cost-effective health care.