



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

AGENDA ITEM NO.: 20
AGENDA DATE: Mon 09/13/2004
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SUBJECT: Approve negotiation and execution of an Interlocal Agreement with the Travis County Hospital District for the transfer of certain contracts, records, funds, and clinic medical services equipment from the City to the District; the lease of certain mixed-use Community Health Center Clinic facilities to the District; and the operation by the City of the Community Health Center clinic system, management of the lease of Brackenridge Hospital by the Daughters of Charity Health Services of Austin d/b/a Seton Healthcare Network, and the management of the lease of the Austin Women's Hospital by The University of Texas Medical Branch at Galveston, and the administration of the Medical Assistance Programs, charity care programs and certain healthcare community contracts.

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

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, 974-4050; 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 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, the Seton lease of Brackenridge Hospital, the Seton Ancillary Services Agreement and the UTMB lease of Austin Women's Hospital also transfer to the District. At a future date, the Community Health Centers (Federally Qualified Health Center (FQHCs)) stand-alone (solely used for clinic functions) facilities 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 of the operations and facilities. The following also transfer now: City-owned Brackenridge Hospital system records; City clinic medical services equipment; outstanding health care contracts related to support and operation of healthcare and hospital facilities and the obligation to fund and provide health care services or hospital care, including mental healthcare, for indigent and needy residents.

This item requests Council approval for negotiation and execution of an Interlocal Agreement with the Hospital District. The Interlocal Agreement would provide that the City's Community Care Services Department operate the Community Health Center Clinics (FQHCs), as well as provide the contract management of the Seton and UTMB leases, the management and administration of the Medical Assistance Programs and certain health care community contracts. The mixed-use Clinic facilities will also be leased to the District, with the City continuing to provide the clinic services in the clinic portion and using the remainder of the facility for other City functions. The Hospital District will pay the City for the services provided under the Interlocal.

The Interlocal Agreement also addresses the transfer of funds to the District. The funds transfer will be presented to the City Council for approval at a later date.

Additionally, the City will serve as paying agent for the Hospital District for disbursements for the initial one-year term. The City would provide routine procurement, hiring and contracting related to the above services. Current City employees will remain City employees. Funding for six current Travis County employees will be provided to the City in the Hospital District budget (See related item on today's agenda).

The services to be provided will begin on October 1, 2004, for a one year term, which term may be extended by mutual agreement.