

RESOLUTION

Supplementing and Amending the 2017 Order of the Travis County Commissioners Court Amending the Travis County Healthcare District Financial Policies

WHEREAS, Texas Health and Safety Code, Chapter 281, Section 281.049 authorizes the Commissioners Court to prescribe accounting and control procedures for the hospital district and by resolution or order, delegate its powers to the hospital district board.

WHEREAS, in 2004, the Travis County Healthcare District (“Central Health”) was created by election and the Travis County Commissioners Court approved an Order establishing financial policies for Central Health to follow. These policies were subsequently amended in 2008, 2016 and 2017.

WHEREAS, on October 17, 2017, the Travis County Commissioners Court ordered the Central Health Financial Policies be revised to improve transparency and accountability (“2017 Financial Order”).

WHEREAS, the 2017 Financial Order required 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.

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.

WHEREAS, the anticipated 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. 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, the 2023 performance audit should review whether Central Health is performing in accordance with the mission, vision and principles that it has published, which is to improve the health of the community by caring for those who need it the most and to create access to care and coordinate health care services, so residents with low income have the opportunity to get well and stay healthy.

WHEREAS, Central Health should use the 2023 performance Audit and the 2022 Health Equity Plan Consultant's Report 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, 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. BE IT RESOLVED that the Travis County Commissioners Court orders the following:

1. Travis County Purchasing Office, in this limited instance, shall take steps to procure the necessary services to perform an independent performance audit of Central Health and Travis County is to be reimbursed by Central Health. The Travis County Purchasing Office 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 and shall bring the contract for services for Commissioners Court approval; and
2. The Travis County Purchasing Office shall consult with Central Health for any additional areas to be evaluated in the performance audit and the Purchasing Office should inform the Commissioners Court of any issues arising in the implementation of the scope set forth below and shall also consider the scope of services of the 2018 performance audit, attached as Exhibit A.
3. The Audit Firm shall provide public findings and recommendations to the Commissioners Court and Central Health. The Commissioner Court intends to make those findings public as soon as practicable.
4. The scope of work for the upcoming Performance Audit shall include:
 - a. All 10 elements described above and consistent with the 2018 Audit;
 - b. The current status of the strategy to create an integrated system of care;
 - c. 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;
 - d. Whether appropriateness and scope of healthcare services records reported to, and obtained by Central Health from their health care providers comply with standard industry practices;
 - e. Central Health's performance metrics and oversight for its health care providers, and whether they have been met and can be improved according to industry standards.
 - f. Suggested performance metrics to be used for the next two years following the Performance Audit and reported quarterly to the Commissioner Court that describe access to care, gaps in access and impact of care as well as progress made towards implementing the 2022 Health Equity Plan.
 - g. Review and provide analysis on the impact of Central Health's outreach, marketing, and publicity for direct services to their target population and to other groups.

- h. 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..
- i. Central Health to set a schedule and plan for quarterly joint briefings with Central Health executive staff, Central Health Board of Managers, and Travis County Commissioners Court.
- j. Upon completion of the performance audit, the Commissioners Court will consider next steps.

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

Exhibit A: Scope of Services from previous central health performance audit

Consultant shall provide the following services:

1) Conduct a performance review which will evaluate the operational effectiveness and efficiency of the organization, provide benchmarking comparisons to publicly funded healthcare organizations and make recommendations about opportunities for performance improvement in accordance with Generally Accepted Government Audition Standards (GAGAS) on the following areas:

- a. Planning and Budgeting – including, but not limited to strategic planning and budgeting processes
- b. Financial Transparency – including financial reporting
- c. Stewardship of public funds
- d. Public outreach and collaboration
- e. Organizational Governance – including effective decision making

2) Provide benchmarking and recommendations to Central Health regarding best practices and a review of pertinent performance metrics from the following types of entities:

- a. Healthcare or Hospital Districts
- b. Governmental organizations with similar structures
- c. Other organizations with similar structures or partnerships

3) Plan and facilitate stakeholder engagement efforts to garner appropriate input into the Central Health Performance Review, including key stakeholder interviews and/or community communications.

4) Make recommendations to Central Health about opportunities to improve performance in key areas consistent with industry standards or established best practices. Prioritize listing and provide rationale of the basis of the prioritization process.

5) Present report recommendations and findings to the Central Health Board of Managers.