Board of Directors

Meeting

Tuesday, August 27, 2013

2:00 p.m.

Central Health Administrative Offices

1111 E. Cesar Chavez St.

Austin, Texas 78702

AGENDA*

I. Call to Order and Record of Attendance

II. Public Comments

III. General Business

   A. Consent Agenda

      All matters listed under the Consent Agenda will be considered by the Board of Directors to be routine and will be enacted by one motion. There will be no separate discussion of these items unless members of the Board request specific items to be moved from the Consent Agenda to the Regular Agenda for discussion prior to the time the Board of Directors votes on the motion to adopt the Consent Agenda.

      1. Approve minutes from the July 23, 2013 CCC Board of Directors meeting.

   B. Regular Agenda

      1. Discuss and take appropriate action on entering into a Memorandum of Understanding between Central Health, Seton Family of Hospitals, Community Care Collaborative and University of Texas at Austin.

      2. Receive and discuss the CCC preliminary Fiscal Year 2014 budget.
3. Discuss and take appropriate action to authorize the Executive Director of the CCC to negotiate and execute contracts up to $100,000.

4. Discuss and take appropriate action on the selection of an audit firm to perform the CCC FY 2013 financial audit.

5. Present and discuss an update of the CCC DSRIP projects

IV. Closed Session

V. Closing

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

The Board of Directors may consider any matter posted on the agenda in a closed session if there are issues that require consideration in a closed session and the Board announces that the item will be considered during a closed session.

Consecutive interpretation services from Spanish to English are available during Citizens Communication or when public comment is invited. Please notify the front desk on arrival if services are needed.

Los servicios de interpretación consecutiva del español al inglés están disponibles para la comunicación de los ciudadanos o cuando se invita al público a hacer comentarios. Si necesita estos servicios, al llegar sírvase notificarle al personal de la recepción.
Board of Directors Meeting

August 27, 2013

AGENDA Item III-A-1

Approve minutes from the July 23, 2013 CCC Board of Directors Meeting.

NO BACKUP
AGENDA Item III-B-1

Discuss and take appropriate action on entering into a Memorandum of Understanding between Central Health, Seton Family of Hospitals, Community Care Collaborative and University of Texas at Austin.
MEMORANDUM

TO: Central Health Board of Managers

FROM: Beth Devery, Central Health/CCC General Counsel

DATE: August 27, 2013

RE: Agenda Item B1: Discuss and take appropriate action on entering into a Memorandum of Understanding between Central Health, Seton Family of Hospitals, Community Care Collaborative and University of Texas at Austin.

The Memorandum of Understanding between Central Health, Seton Family of Hospitals (“Seton”), CCC, and University of Texas at Austin (“UT”) is a non-binding document that sets out the intentions of Seton, UT, CCC and Central Health in developing the medical school and the Integrated Delivery System (IDS), as well as outlining the resources that each intends to commit to the effort. The document establishes the present intent of the CCC to transfer $35 million a year to UT for the medical school. It also documents the current intent of Central Health, to the extent allowed by law, to guarantee that transfer payment in the event that it is not made from another source. The intention of the parties is that these transferred funds only be utilized by UT for “Permitted Purposes” that are both legally permitted and beneficial to the IDS and UT. This document is an outline of the intentions of the parties and will not be binding and final until the definitive documents are completed.

On August 21, 2013, the Central Health Board of Managers approved the MOU and directed CCC Board Members to approve it.
MEMORANDUM OF UNDERSTANDING BETWEEN
THE UNIVERSITY OF TEXAS AT AUSTIN, CENTRAL HEALTH, SETON,
AND THE COMMUNITY CARE COLLABORATIVE

This is a Memorandum of Understanding ("MOU") between Travis County Healthcare District d/b/a Central Health, ("Central Health"), The University of Texas at Austin ("UT"), the Community Care Collaborative ("CCC"), and Seton Family of Hospitals ("Seton") regarding their mutual desire and intention to collaborate to transform and improve health care for all residents in Travis County including those who are uninsured by, among other things, creating an integrated delivery system (the "IDS"), expanding the medical services available in Travis County, and increasing the number and quality of physicians in Travis County. The parties enter into this MOU with the understanding that the foundations for transformative improvement in health care include the establishment of a medical school at UT (the "Medical School"). UT has agreed to build and operate the Medical School in Austin in reliance on a stable recurring commitment of $35 million annually, consistent with the Travis County voters’ November 2012 approval of Proposition I. Consequently, because it is in the best interests of the various populations they serve, the parties are entering into this MOU with the intention of entering into more formal arrangements. Central Health, the CCC, Seton, and UT are individually referred to as "party" and collectively referred to as "parties." The effective date of this MOU is August __, 2013 ("Effective Date").

1. **Improving Care in Travis County.** The parties have agreed to collaborate and pool their resources to improve the health care delivery system in Travis County. The parties’ intentions are as follows:

   a. Seton will build and operate a new teaching hospital that will be part of Seton’s and Central Health’s indigent and charity care safety net system;

   b. Seton and Central Health, individually and through the CCC, will expand and add new medical services in Travis County to serve the indigent and medical access program ("MAP") populations;

   c. UT will build and operate the Medical School in Travis County with a focus on patient centered interprofessional education and health care and leading edge basic and translational research to advance the quality of health care;

   d. Seton will affiliate with UT’s Medical School to support faculty and to train students and residents at the teaching hospital that will improve and expand the medical care services in Travis County available to indigent and MAP populations; and

   e. Central Health and the CCC will incorporate the Medical School’s faculty, students, and residents into the IDS.
2. Central Health’s and Seton’s Support for the IDS and the Medical School.

   a. UT acknowledges that in order to achieve the goal of bettering indigent and MAP care in Travis County, Seton and Central Health have entered into a “Master Agreement” effective June 1, 2013.

   b. UT acknowledges that Central Health, Seton, and the CCC are expecting that UT will develop and establish a new Medical School at the Austin campus of UT. UT has taken the initial steps to establish this new Medical School and intends to move forward with this initiative with the expectation of enrolling an initial class of students in 2016.

   c. UT further acknowledges that a critical element to the new IDS is the decision by Seton and Central Health to jointly form and fund a Texas non-profit corporation, the CCC, consistent with the Master Agreement. The parties intend for the CCC to be the main vehicle through which they will invest in new medical resources and services in Travis County for the indigent and MAP populations and to transition into an IDS.

   d. The parties acknowledge and agree that there are certain investments (“Permitted Investments”) that would both support the IDS and benefit UT and would comply with all legal and regulatory restrictions applicable to the party making the investment and the party receiving the benefit of the investment. It is acknowledged and agreed that such investments are intended for the purpose of providing operating support of the Medical School that will facilitate and enhance the recruitment and work of its faculty, researchers, administrators, and clinicians. “Permitted Investments” are needed and intended to augment clinical services for Travis County residents, benefit overall health care by educating and training future physicians, discover new knowledge that enhances health and health care, make available medical innovations to the Travis County population, and provide collaborative and integrated medical care.

   e. For UT fiscal years beginning on or after the Effective Date, CCC will, as its first annual priority, cause $35 million to be paid to UT each fiscal year to be used by UT for one or more Permitted Investments as determined in the sole and exclusive discretion of UT (“Permitted Investment Payment”). To the extent permitted by the Constitution and laws of the State of Texas, Central Health will guarantee such annual payments to be made to UT by CCC or otherwise.

3. No Violation of Law & Enforceability. The parties all agree that nothing in this MOU or any agreement arising out of this MOU will obligate the parties to take any action that would violate the laws of the State of Texas or the United States. The parties agree that this MOU is only the expression of intent by the parties and, except as otherwise provided herein, is not enforceable until the definitive documents are created.
4. **Approvals.** This MOU is not legally enforceable and is not a binding obligation or agreement between the parties. The parties acknowledge and agree that they cannot and will not reach any legally enforceable and binding agreement until each of their respective governing boards has approved such agreement, if necessary, and such agreement has been properly executed. In addition, this MOU does not create any legally enforceable or binding obligation on any party to execute any final enforceable agreements.

5. **Expenses.** Each party will pay its own expenses and costs incidental to the negotiation and completion of the documents intended to formalize and implement the understandings set forth in this MOU.

6. **Effective Date.** This MOU will remain in effect from the Effective Date through the execution by the parties of the enforceable and binding agreement referred to in Section 4. Any party may terminate this MOU at any time in its own discretion by written notice to the other parties.

7. **Counterparts.** This MOU may be executed in counterparts, each of which shall be original but which together shall constitute one and the same instrument.
IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their duly authorized officers, all as of the dates written below.

THE UNIVERSITY OF TEXAS AT AUSTIN

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

SETON FAMILY OF HOSPITALS

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A CENTRAL HEALTH

By: ________________________________
Name: ______________
Title: Chairperson of the Board
Date: 08/27/2013

COMMUNITY CARE COLLABORATIVE

By: ________________________________
Name: ______________________________
Title: Executive Director
Date: 08/27/2013
Board of Directors Meeting

August 27, 2013

AGENDA Item III-B-2

Receive and discuss the CCC preliminary Fiscal Year 2014 Budget.
FY 2014 Preliminary Budget Presentation

CCC Board of Directors
August 27, 2013

Dr. Mark Hernandez, CMO - Community Care Collaborative
Jeff Knodel, CFO - Central Health

Presentation Overview

- Why was the CCC created
- Overview of the Integrated Delivery System Model
- Definition and role of the CCC
- Financial Budget
  - Review of FY13 Budget
  - Presentation of Preliminary FY14 Budget
- Next Steps
Why the CCC was created

- Maximize the new tax dollars w/ federal matching funds to bring new resources into safety net population healthcare delivery
- Transform the way we deliver healthcare to the safety net population
- Serve as the main vehicle through which the new Integrated Delivery System will serve vulnerable Travis County residents

How the CCC was created

- Approval of the Master Agreement and Ancillary Agreements on June 5, 2013 between Central Health and Seton Healthcare Network to establish the Community Care Collaborative and construct a new teaching hospital to be completed in 2017
- Approval of the Memorandum of Understanding (MOU) between Central Health, CCC, Seton Healthcare Network, and UT that conveys the intent to establish a new UT Medical School with the first class expected to start in 2016
- Approval by HHSC to become a Performing Provider in the 1115 Medicaid Waiver
Community Care Collaboration

- Partnership launched by Central Health and Seton. Will eventually manage care for 50,000 safety net patients, including proactive care for an estimated 18,000 individuals with 2+ chronic conditions.
- Goal is to provide high quality, cost effective, patient-centered care that improves health outcomes through:
  - care coordination and navigation
  - uniform care protocols and guidelines
  - population management
  - health promotion and patient engagement

Integrated Delivery System Model

- Teaching Hospital
- Medical School
- Financial Support for Clinical Care Expansion
- Person centered, community-based healthcare for safety net population
Objectives of the CCC

- Transform the delivery system in order to provide more effective and efficient care as evidenced by improved patient outcomes
- Reduce hospital readmissions via protocol driven care and coordinated transitional care
- Reduce inappropriate utilization of the healthcare system and increase care in the most appropriate settings
- Provide non-clinical services (e.g. patient navigation) to strengthen continuum of services
- Develop metrics to measure the effectiveness of the new system and to create continuous quality improvement
- Restructure provider payment model to focus and incentivize health outcomes rather than patient visit models

Transparency and Fiscal Accountability

- The Central Health Board of Managers will continue to provide the policy direction and fiscal accountability for the local tax dollars that will fund healthcare services through the CCC
- The CCC Board of Directors will collaborate to implement the stated objectives of the CCC
- Commitment to public CCC board meetings
- Fiscal audit of annual financial statements available to the public
CCC Budget – FY 13

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<tr>
<th>Sources</th>
<th>Approved Budget</th>
<th>Amended Budget</th>
<th>Estimate</th>
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Uses - Programs:

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Ending Balance: 0 0 10,518,916

(1) Monet contributions will be subject to provisions of the Master Agreement, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each party's discretion. Each member contribution could be more or less than the estimate, depending upon a variety of factors.

Healthcare Delivery – Program Activities

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<td>20,578,889</td>
<td>16,824,796</td>
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Base FY 14 Budget Assumptions

- FY 13 Ending Balance Estimate will be appropriated in Operations Contingency for FY 14
- 90% of DY2 DSRIP revenue budgeted in FY14
- Medical Access Program (MAP) Benefit Plan same as FY 13
- Provider contracts same as FY 13 base, with the exception of CommUnityCare
  - FY 13 = $38.9m (excludes pharmacy of $5.4m)
  - FY 14 = $40.3m + $5.4m pharmacy = $45.7m
- Service Expansion Funds
  - $5m in Central Health Budget
  - $500k in CCC

CCC Preliminary Budget – FY14

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<td>Permitted Investments - UT</td>
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Ending Balance                   | 0                   |

(1) Final contributions will be subject to provisions of the Master Agreement, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties’ discretion. Each member contribution could be more or less than the estimate, depending upon a variety of factors.
FY 14 Healthcare Delivery – Program Activities

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Provider Contract Services

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14 CCC DSRIP Projects

Infrastructure
- Disease Management Registry
- Patient Centered Medical Home Model
- Chronic Disease Management Model

Care Expansion
- Expanded Hours at Community Clinics
- Mobile Care Vans
- Gastroenterology at Community Clinics
- Pulmonology at Community Clinics
- Expanded Dental Services

Behavioral Health
- Integrated Behavioral Health for Diabetes
- Telepsychiatry at Community Clinics

Women's Health/Sexual Health
- Pregnancy Reduction Program
- STD/HIV Screening & Treatment

Navigation
- Patient Navigation - CCC
- Community Paramedic Navigation
DSRIP Project Funds Flow

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<th>FY 13</th>
<th>FY 14</th>
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DSRIP Project Spend
DSRIP Project Payment based on Performance

CCC DSRIP Project Timelines

FY 14

- **DY 1**: Dec 2011 - Sept 2012 Preliminary
- **DY 2**: Oct 2012 - Sept 2013 Planning
- **DY 3**: Oct 2013 - Sept 2014 Implementation
- **DY 4**: Oct 2014 - Sept 2015 Performance & Outcomes
- **DY 5**: Oct 2015 - Sept 2016 Performance & Outcomes
Closing

- Utilizes and leverages funding approved by Proposition 1 for new and improved healthcare in Travis County
- Beginning to create the necessary components of a new Integrated Delivery System
- Focus on DSRIP projects – implements new and expanded healthcare delivery to uninsured

Next Steps

- August 27 – Budget presentation to CCC Board of Directors
- August 29 – Budget presentation to Central Health Board; Public Hearing
- September 4 – Public Hearing
- September 10 – CCC Board of Directors (*tentative*)
- September 11 – Budget presentation to Central Health Board
Board of Directors Meeting

August 27, 2013

AGENDA Item III-B-3

Discuss and take appropriate action to authorize the Executive Director of the CCC to negotiate and execute contracts up to $100,000.

NO BACKUP
AGENDA Item III-B-4

Discuss and take appropriate action to the selection of an audit firm to perform the CCC FY 2013 financial audit.

NO BACKUP
Board of Directors Meeting

August 27, 2013

AGENDA Item III-B-5

Present and discuss an update of the CCC DSRIP Projects.

NO BACKUP