

MINUTES OF MEETING – OCTOBER 26, 2006

TRAVIS COUNTY HEALTHCARE DISTRICT  
BOARD OF MANAGERS

On Thursday, October 26, 2006, the Travis County Healthcare District Board of Managers convened in open session at 9:16 a.m. at the Granger Building, First Floor, Commissioners Courtroom, 314 W. 11<sup>th</sup> St., Austin, TX 78701. A quorum was present. Clerk for the meeting was Lane Greer.

Absent / Late Arrivals:

Chairperson Clarke Heidrick arrived at 10:09 a.m.  
Chairperson-Elect Carl S. Richie, Jr. left at 11:03 a.m.  
Manager Eduardo Sanchez was absent.

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**CITIZENS' COMMUNICATION** (9:17 a.m.)

**Clerk's notes:** No one was present.

**CONSENT AGENDA** ( 9:17 a.m.)

- C1. Approve minutes for the following meeting of the Travis County Healthcare District Board of Managers:
  - a. August 24, 2006; and
  - b. August 31, 2006.
- C2. Receive the September 2006 Investment Report and ratify Healthcare District investments for September 2006.
- C3. Ratify the District President and CEO's execution of the Second Amendment and Renewal of the Contract between the Travis County Healthcare District and Brown McCarroll, L.L.P.
- C4. Approve an order exempting the following purchases from the requirements of the County Purchasing Act:
  - a. the purchase of professional medical services; and
  - b. the purchase of professional information technology consulting services.

- C5. Authorize the District President and CEO to award a contract for payroll services pursuant to a competitive solicitation and to negotiate and sign a contract with the successful vendor.
- C6. Authorize the District President and CEO to negotiate and sign the required documentation for the District’s direct use of RFP Depot.
- C7. Approve a proposed process and format for future performance reviews of the District President and CEO.

**Clerk’s Notes:** A **motion was made** by Treasurer Mendoza and **seconded by** Secretary Lancaster to approve consent agenda items C1, C2, C3, C4, C5, C6, and C7.

Chairperson Clarke Heidrick	Absent
Chairperson-Elect Carl S. Richie, Jr.	For
Vice-Chairperson Tom Coopwood	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

**REGULAR AGENDA**

- 1. **Discuss and take appropriate action regarding a Resolution honoring the service of Board member Thomas N. Young.** (10:11 a.m.)

**Clerk’s Notes:** Chairperson Clarke Heidrick read a resolution thanking Manager Tom Young for his service to the Travis County Healthcare District Board of Managers. The Board thanked Mr. Young for his leadership, professionalism and hard work. Mr. Young thanked the Board for their hard work on behalf of Travis County residents, their professionalism, and friendship.

The resolution was approved on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Tom Coopwood	For
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

- 2. **Receive and discuss a presentation by David Hilgers of Brown McCarroll, L.L.P. regarding a 2006 Healthcare Industry Update.** (10:36 a.m.)

**Clerk's Notes:** David Hilgers, a partner at Brown McCarroll, gave a Healthcare Industry Update to the Board. The presentation covered current health care trends, including consolidation, costs, and treatment of the uninsured. Mr. Hilgers responded to questions from the Board and the Board discussed the presentation.

**3. Discuss and take appropriate action regarding the proposed Amended and Restated Lease Agreement Relating to Brackenridge Hospital between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a Seton. (11:11 a.m.)**

**Clerk's Notes:** A **motion was made** by Secretary Lancaster and **seconded by** Manager Barker to convene in executive session to discuss agenda item 3 under Section 551.071 of the Government Code, Consultation with Attorney. The motion passed on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	Absent
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Tom Coopwood	For
Manager Donald Patrick	Absent
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

The Board convened in executive session at [time] and reconvened in open session at [time]. The Board thanked Michael Regier, Senior Vice President and General Counsel for the Seton Family of Hospitals, for his work on the lease.

A **motion was made** by Treasurer Mendoza **and seconded** by Secretary Lancaster that the Board approve the Amended and Restated Lease Agreement Relating to Brackenridge Hospital between the Travis County Healthcare District and the Daughters of Charity Health Services of Austin d/b/a Seton on terms similar to those presented by staff or on terms more favorable to the District and to authorize the Chairperson to sign the final agreement and further that the Board authorize the District President and CEO to present the Amended and Restated Lease Agreement to Travis County Commissioners Court for approval.

Vice-Chairperson Coopwood neither participated in this discussion nor voted on the motion and filed an affidavit with the clerk outlining his conflict of interest under Chapter 171 of the Local Government Code.

The motion passed on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	Absent

Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Tom Coopwood	Abstain
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

**4. Discuss and take appropriate action regarding direction to the Travis County Investment Officers concerning the Travis County Healthcare District’s Broker/Dealer/Financial Institution list under the District’s Investment and Collateral Policies and Procedures. (9:19 a.m.)**

**Clerk’s Notes:** Ms. Mary Mayes, Investment Manager, Travis County, and Ms. Leigh Ann Sledge, Sr. Financial Analyst, Travis County, presented their review of investments for 2006 and suggested that the District continue to use the broker/dealer/financial institution list used by the County and outlined the advantages of that arrangement.

A **motion was made** by Chairperson-Elect Richie **and seconded** by Manager Rodriguez that the Board approve the recommendations of the Travis County Investment Officers to approve the Broker/Dealer/Financial Institution list currently used by Travis County for use by the Travis County Healthcare District. The motion passed on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Tom Coopwood	For
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

**5. Receive and discuss the September 30, 2006 Fourth Quarter Investment Report. (9:25 a.m.)**

**Clerk’s Notes:** Ms. Mayes and Ms. Sledge presented the Fourth Quarter Investment Report. Investment earnings for Fiscal Year 2006 was \$2.8 million. The District’s investments became more diverse in Fiscal Year 2006. Ms. Mayes provided an overview of the collateralization requirements under Texas law and of the District’s investments.

The Board expressed satisfaction with the job Ms. Mayes and Ms. Sledge have been doing and thanked them for their hard work.

**6. Discuss and take appropriate action regarding the implementation of the Regional Upper Payment Limit Program. (9:34 a.m.)**

**Clerk's Notes:** This item was tabled until the next monthly meeting of the Board of Managers.

**7. Receive and discuss a report of the September 2006 financial statements for the Travis County Healthcare District. (9:35 a.m.)**

**Clerk's Notes:** Ms. Carolyn Konecny, Financial Manager, Travis County Healthcare District, presented the draft financial statements for September 2006. Non-operating income items that contributed to the favorable financial performance are property tax collections greater than budget, increased funding from the tobacco settlement, and increased interest income produced by the increased cash on hand.

The Statement of Net Assets at September 2006 reflects \$54.5 million in cash and investments. The receivable related to the City of Austin has not been recorded to include FY 2006 year-end results.

For the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of Fiscal Year 2006 there are no unusual expenses; however MAP payments have exceeded the budget and funds were moved from the enhancement line item to accommodate the overage.

Year-to-date operating revenues include upper payment limit (UPL) program payments of \$16.8 million, causing operating revenues to be greater than budget for the year. Overall operating expenses remain on target with budget for the year, even though the individual category of MAP is over budget. Current year-to-date operations show a favorable change in net assets of \$24 million.

**8. Discuss and take appropriate action regarding the adoption of a provisional strategic plan for the Travis County Healthcare District. ( 9:43 a.m.)**

**Clerk's Notes:** District President and CEO Patricia A. Young Brown presented two documents, the Provisional Strategic Plan Summary and the Provisional Strategic Plan Background and Overview. These two documents are the recommendations from Health Management Associates that the Board chose to accept with modifications as instructed by the Board through its review process. The process going forth is to accept these as the Provisional Strategic Plan, review that plan with the County Commissioners, the City Council's Healthcare Sub-Committee and Seton representative's and then finalize the Strategic Plan in December. Member Lancaster requested a modification to page 35 of the Provisional Strategic Plan

Background and Overview to reflect the District’s role as “primarily” that of a payor to be consistent with other references to such in the document.

The Board discussed the near-term goals and an emphasis on realistic planning in the next phase of the Strategic Plan’s development.

**A motion was made** by Manager Rodriguez **and seconded** by Manager Barker that the Board adopt the Provisional Strategic Plan for the Travis County Healthcare District as presented by staff and that the Board authorize the District President and CEO to present the Provisional Strategic Plan to the District’s community partners, including Travis County and the City of Austin. The motion passed on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Tom Coopwood	For
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

**9. Discuss and take appropriate action regarding the appointment of *ad hoc* committees, committee members, and committee chairs to all Travis County Healthcare District Board of Managers’ committees.** (11:56 a.m.)

**Clerk’s Notes:** Chairperson Clarke Heidrick distributed a suggested plan for *ad hoc* committees, committee members, and committee chairs.

**A motion was made** by Manager Patrick **and seconded** by Secretary Lancaster that the Board approve the list of *ad hoc* committees, committee members, and committee chairs as presented. The motion passed on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	Absent
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Tom Coopwood	For
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

- 10. Receive and discuss the CEO's report on current District activities, including (a) updates on District staff activity; (b) updates on District contracts and related activities.** (9:45 a.m.)

**Clerk's Notes:** Ms. Young presented the staff report and noted that the staff has been engaged primarily in year-end activities. Ms. Young introduced the newest staff member to the District, Michael Podojil, Senior Healthcare Planner.

- 11. Receive and discuss reports from all Board committees: Audit Committee, Care Delivery Committee, Budget and Finance Committee, Legislative Committee (including a report from HillCo Partners, the District's legislative consultant, on current and anticipated legislative and state agency activities), Liaison Committee, Mental Health Committee, Personnel Committee, and Strategic Planning Committee.** (11:56 a.m.)

**Clerk's Notes:**

The Care Delivery Committee had a productive meeting discussing the creation of performance measures for contracted healthcare providers.

The Budget and Finance Committee is reviewing City of Austin year-end financials, transferring of purchasing responsibilities to the District, the lease of the Northeast Clinic, and the reserves policy.

Marsha Jones, Consultant, HillCo Partners, presented the legislative report. There has been recognition by the legislature that healthcare providers have not seen an increase in their rates since the early 1990s. To maintain care to the indigent, there must be an increase in payments to providers. The government is looking at why they are paying different fees for similar services at different hospitals. The Code Red Commission is seeking outside counsel on a mechanism for funding the uninsured.

The Mental Health Committee did not meet this month.

The Personnel Committee has not met since last Board meeting and is continuing to work with Ray Associates.

The Strategic Planning Committee reviewed the Provisional Strategic Plan that was adopted earlier in the meeting.

- 12. Confirm the next regular Board meeting date, time, and location.** (12:07 p.m.)

**Clerk's Notes:** The next regular meeting of the Board of Managers for the Travis County Healthcare District will be held on Friday, December 15, 2006 at 11:00 a.m.

in the Board Room at the Cesar Chavez Building, 1111 East Cesar Chavez, Austin, Texas 78702.

The meeting adjourned at 12:10 p.m. following a **motion made** by Manager Patrick and **seconded by** Vice-Chairperson Coopwood. The motion passed on the following vote:

Chairperson Clarke Heidrick	For
Chairperson-Elect Carl S. Richie, Jr.	Absent
Vice-Chairperson Tom Coopwood	For
Secretary Rose Lancaster	For
Treasurer Rosie Mendoza	For
Manager Bobbie Barker	For
Manager Donald Patrick	For
Manager Frank Rodriguez	For
Manager Eduardo Sanchez	Absent

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Clarke Heidrick, Chairperson  
Travis County Healthcare District Board of Managers

ATTESTED TO BY:

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Rose Lancaster, Secretary  
Travis County Healthcare District Board of Managers