

RESOLUTION

Supplementing and Amending the 2017 Financial Order regarding Central Health

WHEREAS, Years ago, Travis County began requiring Central Health to (1) pay for (2) an independent (3) third-party (4) performance review or audit, which is to be conducted periodically, no less than every five years. The County directed Central Health to (5) include in the audit affiliated entities like CommUnity Care, healthcare providers and nonprofit organizations. These audits are to be a matter of (6) public record and include (7) substantial public input as part of the process. Travis County requires that the performance audit evaluate and provide recommendations on (8) compliance procedures, (9) efficacy and relevancy of partnerships and affiliations, and (10) management or contracting practices needing improvement. Additionally, Travis County can add to the scope of any of these performance audits – like the one to be scoped this summer and completed in 2023.

WHEREAS, the Travis County required Performance Audit is not the same as an annual financial audit that Central Health bylaws require, that Central health pays for every year and posts publicly on their website. Central Health has achieved national recognition for their transparency and budgetary practices for three consecutive years: 2019, 2020 and 2021 from the Government Finance Officers Association (GFOA). Travis County requires Central Health to submit their budget annually to the GFOA for review.

WHEREAS, the last Travis County required performance audit of Central Health was conducted in late 2017 and shared publicly in January 2018 and as mentioned above, another one is being scoped now for work to be completed in 2023. This next 2023 performance audit already is expected to align with the 10 elements above and to demonstrate both progress and misses since 2017, and to address new areas for consideration. More specifically, the last performance audit examined the programs offered in partnership by Central Health with CommunityCare, UT Dell Medical School and Ascension Seton and the many other contracted providers. It was conducted by Germane Solutions and Whitecap Health Advisors, who have experience in documenting and analyzing healthcare organization performance as well as financial auditing experience.

WHEREAS, the 2018 Performance Audit is available on the Central Health website. And these 2018 audit findings included the following among others:

- From an outpatient/ambulatory prospective, Central Health is very mixed in terms of its performance. The organization provides adequate access for primary care patients, but is considerably lacking in its ability to provide appropriate levels of specialty care access for the sizable population it serves
- Because of the governance model, the Board has limited ability to track the progress of approved initiatives without relying solely on management report-outs.
- The lack of term limits for Central Health managers is the one aspect of its governance structure that is out-dated

WHEREAS, the findings from the 2018 performance audit have clearly informed the new 2022 Healthcare Equity Plan, which is the Central Health strategic plan, which Central Health staff recently delivered to Commissioners Court in April 2022. The focus of this Equity Plan is to more quickly close gaps in access to care. To this end, Central Healthy recently hired medical personnel to expand access to specialty care like cardiology, GI, Hem/Onc, Nephrology, Neurology, Ortho, Gyn Surgery, ENT, Ophthalmology, and Psychiatry.

WHEREAS, as part of the 2022 Equity Health Plan, Central Health has announced that it is hiring a consultant to recommend how Central Health can efficiently implement and achieve the 2022 Health Equity Plan. That is, Central Health is working now to identify what steps must Central Health take to close the gaps identified in care including specialty care, treatment, and hospitalization. The Equity Plan indicates that Central Health is open to funding both new and traditional partnerships, both new and extended provision of services, new funding mechanisms, etc.. Central Health is asking the questions: what services can Central Health fund in this community and where she can't fund services, what services should Central Health offer as a new provider herself?

WHEREAS, the 2023 Audit, provides an opportunity to learn what Central Health has done to achieve the integration of primary care, specialty care, physical health and mental health care. Or asked another way, how do Central Health, CommUnity Care, Ascension Seton, UT Dell Med and Integral Care, plus other clinics like Peoples Community Clinic, Lonestar Circle of Care and more combine to form an integrated delivery system for our residents? Gaps exist today and are called out in their strategic plan, the 2022 Healthy Equity Plan. The public can participate in the pre-audit work by participating in Central Health self-evaluations via their Strategic Planning Committee and full Board meetings this month and next.

WHEREAS, Central Health should use the 2023 performance Audit and the 2022 Health Equity Plan Consultant to answer the question, "What does it take now to meet the healthcare needs of the indigent now and in the years to come?"

WHEREAS, Travis County may learn along side Central Health, discuss the findings together and develop a public understanding of the need, solutions and timeframe for ensuring indigent people have access to the care they need.

WHEREAS, Central Health receives an annual report from UT Dell Medical School about the use and alignment of expenditures by Dell Med of the taxpayer funds shared from Central Health to Dell Med. Taxpayers approved the additional tax to create a local medical school, which was marketed to voters as a way to provide additional access to care for poor people by having more doctors, more clinic hours, and more specialty care including more healthcare for women. The annual UT Dell Med reports are available on the Central Health website, yet, some years lack detailed description of the results of the public investment.

WHEREAS, 2022 marks 8 years since the first investment from Central Health to Dell Med. After 8 years, the people deserve to know what has been accomplished and what are the taxpayers getting annually for their money.

WHEREAS, UT Dell Med will present their annual Progress & Impact Report to the Central Health Board on Wednesday July 27.

AND WHEREAS, If this report doesn't satisfactorily answer the questions about how the 2022 funds were used in alignment with Central Health's mission to provide access to healthcare, Travis County can initiate a follow up with UT Dell Med in Commissioners Court or add specific questions to the Central Health Performance Audit.

BE IT RESOLVE that we communicate the following direction to the Central Health Board of Directors and the Central Health CEO:

1. ~~that Central Health consult with the Travis County Health and Human Services and~~ Travis County Purchasing Office shall take steps to procure the necessary services to perform an independent performance audit to be reimbursed by Central Health and shall consult with the necessary departments, such as the Auditor's office to assist, in choosing the firm to conduct the Performance Audit as contemplated by the 2017 Commissioner Court Financial Order ~~and by this supplement and amendment to the 2017 Financial Order~~ to ensure that the firm selected has experience in documenting and analyzing healthcare organization performance and financial accounting and management auditing, and is free from any substantial conflict of interest with Central Health, CommUnity Care, UT Dell Med, Ascension Seton or other partner agencies ~~and shall bring the contract for services for Commissioners Court approval~~; and
2. that Central Health scope for work for the upcoming Performance Audit ~~should to~~ include:
 - a. All 10 elements described above and consistent with the 2018 Audit;
 - b. Specific attention to describing the current status of the said strategy to create an integrated system of care:
 - i. ~~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;~~
 - ii. ~~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;~~
 - iii. ~~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 strengthens and weaknesses;~~
 - iv. ~~Central Health and its affiliate components' compliance with specific best practices as determined in accounting and performance auditing for health care organizations;~~
 - v. ~~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;~~
 - vi. ~~Whether Central Health, and its affiliate components, Ascension Seton and the DMS, have effectively and efficiently provided indigent health care;~~
 - vii. ~~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~~

viii. evaluating compliance with applicable city, state and federal laws.

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b.c. Any questions to UT Dell Med that remain for Central Health leadership and/or Travis County Commissioners after the presentation by UT Dell Med to Central Health Board of Managers on July 27, 2022.]

d. Suggested performance metrics to be used for the next two years following the Performance Audit and reported quarterly that describe access to care, gaps in access and impact of care as well as progress made towards implementing the 2022 Health Equity Plan.

e.e. The performance audit should be thorough, professional and in accordance with the Generally Accepted Governmental Audit Standards (GAGAS). The audit firm shall provide public findings and recommendation to correct any identified accounting, auditing, operational, or managerial practices that are nonstandard, irregular, or in need of correction. The audit firm shall maintain the confidentiality of all confidential and privileged records and comply with all privacy and confidentiality laws.

d.f. Specific improvements to the governance structure including term limits and alignment of board terms and terms related to executive officers, i.e. number of years per term, number of terms, number of years one serves as President, etc.]and

e.g. Set a schedule and plan for quarterly joint briefings with Central Health executive staff, Central Health Board of Managers, Travis County Commissioners Court, and Austin City Council

Commented [ST1]: This might need to be changed

Commented [ST2]: Some of the Board appointments are Comm Ct appointments. The Comm Ct has authority to determine the qualifications for reappointment. The Comm Ct may choose not to appt after a certain number of years. Comm CT may not be able to override the City's authority on reappointment for City appts.

SIGNED AND ENTERED THIS _____ DAY OF _____, 2022.

TRAVIS COUNTY COMMISSIONERS COURT

Andy Brown, County Judge

Jeff Travillion
Commissioner, Precinct 1

Brigid Shea
Commissioner, Precinct 2

Ann Howard
Commissioner, Precinct 3

Margaret Gómez
Commissioner, Precinct 4