



CENTRAL HEALTH

CENTRAL HEALTH BOARD OF MANAGERS

Thursday, May 13, 2010
5:30 p.m.

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

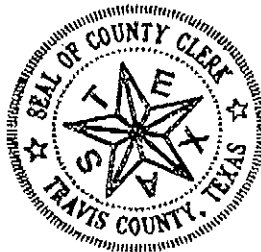
CITIZENS' COMMUNICATION

REGULAR AGENDA*

1. Receive and discuss proposed amendments to the Bylaws of the Board of Managers of Central Health to create a performance improvement subcommittee.
2. Receive and discuss an update on the creation of a community service referral and navigation system.
3. Discuss and take appropriate action on a proposed feasibility study related to the potential development of a health maintenance organization.
4. Discuss and take appropriate action related to the adoption of the vision, mission, values, goals and strategic objectives for Central Health and receive and discuss information related to a long-term visioning process.
5. Receive and discuss information related to the development of Central Health's fiscal year 2010-2011 budget and strategic objectives and policy decisions.
6. Confirm the next regular Board meeting date, time, and location.

** 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.



Came to hand and posted on a Bulletin Board in the Courthouse,
Austin, Travis County, Texas on this the 7th day of
May 20 10
Dana DeBeauvoir
County Clerk, Travis County, Texas
By J. Thakon Deputy



**CENTRAL
HEALTH**

**Board of Managers Meeting
May 13, 2010**

Agenda Item 1

**Receive and discuss proposed amendments to the
Bylaws of the Board of Managers of Central Health
to create a performance improvement
subcommittee.**

(Back-Up – Memo & Bylaws)

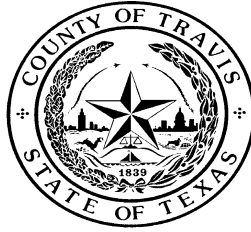
DAVID A. ESCAMILLA
COUNTY ATTORNEY

STEPHEN H. CAPELLE
FIRST ASSISTANT

JAMES W. COLLINS
EXECUTIVE ASSISTANT

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

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



HEALTH SERVICES DIVISION

BETH DEVERY, RN, JD
DIRECTOR †

SARAH F. CHURCHILL †
ASSISTANT COUNTY ATTORNEY

† Member of the College
of the State Bar of Texas

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

MEMORANDUM

To: Central Health Board of Managers

From: Beth Devery

Date: April 30, 2010

Re: Bylaw Amendments (Performance Improvement Subcommittee)

Central Health currently engages in performance improvement activities. These activities include a review of provider qualifications, monitoring complaints, chart reviews, and other related activities. It is the intent of staff to continue to develop performance improvement activities that support Central Health in providing access to health care services.

Under Texas and Federal law, a medical committee¹ can be convened to address medical and health care services. The creation of a medical committee or peer review committee allows for information to be received, discussed and shared with other medical committees within the scope of the peer review or confidentiality privilege. Records and proceedings of a medical committee are considered confidential and are not subject to disclosure under the Public Information Act, subpoena or other disclosure mechanisms. There are specific statutory provisions in the Texas Health & Safety Code that address hospital districts forming medical peer review committees. By law, a hospital district medical committee cannot evaluate medical and health care services provided by a health care facility that contracts with the district for services, if the facility has an existing medical committee. In those situations, the health care facility can share its reports, information, or records with the district and maintain the confidentiality of that information.

In order to invest the peer review and confidentiality privileges in the Performance Improvement Committee, it must be organized and recognized in the governing body's bylaws. The bylaw changes that are currently proposed would create a subcommittee to the Audit and Compliance Committee. It would establish the legal authority under which the

¹ Committees that evaluate aspects of medical and health care services and operate under the governing body's bylaws may have different names such as "Medical Peer Review Committee," "Professional Review Committee," or "Medical Committee." Central Health has chosen the name "Performance Improvement Committee."

subcommittee is created. It allows the Performance Improvement Subcommittee to act on behalf of the Board of Managers with respect to specific professional review activities, such as medical peer review, credentialing and quality assurance. In addition, the Bylaw amendments identify how the Performance Improvement Subcommittee is created and sets minimum standards for membership. It is highly recommended that the Chairperson of the Performance Improvement Subcommittee be a physician due to the nature of the health care quality data reviews. The Chairperson would designate other members of the Subcommittee, which would include at least one other Board member, the Central Health Medical Director and the Central Health Compliance Officer.

It is not anticipated that Central Health would “privilege” physicians or other health care providers like hospitals or other health care facilities. Peer review would be generated by complaints or other information which the Performance Committee would receive. Credentialing may be done internally at Central Health or outsourced, but would involve some level of review of provider qualifications. Quality assurance would entail the capturing and review of utilization data, complaint information, and health care quality data.

7.1.1.7 monitor and advise on investigations and corrective action plans related to compliance issues; and

7.1.1.8 create and receive reports from the Performance Improvement subcommittee which shall act as a medical peer review committee in accordance with the Medical Practice Act, Texas Occupations Code §160.001-160.015, the Health Care Quality Improvement Act, Title 42 U.S.C §§11101 *et seq.*, and a medical committee in accordance with the Texas Occupations Code §161.031-161-033.

7.1.1.8.1 The Performance Improvement Subcommittee shall evaluate medical and health care services and have standing authority to act on behalf of the Board with respect to medical peer review, credentialing activities and quality assurance activities.

7.1.1.8.2 The Chairperson of the Audit and Finance Committee shall appoint the Chairperson of the Performance Improvement Subcommittee. The Chairperson of the Performance Improvement Subcommittee shall designate members of the Subcommittee, which shall include at least two Board members, the District Medical Director and the District Compliance Officer. The Subcommittee may consult with District staff, agents or consultants as needed.

7.1.2 BUDGET AND FINANCE COMMITTEE

The Budget and Finance Committee shall be responsible for working with the President and CEO to develop the District's annual budget, for reviewing and monitoring financial statements, and making recommendations regarding financial transactions. The Budget and Finance Committee shall meet at least monthly.

7.1.2.1 ACTIVITIES

The Budget and Finance Committee shall:

7.1.2.1.1 monitor the current District budget on a monthly basis;

BYLAWS OF THE BOARD OF MANAGERS
OF THE
TRAVIS COUNTY HEALTHCARE DISTRICT

TABLE OF CONTENTS

PREAMBLE - 1 -

DEFINITIONS - 1 -

ARTICLE I PURPOSE - 1 -

ARTICLE II RESPONSIBILITIES AND POWERS OF THE DISTRICT - 2 -

ARTICLE III DUTIES AND AUTHORITIES OF THE BOARD..... - 2 -

ARTICLE IV APPOINTMENT OF THE BOARD - 3 -

ARTICLE V DISCLOSURE OF CONFLICT OF INTEREST 3

ARTICLE VI OFFICERS OF THE BOARD 5

6.1 CHAIRPERSON OF THE BOARD 5

6.2 CHAIRPERSON-ELECT 6

6.3 VICE-CHAIRPERSON OF THE BOARD 6

6.4 SECRETARY 7

6.5 TREASURER 7

6.6 ELECTIONS AND APPOINTMENTS 7

6.7 REMOVAL AND RESIGNATIONS 8

ARTICLE VII COMMITTEES 8

7.1 STANDING COMMITTEES..... 8

7.1.1 AUDIT AND COMPLIANCE COMMITTEE 9

 7.1.1.1 ACTIVITIES 9

7.1.2 BUDGET AND FINANCE COMMITTEE 9

 7.1.2.1 ACTIVITIES 9

7.2 SPECIAL COMMITTEES 10

7.3 APPOINTMENT AND TERM..... 10

7.4 VOTING 10

7.5 ADVISORY AND AUXILIARY COMMITTEES..... 11

ARTICLE VIII MEETINGS OF THE BOARD 11

8.1 GENERAL PROVISION 11

8.1.1 REGULAR MEETINGS 11

8.1.2 ANNUAL MEETINGS 11

8.1.3 SPECIAL MEETINGS 11

8.1.4 EMERGENCY MEETINGS 12

8.1.5 ORDER OF BUSINESS 12
 8.1.5.1 EXECUTIVE SESSION..... 12
8.1.6 QUORUM AND VOTING 12
 8.1.6.1 MANNER OF ACTION..... 12
8.1.7 NOTICE OF MEETING 13
8.1.8 RECORD OF MEETINGS..... 13
8.1.9 CONDUCT OF MEETINGS..... 13
8.1.10 PUBLIC PARTICIPATION AT MEETINGS..... 13
8.2 EXECUTIVE SESSIONS..... 14
ARTICLE IX PRESIDENT AND CEO..... 14
ARTICLE X PUBLIC STATEMENTS AND PRONOUNCEMENTS..... 15
ARTICLE XI INDEMNITY AND INSURANCE 15
ARTICLE XII CONFLICT OF BYLAWS 16
ARTICLE XIII AMENDMENTS AND ALTERATIONS TO BYLAWS 16
ARTICLE XIV MISCELLANEOUS ORGANIZATIONAL PROVISIONS 16
ARTICLE XV ADOPTION..... 17

**BYLAWS OF THE BOARD OF MANAGERS
OF THE
TRAVIS COUNTY HEALTHCARE DISTRICT**

PREAMBLE

The Board hereby adopts these Bylaws to provide a framework for self-government of the Travis County Healthcare District. This framework permits the District to operate pursuant to the statutes of the State of Texas, Chapter 281 of the Texas Health and Safety Code, and other applicable laws of the State of Texas. Portions of the governing laws are included in these Bylaws for the purpose of clarification.

DEFINITIONS

“Board” means the board of managers of the District. The term “Board” shall have the same meaning as the term “board” under Chapter 281 of the Texas Health and Safety Code.

“President and Chief Executive Officer (CEO)” means the individual appointed by the Board to perform duties required by the Board, supervise the work and activities of the District, and generally direct the affairs of the District. The term “President and CEO” shall have the same meaning as the term “administrator” under Chapter 281 of the Texas Health and Safety Code.

“Commissioners Court” means the members of the Commissioners Court of Travis County, Texas, being the elected officials of Travis County who are responsible for appointing certain Board members.

“District” means the Travis County Healthcare District.

“Hospital” means Brackenridge Hospital.

“Municipality” means the municipality with the largest population in Travis County.

ARTICLE I PURPOSE

1.1 The purposes of the District are, to the extent not prohibited or limited by law, to:

- 1.1.1 furnish medical and hospital care for indigent and needy residents of Travis County;
- 1.1.2 conduct educational activities to improve the quality of care rendered and to promote good health habits in the community; and
- 1.1.3 fulfill any other lawful purpose.

ARTICLE II RESPONSIBILITIES AND POWERS OF THE DISTRICT

- 2.1 It is the responsibility of the District to seek to meet the requirements imposed upon it by Texas law.
- 2.2 Notwithstanding anything herein to the contrary, the District shall have all powers and rights granted or permitted under Chapter 281 of the Texas Health and Safety Code or other applicable law.

ARTICLE III DUTIES AND AUTHORITIES OF THE BOARD

- 3.1 The Board shall, to the extent not prohibited or limited by law, seek to do the following:
 - 3.1.1 be the governing body of the District.
 - 3.1.2 approve the annual budget for the District, and submit the budget to the Commissioners Court.
 - 3.1.3 employ independent auditors to make an annual audit of the fiscal records of the District.
 - 3.1.4 select the depository for the funds of the District.
 - 3.1.5 appoint the President and CEO of the District.
 - 3.1.6 approve and enforce the policies, procedures, rules, and regulations for the operation of the District.
 - 3.1.7 seek approval from the Commissioners Court on matters as required by the Texas Health and Safety Code.
 - 3.1.8 assume the role of the Community Board under the Lease Agreement with the Daughters of Charity Health Services of Austin d/b/a Seton, including

monitoring the performance of Seton under certain Lease provisions according to performance dimensions set out in the Lease and determining whether performance deficiencies exist.

- 3.1.9 conduct a biennial Board self-assessment, which may include surveying, discussion, problem identification, developing and implementing solutions, and reassessment.
- 3.1.10 approve, modify, or deny contracts.
- 3.1.11 develop a philosophy and strategic goals for the District.
- 3.1.12 serve as advocates for the District.
- 3.1.13 meet other requirements imposed by law upon the Board.

ARTICLE IV APPOINTMENT OF THE BOARD

- 4.1 The Commissioners Court shall appoint four (4) members to the Board. The governing body of the Municipality shall appoint four (4) members, and the Commissioners Court and the Municipality shall jointly appoint one member. In selecting the members of the Board, the Commissioners Court and the Municipality shall consider the responsibilities involved, as well as the candidates' interests, availability, organizational skills, including communication skills, and reputation for objectivity and fairness, all of which are required to best provide governance of the District's duties and responsibilities.
- 4.2 The members of the Board serve staggered four-year terms, with as near as possible to one-fourth of the members' terms expiring each year.
- 4.3 The initial terms of the members are as follows:
 - 4.3.1 The members appointed solely by the governing body of the Municipality shall draw lots to determine which member serves a one-year term, which member serves a two-year term, which member serves a three-year term, and which member serves a four-year term;
 - 4.3.2 The members appointed solely by the Commissioners Court shall draw lots to determine which member serves a one-year term, which member serves a two-year term, which member serves a three-year term, and which member serves a four-year term; and
 - 4.3.3 The member appointed jointly by the Municipality and the Commissioners Court serves a four-year term.

- 4.4 Appointments shall take place each July, and terms begin on August 1. Beginning in Fiscal Year 2008, subject to agreement by the Commissioners Court and the governing body of the Municipality, appointments shall take place each December, with terms beginning on January 1.
- 4.5 Members of the Board shall serve the length of their term and are eligible for re-appointment.
 - 4.5.1 Members may also be requested to serve beyond the end of their term until a successor is appointed.
- 4.6 If a member resigns or is otherwise incapable of fulfilling his or her term, the Commissioners Court and/or the Municipality, as applicable, shall appoint interim members to fill vacancies until the term expires.

ARTICLE V DISCLOSURE OF CONFLICT OF INTEREST

- 5.1 The requirements in this Article V are in addition to the requirements the Board members have under any Ethics Policy adopted by the Board.
- 5.2 For the purpose of these Bylaws, the following definitions shall apply:
 - 5.2.1 “Conflict of interest” means all agreements, disagreements, or oppositions to those matters requiring approval, decision, vote, or other action by the Board and involving a business entity or real property in which an individual Board member has a “substantial interest.”
 - 5.2.2 A person has a “substantial interest” in a business entity or real property if:
 - 5.2.2.1 the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000.00 or more of the fair market value of the business entity; or
 - 5.2.2.2 the person receives funds from the business entity in excess of 10 percent of the person’s gross income for the previous year; or
 - 5.2.2.3 the person holds an equitable or legal ownership in real property with a fair market value of \$2,500.00 or more; or
 - 5.2.2.4 the person is related in the first degree by consanguinity or affinity to someone who has a substantial interest as outlined in Sections 5.2.2.1 through 5.2.2.3 above.

5.2.3 “Business entity” means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

5.3 Each Board member shall abide by the following policy:

5.3.1 Unless the requirements of Section 5.3.3.5 below are met, any Board member having a conflict of interest in any matter shall not vote or use his or her personal influence in the matter, and he or she shall not ordinarily be counted in determining the quorum for the agenda item. The minutes of the meeting will reflect whether a disclosure was made, the abstention from voting, and the quorum situation.

5.3.2 Should any Board member have a question in his or her mind as to whether or not he or she has a conflict of interest, that member should resolve that question in favor of a conflict of interest existing.

5.3.3 Any conflict of interest on the part of any Board member shall be disclosed to the other Board members and made a matter of record when the interest becomes a matter of Board action. The following procedure should guide the actual disclosure of a conflict of interest:

5.3.3.1 The Board member with the conflict of interest shall file an affidavit with the President and CEO’s office, being the official record keeper of the District, before a vote or decision on that matter is taken. The affidavit shall state the nature and extent of the Board member’s substantial interest.

5.3.3.2 The Board member shall also make an oral disclosure of the conflict of interest at the time the matter is reached on the agenda.

5.3.3.3 The Board member shall state that a conflict of interest exists, and that he or she shall abstain from further participation in the matter if:

5.3.3.3.1 in the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or

5.3.3.3.2 in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will

have a special economic effect on the value of the property, distinguishable from its effect on the public.

- 5.3.3.4 Should the presence of the Board member who has a conflict of interest in any way influence the voting of the other members, the Board member shall remove himself or herself from the room.
- 5.3.3.5 If a Board member is required to file and does file an affidavit disclosing a conflict of interest, the Board member is not required to abstain from voting from further participation in the matter requiring the affidavit if a majority of the members of the Board is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.
- 5.3.3.6 The Board shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a Board member has a substantial interest. Unless the requirements of Section 5.3.3.5 above are met, the affected Board member shall not participate in that separate vote, but may vote on a final budget if the member has complied with Chapter 171 of the Texas Local Government Code and the requirements of this section and the matter in which the member is concerned has been resolved.

- 5.4 A violation by a Board member of the requirements of this section or Chapter 171 of the Texas Local Government Code does not render an action of the Board voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed the Board without the vote of the violating Board member.
- 5.5 The requirements of this section shall be reviewed at the annual meeting for the information and guidance of all Board members and each new member shall be advised of these requirements.
- 5.6 To the extent the requirements of this section conflict with the requirements of Chapter 171 of the Texas Local Government Code, the more restrictive requirements shall apply.

ARTICLE VI OFFICERS OF THE BOARD

6.1 CHAIRPERSON OF THE BOARD

The Chairperson of the Board serves as the chief officer of the Board and shall have the following responsibilities and authority for:

- 6.1.1 enforcing compliance with standards of ethical conduct and professional demeanor by the Board in their relations with each other, support staff, and the community that the District serves.
- 6.1.2 appointing Board members to chair and serve on committees formed to accomplish Board performance improvement and monitoring functions.
- 6.1.3 presiding over meetings of the Board and performing such other duties as are assigned by statute, these Bylaws, or other action of the Board.

6.2 CHAIRPERSON-ELECT

The Board may elect a Chairperson-Elect. Should the Board decide to hold an election for this position and a Chairperson-Elect is elected, the Chairperson-Elect shall automatically assume the office of Chairperson at the conclusion of the Chairperson's term. If, for any reason, the office of Chairperson becomes vacant, the Chairperson-Elect will fill the remainder of the unexpired term. The Chairperson-Elect shall, in case of the absence, death, resignation, disability, removal, or disqualification of the Chairperson, perform the duties of the Chairperson until the Chairperson shall resume his or her office or a successor Chairperson has been elected. The Chairperson-Elect shall have the following responsibilities and authority for:

- 6.2.1 assisting the Chairperson as requested.
- 6.2.2 serving as chair of any ad hoc nominating committee created by the Board.
- 6.2.3 performing such other duties as are assigned by statute, these Bylaws, or other action of the Board.

6.3 VICE-CHAIRPERSON OF THE BOARD

The Vice-Chairperson of the Board shall, in case of the absence, death, resignation, disability, removal, or disqualification of the Chairperson and Chairperson-Elect, if any, perform the duties of the Chairperson until the Chairperson or Chairperson-Elect, if any, shall resume his or her office or a successor Chairperson or Chairperson-Elect has been elected. The Vice-Chairperson shall have the following responsibilities and authority for:

- 6.3.1 assisting the Chairperson or Chairperson-Elect as requested.
- 6.3.2 performing such other duties as are assigned by statute, these Bylaws, or other action of the Board.

6.4 SECRETARY

The Secretary shall have the following responsibilities and authority for:

- 6.4.1 ensuring the adequacy and accuracy of minutes taken for the Board Meetings.
- 6.4.2 keeping the Official Seal of the District.
- 6.4.3 in the case of the absence, death, resignation, disability, removal, or disqualification of the Chairperson, Chairperson-Elect, if any, and Vice-Chairperson, exercising the duties of the Chairperson, as Acting Chairperson, until the Chairperson, Chairperson-Elect, if any, or Vice-Chairperson shall resume his or her office or until a successor Chairperson, Chairperson-Elect, or Vice-Chairperson has been elected.
- 6.4.4 perform such other duties as are assigned by statute, these Bylaws, or other action of the Board.

6.5 TREASURER

The Treasurer shall have the following responsibilities and authority for:

- 6.5.1 serving as chair of the Budget and Finance Committee unless the Board votes otherwise.
- 6.5.2 in the case of the absence, death, resignation, disability, removal, or disqualification of the Chairperson, Chairperson-Elect, if any, Vice-Chairperson, and Secretary, exercising the duties of the Chairperson, as Acting Chairperson, until the Chairperson, Chairperson-Elect, if any, Vice-Chairperson, or Secretary shall resume his or her office or until a successor Chairperson, Chairperson-Elect, or Vice-Chairperson has been elected or a successor Secretary appointed.
- 6.5.3 performing such other duties as are assigned by statute, these Bylaws, or other action of the Board.

6.6 ELECTIONS AND APPOINTMENTS

- 6.6.1 The members shall elect from among themselves a Chairperson, Vice-Chairperson, and Treasurer, and the Board shall appoint a Secretary. The Board, either at or prior to the meeting at which it elects officers, shall determine whether it desires to elect a Chairperson-Elect. If the Board votes to elect that officer, that election shall occur at the same meeting as

the election of the Chairperson, Vice-Chairperson, and Treasurer. In Fiscal Year 2006, the Board will elect officers and appoint a Secretary in September 2006. Beginning in Fiscal Year 2009, the Board will elect its officers and appoint a Secretary every two years, beginning in January 2009. The Board will elect its officers and appoint a Secretary annually beginning January 2011. The Board may designate the President and CEO to serve as the Secretary of the Board. If the Board designates the President and CEO as Secretary, the President and CEO shall not have the right to vote at Board meetings.

- 6.6.2 Nominations for the Chairperson, Chairperson-Elect, if any, Vice-Chairperson, Treasurer, and any other position that requires election or appointment will be made from the floor by Board members at a regular meeting of the Board or by special committee established for the purpose of making nominations. Any special committee established for the purpose of making nominations for Board officers must have as committee members at least one City-appointed and one County-appointed Board member. A Board member may self-nominate for any officer position.
- 6.6.3 Elections or appointments conducted in Board meetings shall be conducted in an open meeting by acclamation or a roll-call vote pursuant to a motion that has been seconded. Unless a different number is required by law, a majority vote of a quorum is required to elect a nominee for each election required by these Bylaws.
- 6.6.4 When a position subject to Board election becomes vacant, a special election for the position shall be held as soon thereafter as practicable unless the position of Chairperson becomes vacant and the position of Chairperson-Elect is occupied, in which case the Chairperson-Elect automatically assumes the position of Chairperson.
- 6.6.5 In Fiscal Year 2007, the Chairperson's term will end on June 1, 2007. If the office of Chairperson-Elect is occupied, the Chairperson-Elect will assume the vacant office on that date pursuant to the terms of Section 6.2. Otherwise, the Vice-Chairperson will assume the vacant office pursuant to the terms of Section 6.3.
- 6.6.6 No Board member may hold the same office for more than two (2) consecutive terms.

6.7 REMOVAL AND RESIGNATIONS

A Board member may be removed from office pursuant to Chapter 87 of the Texas Local Government Code or other Texas law. A Board member may resign at any

time by giving written notice to the Board, Chairperson, or Secretary and the Travis County Commissioners Court and/or the governing body of the Municipality, as appropriate. Any such resignation shall take effect as soon as a replacement is appointed and sworn into office.

ARTICLE VII COMMITTEES

7.1 STANDING COMMITTEES

The Board may establish standing committees by amendment of this article of the Bylaws. A quorum of a standing committee shall be a majority of the members of the committee. All standing committees shall be composed of not more than four Board members, as determined by the Board. Unless otherwise specified in these Bylaws, the Chairperson may either appoint the committee chair; or delegate the selection of the committee chair to each committee.

7.1.1 AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee shall have responsibility for advising on audit and compliance policies of the District and for compliance monitoring. The committee shall meet at least quarterly.

7.1.1.1 ACTIVITIES

The Audit and Compliance Committee shall:

- 7.1.1.1.1 assist in the selection of an external auditor, together with the chair of the Budget and Finance Committee;
- 7.1.1.1.2 review the financial reports of independent auditors to be considered by the Board;
- 7.1.1.1.3 meet with the auditors on an as-needed basis;
- 7.1.1.1.4 develop and recommend best practices for the District in conformance with the Sarbanes-Oxley Act of 2002, and review those practices on a regular basis;
- 7.1.1.1.5 interface with Travis County, as necessary, with respect to audit-related issues;
- 7.1.1.1.6 review policies related to compliance with applicable law and regulation;

Deleted: and

7.1.1.7 monitor and advise on investigations and corrective action plans related to compliance issues; and

7.1.1.8 create and receive reports from the Performance Improvement subcommittee which shall act as a medical peer review committee in accordance with the Medical Practice Act, Texas Occupations Code §160.001-160.015, the Health Care Quality Improvement Act, Title 42 U.S.C §§11101 et seq., and a medical committee in accordance with the Texas Occupations Code §161.031-161-033.

7.1.1.8.1 The Performance Improvement Subcommittee shall evaluate medical and health care services and have standing authority to act on behalf of the Board with respect to medical peer review, credentialing activities and quality assurance activities.

7.1.1.8.2 The Chairperson of the Audit and Finance Committee shall appoint the Chairperson of the Performance Improvement Subcommittee. The Chairperson of the Performance Improvement Committee shall designate members of the subcommittee.

7.1.2 BUDGET AND FINANCE COMMITTEE

The Budget and Finance Committee shall be responsible for working with the President and CEO to develop the District's annual budget, for reviewing and monitoring financial statements, and making recommendations regarding financial transactions. The Budget and Finance Committee shall meet at least monthly.

7.1.2.1 ACTIVITIES

The Budget and Finance Committee shall:

7.1.2.1.1 monitor the current District budget on a monthly basis;

7.1.2.1.2 develop and recommend for adoption, in conjunction with the President and CEO, the annual budget and all amendments to the budget;

- 7.1.2.1.3 review all financial and statistical data to be presented to the Board, including monthly statements from the City of Austin, the Central Texas Community Health Centers, and other providers, and District financial statements;
- 7.1.2.1.4 recommend the appointment of depositories;
- 7.1.2.1.5 interact with Travis County relating to financial and budget matters;
- 7.1.2.1.6 make and recommend actions concerning cash management, investments, borrowings, and other District financial transactions;
- 7.1.2.1.7 annually review any District liability/risk management program and recommend renewal and/or purchase of such insurance coverage as necessary to protect the assets and liabilities of the District; and
- 7.1.2.1.8 advise on financial policies of the District, as necessary.

7.2 SPECIAL COMMITTEES

Any standing committee may elect to perform any of its designated functions by constituting any of its members as a subcommittee for that purpose and reporting such action to the Board in writing. Any such subcommittee may include individuals in addition to members of the standing committee. Special ad hoc committees may be appointed by the Chairperson of the Board to perform specific tasks or to address specific issues. That appointment must be approved by the Board in open session.

7.3 APPOINTMENT AND TERM

Unless otherwise provided, the chair, co-chair, and members of all committees described in the Bylaws shall be appointed by, and may be removed by, the Chairperson of the Board, subject to approval by the Board at an open meeting. Unless otherwise specified, committee members shall be appointed for a term of one (1) year and shall serve until the end of this period or until the member's successor is appointed, unless the member shall resign or be removed from the committee. The Chairperson may appoint an interim successor to the committee for a member whose Board term has expired, who is holding over as a Board member, but who has resigned his or her committee position. Any such interim

successor may serve until the meeting of the Board at which the Board votes to consent to the appointment of committee members.

7.4 VOTING

Committees are solely advisory in nature and do not take action on their own other than to make recommendations to the Board. To the extent that committees vote on their recommendations, all committee members have voting privileges. Meetings of the committees shall be noticed, and open to the public, to the extent required by, and then in accordance with, the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

7.5 ADVISORY AND AUXILIARY COMMITTEES

If authorized or required by state law or Board policy, the Board shall appoint advisory or auxiliary committees of non-Board members to assist the District. These committees may be composed of volunteers, independent contractors, or employees. The terms, qualifications, and methods of appointment of these committees shall be governed by relevant state law or Board policy. The Board shall designate the chair and vice-chair, if any, of each such committee.

ARTICLE VIII MEETINGS OF THE BOARD

8.1 GENERAL PROVISION

All regular, annual, special, and emergency meetings of the Board shall be held in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. The manner in which these meetings are held is as follows:

8.1.1 REGULAR MEETINGS

Regular meetings of the Board shall be held once a month at the District headquarters, 1111 E. Cesar Chavez, Austin, Texas or at the Granger Building, 314 W. 11th Street, Austin, Texas unless by call or resolution another location is specified. The meeting day and time of the regular meeting will be established each year at the regular December Board meeting. When necessary, the Board may add or cancel a regular meeting or change the date of a regular meeting by resolution or motion at a meeting of the Board. Regular meetings shall begin at a time designated by the Chairperson unless by call or resolution a time is specified.

8.1.2 ANNUAL MEETINGS

Beginning in Fiscal Year 2008, the annual meeting shall be the Board's regular meeting in December of each year. Beginning in Fiscal Year 2009, the annual meeting shall be the Board's regular meeting in January of each year.

8.1.2.1 The following activities should occur at the annual meeting:

8.1.2.1.1 election and installation of officers of the Board, if appropriate that year;

8.1.2.1.2 review of the Bylaws, if appropriate that year;

8.1.2.1.3 disclosure of conflict-of-interest statements by Board members; and

8.1.2.1.4 such other matters as may come to the attention of the Board.

8.1.3 SPECIAL MEETINGS

Special meetings of the Board may be held either upon the call of the Chairperson or the call of the Secretary at the request of at least four (4) members of the Board in writing or upon approval of a resolution adopted at a meeting of the Board. A call by the Chairperson or Secretary must be communicated to the President and CEO within sufficient time to permit posting of the meeting as required by law. The call or resolution, as applicable, shall specify the date of each special meeting and may specify the time and place for each special meeting. Special meetings shall begin at a time designated by the Chairperson unless by call or resolution a time is specified. The activities at the special meeting shall be confined to the purpose or purposes for which the meeting was called, and the agenda shall identify the Board members who called the meeting.

8.1.4 EMERGENCY MEETINGS

Emergency meetings of the Board may be called by the Chairperson or the Secretary after determining that an emergency or urgent public necessity warrants the meeting and that the issue(s) cannot be postponed until a special or regular meeting. Posting of notice for emergency meetings shall be done in accordance with the requirements set forth in the Open Meetings Act, Chapter 551 of the Texas Government Code.

8.1.5 ORDER OF BUSINESS

The order of business at Board meetings shall be determined by the Chairperson. The agenda shall include at least reports from the standing Board committees.

8.1.5.1 EXECUTIVE SESSION

The Board may enter an executive or closed session after establishing a quorum and announcing that an executive or closed session will be held in accordance with the policies and procedures of the Board and in compliance with the requirements set forth in the Open Meetings Act, Chapter 551 of the Texas Government Code.

8.1.6 QUORUM AND VOTING

The presence of the majority of the Board shall constitute a quorum for the transaction of business, but a lesser number may adjourn a meeting until a later specified date when a quorum shall be present.

8.1.6.1 MANNER OF ACTION

Except as otherwise specified, the action of a majority of the members present and voting at a meeting at which a quorum is present shall be the action of the group.

No final action, decision, or vote shall be taken while the Board is in executive or closed session. The Board shall reconvene the open meeting after an executive or closed session prior to adjourning the meeting.

8.1.7 NOTICE OF MEETING

Board meetings will be posted pursuant to the requirements set forth in the Open Meetings Act, Chapter 551 of the Texas Government Code.

8.1.7.1 Board members shall be notified of regular and special meetings at least 72 hours prior to the scheduled time of the meetings.

8.1.7.2 Board members shall be notified of emergency meetings at least two hours prior to the time of the meeting.

8.1.8 RECORD OF MEETINGS

Minutes of meetings shall contain each subject of discussion and deliberation, all motions, seconds, and the vote, if any, on such motions. Minutes shall be signed by the presiding officer and attested to by the Secretary.

8.1.9 CONDUCT OF MEETINGS

The most recent edition of *Robert's Rules of Order Newly Revised*, when not in conflict with other Board-adopted rules of procedure, these Bylaws, or applicable law, shall be the rules of parliamentary procedure and order for the Board and its committees, except that the chair of any meeting may vote and, unless requested by any Board member, all readings of the minutes are hereby waived.

8.1.10 PUBLIC PARTICIPATION AT MEETINGS

8.1.10.1 The public may attend regular Board meetings. The public may be granted the privilege to address items on the Board agenda at the discretion of the Chairperson. The Chairperson is responsible for recognizing an individual to speak and may limit presentations to assure the efficient and orderly conduct of business.

8.1.10.2 Persons who desire to deliver oral comments at a Board meeting must complete the required sign-in form before the public comment agenda item is reached during the Board meeting. The Board may develop a policy addressing how public comment will be received, including specifying the number of speakers and the time allowed for each person to speak. Persons wishing to speak before the Board shall provide the following information:

- (a) name and address;
- (b) the name of the person or group, if any, the speaker is representing;
- (c) the agenda item upon which the person wishes to speak, if any; and
- (d) if the matter does not relate to an agenda item, a brief description of the nature of the matter to be addressed by the speaker.

8.1.10.3 Individuals wishing to place an item pertinent to the business of the District on the agenda of a regular meeting must submit a written request to the President and CEO seven (7) days prior to the meeting. Board members may place items on the Board's agenda by submitting a written request to the President and CEO at least seventy-eight (78) hours prior to the meeting. The Chairperson of the Board shall have final approval of items to be placed on the agenda. The President and CEO shall prepare and distribute to the Board the agenda and relevant written materials.

8.1.10.4 Agenda items may be added to a posted agenda by the Chairperson, by the President and CEO, or by written request of any Board member, provided that the proposed addition is submitted to the President and CEO in time to post the amendment to the agenda in compliance with the Open Meetings Act, Chapter 551 of the Texas Government Code. If the item must be added as an emergency agenda item due to insufficient time to post it as a regular item, the request to add the item must include a valid reason for the emergency, as determined by the Chairperson and President and CEO in consultation with legal counsel.

8.2 EXECUTIVE SESSIONS

Notwithstanding the foregoing, meetings of the Board or portions thereof need not be open to the public and may be a closed meeting or executive session to the extent permitted by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

ARTICLE IX PRESIDENT AND CEO

9.1 The Board shall appoint a President and CEO, qualified by training and experience. The President and CEO shall be held accountable for the management of the District in all its activities within the limits prescribed by law and the policies adopted by and instructions of the Board. Except as limited by law or the Board, the President and CEO shall, at a minimum:

9.1.1 advise and assist the Board in managing, controlling, and administering the District's business.

9.1.2 administer the policies, rules, and regulations necessary for the operation of the District.

9.1.3 employ, evaluate, and discharge all employees of the District, subject to an annual approved budget. All official communications between the

Board and employees of the District shall be through the President and CEO's office.

- 9.1.4 develop and maintain personnel policies and practices of the District.
- 9.1.5 prepare, revise, and recommend an annual budget with the advice of the Board, reflecting expected revenues and expenditures, for approval by the Board and presentation to the Commissioners Court for final approval.
- 9.1.6 make budget transfers between line items within a specified budget category.
- 9.1.7 supervise the District's business affairs to ensure that funds are collected and expended to the best possible advantage.
- 9.1.8 present reports to the Board, as required, concerning policies and procedures for consideration by the Board.
- 9.1.9 supervise the purchase of supplies, services, and equipment in accordance with District policies and procedures.
- 9.1.10 attend all meetings of the Board and committees thereof.
- 9.1.11 execute contracts, amendments and renewals in accordance with Board approved policies and procedures.
- 9.1.12 execute documents on behalf of the Board which do not require individual discretion and are carried out as the result of statute mandates, legal authority, or established procedures, including the execution of tax resale deeds.
- 9.1.13 perform such other duties as may be delegated by the Board to serve the best interests of the District.
- 9.1.14 make an annual report to the Board, Commissioners Court, the Texas Board of Health or its successor, and the comptroller as soon as practicable after the close of the fiscal year as required by Section 281.092 of the Texas Health and Safety Code.
- 9.1.15 perform duties as required by Section 281.071, Texas Health and Safety Code, concerning payment and support, as necessary.
- 9.1.16 meet such other requirements imposed by law upon the President and CEO.

- 9.2 The President and CEO serves at the will of the Board and for terms of not more than four years. Before assuming duties, the President and CEO shall execute a bond payable to the District in the amount of not less than \$10,000, conditioned on the faithful performance of the President and CEO's duties and any other requirements determined by the Board. The President and CEO shall be entitled to compensation as determined by the Board.
- 9.3 If the President and CEO is incapacitated, absent or unable to perform his or her duties, the Assistant Administrator as described in Section 281.027, Texas Health and Safety Code, shall perform any or all of the duties of the President and CEO necessary for the operation of the District.
- 9.4 Notwithstanding the foregoing, the Board reserves its right to manage, control, and administer the District.

ARTICLE X PUBLIC STATEMENTS AND PRONOUNCEMENTS

- 10.1 Policy and statements of official positions of the Board will be made only after concurrence by a majority vote of the Board and shall be issued through the Chairperson or his or her designee.

ARTICLE XI INDEMNITY AND INSURANCE

- 11.1 If, as, upon such conditions, and to the extent permitted or required by Texas law, the District shall indemnify or defend any member of the Board and/or the President and CEO and may indemnify or defend any other officer of the District or any employee of the District from and against any claim, cause of action, proceeding, expense, attorney's fee, or other loss.
- 11.2 The District shall indemnify and shall defend any member of the Board and/or the President and CEO from any claim, cause of action, proceeding, expense, attorney's fee, or other loss as, upon such conditions, and to the extent expressly permitted by Texas law, including, without limitation, Chapter 102 of the Texas Civil Practice and Remedies Code.
- 11.3 The District may indemnify and may defend any other officer of the District or any employee of the District from any claim, cause of action, proceeding, expense, attorney's fee, or other loss as, upon such conditions, and to the extent expressly permitted by Texas law, including, without limitation, Chapter 102 of the Texas Civil Practice and Remedies Code.
- 11.4 The District shall indemnify and/or defend any member of the Board and/or the President and CEO and may indemnify and/or defend any other officer of the District or any employee of the District from any claim, cause of action, proceeding,

expense, attorney's fee, or other loss as, upon such conditions, and to the extent determined by the District, except to the extent prohibited by Texas law.

- 11.5 The District shall acquire liability insurance if, in the opinion of the Board, that insurance is reasonably affordable, that, among other things, provides indemnity and/or defense of any member of the Board, for claims or expenses, except to the extent prohibited by Texas law.
- 11.6 Nothing in Section 11.1 is intended to, or should be construed to, require indemnity or defense for officers and/or employees of the District, other than for the President and CEO, except as expressly otherwise mandated by Texas law, with the understanding that there may be no such mandatory indemnity or defense requirement for these officers and employees under Texas law now or in the future. Additionally, any grant or denial of indemnity or defense under Sections 11.3 through 11.4 to officers and/or employees of the District, other than to the President and CEO, represents an exercise of discretionary functions of the Board, there should be no reliance on or expectation of any such indemnity or defense for those officers and/or employees of the District, and there is no express or implied guaranty or promise that any such indemnity or defense will be granted in a particular situation for officers and/or employees of the District, except for the President and CEO, regardless of whether or not any such indemnity or defense is granted in any similar or other situation or to another person.

ARTICLE XII CONFLICT OF BYLAWS

- 12.1 If any provision of these Bylaws is now or hereinafter becomes in conflict with any statute or any other law of the State of Texas relating to the operation of the District, such statute or other law, as long as it is in effect, shall take precedence over these Bylaws.

ARTICLE XIII AMENDMENTS AND ALTERATIONS TO BYLAWS

- 13.1 Every two (2) years, the Board shall review these Bylaws. Proposed revisions shall be submitted to the Board at least seven (7) working days prior to the meeting at which a vote is scheduled. The submitted revisions must be in writing and include the exact wording of the existing Bylaws language, if any, and the proposed change(s). If a quorum is present for the purpose of enacting a change in the Bylaws, the change shall require an affirmative vote of a majority of the members of the Board.
- 13.2 These Bylaws may be revised at any time by affirmative vote of a majority of the members of the Board.

ARTICLE XIV MISCELLANEOUS ORGANIZATIONAL PROVISIONS

- 14.1 The District fiscal year shall begin October 1 and shall end the following September 30.
- 14.2 The form of the official seal of the District shall consist of two hands shaking with a stethoscope superimposed over an outline of the State of Texas surrounded by two concentric circles with the name “Travis County Healthcare District” displayed in the space between the two circles. The seal may be either embossed or stamped. The Secretary has the responsibility of retaining the seal. Affixing the seal is not necessary to authenticate or attest a document unless the seal is required by applicable law.

ARTICLE XV ADOPTION

- 15.1 These Bylaws, as amended, shall become effective immediately upon their acceptance and adoption, and supersede all previous Bylaws heretofore adopted by the Board of the District.

Accepted and adopted by the Board of the Travis County District at Austin, Travis County, Texas, on the 27th day of May, 2010.

Deleted: 27th
 Deleted: August
 Deleted: 09

TOM COOPWOOD
 Chairperson, Board of Managers
 Travis County Healthcare District

BOBBIE BARKER
 Secretary, Board of Managers
 Travis County Healthcare District



**CENTRAL
HEALTH**

**Board of Managers Meeting
May 13, 2010**

Agenda Item 2

**Receive and discuss an update on the creation of a
community service referral and navigation system.**

(Back-Up – Presentation)



CENTRAL HEALTH

Community Service Referral and Navigation System

Central Health Board of Managers
May 13, 2010

Community Service Referral and Navigation System

Central Health's Eligibility Services expands from having a primary focus on enrollment into the Medical Assistance Program to a primary focus of serving as a community resource for health care services, system navigation and financial screening

Goals for Proposed Changes

- Shift focus to service and referral navigation system by:
 - Facilitating individuals in obtaining health care providers and services through community-based financial screening
 - Strengthening the health care linkage function that will assist individuals in obtaining appropriate health care services
 - Facilitating the development of a health care service and referral navigation system for use in maneuvering through new systems created by health care reform



Current Central Health Eligibility Services

- **Face-to-face interviews predominant**
- Eligibility screening conducted for MAP and CommUnityCare's Sliding Fee Scale and grant programs
- MAP virtual and mail-in applications account for approximately 8% of certifications
- Contracted customer service call center/outreach



Shift to Community Service Referral and Navigation System

- Shift staff and eligibility responsibility for SFS and grant clients to CommUnityCare
- Consolidate to 3 main service sites
- Maintain face-to-face MAP interviews
- Increase MAP virtual application submissions
- Begin community financial screening
- Add contracted healthcare linkage services through 2-1-1
- Add contracted Medicaid/CHIP application assistance



Future Central Health/CommUnityCare Functions

Future Central Health Functions:

- MAP Screening/Certification
 - Face-to-face
 - Virtual (Electronic)
 - Mail-In
- Customer Service Call Center
- Community Financial Screening
- Medicaid/CHIP Application Assistance
- Health Care Services Linkage



Future CommUnityCare Functions:

- SFS/Grant Screening/Certification
 - Face-to-face





MAP Enrollment



- Level of MAP enrollment increase with current processes and staffing is beginning to slow
- Unable to predict impact on future enrollment with proposed changes; most likely MAP enrollment will plateau





**CENTRAL
HEALTH**

**Board of Managers Meeting
May 13, 2010**

Agenda Item 3

Discuss and take appropriate action on a proposed feasibility study related to the potential development of a health maintenance organization.

(Back-Up – Memo)



To: Central Health Board of Mangers

From: Patricia A. Young Brown

Date: May 13, 2010

Re: Agenda Item 3: Discuss and take appropriate action on a proposed feasibility study related to the potential development of a health maintenance organization.

Background

With the passage of federal health reform, many questions have been raised about the continued existence of public hospitals and hospital districts. Some people assume that, with the influx of new federal dollars both for Medicaid coverage and for subsidies for people to buy coverage from the state exchanges, there will be less need for locally-funded entities like Central Health to provide healthcare services. At some point, the Board will have to determine what role Central Health will play in the future, and the Board will likely need to examine alternate courses of action before it makes that determination.

For example, should Central Health continue to be actively involved in planning for healthcare delivery in Central Texas, not just for the immediate population it serves, but also for the people who will experience problems accessing care as they move in and out of coverage? If so, what do we need to do to continue in that role? Or should Central Health focus only on providing services to those who are not eligible for the expanded coverage – a smaller segment of the population than we serve now – in other words, should we focus on filling the coverage gaps that remain? Should we try to serve both populations? Should we play an intermediate role, somewhere in between? If so, what would that role look like?

As we have discussed, many uncertainties remain around the health reform legislation. We, like many others, are trying to learn and understand our options and what the new world will look like. As part of this due diligence, we will need to look to other experts to help us analyze our options and make recommendations on the best role for Central Health for the Board to consider. We will then likely need expert help on how to step into that role.

The HMO feasibility study that staff is recommending is part of this due diligence process, as we believe that conducting the study will ultimately help the Board to determine the role that Central Health should play. Authorizing the feasibility study does not commit the Board to any course of action; rather, staff anticipates that it will help inform the Board's decision-making process around its future role.

Process

Central Health engaged Dennis Edmonds & Associates, LLC (Edmonds) in July of 2009, prior to the passage of federal health reform legislation, to assist Central Health in assessing the feasibility of

forming a health maintenance organization (HMO). At its January 14, 2010 meeting, the Board of Managers discussed key concepts about the potential development of an HMO. The Board discussed the concept again on April 24, 2010 in light of health reform legislation's passage.

Under the agreement, Edmonds would first conduct a preliminary assessment, which would provide a broad overview of what would be required for Central Health to set up an HMO. Edmonds has completed the assessment, which indicated that there is nothing that precludes Central Health's formation of an HMO. The next part of Edmonds' engagement is to conduct a feasibility study, which is more detailed than the preliminary assessment and focuses on defining the organizational structure, confirming the revenue source, creating financial assumptions, and determining the financial breakeven.

At the end of the feasibility study, Central Health should have enough information to decide whether or not to proceed with the development of an HMO and determine whether this course of action is appropriate for Central Health in the reformed healthcare landscape. Should Central Health decide to form an HMO, Edmonds will produce a development and implementation work plan and consult with Central Health during development and implementation.

The proposal is broken into four phases, with the first phase addressing what were determined to be the most important go/no-go questions. The second phase would be pursued only if the result of Phase 1 was to continue the study. Phase 3, which is to examine Central Health's need for capabilities that a managed care strategy could bring, could be done at any time during the process. Phase 4, which is a financial feasibility study, would occur only if the results of Phase 1 and Phase 2 result in direction to continue. After the completion of each phase, a report will be brought back to the Board for consideration and direction as to whether to continue the study.

The estimated range of the cost for the first three phases of the feasibility study is between \$43,700 and \$86,150, depending on many factors, including travel and the number of hours needed to complete the various tasks. Phase 4 has not yet been priced as we anticipate obtaining more information during the first three phases that will better inform the hours and tasks necessary to complete Phase 4 if direction to proceed is given.

In addition to this memorandum, we will make a PowerPoint presentation at the meeting to provide further detail and context to this discussion to support the Board's decision making on this item.

Recommendation

Staff recommends that the Board of Managers authorize the Central Health President and CEO to negotiate and execute the appropriate documents to engage Edmonds & Associates to perform a feasibility study on the terms presented in the attached proposal or on terms more favorable to Central Health.



**CENTRAL
HEALTH**

**Board of Managers Meeting
May 13, 2010**

Agenda Item 4

Discuss and take appropriate action related to the adoption of the vision, mission, values, goals and strategic objectives for Central Health and receive and discuss information related to a long-term visioning process.

(Back-Up – Memo)



CENTRAL HEALTH

Memo:

To: Central Health Board of Managers

From: Beth Peck, Senior Healthcare Planner

CC: Patricia A. Young Brown, Christie Garbe

Date: May 7, 2010

Re: *Agenda Item 5:* Discuss and take appropriate action related to the adoption of the vision, mission, values, goals and strategic objectives for Central Health and receive and discuss information related to a long-term visioning process.

The following items are being provided as a follow-up to our discussion at the Board retreat on Saturday, April 24, 2010.

In terms of the FY2011-FY2013 Strategic Plan, we will be bringing forward the proposed Vision, Mission, Values, Goals, and Strategies as you have seen them for your vote at the May 13, 2010, work session. Having this part of the plan finalized will facilitate external communications as we move forward with our community planning process and other community and governmental relation activities. The following actions will still be taken to finalize this planning process.

- We plan to provide you with dashboard indicators that will complete the FY11-FY13 strategic plan. These indicators will allow the Board to track our progress in meeting the identified goals and strategies. These will be presented to the Board at or before the July worksession.
- As part of the budget process, we will identify the specific major activities to be initiated and/or fully implemented in FY11 under each of the approved goals and strategies. These will not be part of the strategic plan but will be the operational plan from which staff will be working in FY11.
- As we begin the 2011 fiscal year, we will provide a tracking tool to provide status updates on these activities as well as report on our dashboard measures.

We also heard the need at the retreat for a long-range visioning process that will help define the Board's vision for future role in the community and its long-term desires for helping shape health care access in central Texas. We plan to begin this discussion at our June worksession. We have set out the questions below as a way to help create a framework. At the May worksession, we would like confirmation that these are the relevant questions to be discussed and would also like to hear from you on any additional questions that you believe need to be included. As part of this item, we will prioritize the order in which we will undertake discussion of these questions as this long-range visioning process will take place over a number of meetings.

Initial Questions for the Long-Range Visioning Process

1. What is Central Health's role in the further development of academic medicine – both graduate medical education (GME) and undergraduate?
2. How does Central Health best utilize CommUnityCare and its associated FQHC status as a resource for the community?
3. What is Central Health's role in the advancement of health information technology (HIT) for the community beyond what we have done thus far? Should we have a larger role? Is this a place for targeted investments?
4. What are Central Health's long-term goals for University Medical Center (Brackenridge), including its role in the community and what needs to be done in the future to meet community need and serve a role in academic medicine?
5. What role does Central Health play, if any, in the development of health professionals beyond physicians and mid-level providers (nurse practitioners and physician assistants)? What other agencies in the community are meeting this need and how do we intersect with them?
6. What is the Board's view on future taxation for healthcare and/or the use of the other identified tools (see attached matrix) for development of greater health care access?

Thank you for your active participation at the Board retreat. It was helpful to staff to hear all of your feedback. We look forward to working together on executing our strategic plan and identifying the components of a long-term vision.



Our Values

Central Health will achieve excellence through:

- Stewardship** - We maintain public trust through fiscal discipline and open and transparent communication.
- Innovation** - We create solutions to improve healthcare access.
- Respect** - We honor our relationship with those we serve and those with whom we work.
- Collaboration** - We partner with others to improve the health of our community.

Our Shared Vision

Central Texas is a model healthy community.

Our Mission

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

Goals

Access

Increase access to healthcare for residents of Travis County

Technology

Maximize the use of technology community-wide to inform healthcare decisions and delivery

Quality

Strategically invest in practices designed to improve healthcare outcomes

Leadership

Assume a leadership role in convening and planning for the healthcare needs of our community

Strategies

1. Develop expanded capacity to assist people in accessing proper healthcare resources
2. Increase healthcare service capacity
3. Explore innovative approaches to enhance healthcare access

1. Increase community capacity for healthcare information exchange (HIE)
2. Maintain a leadership role toward further development of community HIE capabilities

1. Improve management of program enrollees
2. Direct efforts to improve service effectiveness and client satisfaction

1. Collaborate with other leaders to shape the expansion of academic medicine, including Graduate Medical Education (GME)
2. Maximize the community benefits of healthcare reform
3. Collaborate with the community to improve the healthcare delivery system



**CENTRAL
HEALTH**

**Board of Managers Meeting
May 13, 2010**

Agenda Item 5

Receive and discuss information related to the development of Central Health's fiscal year 2010-2011 budget and strategic objectives and policy decisions.

(Back-Up – Budget Presentation)



M E M O R A N D U M

To: Board of Managers

From: John Stephens, Chief Financial Officer

Date: May 6, 2010

Subject: May 13, 2010 Budget Work Session

With this memo, I am transmitting to you our initial draft FY 2011 draft budget. There are a number of things we will need to address before adoption of the 2011 budget in September, and some of those things will change the budget as it is currently prepared. I look forward to working with the Board over the next few months to prepare a 2011 budget that meets your objectives.

As you are all aware, Austin and Travis County have fared relatively well during the economic downturn of the last two years. Nevertheless, the most recent estimate we received (April 23) from the Travis County Appraisal District (TCAD) is that the value of our tax base has declined by \$5.8 billion or 5.8%, from \$99.4 billion last year to \$93.6 billion this year.

Although the Chief Appraiser's estimates for our tax rolls will likely change between now and the delivery of our certified roll at the end of July, we expect that there will be a decline in the value of existing property – property that was on the tax roll last year and this year. That decline will mean that even at the effective tax rate – the rate that brings in the same amount of revenue as last year for existing property – our rate will be higher than this year's rate. This draft budget assumes an effective tax rate of 7.24 cents per \$100 of assessed value, an increase to the current year's rate of 6.74 cents.

Because TCAD is also forecasting an addition of \$1.4 billion to our tax roll in new property – property that was not on the roll last year – we expect to receive increased tax revenue of slightly more than one million dollars. Except for that increase, and a small increase in estimated tobacco settlement revenue, we do not foresee other additions to revenue. This draft budget does assume the use of \$7.5 million of the reserves we have on hand to cover additions to our expenditure budget.

The healthcare services budget for FY 2011 is projected to increase by \$7 million. The budget includes a projected increase of \$3.8 million in the payment to CommUnityCare. Some of this increase is for capital maintenance of our leased facilities; \$600,000 of the increase is a shift from our payment to Seton, for the planned CommUnityCare operation of the OB-GYN high-risk clinic at Seton.

In addition, we have projected increases in pharmacy costs, in mental health, and in many of our contracted providers – increases due to expected higher utilization and to the higher reimbursement rates the Board recently approved. We have also included services expansion funds of \$5.6 million in this 2011 budget to accommodate other opportunities in 2011.

The service expansion funds in this budget include one million dollars for “program evaluation/research and development” that we believe may be necessary to determine the role of Central Health in the reformed healthcare landscape and to establish the foundation for transition to that new role.

We will have a PowerPoint presentation for you at Thursday’s session that will recap the progress we have made on serving our population, show you how we expect to end the current year, and frame the policy questions the Board will need to deliberate in working with staff to prepare the budget for adoption.

We look forward to initiating the discussion of this year’s budget next week and to working with the Board to determine how we can provide access – in 2011 and beyond – to those who need it most.



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

DESCRIPTION	FY 2010 APPROVED BUDGET	FY 2011 PROPOSED BUDGET
TAX RATE	0.0674	0.0724
REVENUE		
Property Taxes	65,403,436	66,431,022
Seton Lease-Base	1,096,656	1,096,656
Seton Lease-Additional based on DSH/UPL	28,389,113	28,389,113
Interest	1,800,000	1,800,000
Tobacco Litigation Settlement	1,280,000	1,400,000
University of Texas Medical Branch Contract	58,740	58,740
Contributions from reserves		7,561,809
Total Revenue	98,027,945	106,737,340
EXPENSE		
Personnel Expenses	5,207,225	5,857,050
Operating Expenses	5,464,287	6,439,116
Tax Collection	755,648	831,213
Healthcare Delivery	86,600,785	93,609,961
Total Expenses	98,027,945	106,737,340
RESERVES		
Capital	1,317,151	2,851,457
Allocated Reserve	37,482,849	30,081,046
Unallocated Reserve	48,500,000	53,868,865
Total Reserves	87,300,000	86,801,368
CAPITAL BUDGET		
Land	-	-
Building	-	-
Facility Improvement	2,514,226	2,500,000
Equipment & Information Systems	560,000	600,000
Total Capital	3,074,226	3,100,000



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

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
	Personnel Expenses				
07.01	Salaries - Regular Salaries-Operations	2,103,760		2,025,292	
07.01	Salaries - Regular Salaries-Member Services	1,881,293		2,225,109	
07.91	Salaries - Salary Savings/Reserve			250,000	
08.01	Salaries - Temp Employees	-		-	
08.01	Salaries - Transition Support	-		-	
20.02	Benefits - FICA Tax-OASDI	221,474		240,554	
20.03	Benefits - Hospitalization	328,000		360,800	
20.04	Benefits - Life Insurance	5,400		5,940	
20.05	Benefits - Retirement Contribution 401a	239,103		255,024	
20.05	Benefits - Def Comp 457	37,626		41,388	
20.06	Benefits - Worker's Compensation	12,000		13,200	
20.07	Benefits - FICA Tax-Medicare	56,194		61,631	
20.08	Benefits - Dental	18,000		19,800	
20.09	Benefits - LTD/STD	11,340		12,474	
20.10	Benefits - Other	3,100		3,410	
20.10	Benefits - Back up Care	3,900		4,290	
20.10	Benefits - Wellness			-	
25.00	PTO	273,035		323,838	
27.10	Benefits-Unemployment	13,000		14,300	
07.20	Personnel allocated from Travis County	-			
	Total Personnel Expenses	5,207,225	5.31%	5,857,050	5.49%
	Operating Expenses				
05.20	Salaries - Administrator's Car Allowance	5,000		5,000	
30.01	Supplies - Supplies, Equip & Furniture	70,733		78,185	
30.02	Supplies - Software	61,945		15,745	
30.03	Supplies-Hardware	31,505		18,000	
30.04	Supplies-Computer Hardware	-		-	
30.05	Supplies-Minor tools, office furniture	26,764		22,834	
30.11	General Maintenance	58,038		62,355	
30.13	Supplies - Educ/Comm Equip & Supp	-		-	
30.16	Supplies - Meetings & Refreshments	6,800		11,778	
40.05	Professional Svc - Auditing	54,867		40,000	
40.06	Professional Svc - Accounting			21,000	
40.07	Professional Svc - Consulting	525,119		1,123,620	
40.08	Professional Svc - Data - IT Support	289,511		133,650	
40.09	Bank Fees	6,000		6,000	
40.12	Professional Svc - Legal	586,500		711,500	
40.99	Professional Svc - Other Professional Services	255,600		149,000	
41.02	Communication - Postage/Freight	9,936		14,028	
41.05	Communications - Signs	-		-	
41.06	Cellular Phone	4,710		9,184	
42.02	Routine Travel - Auto Mileage-Employees	7,430		10,155	
42.06	Contracted Transportation	2,400		4,020	
42.07	Routine Travel - Travel, Meals & Lodging	2,000		5,000	
42.09	Business Meetings & Meals	4,000		4,000	
44.01	Insurance - General Insurance Premium	76,750		99,526	
48.01	Public Utility Svcs - Utilities	26,700		30,700	
48.02	Public Utility Svcs - Telephone Lines	500		1,700	



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

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
48.03	Telephone- long distance	3,200		-	
48.04	Water	8,400		10,400	
48.05	Waste Disposal	3,400		4,600	
48.06	Gas	3,587		5,946	
60.08	OPS-Contracted Employees	52,000		26,000	
60.27	Printing	132,500		139,500	
60.29	Advertising (includes \$25,000 public notice)	101,120		95,370	
60.37	OPS-Retirement fees	20,500		12,000	
60.37	OPS-Benefit Services	45,000		76,500	
60.40	OPS - Reimbursed Services - Travis County	68,286		79,650	
60.50	OPS-CAN	25,000		25,000	
60.50	Custodial	45,023		126,575	
60.52	Security	75,725		95,670	
60.53	Records storage	6,263		8,965	
60.99	OPS - Other			26,600	
61.03	Rent - Office Equipment	30,680		34,280	
61.04	Rents & Leases (property)	50,400		70,400	
64.05	Employee Training - Employee Relocation Exp	5,000		5,000	
64.06	Employee Relations	16,000		37,000	
65.01	Prof Dev - Subscriptions & Publications	14,614		17,760	
65.02	Prof Dev-Professional Memberships	7,773		12,823	
65.03	Prof Dev-Travel Meals & Lodging	15,617		27,358	
65.04	Prof Dev - Training & Seminars	42,175		57,264	
65.05	Prof Dev-Professional Licenses	4,175		2,175	
75.21	Misc - Legislative Services	90,000		162,000	
75.22	Misc - Employment Recruiting	3,800		3,300	
84.01	Depreciation	2,281,241		2,500,000	
98.92	Reserve for property insurance, utilities, infrastructure	200,000		200,000	
	Subtotal Operating Expense	5,464,287	5.57%	6,439,116	6.03%
	Tax Collection				
60.03	OPS - Appraisal District Svcs	360,536	0.37%	396,590	0.37%
60.04	OPS - Tax Collector	395,112	0.40%	434,623	0.41%
	Subtotal Tax Collection Expense	755,648	0.77%	831,213	0.78%
	Health Care Delivery				
61.05	Rental equipment(MAP)	3,000	0.00%	3,000	0.00%
62.74	Cardinal (340b medications)(MAP)	733,721	0.75%	-	
62.76	OAC-Transportation(MAP, non emergency & EMS) move from CHC	367,000	0.37%	381,560	0.36%
62.77	OAC-Other Medical (MAP)	200,000	0.20%	200,000	0.19%
62.78	OAC-Dental Services (MAP)	369,951	0.38%	473,711	0.44%
62.79	OAC-ICC Medicaider(MAP)	164,760	0.17%	164,760	0.15%
62.80	OAC-Childrens Optimal Health	35,000	0.04%	35,000	0.03%
62.81	OAC-Continuity Clinic-Paul Bass	429,000	0.44%	709,647	0.66%
62.81	OAC-Paul Bass Specialty Care	462,000	0.47%	462,000	0.43%
62.82	OAC-Other Primary Care (El Buen)	490,000	0.50%	980,000	0.92%
62.82	OAC-Other Primary Care (Lone Star Circle of Care)	538,000	0.55%	1,347,500	1.26%
62.82	OAC-Other Primary Care (Blackstock)	312,000	0.32%	100,000	0.09%



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

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET		FY 2011 PROPOSED BUDGET	
62.82	OAC-Urgent Care	100,000	0.10%	65,000	0.06%
62.82	OAC-Other Primary Care (Samaritan Health)	-	0.00%	100,000	0.09%
62.82	OAC-Other Primary Care (Volunteer Clinic)	-	0.00%	100,000	0.09%
62.83	Medicaid Payments (Physician)	6,351,246	6.48%	25,000,000	23.42%
62.84	Medicaid Payments (MAP)	17,648,754	18.00%		0.00%
62.85	OAC-Mediview TPA	988,079	1.01%	1,434,215	1.34%
62.85	OAC-Three Share Program	379,601	0.39%	194,180	0.18%
62.86	OAC-Speciality Care-Vision	117,277	0.12%	117,277	0.11%
62.87	OAC-Seton Brack Pharmacy	142,595	0.15%	171,670	0.16%
62.89	OAC-Austin Cancer Centers	466,131	0.48%	334,000	0.31%
62.89	OAC-Orthotics	58,253	0.06%	27,000	0.03%
62.90	OAC -CHCs after Transition-CommUnityCare	32,332,854	32.98%	36,166,139	33.88%
62.90	OAC -CommUnityCare-Facility Improvements	1,219,544	1.24%	-	
62.91	OAC - Seton Hospital	4,067,304	4.15%	3,467,304	3.25%
62.92	OAC - UTMB	3,900,000	3.98%	3,900,000	3.65%
62.93	OAC - People's Comm Clinic	728,000	0.74%	728,000	0.68%
62.94	OAC - Women's Services	450,000	0.46%	450,000	0.42%
62.95	OAC - Other (Project Access)	330,000	0.34%	330,000	0.31%
62.96	OAC - ICC	522,275	0.53%	551,275	0.52%
62.97	OAC - Pharmacy Benefit Management	2,064,876	2.11%	3,709,552	3.48%
62.99	OAC - Mental Health	5,224,701	5.33%	5,947,171	5.57%
	United Way		0.00%	350,000	0.33%
98.50	Service Expansion Funds	5,404,863	5.51%	5,610,000	5.26%
	Subtotal Healthcare Delivery	86,600,785	88.34%	93,609,961	87.70%
	Tobacco Settlement				
72.00	Tobacco Settlement Received-payable to Travis County	326,000	0.33%	266,746	0.25%
72.20	Tobacco Settlement Paid to Travis County	(326,000)		(266,746)	
72.10	Tobacco Settlement Received-payable to Seton	904,000	0.92%	628,190	0.59%
72.30	Tobacco Settlement Paid to Seton	(904,000)		(628,190)	
	Subtotal Tobacco Settlement	-	0.00%	-	0.00%
	Disproportionate Share Program				
71.00	Disproportionate Share/Upper Payment Limit IGT sent	54,400,000		63,432,412	
71.20	Disproportionate Share/Upper Payment Limit IGT sent	(54,400,000)		(63,432,412)	
71.10	Disproportionate Share Received payable to Seton	19,300,000		17,252,548	
71.30	Disproportionate Share Paid - Seton	(19,300,000)		(17,252,548)	
	Subtotal Disproportionate Share Program	-		-	
	TOTAL EXPENSE	98,027,945	100.00%	106,737,340	100.00%
	Tax Collection Expense	(755,648)		(831,213)	
	TOTAL EXPENSE LESS PASS THROUGH & TAX COLLECTION	97,272,297		105,906,127	



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

ACCOUNT	DESCRIPTION	FY 2010 APPROVED BUDGET	FY 2011 PROPOSED BUDGET
	Reserves		
98.60	Capital Reserve	1,317,151	2,851,457
98.91	Allocated Reserve	37,482,849	30,081,046
98.98	Unallocated Reserve	48,500,000	53,868,865
	Total	87,300,000	86,801,368
	Capital Budget		
81.12	Land		
81.04	Building		
81.02	Building Improvements	2,514,226	2,500,000
80.02	Equipment & Information Systems	560,000	600,000
	Total	3,074,226	3,100,000



FY 2011 Proposed Service Expansions

Service Expansion	FY 2010 Approved Budget	FY 2011 Proposed Budget	Prior Year Expansion now in FY11 Base
Mental Health			
Mental Health Services		500,000	
Behavioral Health/Psychiatry		300,000	200,000
One Time Capacity Expansion	2,730,648		
Regional Health Initiatives			
Graduate Medical Education	50,000		
Program Evaluation/Research and Development			
Program Evaluation (MAP ER Co-Pay, E-Merge, HMO feasibility study, UT Regional Healthcare Planning)		1,000,000	
ICC Changes			29,000
Eligibility Expansion			
Specialty Care			
Specialty Care Expansion	483,084	1,000,000	
Ancillary Services			
Pharmacy	168,838		
TPA/Other Services	61,345	500,000	
Orthotics	3,652		-
Primary Care			
Samaritan Health Ministries			100,000
Volunteer Healthcare Clinic			100,000
Eligibility Call Center			250,000
Primary Care Expansion	1,404,240	1,000,000	
Dental Services			
Dental Specialty Care	23,056	400,000	
Primary Dental Care	480,000	600,000	
Other			
Recuperative Care		300,000	
Provider Outreach		10,000	
Total	5,404,863	5,610,000	679,000

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



**CENTRAL
HEALTH**

**Board of Managers Meeting
May 13, 2010**

Agenda Item 6

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