

AGENDA



Thursday, November 8, 2007

**Community Care Services
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 13

Subject: Approve negotiation and execution of a Renewal of and Sixth Amendment to the Interlocal Agreement with the Travis County Healthcare District ("District") for a one-year term for the continued operation of the community health clinic system by the Community Care Services Department (CCSD) and continued management by the City of the District's medical assistance programs, charity care programs and related matters. The amendment will also increase the monthly payments made to City by District, change certain provisions regarding release of information to District, and authorize the administrative approval during Fiscal Year 2007-2008 of certain additional clinic services, and adjustments in the number of CCSD FTEs, as well as corresponding adjustments in monthly payments by District.

Amount and Source of Funding: Funding sufficient to satisfy all City obligations under the interlocal agreement will be available in the net transfer of funds from the Travis County Healthcare District to the City of Austin in Fiscal Year 2007-2008.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Phil DeFalco, CCSD Financial Manager/972-4022; Debra Hedges, CCSD Chief Administrative Officer/972-4045

Prior Council Action: 09/13/04 Council authorized negotiation and execution of an interlocal agreement with the District.
 08/04/05 Council approved negotiation and execution of the first amendment to the interlocal agreement with the District.
 09/12/05 Council authorized negotiation and execution of a renewal of and second amendment to the interlocal agreement with the District.
 04/06/06 Council authorized negotiation and execution of the third amendment to the interlocal agreement with the District.
 09/28/06 Council authorized negotiation and execution of a renewal and fourth amendment to the interlocal agreement with the District.
 08/30/07 Council authorized execution of the fifth amendment to the interlocal agreement with the District.

On May 15, 2004, the voters of Travis County approved the creation of the Travis County Hospital District, now called the Travis County Healthcare District (District). The governing statute, Chapter 281 of the Texas Health and Safety Code, required the transfer of certain property and operations of the City and County to the District, so that the powers of the District could be implemented. The District assumed responsibility for funding and providing medical and hospital care for indigent and needy persons within Travis County. The interlocal agreement between the City and the District provides that the City's Community Care Services Department operate the Community Health Center Clinics (FQHCs), as well as provide the management and administration of the Medical Assistance Program and the administration of certain community health care contracts. The District funds the budget of the Community Care Services Department.

The interlocal agreement has been renewed and/or amended five times to adjust the monthly payments made by the District or to address additional services. This item requests authority to negotiate and

execute a renewal of and sixth amendment to the interlocal agreement between the City and the District. A copy of the amendment is attached.

During the term of this renewal, the City and District anticipate that CCSD will provide additional services at certain current FQHC clinics, and obtain federal approval to help fund and operate two additional FQHC clinics. Both of these activities will require additional CCSD FTEs, and funding for the new FTEs is included in the monthly Service Payments to be made by District, as set forth in Section 6 of the amendment. In addition, the District may hire certain CCSD Medical Assistance Program employees in FY 2008, and create new positions when CCSD vacancies occur in the Medical Assistance Program. If positions are transferred to the District, creating FTE vacancies in CCSD, the parties will need to decrease District Service Payments to City.

The amendment would increase Service Payments to the City for the period October 1, 2007 through September 30, 2008, authorize the release of additional information to the District, and authorize the Assistant City Manager or the Chief Financial Officer to administratively agree with the District to add up to 34.5 CCSD FTEs, as described in Exhibit K, and to reduce Service Payments as City Medical Assistance Program positions are eliminated, without making further amendments to the interlocal.

Budget amendments will be brought to City Council as needed to address additional City expenditures that result from these changes.