



To: Central Health Board of Managers

From: Mike Geeslin, President & CEO

Date: February 12, 2018

Re: Management Response to Germane Solutions Performance Review- INFORMATIONAL

Introduction

Central Health competitively procured an independent third-party in the spring of 2017 to evaluate its performance and organization. The engagement offers a third-party perspective on the strengths and weaknesses of Central Health, a healthcare district, as compared to peer organizations in Texas and select regions in the United States. Using peer comparisons as benchmarks, this assessment is intended to provide information on Central Health's major functional areas and structure of its organization. Benchmarking will help Central Health's executive management, Board of Managers, and the community understand areas of strength, weakness, and opportunity.

Much of Travis County's health care safety-net system has roots that predate the creation of the healthcare district in 2004. These historical influences include the City of Austin's Medical Access Program and the 1995 agreement between the City of Austin and the Daughters of Charity to operate Brackenridge Hospital. Given the long-standing arrangements Central Health inherited, Travis County's safety-net health care system is unique among the other hospital districts in Texas. Central Health's structure is founded on the principles of partnership, collaboration, and maximizing local, state, and federal revenue to improve the health of the population we serve. Our history and approach, and the complexity of health care, make comparisons with other hospital districts difficult.

Regardless, we are in a time that calls for hard evaluation and disciplined change to ensure Central Health is best positioned to deliver health and access to health care to the people it is privileged to serve.

Following award of the contract for the performance review to Germane Solutions, Central Health spent the remainder of the calendar year working with Germane Solutions and their sub-consultant, Whitecap Advisors, as they assessed the organization. The performance review provides an insightful, timely, and independent perspective that gives Central Health leadership guideposts by which to refine strategic objectives and implement strategies to achieve our mission.

Management's Response

First, Central Health appreciates the work Germane Solutions and Whitecap Advisors performed and the professionalism exhibited throughout this process.

Overall, Central Health's management team concurs with Germane Solutions' assessment of the organization. Where applicable, we note additional considerations.



Overall, Central Health's management team concurs with Germane Solutions' assessment of the organization. Where applicable, we note additional considerations. Using the review findings as guideposts, Central Health executives and the Board of Managers will need to discuss, along with the community and partners, how best to refine its strategic plan and develop implementation strategies that support the plan. Lastly, to better inform elected officials, we will share this report with the City of Austin, Travis County, and other public entities.

Response to Findings from the Germane Solutions Report

1. Public-Private Model, Trade-Offs

Central Health Concurs with this Recommendation

Further Considerations:

- A. Management acknowledges there are trade-offs and understands both the strengths and limitations of the current public-private partnership with Seton Healthcare Family and other providers. Since 1995, the City of Austin and subsequently Central Health have benefited due to the assumption of operational hospital risk being taken by Seton. In 2013, upon execution of the Master Agreement with Seton and the formation of the Community Care Collaborative (CCC), the Central Health Board of Managers agreed to jointly manage decision-making of safety-net health care delivery. As the health care landscape evolves, it is incumbent upon Central Health to evaluate changes that are most beneficial to the delivery of health care to the community.
- B. Central Health agrees it has an opportunity to maximize its branding and affiliation opportunities to increase public awareness. Significant steps have been taken in the past year to increase knowledge about, and awareness of, the Central Health Enterprise and the services it supports. Central Health recently completed a comprehensive public education initiative, a key FY 2017 board priority, and plans to continue this type of proactive communication. Signage that incorporates Central Health has been installed at all CommUnityCare and Enterprise locations. These are some of the steps that have been taken since the performance review commenced to increase the public's knowledge about Central Health, and to inform more than 90,000 community members directly served by CommUnityCare of the pivotal role played by Central Health.
- C. In light of limitations on controlling expenditures after funds have been transferred from Central Health, the use of reporting from provider partners to present outcomes and mission alignment with serving low income and uninsured residents is paramount. Central Health and the CCC annually report on individuals served and primary and specialty care provided, and in 2017, began reporting on individuals served in the hospital setting. The CCC also recently began to post primary care dashboards on the Central Health website and is developing specialty care dashboards. Additionally, Central Health began collecting reports from its hospital partners on the care provided to the safety-net population. These reports will help Central Health better track and evaluate the impact of its funding.



Additional indicators of progress include the formation of the Organized Health Care Arrangement (OHCA), and the corresponding development and broader use of a health care data warehouse.

- D. Staff leadership recognizes partnerships often require compromises and negotiations—especially when Central Health may not be the primary funder or is seeking to leverage a system to increase efficient use of Travis County taxpayer resources. However, we have required our partners to meet rigorous health care quality standards, implement value-based or alternative payment models, and take on risk for the population served.

2. Plan for Addressing Physician Shortages, Particularly Specialty Care

Central Health concurs with the need to address the shortage issue and believes this item is a priority.

This finding validates much of the work currently in progress by the CCC to add additional specialty care capacity, move lines of service to community-based locations, and provide the tools and training necessary for primary care providers to manage patients with chronic illnesses and other conditions. It also affirms the decision to invest in a medical school in Austin by having faculty, residents, and students working with our population and affiliated with the Central Health brand.

- A. The “make and buy” use of advanced practice professionals and technology for consults, and expanded graduate medical education programs are all alternatives needing individual business cases to determine best course(s) of action before expanding program implementation.
- B. Current activities include the addition of specialty care services at Central Health Southeast Health & Wellness Center provided by CommUnityCare, additional contracting with new providers at Austin Regional Clinic and others through the CCC, and using the new Dell Medical School’s integrated practice units to provide specialty care services. An additional strategy includes encouraging co-hires between Dell Medical School and community partners such as CommUnityCare to foster collaboration and create new provider capacity.
- C. In FY 2018, Central Health is working to implement an IT software solution that will standardize the management of specialty care. Most importantly, the software will establish standard protocols and processes to manage specialty care referrals, thereby reducing inefficient clinical referral processes that often result in inaccurate data and less-than-optimal patient care. This will result in a more accurate picture of specialty care wait times and a tool for better clinical prioritization of services. The work includes contracting with specialty providers to triage wait lists and ensure only patients who need to be seen by a specialist are waiting. Specialists also may be available to help primary care providers manage conditions through consults.
- D. A missing component from the Germane Solutions’ report is the CCC’s contracts with urgent and convenient care centers at more than 27 sites. Also, since Germane began work on the performance review, Central Health has allocated more



resources for collaboration with partners, philanthropic organizations, and governmental entities such as the City of Austin and Travis County to expand health care services in eastern Travis County. This work is not included in the Germane review, perhaps due to timing issues or the period for review.

3. Select Changes to Central Health Governance Structure & Central Health Affiliates
Staff Leadership concurs with need to evaluate changes to CCC board composition; consideration should be given to how best to expand among partners to advance the clinical services as well as share in the risk of caring for our population.

- A. Imposition of term limits should take into consideration initial phase-in, lengthening terms for development and transfer of institutional knowledge, and allowing for eligibility after not having served for a defined number of terms.
- B. Central Health concurs with the need for more coordinated work planning among affiliates and partners. This finding validates recent migration to objective-based work plans that link to affiliate and partner strategies.
- C. Recent development of strategy sheets and dashboards are validated by the recommendation for the Board of Managers to track progress on strategic objectives and initiatives. Staff intends to continue providing partner and affiliates' reports directly to the Board of Managers on a quarterly basis.

4. Diversify Central Health Funding Sources

Staff Leadership concurs there is considerable scrutiny and confusion related to intergovernmental transfers (IGT).

The IGT process is regulated by the Texas Health and Human Services Commission and the federal Centers for Medicare and Medicaid Services. It is the manner for which Central Health must provide local funding in order to draw federal matching funds. Any deviation from these regulatory processes will require approval from these entities.

Central Health agrees that the complexity of IGT funding can be hard to understand and will work to better explain the impacts of funding both IGT and a direct funding model that does not utilize IGT. Simplifying the IGT discussion will illustrate the economic consequences of not deploying IGT and improve transparency. Central Health staff are exploring various models and working with hospitals to enforce reporting requirements that measure the impact on our population.

- A. Central Health concurs that diversification of revenue is a long-term strategy to support fiscal sustainability. However, Central Health is a taxing entity that does not incur operational or third-party payor risk from operating a stand-alone safety-net hospital. In addition, based on our public-private partnership, our hospital partners incur unreimbursed costs that help keep our property tax rate amongst the lowest of major hospital districts in Texas. Philanthropic ventures and grants are both viable approaches; however, caution should be taken to not link health outcomes to donor or grantor stipulations that mimic the corporate practice of medicine.



- B. Although Central Health’s Brackenridge Campus is a real estate asset, the majority of the site is no longer suitable for clinical operations. Additionally, Central Health owns very few clinical assets; namely, the Central Health Southeast Health & Wellness Center, North Central Health Center, and David Powell Health Center. Other Central Health real estate assets include the Cesar Chavez Administration Building and two small vacant properties in a residential neighborhood in North Austin. All other facilities—including CommUnityCare Health Center sites—are leased from a governmental entity or through commercial land owners.

5. Other Findings

A. Limited Benchmarking Associated with Overhead Functions

- I. Since the inception of Central Health, board and staff leadership operated as efficiently as possible. This philosophy has led to what Germane Solutions characterizes as “lean.”
- II. Central Health needs to link future staffing to development of institutional knowledge, bench strength or depth in key functions, and succession planning.
- III. Central Health dedicates staff toward key business functions, management of partnerships, planning and analysis, and coordination among multiple groups. As Central Health moves toward a more focused and disciplined way of delivering health care, staff resources and any contingent funds will need to be allocated accordingly. As with any realignment of resources, change management and managing expectations with the community, external partners and the Board of Managers will be imperative.

B. Central Health Lacks Infrastructure for Population Health Management

Staff leadership generally concurs with the recommendation related to infrastructure required for population health management. However, management does not believe Germane fully understands the infrastructure efforts currently in place and feels the interviews lacked certain key technology participants. Therefore, conclusions were based on incomplete information. The following items provide additional insight:

- I. Upcoming discussions with Dell Medical School will help refine future development of a population health management foundation.
- II. Technological data elements for population health are now operable and will mature over the next two fiscal years. Additional work is underway to develop a benefit plan that maintains financial stability and allows for the enrollment of all eligible Travis County residents up to 200 percent of the federal poverty level. Further, this work will also allow the submission of data—similar to what is used for a health insurance claim—for all services provided, enabling Central Health to track the cost, impact, and level of services for our population.



- III. Central Texas has been at the forefront of working to build a community health information exchange (HIE), run by the Integrated Care Collaboration (ICC). Central Health, along with our hospital providers, have been members of the ICC for more than a decade. Looking forward, an earnest evaluation of the ICC will be necessary as Central Health refines its health care delivery strategies.
- IV. The CCC is one of the first organizations in Central Texas to have providers agree to share patient data through an OHCA. Current operational work at Central Health includes developing a more robust version of the OHCA.
- V. Elements for population health are already established, such as the Central Health Equity Policy Council and development of a social determinants of health policy framework for future funding decisions, but not acknowledged in the performance review.
- VI. Some of the recommendations require local hospital systems to use the same electronic health record systems, both internal to their own systems and compatible with other hospital systems. While certainly worth initiating, there would need to be enforceable memorandums of understanding with the regional hospital systems and an analysis of the business case to determine the best course of action.

C. Central Health Social Media Efforts

Staff leadership recognizes more can be done to build awareness and engage the community. While Central Health's social media efforts are increasing and improving, it is important to note the organizations Germane Solutions used as benchmarks in their evaluation are primarily hospitals, hospital systems, or branded health clinics that depend on patient revenue and, therefore, are likely to have significant marketing and advertising budgets. Because Central Health does not own the clinical operating assets or employ the providers, we will need to be creative in connecting to patients while not disrupting the medical home and provider relationships. For follow-up, knowing the budget and staff sizes of the systems used for the benchmarks would be beneficial to future budget deliberations.

- I. Beginning in early 2016, Central Health began implementing a more focused and deliberate social media strategy. Social media analytics reveal the strategy is working. Facebook posts have increased 46% from 2016 to 2017 and Twitter impressions increased 115%.
- II. Central Health staff recognizes the opportunity to develop its LinkedIn and Instagram platforms, which are part of the strategic communications plan for 2018.



With the release of this management response, Central Health is planning to move forward on the following schedule:

- **February 13, 2018:** Release of the report to the Central Health Board of Managers Strategic Planning Committee Meeting
- **February 14:** Distribution of the report to partners, key stakeholders, Travis County Commissioners Court, and other key elected officials
- **February 21:** Discussion of the Sendero performance review at the Central Health Budget and Finance Committee meeting
- **February 28:** Discussion of recommendations and analysis of priority and feasibility; public feedback during Citizens' Communication and more fluid conversations outside of Board meeting limitations is encouraged
- **March 2018:** Public workshop hosted by Central Health staff to further discuss, analyze, prioritize, and develop a proposed implementation plan to operationalize recommendations
- **March 28:** Central Health Board of Managers discusses the public comments, proposed plans, and other considerations to begin forming its final recommendations
- **April 25:** Staff leadership begins development of fiscal impact of proposed implementation plans, including impact for FY 2019 budget and the five-year forecast; fiscal analyses will be revised through the remainder of the budget development process.
- **May TBD:** Final recommendations to be adopted, where formal adoption is required.

Central Health is committed to working through these recommendations with the Board of Managers, its partners, and a broad, diverse cross-section of the community. Central Health is also committed to engaging in more frequent performance reviews including the development of a regular schedule for future years. Central Health will carefully consider the recommendations and information in this initial performance review. Our aim is to improve the delivery of health care to the people we serve and steward the local tax dollars that fund this important work.