

**ORDER OF TRAVIS COUNTY COMMISSIONERS COURT REQUIRING AN
INDEPENDENT, THIRD-PARTY PERFORMANCE AUDIT OF THE TRAVIS COUNTY
HEALTH CARE DISTRICT**

STATE OF TEXAS &
&
COUNTY OF TRAVIS &

Pursuant to Chapter 281 of the Health and Safety Code and Article 9 of the Constitution of the State of Texas, the Travis County Commissioners Court hereby orders a comprehensive, independent third-party performance audit of the Travis County Health Care District (aka Central Health) per the attached order and that this order shall become effective immediately.

Date of Order: _____

TRAVIS COUNTY COMMISSIONERS COURT

Andy Brown
County Judge

Jeff Travillion
Commissioner, Precinct 1

Brigid Shea
Commissioner, Precinct 2

Ann Howard
Commissioner, Precinct 3

Margaret Gomez
Commissioner, Precinct 4

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The Travis County Commissioners Court orders, effective immediately, the following as to the Travis County Health Care District (hereafter "Central Health"):

1. Central Health, its affiliate components (the Community Care Collaborative (hereafter "CCC") and CommunityUnityCare (hereafter "CUC")), and its vendors and providers, including without limitation, the Dell Medical School (hereafter "DMS"), shall cooperate fully and completely in all respects with this order and the Central Health performance audit ordered below (hereafter the "performance audit").
2. The Commissioners Court shall prescribe the terms of the request for proposal for the performance audit and select within 45 days of the effective date of this order an independent, third-party audit firm(s) as its agent to conduct the performance audit. Central Health shall pay in full for this performance audit as directed by the Travis County Commissioners Court.
3. The performance audit (as described below in Section 9(A)) related to the specific amount of healthcare services provided by DMS from CH/CCC's annual \$35 million payments shall be completed within 90 days of the selection of the audit firm(s). The remaining performance audits described in Section 9 shall be completed within 180 days of the selection of the audit firm(s). All performance audits will have a written report, be presented at Commissioners Court, and made fully public.
4. The audit firm(s) selected will be an independent third-party, without potential or actual conflicts of interest with Central Health or its affiliate components, because of prior or ongoing relationships with Central Health, the CCC, CUC, DMS or the University of Texas at Austin. The audit firm(s) will have wide professional health care organizational performance, accounting, management, and auditing experience.
5. The audit firm(s) will report solely to the Travis County Commissioners.
6. The performance audits will be conducted in a thorough, professional manner and in accordance with Generally Accepted Governmental Audit Standards (GAGAS) that provide policies for conducting high-quality, thorough audits with competence, integrity, and independence.
7. The audit firm(s), as the County Commissioners' agent, will have full access to all financial, medical utilization, audit, medical, and any other records, including drafts, databases, and work papers, necessary or useful in its discretion to perform these audits of Central Health, including the documents of its affiliate components, providers and vendors.
8. The audit firm(s) shall maintain the confidentiality of all confidential and privileged records and comply with all such applicable laws.

9. The scope of the performance audits shall include a thorough review and analysis of:

- (A) The number and scope, by aggregate patient encounters, by universal diagnostic codes, universal treatment codes, and other pertinent utilization or other data, in the audit firm(s) discretion, by year of any and all healthcare services as defined in Texas Health and Safety Code, Section 281.028 and 029, provided by DMS to Central Health MAP and eligible patients from the \$280 million in CH/CCC annual \$35 million payments. The audit will also estimate the marketplace value of these health care services;
- (B) The quality, appropriateness, and scope of healthcare services records maintained by DMS, reported to Central Health, and obtained by Central Health and whether this documentation complies with standard industry practices;
- (C) Central Health, DMS and the CCC funds, staffing, and resources spent in the past on establishing an integrated delivery health care system and how effective, cost-efficient, this system has been, and its strengths and weaknesses;
- (D) Central Health and its affiliate components' compliance with specific best practices as determined in accounting and performance auditing for health care organizations;
- (E) The quality, relevance, and comprehensiveness of Central Health's performance metrics for any and all of its providers, and whether they have been met and can be improved;
- (F) Whether Central Health, and its affiliate components, Ascension Seton and the DMS, have effectively and efficiently provided indigent health care;
- (G) current and past financial accounting practices, including a reconciliation, in order to identify and quantify any abnormal or irregular financial activity, if any, of Central Health or the CCC during the Fiscal Years 2018, 2019, 2020, 2021, and 2022; and
- (H) evaluating compliance with applicable city, state and federal laws.

10. The audit firm(s) shall provide public findings and recommendations to correct any identified accounting, auditing, operational, or managerial practices that are nonstandard, irregular, or need correction.

11. An auditor letter to Travis County Commissioners indicating any and all reportable conditions found during the audits. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structures, which could adversely affect Central Health's ability to fulfill its statutory responsibilities or comply with the law.

12. The performance auditors shall report immediately in writing any on-going violations of law or any lack of cooperation in any manner by any person or entity with these performance audits. These reports shall be public.