

June 2, 2017

The Honorable Ora Houston  
Austin City Council  
P.O. Box 1088  
Austin, TX 78767

*Via email*

Dear Council Member Houston:

Thank you for your request for additional information related to potential conflicts of interest that the Division Controller for the HCA Central & West Texas Division, may face if appointed to the Central Health Board of Managers. I appreciate the time and care you and your colleagues have devoted to this important appointment. It is my hope that the additional information I am providing about the operations and structure of Central Health demonstrates the potential challenges inherent to this appointment.

I believe the information included is comprehensive and it is being shared with you in order to provide you with the necessary context to determine whether the appointment of the Division Controller for HCA poses a conflict. Regardless of our best efforts, Central Health is in an unusual situation and we hope that the following information is taken in an appropriate context. Trying to assess potential conflicts of interest for a manager is not a comfortable position for the organization and our board.

Attached, you will find several documents in response to your request:

- First, I have attached a memorandum which addresses your questions. The memorandum includes a table that outlines each agenda item that the Division Controller for HCA/St. David's might have been required to recuse herself from in the past year. The table also includes an explanation of the potential conflict. Given the competitive nature of our provider contracts, the reserve powers of the Central Health Board of Managers—which is when a decision requires a majority vote of the Central Health Board of Managers for an affiliated entity—conflicts of interest are likely to occur on matters outside of those specific to HCA/St. David's.
- Second, I have attached additional background information on Central Health's organization and unique partnerships to better highlight why conflicts are likely to occur even if the agenda item is not specific to HCA/St. David's.
- Third, I have attached the agendas cited in the memorandum for your information.

- Finally, attached is the Central Health budget. The budget clearly highlights likely conflicts of interest.

As you know, Central Health is the Travis County Healthcare District—it is not a hospital district. Central Health is the only major urban healthcare district in Texas, with the exception of Corpus Christi’s hospital district, that does not operate the public safety-net hospital. Our safety-net hospital is operated by the non-profit Seton Healthcare and this arrangement has been in place since the Austin City Council partnered with Seton in 1995 to ensure the provision of hospital-based medical care to the residents of Travis County. This public-private partnership has afforded the residents of Travis County access to a Level 1 Trauma Center and also the lowest tax rate of any major hospital district in Texas. But, the non-profit Seton Healthcare, still must directly compete with HCA/St. David’s, the only other hospital operator in the county.

Even if the Travis County Healthcare District operated its own hospital, it would be unprecedented and unconventional for the appointment of a private hospital executive to its board. No other major healthcare or hospital district in Texas has this arrangement. HCA/St. David’s is an investor-owned and community foundation partnership that makes significant profit from the commercially-insured patients that make the majority of their patient population. We recognize the significant contribution both HCA and the St. David’s Foundation make to our community. However, as the primary provider of hospital care to the under and uninsured residents of Travis County, the non-profit Seton Healthcare contribution to our community’s healthcare safety-net must be recognized and protected.

Central Health is committed to creating a model health community—where health disparities are eliminated, and residents can access quality preventive health care long before costly emergency room interventions. Seton Healthcare has played an integral role in crafting and promoting this vision all while providing care to our low income residents. Central Health is working to transform the delivery of health care and improve health outcomes, while managing increasingly escalating costs, through the Community Care Collaborative.

The Community Care Collaborative (CCC) is a 501 c (3) partnership, owned by Central Health and the Seton Healthcare. The partnership was formed to create an integrated delivery system—one system of care that better manages care in both hospital and clinic based settings to improve the health of the people we serve. HCA/St. David’s was, and continues to be invited, to participate in the development of the CCC and an integrated delivery system for the low-income, under and uninsured residents of Travis County we serve. However, the CCC’s founding documents require that all members contribute resources and assume substantial risk in serving the residents of Travis County who rely on the public safety-net. To date, HCA/St. David’s has not been willing to contribute or accept this risk, but is always welcome as a full partner, with representation on the CCC board of directors, should they agree to the terms of the partnership.

As the majority partner of the CCC, the Central Health Board of Managers has an oversight role, which includes approving contracts with providers, many of them affiliated with HCA/St. David's or Seton Healthcare. Other reserve powers of the Central Health Board of Managers include approving the CCC budget, which may propose a conflict of interest for the Division Controller for HCA/St. David's.

In addition to the oversight guaranteed to it by the CCC bylaws, the Central Health Board of Managers also approves the budget and significant decisions of our wholly-owned Health Maintenance Organization, Sendero Health Plans. Sendero is both a Medicaid Managed Care Organization (MCO) that competes with commercial providers to care for State of Texas enrollees in CHIP and Medicaid and a provider of individual insurance on the Healthcare Marketplace. Both the MCO and marketplace networks include HCA/St. David's and Seton Healthcare. Given the competitive, proprietary nature of this business, it is highly likely that all aspects of Sendero's business pose a significant conflict for the Division Controller for HCA/St. David's.

I hope this information is helpful to you and the rest of the Council as you continue to deliberate this appointment. Should you have any additional questions, please do not hesitate to contact me.

Sincerely,



Katrina Daniel  
Chair, Central Health Board of Managers

Enclosures: Memorandum from Katrina Daniel  
Requested Central Health Board meeting materias  
Central Health and CCC Budgets

CC: Mayor Steve Adler  
Austin City Councilmembers

## Memorandum

To: Council Member Ora Houston  
From: Katrina Daniel, Chair, Central Health Board of Managers  
Date: June 2, 2017  
Subject: Response to follow-up request for information regarding potential conflicts of interest

*Question: With a full complement of Managers, is voting done by a simple majority? Would a 'super-majority' ever be required? If so, when?*

Response:

The Central Health Board of Managers conducts business through majority voting. A super majority of the board is not required to conduct Central Health business. But, please note that as a political subdivision of the State of Texas, Central Health is required to comply with the Open Meetings Act. Under the Open Meetings Act, a quorum of the board must be present to convene a meeting including board committee meetings. The Central Health Board of Managers and the Budget and Finance Committee can convene with either a quorum of the committee (three of the four appointed managers) or a quorum of the full board (five of the nine members). Should a Board or a Budget and Finance Committee convene with only the minimum number of managers necessary and a manager should have to recuse his or herself, the quorum of the Board or committee would be broken, and the meeting would end before business could be conducted or considered.

Given the fact that the Board of Managers is a board of volunteers and establishing a quorum is (and has previously proven) difficult event with a full complement of managers, of the Division Controller for HCA were appointed to serve on the Board of Managers, logistical problems would likely arise whenever such person needed to recuse him/herself from the Board or committee meeting due to a conflict.

*Question: Please provide 10 of the most recent agenda and highlight on each agenda which item(s) a recusal would be required and why?*

Response:

Please see Attachment A for recent agenda items that could require recusal. Below are general categories of items that come before the Central Health Board of Managers with a description of why recusal may be necessary.

- CCC – General Oversight
  - Central Health is the majority owner of the CCC. The CCC bylaws set forth many reserved powers of the Central Health Board of Managers in governing decisions made by the CCC. These include the adoption of the CCC business and strategic

plan, determination of the population to be served by the CCC, approval of future Delivery System Reform Incentive Payments projects to be funded, managed, or implemented by the CCC, election and removal of officers and the designation of such officers, and the approval of the coordination and funding of the FQHC system. Seton is currently the single minority partner in the CCC. Setting the strategic vision and being involved in business discussions could give unfair advantage to a HCA/St. David's employee. Also, any time that HCA/St. David's is a provider of a contract, a recusal would be expected to ensure public trust.

- CCC Contracts over \$100K
  - The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts can and have been awarded to HCA/St. David's providers or facilities and its competitors and were the Division Controller for HCA/St. David's to participate in the vote or discussion on these contracts, their approval and execution would be subject to legal challenge.
  
- CCC Contracts with Seton
  - Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor HCA/St. David's, these items pose a conflict—whether perceived or actual—for the Division Controller for HCA/St. David's.
  
- DSRIP Payments
  - Delivery System Reform Incentive Projects (DSRIP) allow states to reward eligible hospitals and providers for meeting performance milestones on defined health care delivery transformation and improvement projects. DSRIP is financed by both local and federal funds. The federal funding is through the State of Texas' Federal 1115 Medicaid Waiver.
  - Central Health provides a local funding match to HCA/St. David's in order to draw down federal incentive payment dollars.
  - Moreover, because a provider's receipt of these dollars is conditioned upon the provider meeting certain performance metrics, managers on the Central Health Board are privy to information about a participating provider's system operations. The CCC is a participating provider and the appointment of the Division Controller for HCA/St. David's would be problematic because he or she would be exposed to the confidential information of the only other hospital operator in Travis County.

- Intergovernmental Transfer
  - Almost half of Central Health’s budget is dedicated to drawing down federal funds to help offset the cost of unreimbursed care provided in hospital emergency rooms and hospital facilities.
  - Central Health sends local taxpayer dollars to leverage more federal funds and to support the emergency rooms at St. David’s Central, St. David’s North, and St. David’s South.
  - In state fiscal year 2015, Central Health leveraged over \$11 million of local Travis County residents’ tax dollars to bring back over \$30 million dollars of federal dollars for St. David’s.
  - The federal agency that oversees the intergovernmental transfer, the Centers for Medicare and Medicaid (CMS), stipulates that the local match must be free and clear of any undue influence.
  - For this reason, it would put Central Health in a precarious regulatory situation were the City to appoint a manager who is employed by either one of the two hospital operators in Travis County.

Component Entities:

- CommUnityCare
  - CommUnityCare (CUC), our Federally Qualified Health Center (FQHC) system, relies on funding from Central Health to provide a primary care medical home to many of the people we serve. These funds are approved by the Central Health Board of Managers in both the Central Health and the Community Care Collaborative budgets. CUC can has contracted for limited specialty care in facilities and from providers affiliated with HCA/St. David’s.
- Sendero
  - The Central Health Board of Managers approves the budget and significant decisions of our wholly-owned community based health plan, Sendero Health Plans. Sendero is both a Medicaid Managed Care Organization that competes with commercial providers to care for State of Texas enrollees in CHIP and Medicaid and a provider of individual insurance on the Healthcare Marketplace. Both networks include HCA/St. David’s and Seton Healthcare Family. All information with the exception of the required public filing to the Texas Department of Insurance related to Sendero is protected as proprietary and competitive.
  - Sendero must actively negotiate reimbursement rates for every single provider, including hospital care rates provided by HCA/St. David’s for both managed care members as well as individual marketplace members.
  - Financial statements are reviewed monthly by the Central Health Board of Managers that provide proprietary and competitive information.
  - Given the instability and uncertainty in the individual health insurance market, any insights or planning shared with any Manager with a direct financial interest in a hospital operator would represent an unfair competitive advantage.

*Question: In addition, please provide a copy of the current detailed budget adopted by the Board of Managers and highlight which items would have cause a conflict of interest, with a notation of the reason for the conflict.*

Response:

The Central Health Board of Managers considers, discusses and approves the Central Health budget on an annual basis. The Board must also approve any budget amendments that occur during the fiscal year. All contracts over \$100,000 come before the Budget and Finance Committee and the full Board of Managers. In addition, as previously mentioned, the Central Health Board of Manager holds reserved powers to approve the annual operating and capital budgets for the Community Care Collaborative (CCC) and Sendero Health Plans. Budget amendments and some contracts come before the Central Health Board of Managers too. Since the Central Health Board of Managers has direct oversight of these two additional budgets and discussion and voting on both budgets could pose conflicts of interest for an HCA/St. David's employee, we have included them in Attachment B.

Meeting Date	Meeting	Agenda Item	Reason for Conflict
June 22, 2016	Board of Managers	C8: Approve the assignment of the OnRamp Access, LLC agreement to Central Health and subsequent sublicense agreement with the Community Care Collaborative, as recommended by the Budget and Finance Committee.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.
June 22, 2016	Board of Managers	C7: approve and direct the Central Health appointees to the Community Care Collaborative Board of Directors to approve an agreement with Seton Healthcare Family for endocrinology services in an amount not to exceed \$21,600 and for gastroenterology services in an amount not to exceed \$645,457 on terms similar to those presented by staff or on terms more favorable to the CCC as recommended by the Budget and Finance Committee.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose an inherent conflict for Ms. Oliver.
June 22, 2016	Board of Managers	1: Receive and discuss an update on CommUnity Care.	This agenda item included discussion on DSRIP. Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met. Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds. The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.



June 22, 2016	Board of Managers	5. Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met. Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds. The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.
July 27, 2016	Board of Managers	C5: Approve and direct the Central Health appointees to the Community care Collaborative Board of Directors to approve an agreement for a neurology pilot program with Seton Healthcare Family in an amount not to exceed \$25,000 on terms similar to those presented by staff or on terms more favorable to the CCC, as recommended by the Budget and Finance Committee.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose an inherent conflict for Ms. Oliver.
July 27, 2016	Board of Managers	Approve and direct the Central health appointees to the Community care Collaborative Board of Directors to approve an amendment to the agreement with Management Information Analysis for data analytics and reporting services to increase funding by \$50,000 for a total not to exceed amount of \$129,214 as recommended by the Budget and Finance Committee.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.
July 27, 2016	Board of Managers	2: Receive and discuss a presentation on Central Health and the Community Care Collaborative's Fiscal Year 2017 proposed budget.	Please see Attachment B.

August 17, 2016	Board of Managers	C5: Approve and direct the Central Health appointees to the Community care Collaborative Board of Directors to approve an agreement for data integration services with Pentaho in an amount not to exceed \$249, 180.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.
August 17, 2016	Board of Managers	3: receive and discuss a representation of community care collaborative's proposed Fiscal year 2017 budget.	Please see Attachment B.
August 31, 2016	Board of Managers	4: Discuss and take appropriate action on the 1115Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met. Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds. The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.
September 14, 2016	Board of Managers	3:Discuss and take appropriate action on Central health's proposed Fiscal Year 2017 budget.	Please see Attachment B.
September 14, 2016	Board of Managers	6: Discuss and take appropriate action regarding the Community Care Collaborative's Fiscal Year 2017 budget.	Please see Attachment B.
September 21, 2016	Board of Managers	2:Receive and discuss a report of the August 2016 financial statements for Central Health.	Please see Attachment B.
September 21, 2016	Board of Managers	3:Receive and discuss a report of the August 2016 financial statements for the Community Care collaborative.	Please see Attachment B.

September 21, 2016	Board of Managers	6: Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
October 26, 2016	Board of Managers	C6: Approve and direct the Central Health appointees to the Community Care Collaborative Board of Directors to approve an agreement for orthopedic services with Seton Healthcare Family in an amount not to exceed \$1.3 million and with Texas Physical Therapy Specialists, Inc. in an amount not to exceed \$200,000, as recommended by the Budget and Finance Committee.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.
October 26, 2016	Board of Managers	C7: approve and direct the Central Health appointees to the Community Care Collaborative Board of Directors to approve a six month extension of the third party administrator agreement between the Community Care Collaborative and Seton Health Plans, Inc. in an amount not to exceed \$350,000, as recommended by the Budget and Finance Committee.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.

<p>October 26, 2016</p>	<p>Board of Managers</p>	<p>C10: Approve and direct the Central Health appointees to the Community Care Collaborative Board of Directors to approve the Community Care Collaborative's Delivery System Reform Incentive Payment (DSRIP) projects contract authorization for Demonstration Year 6 (DY6) with El Buen Samaritano, CommUnityCare, Lonestar Circle of Care, and United Way in an amount not to exceed \$17,712,926, as recommended by the Budget and Finance Committee.</p>	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
<p>October 26, 2016</p>	<p>Board of Managers</p>	<p>C8: Approve Central Health's Delivery System Reform Incentive Payment (DSRIP) projects contract authorization for Demonstration Year 6 (DY6) with Planned Parenthood in an amount not to exceed \$1,226,600 and with the City of Austin in an amount not to exceed \$441,073, as recommended by the budget and finance committee.</p>	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met. Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>

<p>October 26, 2016</p>	<p>Board of Managers</p>	<p>C9: Approve and direct the Central Health appointees to the Community Care Collaborative Board of Directors to approve the Community Care Collaborative's Delivery System Reform Incentive Payment (DSRIP) projects contract authorization for Demonstration Year 6 (DY6) with People's Community Clinic in an amount not to exceed \$844,250 as recommended by the Budget and Finance committee.</p>	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
<p>November 22, 2016</p>	<p>Board of Managers</p>	<p>7: Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.</p>	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>

December 7, 2016	Board of Managers	12: Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
December 21, 2016	Board of Managers	12: Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>

February 22, 2017	Board of Managers	C6: Approve and direct the Central health appointees to the Community care Collaborative Board of Directors to approve an agreement for hospice services between the CCC and Hospice Austin in an amount not to exceed \$322,592, as recommended by the Budget and Finance Committee.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.
February 22, 2017	Board of Managers	1: Receive and discuss a quarterly update on the Community Care Collaborative (CCC) initiatives.	Central Health is the majority owner of the CCC. The CCC bylaws state the many reserved powers of the Central Health Board of Managers in governing decisions made by the CCC. These include the adoption of the CCC business and strategic plan, determination of the population to be served by the CCC, approval of future Delivery System Reform Incentive Payments (DSRIP) projects to be funded, managed, or implemented by the CCC, and election and removal of officers and designation of such officers, and the approval of the coordination and funding the FQHC system. All of these items may pose a conflict of interest for an HCA/St. David's employee
February 22, 2017	Board of Managers	2: Discuss and take appropriate action on a third party administrative agreement between the Community Care Collaborative and Seton Health Plan, Inc. for medical claims processing.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose a conflict for Ms. Oliver.
March 29, 2017	Board of Managers	C5: Approve and direct the Central health appointees to the Community care Collaborative Board of Directors to approve an agreement for pain management services between the CCC and Seton HealthCare Family, inc. in an amount not to exceed \$125,000 as recommended by the Budget & Finance Committee.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose a conflict for Ms. Oliver.

March 29, 2017	Board of Managers	C6: Approve and direct the Central health appointees to the Community care Collaborative Board of Directors to approve an agreement for virtual urgent care services between the CCC and Seton HealthCare Family, inc. in an amount not to exceed \$50,000 as recommended by the Budget & Finance Committee.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose a conflict for Ms. Oliver.
March 29, 2017	Board of Managers	5: Discuss and take appropriate action on the 1115Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met. Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds. The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.
May 3, 2017	Board of Managers	6. Receive, discuss and take appropriate action on the Fiscal Years 2018-2020 Community Care Collaborative Strategic Plan.	Central Health is the majority owner of the CCC. The CCC bylaws state the many reserved powers of the Central Health Board of Managers in governing decisions made by the CCC. These include the adoption of the CCC business and strategic plan, determination of the population to be served by the CCC, approval of future Delivery System Reform Incentive Payments (DSRIP) projects to be funded, managed, or implemented by the CCC, and election and removal of officers and designation of such officers, and the approval of the coordination and funding the FQHC system. All of these items may pose a conflict of interest for an HCA/St. David's employee.



May 18, 2016	Budget & Finance	4: Discuss and take appropriate action on a license agreement with Seton Healthcare Family d/b/a Insure-A-Kid Program for Obstetrics navigation and enrollment services at the Central Health Southeast Health and Wellness Center.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose a conflict for Ms. Oliver.
May 18, 2016	Budget & Finance	5: Discuss and take appropriate action on health care contracts for the Community Care Collaborative related to specialty care, post-acute care, and urgent care services.	Central Health is the majority owner of the CCC. The CCC bylaws state the many reserved powers of the Central Health Board of Managers in governing decisions made by the CCC. These include the adoption of the CCC business and strategic plan, determination of the population to be served by the CCC, approval of future Delivery System Reform Incentive Payments (DSRIP) projects to be funded, managed, or implemented by the CCC, and election and removal of officers and designation of such officers, and the approval of the coordination and funding the FQHC system. All of these items may pose a conflict of interest for an HCA/St. David's employee.
May 18, 2016	Budget & Finance	9: Discuss and take appropriate action on the 1115Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met. Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds. The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.

June 15, 2016	Budget & Finance	3: Discuss and take appropriate action on health care contracts for the Community Care Collaborative related to specialty care services.	Central Health is the majority owner of the CCC. The CCC bylaws state the many reserved powers of the Central Health Board of Managers in governing decisions made by the CCC. These include the adoption of the CCC business and strategic plan, determination of the population to be served by the CCC, approval of future Delivery System Reform Incentive Payments (DSRIP) projects to be funded, managed, or implemented by the CCC, and election and removal of officers and designation of such officers, and the approval of the coordination and funding the FQHC system. All of these items may pose a conflict of interest for an HCA/St. David's employee.
July 20, 2016	Budget & Finance	2: Receive and discuss a quarterly update from CommUnityCare and a presentation on CommUnityCare's Fiscal Year 2017 proposed budget.	<p>This agenda item included discussion on DSRIP. Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
July 20, 2016	Budget & Finance	4: Discuss and take appropriate action on an agreement for specialty care services for the Community Care Collaborative.	Central Health is the majority owner of the CCC. The CCC bylaws state the many reserved powers of the Central Health Board of Managers in governing decisions made by the CCC. These include the adoption of the CCC business and strategic plan, determination of the population to be served by the CCC, approval of future Delivery System Reform Incentive Payments (DSRIP) projects to be funded, managed, or implemented by the CCC, and election and removal of officers and designation of such officers, and the approval of the coordination and funding the FQHC system. All of these items may pose a conflict of interest for an HCA/St. David's employee.

July 20, 2016	Budget & Finance	9: Discuss and take appropriate action on the 1115Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
August 10, 2016	Budget & Finance	2: Discuss and take appropriate action on Central Health and the Community Care collaborative's Fiscal Year 2017 proposed budget.	Please see Attachment B.
October 19, 2016	Budget & Finance	2: Discuss and take appropriate action on the health care agreement for the Community Care Collaborative related to orthopedic services.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.

<p>October 19, 2016</p>	<p>Budget &amp; Finance</p>	<p>6: Receive and discuss an update of the Community Care Collaborative's Delivery System Reform Incentive Payment (DSRIP) projects and contract authorization for demonstration year 6.</p>	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>
<p>October 19, 2016</p>	<p>Budget &amp; Finance</p>	<p>7: Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated partnerships.</p>	<p>Delivery System Reform Incentive Projects (DSRIP) are health care delivery transformation and improvement projects funded through the State of Texas' Federal 1115 Medicaid Waiver. These projects are performance based and require local funds in addition to the provider bearing all the costs of the project until an evaluation by the State of Texas of pre-established metrics are met.</p> <p>Central Health performs many projects for the DSRIP: one is the Regional Health Partnership 7 Anchor which supports and reports on projects submitted by providers in the multi-county area. The other is the local funding entity that provides the local match for certain projects. St. David's is one provider that Central Health provides the local funding match to draw down DSRIP funds.</p> <p>The CCC is a performing provider and has many projects that draw down DSRIP funds. These projects fundamentally look at system improvements and could unfairly expose a competitor.</p>

February 15, 2017	Budget & Finance	2: Discuss and take appropriate action on an agreement between Community Care Collaborative and Hospice Austin.	The Central Health Board of Managers must approve contracts entered into by the CCC for amounts above \$100,000. This includes all healthcare delivery contracts with the exception of Planned Parenthood and limited other contracts that are direct contracts with Central Health. These contracts are procured for the service or goods provided and could be challenged if they are not free of undue influence- perceived or actual. In addition, these contracts can be and have been awarded to HCA/St. David's providers or facilities.
March 22, 2017	Budget & Finance	2: Discuss and take appropriate action on an agreement for pain management services between the Community Care Collaborative and Seton Healthcare Family.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose a conflict for Ms. Oliver.
March 22, 2017	Budget & Finance	3: Discuss and take appropriate action on an agreement for virtual urgent care services between the Community Care Collaborative and Seton Healthcare Family.	As the sole partner to Central Health in the non-profit corporation, Seton Healthcare makes a member contribution, guarantees a level of service, and is also a contracted provider. Any decision that involves Seton Healthcare as a contracted provider must be approved by the Central Health Board of Managers. Since a vote on issues involving Seton would inherently impact its competitor, HCA/St. David's, these items would pose a conflict for Ms. Oliver.
April 19, 2017	Budget & Finance	4. Receive and discuss a report of the March 2017 financial statements for Central Health.	Please see Attachment B.
April 19, 2017	Budget & Finance	5. Receive and discuss a report of the March 2017 financial statements for the Community Care Collaborative.	Please see Attachment B.
May 17, 2017	Budget & Finance	4. Receive and discuss a report of the April 2017 financial statements for Central Health.	Please see Attachment B.
May 17, 2017	Budget & Finance	5. Receive and discuss a report of the April 2017 financial statements for the Community Care Collaborative.	Please see Attachment B.



FY 2017 Approved Budget Sources and Uses Detail

DESCRIPTION	FY 2017 APPROVED BUDGET
<b>HEALTH CARE DELIVERY</b>	
<b>Intergovernmental Transfers:</b>	
IGT - Private UC	27,900,000
IGT - Public UC	25,000,000
IGT - Disproportionate Share	32,500,000
IGT - CCC DSRIP	29,300,000
IGT - Seton DSRIP	26,250,000
IGT - St. David's DSRIP	620,000
<b>Total Intergovernmental Transfers</b>	<b>141,570,000</b>
<b>Healthcare Services:</b>	
Member Payment to CCC	26,245,166
Charity Care - Seton	4,251,733
Primary Care - Planned Parenthood	585,000
Integrated Care Collaboration (ICC)	617,275
Healthcare Services Expansion	2,000,000
<b>Total Healthcare Services</b>	<b>33,699,174</b>
<b>Healthcare Initiatives:</b>	
UMCB Campus Redevelopment	2,047,675
ACA Education and Enrollment	2,745,000
Health Promotion	353,713
<b>Total Healthcare Initiatives</b>	<b>5,146,388</b>
<b>Total Healthcare Services and Initiatives</b>	<b>38,845,562</b>
<b>Healthcare Operations:</b>	
Salary and Fringe Benefits	3,763,563
Legal	25,000
Consulting	234,000
Other Professional Services	519,271
Marketing and Community Relations	523,500
Leases, Security and Maintenance	894,847
Phones, Computer Equipment and Utilities	703,029
Printing, Copying, Postage and Signage	194,269
Travel, Training and Professional Development	34,339
Other Operating Expenses	207,369
<b>Total Healthcare Operations</b>	<b>7,099,187</b>
<b>Reserves, Appropriated Uses and Transfers:</b>	
Transfer to Capital Reserve	1,500,000
Transfer to Emergency Reserve	1,380,000
Sendero Risk-based Capital	6,000,000
Contingency Reserve Appropriation	31,970,653
<b>Total Reserves, Appropriated Uses and Transfers</b>	<b>40,850,653</b>
<b>Debt Service:</b>	
Debt Service - Principal Retirement	975,000
Debt Service - Interest and Amortized Costs	397,803
<b>Total Debt Service</b>	<b>1,372,803</b>
<b>Total Healthcare Delivery</b>	<b>229,738,205</b>

Major potential for conflict: these items all have a potential for a competitive, direct conflict of interest for an employee of HCA/St. David's.

Moderate potential for conflict: These items include subsidies for healthcare premiums to Sendero Healthplans, of which HCA/St. David's is a contracted provider.

Moderate potential for conflict: These items are related to the Medical Access Program (MAP) eligibility services, which covers primary care, prescriptions, specialty care, and hospital care for eligible individuals. Since the MAP provider network includes St. David's and their competitors, these items could pose a conflict.

Moderate potential for conflict: These reserves are for monies that could be used to fund the services above, including IGT, triggering their described conflicts.

Major potential for conflict: Appropriations to Sendero require discussion and consideration of proprietary and competitive information, including contracts with providers, that would be inappropriate for an HCA/St. David's employee to be privy to. Please see the attached regulatory filing for Sendero for more information.



CENTRAL HEALTH

ATTACHMENT B

FY 2017 Approved Budget Sources and Uses Detail

DESCRIPTION	FY 2017 APPROVED BUDGET
<b>ADMINISTRATION</b>	
<b>Personnel Expenses:</b>	
Salary and Fringe Benefits	4,268,817
Legal	1,166,500
Consulting	1,038,000
Investment Services (Travis County)	103,351
Benefits and Payroll Administrative Services	296,940
Other Professional Services	485,300
Marketing and Community Relations	181,400
Leases, Security and Maintenance	183,842
Insurance and Risk Management	150,000
Phones, Computer Equipment and Utilities	164,794
Printing, Copying, Postage and Signage	99,570
Travel, Training and Professional Development	263,737
Other Operating Expenses	524,350
<b>Total Administration</b>	<b>8,926,601</b>
<b>TAX COLLECTION</b>	
Appraisal District Services	924,000
Tax Collection Expense	562,591
<b>Total Tax Collection</b>	<b>1,486,591</b>
<b>TOTAL USES</b>	<b>240,151,397</b>

## FY 2017 Budget Sources and Uses Detail

DESCRIPTION	FY 2017 BUDGET
<b>USES</b>	
<b>Health Care Delivery - Providers:</b>	
Primary Care	49,992,582
Specialty Care	1,201,000
Mental Health	8,383,856
Dental Care	629,711
Vision	550,951
Orthotics	100,000
<b>Total Health Care Delivery - Providers</b>	<b>60,858,100</b>
<b>Health Care Delivery - Other:</b>	
Pharmacy	5,350,000
Health Care Delivery Operations	1,991,647
Third Party Administrator (TPA)	1,085,000
United Way Call Center	856,309
Integrated Care Collaboration (ICC)	-
<b>Total Health Care Delivery - Other</b>	<b>9,282,957</b>
<b>Service Expansion Funds</b>	<b>1,000,000</b>
<b>Operation Contingency</b>	<b>1,813,496</b>
<b>IDS Plan Initiatives:</b>	
Specialty Care	7,675,000
Patient Medical Management	1,782,840
IDS Plan Contingency Reserve	-
Quality, Assessment and Performance	956,974
MAP Redesign	5,354,621
MAP Benefits Enhancement Reserve	858,938
<b>Total IDS Plan Initiatives</b>	<b>16,628,373</b>
<b>Health Information Technology</b>	<b>4,458,147</b>
<b>Administration</b>	<b>1,331,983</b>
<b>Total Healthcare Delivery</b>	<b>95,373,056</b>
<b>DSRIP Project Cost</b>	<b>23,488,234</b>
<b>UT Affiliation Agreement</b>	<b>35,000,000</b>
<b>TOTAL USES</b>	<b>153,861,290</b>

Major potential for conflict: The Central Health Board of Managers is required to approve the Community Care Collaborative's annual budget and all contracts for the CCC over \$100,000 and affiliated partners. Most of the expenditures in the CCC budget pose a major potential for a conflict of interest for an HCA/St. David's employee since the expenditures are either directly connected to HCA/St. David's or the St. David's Foundation, or they are directly connected to a HCA/St. David's competitor.