



**Interlocal Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 19  
**AGENDA DATE:** Mon 09/13/2004  
**PAGE:** 1 of 3

**SUBJECT:** Approve negotiation and execution of an Interlocal Agreement with Travis County for reimbursement to the County for: 1) the salaries and benefit's of six (6) County employees performing services for the Medical Assistance Program on behalf of the Travis County Hospital District and 2) facility support services for certain Travis County Hospital District Clinics.

**AMOUNT & SOURCE OF FUNDING:** Payment from City of Austin Interlocal Agreement with Travis County Hospital District.

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

**REQUESTING** Community Care  
**DEPARTMENT:** Services

**DIRECTOR'S**  
**AUTHORIZATION:** Trish Young

**FOR MORE INFORMATION CONTACT:** Trish Young, 972-4050; Sally Henly, 974-2667

**PRIOR COUNCIL ACTION:** 7/29/04 Travis County Hospital District Board of Managers appointed.

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 Second Amendment Seton lease of Brackenridge Hospital agreeing to Seton's building a new former Robert Mueller Municipal Airport site.

06/12/03 Council authorized negotiation and execution of the Second Amendment to Seton lease.

6/12/03 Council approved the Second Amendment to the Seton lease of Brackenridge Hospital agreeing to the move of Children's Hospital to the former Robert Mueller Municipal Airport site.

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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**BACKGROUND**



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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 of the City and County, so that the powers of the Hospital District can be implemented. The 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 provision of health care services or hospital care, including mental health care, for indigent residents also transfer.

By separate action item on today's agenda, the Council is asked to approve negotiation and execution of an Interlocal Agreement between the City of Austin and the Travis County Hospital District for the City's Community Care Services Department to operate the Community Health Center Clinics (FQHCs), as well as provide the contract management of the Seton and UTMB leases and the management and administration of the City and County Medical Assistance Programs and certain related community contracts. Under that Interlocal Agreement, the Hospital District will reimburse the City for amounts paid to the County under the City/Travis County Interlocal Agreement.

**THIS ACTION**

This action authorizes the City Manager to negotiate and execute an interlocal agreement with Travis County to reimburse Travis County for the salaries and benefits of County employees who perform services for the Medical Assistance Program, which will be managed by the City's Community Care Services Department on behalf of the Hospital District. The Department will directly supervise these staff, and will be reimbursed for their salaries and benefits by the TCHD.

Additionally, Travis County will continue to provide facilities support services for certain of the Travis County Hospital District clinics. The costs of such support is likewise included in the District approved budget to be paid to the City as part of the Hospital District interlocal agreement, which will in turn be paid to the County.

This interlocal agreement between the City and Travis County is proposed to commence on October 1, 2004 for a one-year term, which term may be extended by mutual agreement, and subject to the City's Interlocal Agreement with the Travis County Hospital District remaining in effect. The annual payment for this interlocal agreement with Travis County will be based on the annual budget approved by the Travis County Hospital District and agreed to by the City as set forth in the Interlocal Agreement between the City of Austin and the Travis County Hospital District.



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