



Fiscal Year 2009 Budget Executive Summary

Who We Are

The Travis County Healthcare District (TCHD) was created by vote of the Travis County electorate in May 2004. Its purpose is the provision of medical and hospital care to medically indigent residents of the District, a responsibility that was previously shared by the County and the City of Austin prior to the District's creation. While Texas law defines "medically indigent" as individuals at or below 21% of the Federal Poverty Level (currently \$4,452 for a family of 4), the District defines its identified population as uninsured or underinsured individuals up to 200% of the FPL (currently \$42,400 for a family of four).

Proposed FY09 Budget

The Travis County Healthcare District has adopted the role of community steward when considering its responsibility to those in need of services and to all Travis County taxpayers. The proposed FY09 TCHD budget was developed to help the District support the most appropriate level of care to our target population so that taxpayer dollars are used in the most effective manner possible. Since its inception the District has contracted with the City of Austin to continue operation of the Community Health Centers (CHCs). In March 2009 the CHCs will transition out of the City into a new non profit organization and there are costs in the FY09 budget associated with that transition.

The District is proposing a FY09 budget of approximately \$95.2 million, including over \$4 million in service expansions to address unmet healthcare needs. The District used a four-pronged approach in developing this budget:

- Use on-going revenue, such as property taxes, federal matching funds, tobacco settlement funds and interest, to fund on-going health care needs;
- Access District reserves for the Community Health Centers transition costs, MAP redesign, mental health initiatives, and unforeseen expenses;
- Advance the integration of the Travis county health care safety net system; and
- Leverage services provided by community partners to maximize service options without duplicating efforts.

Impact on Tax Rate and Payment

The proposed budget is based on a .0679 property tax rate, which is lower than the FY08 tax rate of .0693. The proposed rate would increase the average residence tax payment by \$8.47.



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Budget Changes

The proposed budget represents a \$5.5M (6.1%) increase over the 2008 adopted budget. The budgeted expenditures support increased access to primary and specialty care services, increased access to mental health services, costs to transition the CHCs from the City of Austin, and annual cost increases due to inflation.

TCHD is not a direct provider of services. Instead, the District purchases healthcare services from an established system of providers who serve residents of Travis County. The District also contributes to the overall support of trauma center services provided to the community by the University Medical Center at Brackenridge Hospital. In the FY09 budget, funding of \$81.4 million is requested for healthcare services. This funding will also fulfill service expansion commitments that were made during Fiscal Year 2008 which have enhanced the ability of contracted providers to serve additional patients.

Included in healthcare services is an increase in the line item titled Service Expansion Funds of \$4.2M. In addition to previous service commitments, additional funds are budgeted to support the expansion of critical services to help address identified gaps within the community. Service Expansion Funds will target the following community needs in support of the District's strategic objectives:

- Specialty Care (\$.9M)
- Primary Care (\$.6M)
- Additional Service Capacity Expansion (\$2.7M)

Specific Service Expansion projects considered for approval will be reviewed against the District's strategic plan goals as well as for anticipated performance levels and support from other community providers.

Capital Budget (\$21.4M): In order to provide the necessary infrastructure to expand healthcare services, \$18.8 M has been budgeted for land, building and equipment for the District and the CHCs. The remainder of the capital expenditures (\$2.6M) will be used to purchase equipment, software licenses and implementation support for new information systems and technology.