



Item #6

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

**AGENDA DATE: 4/6/2006
ITEM NO:**

Subject: Authorize negotiation and execution of the Third Amendment to the Interlocal Agreement between the City of Austin and the Travis County Hospital District (District) to allow for additional payment to the City for reimbursement to Travis County for clinic and personnel expenses (\$5,794.00), to reduce Service Operating Payment amounts to the City for the remainder of the current contract term (\$1,432,333.43 per month - March 2006 to September 2006), and to authorize additional reductions in Service Operating Payments upon the assignment of contract payment obligations from the City to the District (amounts to be determined upon assignment).

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 Hospital District to the City of Austin in Fiscal Year 2005-2006.

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

Requesting Department: CCSD

For More Information: Phil DeFalco, Financial Manager/972-4022; Debra Hedges, CAO/972-4045

Prior Council Action: On September 13, 2004, Council authorized negotiation and execution of an interlocal agreement with Travis County Hospital District. On August 4, 2005, Council approved negotiation and execution of the first amendment to the interlocal. On September 12, 2005, Council authorized negotiation and execution of a renewal of and second amendment to the interlocal agreement.

Boards and Commission Action:

Purchasing Language:

MBE/WBE:

On May 15, 2004, the voters of Travis County approved the creation of the Travis County Hospital 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 Hospital 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 (FQHC's), as well as provide the contract management of the Seton and UTMB leases, the management and administration of the Medical Assistance Programs and the Administration of certain community health care contracts. The District pays the City for services provided under the interlocal. The First Amendment, effective March 1, 2005, adjusted Service Operating Payments to reflect pay increases, describe telecommunications support and amend the notice provision. The Second Amendment, effective October 1, 2005, renewed and extended the Agreement for another year and adjusted Service Operating Payments for the new fiscal year, addressed additional computer and telecommunications support and recognized the disposition of certain Capital Improvements Projects (CIP) funds upon termination of the Agreement.

This item requests negotiation and execution of the Third Amendment to the Interlocal Agreement between the City and the District to amend Service Operating Payments to the City for the remainder of the current term, which ends on September 30, 2006. The amendment is needed so the District can pay \$5,794.00 for additional reimbursement of Travis County employee expenses. There are currently five Travis County employees who provide services to the Community Care Services Department through an Interlocal Agreement between the City and Travis County.

The amendment is also needed to decrease the amount of monthly Service Operating Payments to be made by the District to the City from March through September 2006 by \$1,432,333.43 per month, to reflect the termination of a Seton Medical Assistance Provider contract with the City. The District is now responsible for the Seton Medical Assistance Provider contract.

The amendment would also authorize reduction in Service Operating Payments upon the assignment of additional contracts from the City to the District during the remainder of this fiscal year, any such reductions to be effective upon the date that the contract payment obligations transfer from the City to the District.