



## FACTS vs MISUNDERSTANDINGS

TRAVIS COUNTY COMMISSIONERS COURT ON AUGUST 23, 2016

**MISUNDERSTANDING:** *Central Health is not focused enough on improving health care service delivery to the low income and uninsured populations it serves.*

**FACTS:** Central Health is focused on increasing access to and improving the delivery of health care services for low income and uninsured residents in Travis County.

- Central Health has consistently increased access to health care services each year since its creation in 2004. Last year, Central Health funding ensured the provision of direct services to 109,428 unique individuals up from 77,116 in 2011.
- Central Health is increasing its effective tax rate by 4.5% in FY17. The annual tax bill increase of an Average Taxable Homestead Value of \$285,152 is \$5.59, which is an increase of 1.8% from FY16.
- Central Health is increasing funding for safety net health care services by almost 5% in FY17 while maintaining the lowest tax rate of any major hospital district in Texas.
- Central Health is focused on improving specialty care for the population we serve.
  - In 2015, the Community Care Collaborative (CCC) provided an additional 1,224 gastroenterology visits and 1,529 additional pulmonology visits.
  - In 2016, Central Health worked with the Dell Medical School and community providers to redesign and expand prenatal and obstetrical care. The new system ensures that low income and uninsured women now have the same access to obstetrical resources as commercially insured women.
  - In 2016, the CCC's orthopedics redesign with the Dell Medical School has reduced the wait list by over 400 patients.

**MISUNDERSTANDING:** *Central Health is not financially transparent.*

**FACTS:** Central Health is financially transparent.

- Central Health's Board of Managers meetings and Budget and Finance committee meetings are public and webcast for live streaming during the meeting as well as archived for later viewing. At these meetings, each month the Budget and Finance Committee reviews detailed, line-item Central Health and Community Care Collaborative financials.
- All budget and financial presentations and backup materials are posted on Central Health's website.
- Central Health and its enterprise entities produce financial statements in accordance with Generally Accepted Accounting Principles and are audited annually by independent financial auditors. Audit reports are posted on the Central Health website.
- Intergovernmental transfers (IGT) are transfers of public funds between governmental entities used by Central Health as a local match to draw down additional federal funding. These IGTs are not grants, and are designed to provide supplemental payment to help offset a portion of the costs of unreimbursed care provided to low income and uninsured patients provide by hospitals.

**MISUNDERSTANDING:** *Central Health's relationship with the Dell Medical School at The University of Texas at Austin does not benefit the low income and uninsured population served by Central Health.*

**FACTS:** Central Health works with the Dell Medical School to transform the health care ecosystem in Travis County to meet the health care needs of low income and uninsured residents.

- The Dell Medical School has made significant progress working with the CCC to redefine how health care is delivered in Travis County.
- Funding to the Dell Medical School is made pursuant to an Affiliation Agreement. The "Permitted Investments" described in the agreement for which the funds may be spent will lead to the delivery of better health care for Central Health's population.
- Central Health does not receive medical claims or "invoices" from the medical school.
- In 2012, there were just 209 medical residents and fellows working in the Austin area providing care to the patients Central Health serves. By 2020, 317 residents and fellows in 16 graduate medical education programs will be treating patients across the community in Austin-area hospitals and clinics – including CommUnityCare health centers.

**MISUNDERSTANDING:** *Central Health's public private relationship with Seton does not benefit the community and taxpayers.*

**FACTS:** Seton has been a trusted safety net partner in this community for over 20 years. As part of its mission, Seton funds millions of dollars of health care for low income and uninsured residents of Central Texas. Central Health's relationship with Seton keeps taxes lower than any large district in Texas while continuing to increase the amount of services provided each year.

- Central Health does not pay Seton \$20 million in "transition funds." Pursuant to the Master Agreement between Seton and Central Health, for a five year period, Seton will use \$20 million annually of its funds to fund the transition to the integrated delivery system and a new care model for the safety net population rather than use such funds for other services.
- As Central Health has responded to Mr. Ozer previously, the Hilgers & Watkins law firm, and its successors, Brown McCarroll and Husch Blackwell, have represented Central Health as its primary outside counsel since inception. Several members of our board were aware of this firm's representation at different times of Austin Regional Clinic (ARC) and Covenant, a joint venture between Austin Regional Clinic and Seton. We did not, and do not, consider this representation to be a conflict of interest with respect to Central Health.
- Robert Oliver's representation of Seton ended in 2004 near the time of Central Health's creation and the merger of Hilgers & Watkins and Brown McCarroll. Brown McCarroll did not take on any new Seton representation after this time. It did complete medical malpractice insurance defense cases for Seton that were then ongoing. These cases and the attorneys involved were unrelated to Brown McCarroll's representation of Central Health. We do not believe that this created a conflict with respect to these firms' representation of Central Health.
- Regarding the issue of church versus state, the Master Agreement between Central Health and Seton clearly states Central Health retains the unilateral right in its sole and exclusive direction to make decisions about health care services. Central Health has consulted expert legal counsel on this matter and, we do not believe there is a church vs state issue.