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STATE SENATOR
DISTRICT 14

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To: 10-in-10 Organizing Committee
From: Senator Kirk Watson
Subject: Moving toward a November healthcare election
August 6, 2012

Dear Committee Members,

For nearly 11 months, we've worked to assess health and health care in this community. We've studied the needs of Austin families, the lack of vital treatment options for certain kinds of cancer and major illnesses, and the future of our region's economy. We've analyzed the resources we have, the assets we need and our options for creating them.

We've worked hard, and we've made amazing progress. You all should be proud. And I think it all leads to one inevitable conclusion:

It's time to move forward, to take the next step. It's time to create a 21st Century system that will help our friends, family members, neighbors and ourselves live longer and healthier lives. It's time to create thousands of jobs and fantastic economic activity.

And it's time to give the people of Travis County a full voice in helping launch transformative changes.

I believe Travis County voters should be given the opportunity to support a medical school, a new teaching hospital, health clinics across our community, prevention and wellness programs, primary and specialty care services, behavioral and mental health care, and efforts to obtain matching federal health care funds by voting to raise Central Health's tax rate by 5 cents.

And I think the time for that opportunity should be this November.

Why now?

As our group has seen and our work has demonstrated, the stars have dramatically aligned for this effort.

The need for better health care in Austin is growing. The need for more doctors is increasing as more and more people come to this region and we fall further behind in the number of physicians who can treat them. The need for things like uniquely Austin clinics, expanded behavioral health services, and additional primary and specialty care is real. And the need for a medical school, of course, has long been apparent.

Our work has made it even clearer that fulfilling the 10 Goals in 10 Years – working through the University of Texas at Austin and in conjunction with partners and other regional health care assets – would have a dramatic and immediate effect on the health of Central Texans and their families.

It would be the catalyst for a massive economic benefit, creating 15,000 permanent jobs and approximately \$2 billion in economic activity annually, and saving taxpayers money by helping those without insurance to avoid the emergency room. It would also help make Austin a center for medical excellence and expand options for treating major illness, meaning people and families wouldn't have to travel outside their community to seek cutting-edge therapies.

I hear it from the people in this community everywhere I go. They crave the good that this vision can accomplish.

There are other specific developments that demonstrate why now is the time to act.

The Seton Healthcare Family, once it receives final approval from its governing board, will spend at least \$250 million to build a modern teaching hospital that would replace UMC-Brackenridge and provide a place for medical students and residents to learn – and for Central Texas families to receive top-flight treatment and advanced health care services close to home in a new, state-of-the-art teaching hospital with improved Level I Trauma care.

Furthermore, UT and others in Central Texas continue to add and strengthen research and treatment resources that would immediately turn a UT med school into a powerful healing force in our community.

And the UT System has committed to the effort, with the Board of Regents' dramatic, historic and unanimous vote to commit tens of millions of dollars a year for a medical school in Austin. That vote will ensure the medical school receives at least \$25 million a year from the UT System, along with \$40 million over the next eight years to help launch it.

Through this action and long discussions with various partners and entities across the region, we've identified the investment that our community will have to make to create a medical school that connects with our medical system and helps keep Austin and Central Texas families well. The operative number is \$35 million a year. That is the amount we need in order to be able to move forward and achieve

this community dream.

As you've no doubt seen in recent news reports, the total cost of a medical school over the next 12 years would amount to more than \$4 billion. So for an annual public investment of \$35 million, we can create an asset that's worth billions to our region and economy – and even more than that to the individuals and families who rely on the discoveries and doctors that the med school would generate.

In becoming the essential source of students, medical residents and doctors that our community needs, the UT medical school would help provide a robust, reliable pipeline of doctors to treat us, our friends and our loved ones. That pipeline, as much as the massive economic returns, is why a medical school is so important to Travis County.

A Healthcare Collaborative that Transcends the Medical School

On top of all of this, Central Health, working with its long-time safety net partner Seton, has crafted a Letter of Intent that will fulfill a grand and shared goal for providing coordinated health care to treat the safety net population. This is a singular and stand-alone piece of the overall vision.

Now known as the Community Care Collaborative, this effort ultimately will expand access to certain health care services – doing so in a way that improves quality and access, while also reducing long-term costs to the community, by providing more cost effective care. The model for the Community Care Collaborative is an Accountable Care Organization. It will transform, upgrade and update the safety net of our community.

As a result of the Community Care Collaborative, Central Texans and their families will see:

- Improved access to primary care clinics, including expanded hours and services such as preventive care and health screenings.
- Expanded access to specialty care, with a special focus on patients with chronic conditions such as diabetes and chronic heart failure.
- Better behavioral health services, including a dedicated unit equipped to treat patients with medical and behavioral health issues, team-based behavioral health efforts, stronger crisis care services and a case management system that helps patients through the continuum of mental and behavioral health services.
- Enhanced and coordinated women's health services, including better pre-natal, maternity and post-partum care, as well as women's cancer screenings.
- Improved access to adult dental care.
- Pain-management, palliative and end-of-life care.

Tom Suehs, the Executive Commissioner of the Texas Health and Human Services Commission, recently wrote the Director of the federal Center for Medicaid and Medicare Services and told her that he believes the proposed Community Care Collaborative “represents a legitimate opportunity to transform the delivery of health care in Central Texas and to improve the health of needy Texans.”

A Transformative Match

The timing of our effort to achieve 10 Goals in 10 Years happily coincides with a vehicle known as the 1115 Medicaid Transformation Waiver. This highly technical term describes an agreement between the federal government and Texas. The goal is to redesign the health care system so it is patient-focused and outcome-based, and it improves access to quality health care for the uninsured.

The Transformation Waiver establishes strategies and programs not only to ensure patients get the immediate care they need, but also to address underlying, chronic health conditions in ongoing, proactive ways that help keep people out of the emergency room.

Most importantly, the 1115 Transformation Waiver offers an impressive and valuable opportunity to leverage this community’s resources. For every dollar that Central Health raises for the purpose of receiving matching federal funds, the federal government will match that dollar with an additional \$1.46. The Transformation Waiver allows us to more than double our money. Every day we fail to take advantage of it means lost health care for people and families across this community.

The 1115 Transformation Waiver is not tied to the Patient Protection and Affordable Care Act, which the U.S. Supreme Court just upheld. It will be, however, an essential mechanism for preparing for the growing patient loads that result from the Act’s mandate that people obtain health insurance. Those numbers of insured Central Texans seeking medical care will increase whether or not Texas ultimately decides to expand its Medicaid program.

The Transformation Waiver recognizes our community’s need to take on this issue – and by turning every dollar of local money into \$2.46 after the federal match, it rewards us for doing so. Make no mistake: if this is the time for us to ask voters to embark on this effort, the Transformation Waiver is a big reason why. We essentially lose money if we wait.

We should take advantage of these dollars – potentially tens of millions of them, all dedicated to improved health care – and not lose them to other parts of the country, which we will if we don’t seize this chance to improve health care in our community.

Coordination, Efficiency and Expanded Services Create Benefits

This also represents a marvelous opportunity for Central Health. The agency can offer the possibility of enormous benefits for the medically underserved and the taxpayers by improving the overall health care system and expanding health services in Travis County. All of this is – and must be – in accordance with Central Health's mission and the federal requirements of the Transformation Waiver.

By being smart in fulfilling its mission and the Transformation Waiver's goals, Central Health would naturally and organically be supportive of medical education in Travis County.

A pipeline of doctors is essential to Central Health achieving its mission in the 21st century. The agency simply cannot provide the care for the indigent in Travis County without more clinical care providers, including people training to be doctors. Funding will allow for better coordination of care, greater efficiency in the system (including more coordination and efficient utilization of the community's limited resources), and expanded health care.

Coordination, efficiency and expanded services will also support a medical school. For example, the changes Central Health is implementing will provide specific health services, such as clinical care, that the medical school needs and can rely on. And by transforming the county's health care system, Central Health will help other community partners save money, which could allow for additional financial support.

Questions Becoming Answers

It's also time to act because so many others are committed.

As discussed above, Central Health and Seton, along with state and federal health officials, have all worked hard to create the systems that would maximize the impact of the individual goals that are part of the 10 in 10 vision.

And we owe voters the opportunity to weigh in at a time when as many as possible will be voting anyway. That makes November the natural time to ask for their support. It's the best time to hear from the most people about their desires for our future.

Of course, the November election is just three months away. We all will have to work even harder than we have to ensure that voters know as much as they need to about any proposition that the Central Health board ultimately puts on the ballot – and what it means to them and their families.

But to put that work into perspective, it helps to remember how far we've already come.

When we began this effort, it was defined by its questions: How much will it cost? When will it be ready? What all will we try to create? The list went on and on and on.

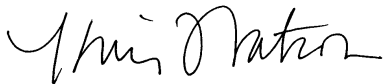
Now, as you see, it's defined by answers – and, more than that, by the harmony of those answers. The more progress we make and information we receive, the better that input and those answers relate and connect with everything we've already done and learned.

In other words, new information isn't undermining our perspective or weakening our resolve – instead, it's supporting our initial thesis and strengthening our previous work.

Of course, there are still some questions to be answered, details to be worked out and dominoes that need to fall for all of this to work the way we want. New questions will arise, I'm sure. We still have a long way to go, no question.

But we know where we're going, and we know how to get there. I'm as confident as I've ever been that we will succeed, and our success will benefit Central Texans and their families. It will help them in the most important, fundamental way possible: by improving health and health care for the people of this community while creating jobs and economic prosperity for our future.

Thanks again for the work you've done, and thanks in advance for the work that's now before us.

A handwritten signature in black ink, appearing to read "Kirk Watson". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kirk Watson