



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 21  
AGENDA DATE: Mon 09/13/2004  
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**SUBJECT:** Approve an ordinance authorizing the negotiation, execution and delivery of all documents necessary to transfer ownership of Brackenridge Hospital including Children's Hospital, to the Travis County Hospital District; repealing Articles 30 and 36 of Title 2-1 of the City Code relating to the Hospital Services Oversight Committee and the Medical Assistance Program and Rural Medical Assistance Program Joint Advisory Board, and authorizing other action prescribed by state law.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING Law  
DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION: Sally Henly**

**FOR MORE INFORMATION CONTACT:** Trish Young, 974-4059; Sally Henly, 974-2667

**PRIOR COUNCIL ACTION:** 8/02/04 Travis County Hospital District Board of Managers qualified and began service.

5/25/04 Travis County Commissioners Court canvassed the votes creating the Hospital District.

5/15/04 Travis County voters approved the creation of the Travis County Hospital District.

12/5/03 The City and University of Texas Medical Branch at Galveston entered into a lease of the 5th floor Austin Women's Hospital.

11/21/03 City and Seton enter into the Second Amendment to the Seton lease of Brackenridge Hospital agreeing to Seton's building a new Children's Hospital at the former Robert Mueller Municipal Airport site.

6/12/03 Council authorized negotiation and execution of the Second Amendment to Seton Lease.

2/11/02 Council approved the First Amendment to the Seton lease of Brackenridge Hospital to establish a new women's hospital on the 5th floor and established a governing board.

9/29/95 Lease of Brackenridge Hospital to Seton executed.

5/25/95 Council approved negotiation and execution of lease of Brackenridge Hospital to Daughters of Charity Health Services of Austin, d/b/a Seton Medical Center.

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** N/A

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On May 15, 2004, the voters of Travis County approved the creation of the Travis County Hospital District. The governing statute, Chapter 281 of the Texas Health and Safety Code, requires the transfer of certain property and operations, so that the powers of the Hospital District can be implemented. The



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Hospital District assumes ownership of Brackenridge Hospital, assumes responsibility for funding and providing medical and hospital care for indigent and needy persons within Travis County and is authorized to levy property taxes in an amount up to 25 cents on each \$100 of the taxable value of property taxable by the district.

In addition to the transfer of the Brackenridge Hospital real property and improvements, the City's rights and obligations under the Seton lease and UTMB leases also transfer to the District. At a future date, the Community Health Centers (Federally Qualified Health Center) stand-alone facilities and operations may also transfer, but only upon a finding of the Hospital District Board of Managers that the FQHC status will not be impaired by the transfer. City-owned Brackenridge Hospital system records, City clinic medical services equipment and outstanding health care contracts related to support and operation of hospital facilities and the obligation to fund and provide health care services or hospital care, including mental health care, for indigent and needy residents also transfer.

**Transfer of Funds**

Regarding the transfer of funds, the statute provides for the transfer of "all unexpended joint or separate county and municipal funds that have been established or appropriated by the county or municipality to support and maintain the hospital facilities for the year in which the district is created, to be used by the district to operate and maintain those facilities for the remainder of the year." Additional funds may be transferred to the District for a public purpose of the City. The City would enter into an Interlocal Agreement with the District setting out the terms for the expenditure of the funds and ensuring that such City public purposes are met.

**Interlocal Agreement**

By separate action item on today's agenda, the Council is asked to approve negotiation and execution of an Interlocal Agreement with the Hospital District for the City to continue to operate the City and County Community Health Center Clinics, as well as provide contract management of the Seton and UTMB leases, the management and administration of the Medical Assistance Programs and certain community health care contracts. The Hospital District will pay for these services to be provided by the City. The Interlocal Agreement will also address the transfer of funds described above.

**Hospital Services Oversight Committee and MAP Board**

Article 30 of Chapter 2-1 of the City Code created the Hospital Services Oversight Committee. The Committee was initially created in 1995 to advise the City regarding the performance of Seton, in providing certain health care services at Brackenridge Hospital. The ordinance was amended in 2003 to create a Subcommittee to oversee the services at the Austin Women's Hospital. Shortly after the amendment, the City leased the Austin Women's Hospital to the University of Texas Medical Branch at Galveston (UTMB). The creation of the Travis County Hospital District and the transfer of Brackenridge Hospital, as well as the Seton and UTMB leases, to the Hospital District negates the need for this Committee. This ordinance will repeal the Committee.

Article 36 created the Medical Assistance Program and Rural Medical Assistance Program Joint Advisory Board to advise the City Council and the Travis County Commissioners Court about issues related to each entity's respective Medical Assistance Program. These programs will be the responsibility of the Travis County Hospital District, and a City and County-appointed advisory committee for MAP is no longer



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