



1111 East Cesar Chavez, Suite B,
Austin, TX 78702
(512) 978-8000
www.traviscountyhd.org

travis county healthcare district

20

08

annual report

PLAN OF CARE

VISION

Central Texas is a model healthy community.

MISSION

Promote the health and wellness of the residents of our community, especially the uninsured and underinsured, by working together to ensure access to a full range of coordinated health care services.

VALUES

We are a community steward that holds the following values:

Integrity We will be diligent in maintaining public trust by acting with integrity in all instances.

Accountability We pledge to be fiscally responsible and operationally accountable to the taxpayers of Travis County.

Innovative Change Agent We will strive to act as a positive change agent, when needed, using innovative approaches to improve the health status of individuals in the community at large in order to improve health care for all.

Transparent We will, to the extent possible, make our work transparent to residents as we carry out our duties as a governmental health care entity.

Responsive We will work diligently to identify and respond to health care needs in the community.



A model healthy community isn't created by chance.

In 2004, the people of Travis County created a new organization to lead the community toward that vision. Since then, the Travis County Healthcare District has built a foundation for community health and wellness. The District makes judicious investments of public funds that target critical needs. It builds networks, systems and partnerships that make health care delivery more efficient and effective. And we make it easier for people who need care to get care. This work is guided by the community as part of an ambitious and strategic effort to achieve a vision of wellness for Central Texas. **This is our plan of care.**

■ STRATEGIC PLAN

Since its creation, the Travis County Healthcare District has been guided by a strategic plan, first developed in 2005 and updated this year. The plan is used to help enhance the health status of all county residents by promoting an integrated, transparent health care system with improved access to services and incentives for performance and partnerships.

The goals outlined in the strategic plan guide the programs and activities highlighted in this annual report. Each section of this report includes a reference to the appropriate plan goal. The full plan can be accessed online at traviscountyhd.org/strategic_plan.html.



Table of Contents

Executive Message.....	3
Health Care Service Expansion.....	4
Behavioral Health Service Expansion and Collaboration.....	7
Planning and Outreach.....	8
Facilities Improvements.....	10
Enrollment Process Upgrades.....	12
Technology Investments.....	14
Financials.....	16



EXECUTIVE MESSAGE

The 2008 fiscal year marked the Travis County Healthcare District's fourth full year of operation. Last year's annual report provided an overview of the scope of work that has gone into building the foundations of this organization and the services it provides to the Central Texas community. This year, while still a largely foundation-building period, saw substantial, tangible results in many priority areas. These results represent positive change for our community – changes in the way we provide health care, changes in the way we partner with other organizations, and changes in the way we will continue to work toward our vision of making Central Texas a model healthy community.

We have broken down our report into six key areas: Health Care Service Expansion, Behavioral Health Service Expansion and Collaboration, Planning and Outreach, Facilities Improvements, Eligibility Process Upgrades and Technology Investments. We saw significant progress and achievement in each of these areas, which are key components of TCHD's Strategic Plan, the annually reviewed and revised document that guides our organization's efforts.



Patricia A. Young Brown

Because TCHD contracts with health care partners for the provision of services, it is always of utmost importance that we expand the breadth of services those partners are able to offer. One of our primary partners is CommUnityCare, the former Community Care Services Department of the City of Austin. This organization operates a network of 16 community health centers that provide services for more than 50,000 eligible residents. We have also increased our support and financial commitment to several regional partner organizations so they may better provide quality care to the community.

We continue to make impressive advancement in the area of behavioral health. More than \$5 million in funds was awarded by the state to our community to support additional facilities and services for mental health patients in the region. These funds leverage and complement the funds invested by TCHD in mental health care services for Travis county residents. This historically underfunded area of care remains one of TCHD's highest priorities.

We continue our efforts to connect with the broad spectrum of residents in order not only to communicate our mission and programs, but to better inform our community of the importance of health care issues. A partnership with KLRU to promote viewership of the PBS documentary "Critical Condition," which shows the dramatic impact of being sick without health insurance coverage in this country, marked the first time TCHD actively supported a community outreach and awareness campaign.

The District is committed to maintaining the highest quality of health care facilities possible. We have begun work to construct a state-of-the-art community health center, to be operated by CommUnityCare, to serve the North Central area of Travis County. This flagship facility will provide a full range of Federally Qualified Health Center services for a growing number of individuals and families who rely on the services provided by CommUnityCare.

The District's Medical Assistance Program has seen numerous efficiency enhancement projects intended to speed up, simplify and expand access to enrollment services for new applicants as well as those who are re-enrolling. Also, TCHD has expanded the network of primary and specialty care service providers available to Medical Assistance Program enrollees to enhance their ability to receive care when needed.

Finally, we have pushed forward with several technology projects intended to better integrate the entire network of health care providers in the region. These enhancements will result in greater efficiency across the board for TCHD and all of our partners.

All of our efforts, in conjunction with those of our community partners, are made with the singular vision of improving and enhancing the quality of life of our entire community. While we all recognize it is an uphill struggle, we can proudly state that we are making tangible progress. Our successes are becoming larger and more significant both within the context of the medically underserved, but also with regard to the entire region. We must all maintain awareness of the larger picture – that the overall health and well-being of each of us individually is inextricably connected to our community as a whole. Let us all continue to strive for the overall health and wellness of our entire community. As the 2009 fiscal year continues, we anticipate sharing even greater accomplishments in our next annual report. Numerous projects begun in 2008 will near completion and we will be excited to report once again on our most significant accomplishments.

To good health for all,

HEALTH CARE SERVICE EXPANSION

Better access to health care – it's a critical need for the people of Travis County, and it's a key mission of the Travis County Healthcare District (TCHD). That's why service expansion is an ongoing priority of the Board of Managers and a primary goal of TCHD's strategic plan. Several significant service expansion projects in 2008 – opening new health centers, increasing service hours and growing our network of health care providers – have all furthered TCHD's vision to make Central Texas a model healthy community.

STRATEGIC PLAN GOALS:

Health Care Services Network: Primary Care **Goal 1**

Community Health Centers: Transition **Goal 1**

Health Care Services Network: Specialty Care **Goal 3**

CommUnityCare

Transition

Since its creation, TCHD has worked to transition the Community Health Center system from its prior role as the City of Austin Community Care Services Department into an independent nonprofit corporation. This new entity, known as CommUnityCare, allows for a more agile, flexible and focused effort to expand access to services.

Given that people are the most important component of care delivery, a competitive employment package for transitioning employees was rolled out in February 2008, a year in advance of the final transition. The development of shared infrastructure for TCHD and CommUnityCare was a major focus for the year, allowing the new organizational structure to be specifically tailored to the provision of health care, thus enabling and encouraging more accessible and efficient services.

While this transition was taking place, the expansion of care continued as described below.

William Cannon CommUnityCare

A new CommUnityCare site at William Cannon Drive and IH-35 in Far South Austin opened for service Sept. 15, 2008. The new health center offers walk-in access to family practice services for acute illnesses and is one of two CommUnityCare locations (the other is the Red River location near University Medical Center Brackenridge) designed for patients who need to be seen without waiting for a scheduled appointment.



A ribbon-cutting ceremony celebrated the opening of the new William Cannon CommUnityCare location.

The William Cannon center also enhances access to the CommUnityCare system for patients without a regular provider or who cannot get in to see their regular provider. Those patients can then be referred to a location close to their home for future follow-up visits and treatment of chronic conditions. The health center is open 8 a.m.–8 p.m., Monday–Saturday.

Expanded CommUnityCare Hours

On Nov. 15, 2007, the Board of Managers approved \$1.6 million to expand staffing and hours of service at several CommUnityCare locations. The project, initiated in 2008, continues to ramp up as additional providers are hired. Locations where new providers have been hired saw an additional 4,300 patients in 2008.

Provider Network

Increased Network Provider Contracts

The District expanded capacity for medical services through increasing the contract amounts for primary care providers. Funding increases in FY 08 included the addition of El Buen Samaritano as a primary care provider within the network.

Primary Care Provider Funding



The District funded more than 11,200 health care visits through contracted providers in 2008.

Paul Bass Clinic

The Paul Bass Clinic, located at University Medical Center Brackenridge, opened on Sept. 2, 2008. The District has contracted for up to 1,000 Medical Assistance Program (MAP) enrollees with chronic diseases to receive primary and specialty care at this facility. The clinic is named in honor of the first male nurse ever to graduate from the Brackenridge School of Nursing. The clinic has ten patient examination and treatment rooms and is staffed through the internal medicine residency program from University of Texas Medical Branch at Galveston.



Board Chairperson Carl Richie speaks at the opening of the Paul Bass Clinic.

BEHAVIORAL HEALTH SERVICE EXPANSION AND COLLABORATION

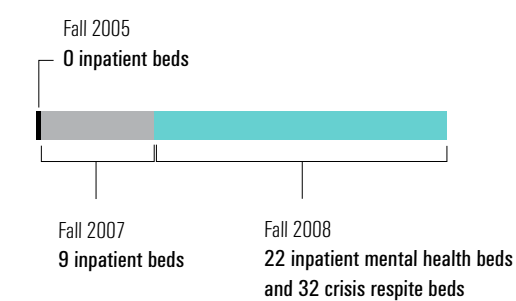
When TCHD created the Psychiatric Services Stakeholder Committee and initiated a Mental Health Crisis Services Plan in 2005, its long-term goal was to expand and enhance the quality and availability of mental health services throughout the community. During 2008, Central Texas saw substantial progress in this historically underfunded and underserved area of health care. Most significantly, the work of TCHD and its partners increased access to critically needed new inpatient and respite beds at local facilities.

STRATEGIC PLAN GOAL:
Health Care Services Network: Mental Health Goal 1

As part of the implementation of the Mental Health Crisis Services Plan, the Psychiatric Services Stakeholder Committee coordinated a proposal for competitively available state crisis services dollars through the Austin Travis County Mental Health and Mental Retardation Center (ATCMHMR) to support additional inpatient mental health and crisis respite services. Through this collaborative effort, ATCMHMR was successful in securing an award of \$5.7 million for 2008 and 2009 to fund additional inpatient beds and establish 32 new crisis respite beds that will help the community best manage the use of these resources. The District leverages these state funds by providing additional funding for inpatient mental health crisis services and integrated behavioral health services.

Prior to the initiation of this effort in 2005, there were no beds funded by local public entities. By 2007, nine beds were available, funded by a variety of stakeholders. In the past year, funding from TCHD and ATCMHMR has increased the inpatient bed total to 22. This substantial increase in service availability is a necessary step toward providing a coordinated, collaborative and complete array of effective mental health services to the people of Central Texas.

Expansion in Capacity



■ PLANNING AND OUTREACH

As TCHD continues to define its role in the Central Texas community, it has used a variety of outreach efforts to promote positive change and healthier lives for all residents. Both on its own and in cooperation with community partners, TCHD is pushing forward with increasingly progressive health care programs.

STRATEGIC PLAN GOAL:

Efficiency and Integrity of Service: Delivery System **Goal 4b**

Critical Condition: Central Texas

The airing of "Critical Condition" on local public television station KLRU in September 2008 provided TCHD the momentum to launch a community planning effort. This national documentary on health care for the uninsured featured the story of local resident Karen Dove, who, without insurance or access to government programs, struggled with her diagnosis and treatment of ovarian cancer.

The District produced a radio spot to promote viewing the program as an opportunity to educate residents and also collaborated with KLRU and more than a dozen partners to present a community forum and panel discussion in November 2008. A continued community engagement effort is being developed for implementation in 2009.

Telephone Survey

At the beginning of the fiscal year, TCHD conducted a telephone survey of 500 area residents to generate a baseline measure of awareness of TCHD and its activities. This data provides a foundation for ongoing public education efforts. In September 2008, TCHD began preparations for a second survey to be fielded in Q1 2009.



Central Texas Regional Health Coverage Program (TexHealth Central Texas)

In March 2008, the Board of Managers approved a matching pledge of \$1.5 million to fund the startup of TexHealth Central Texas, a pilot program designed to provide an affordable insurance option for Central Texans employed by small business that cannot or do not currently offer health benefits. The program would offer basic health coverage for businesses with two to 50 employees. Throughout Texas, more than 40 percent of employers in this category do not offer health coverage.

Major planning for this pilot program was undertaken throughout 2008, with TCHD's commitment remaining a key component in its planned deployment during 2009. Major accomplishments include:

- Securing approximately \$1.7 million in funding for the statewide collaborative, of which TexHealth Central Texas is a member which received a portion of these funds for its local effort
- Creation of a regional advisory council
- Completion of actuarial analysis and pro forma
- Completion of benefits design
- Completion of focus groups and surveys to assess prospective employer and employee interest in the plan design and cost
- Completion of a third-party administrator selection process



FACILITIES IMPROVEMENTS

The District prides itself on the quality of health care professionals within its network of care. Those professionals depend on modern and efficient facilities to allow them to provide the most effective care for the people of Central Texas. That's why TCHD has made a priority of investing in new and enhanced facilities, including University Medical Center Brackenridge and CommUnityCare to meet the needs of the people it serves.

STRATEGIC PLAN GOALS:

Efficiency and Integrity of Service: Delivery System **Goal 1**
Health Care Services Network: Primary Care **Goal 1**



University Medical Center Brackenridge



Upon its creation, TCHD took ownership of the formerly city-owned Brackenridge Hospital, which is operated by the Seton Family of Hospitals. On Jan. 24, 2008, the Board of Managers approved changing the name of the facility to University Medical Center Brackenridge (UMCB). The new name emphasizes academic medicine, including clinical research, residency programs for doctors and nurses, simulation training and graduate medical education, in partnership with several educational institutions. This new emphasis is expected to improve the hospital's ability to attract top medical talent to and within Central Texas, while continuing to provide care for all in the community who need it.

In addition to a new name, TCHD has provided funds for improved services at UMCB. In May 2008, the Board of Managers approved \$3.5 million, in addition to Seton's expenditure of \$7.7 million, to expand and enhance capacity for trauma and other key services.

The TCHD funds helped support:

- Doubling trauma capacity to a total of 18 beds
- Expanding and renovating the emergency department and adding six beds for care for patients with psychiatric needs
- Increasing the number of perinatal rooms and patient waiting areas

North Central Health Center Project

As part of its service expansion plan for underserved areas in North Central Austin and Travis County, TCHD initiated development of a new, state-of-the-art health center. A thorough site selection process brought forward a property at 1210 W. Braker Lane and a contract for its purchase was issued in June 2008. During the summer, community meetings and other outreach efforts were undertaken to inform and engage stakeholders in the process of determining if the location was suitable for a health center. In December 2008, the TCHD Board of Managers voted to purchase the property. The North Central Health Center, scheduled to open to the public in 2011, will serve approximately 20,000 patients per year and offer a full range of primary, specialty and diagnostic services.



Braker Lane Tract

ENROLLMENT PROCESS UPGRADES

The District engages in a thorough process to determine eligibility for the services and programs it sponsors. This process involves a great deal of information and a significant time commitment for both staff and applicants. That's why it's a high priority for TCHD to improve the experience of the individuals and families going through this process while still achieving the best outcomes possible. In 2008, TCHD completed several projects that marked the first steps in redesigning the process so that it will be as simple and efficient as possible and maximize taxpayer dollars while enhancing access to health care services for eligible residents.

STRATEGIC PLAN GOAL:
Patient Coverage: Programs Goal 1

Mai-In Recertification for Current Medical Assistance Program (MAP) Enrollees

Development of a "mail-in" recertification process began by identifying a group of current enrollees who were potentially eligible for re-enrollment into MAP. Criteria for this expedited re-enrollment process included current enrollment in MAP and ineligibility for any grants available through CommUnityCare. From the time the program began in May 2008 through the end of September 2008, a total of 2,823 mail-in applications were sent to enrollees, with 554 resulting in recertification, for a recertification rate of 19.6%. The mail-in process has resulted in easier renewals for enrollees who qualify and in greater staff time and resources available for face-to-face interviews with enrollees who require them.

Recertification of Current Enrollees into MAP



A 19.6% Recertification Rate

Medicaider Software

The Medicaider software was implemented to quickly and accurately test eligibility for all available health coverage programs, including MAP, Sliding Fee Scale self-pay, Medicaid and Medicare, among others. The software is Web-based and all internal eligibility staff have now transitioned to its use. The software is also made available to trained health care partners in the community, which expands the depth and breadth of enrollment services and enhances patient access. The average length of time for staff to complete a Medicaider interview is 15 to 30 minutes, which includes outcomes for all family members and an explanation of coverage and benefits.

Paperless Enrollment

By combining the Medicaider system with a process to electronically capture documents required for screening, TCHD can move toward a paperless enrollment system with "virtual applications" that can be made widely available throughout the community. Planning for this project throughout 2008 has positioned TCHD to implement it in Q2 2009. This new process will not only streamline enrollment screenings for TCHD but will also enable community agencies to make referrals and initiate the application for MAP enrollment in one step.



TECHNOLOGY INVESTMENTS

The District aims to design and implement innovative, cutting-edge methods and procedures that enhance its ability to purchase care. One example of this focus on innovation is TCHD's initiative to increase the technological integration and interoperability of its health care partners. Creating shared access to electronic health care records across the system leads to major upgrades in efficiency that improve the ability of providers to give the best care possible. Improving electronic networks also enhances the system's overall efficiency, meaning taxpayer dollars go further and do more to help those who need it most.

STRATEGIC PLAN GOAL:

Efficiency and Integrity of Service: Delivery System **Goal 3**

Centex System Support Services

Centex System Support Services is a nonprofit corporation created in December 2007 to provide information technology services to safety-net health care providers throughout Central Texas and to help smaller providers generate, share and better utilize patient data. The District was a driving force in its creation, with a primary goal to implement and support a common Electronic Medical Record and Practice Management System as a regional solution for primary care providers. The District provided the legal expertise to establish the corporation, which provides cost-efficient information technology services to multiple organizations, saving those groups' resources and energies for patient care and access. A centralized technology team helps ensure a consistent implementation approach is taken across the various providers.

ICare Database

The District continues to provide significant financial support to the Integrated Care Collaboration (ICC), a nonprofit consortium of 24 regional health care entities that provide and sponsor care for the uninsured and underinsured. ICC is responsible for developing and managing the ICare data repository, a nationally-recognized health information exchange which is unique in the scope of data available for research, program analysis and treatment support where people seek care. ICare currently contains patient-specific demographic and medical visit data for more than 700,000 individuals and more than 4 million visits at 60 locations throughout the region. In 2008, data for mental health encounters was added to the ATCMHMR interface with ICare, enhancing the value of the database.

The visit-level data in ICare provides information to support the planning and analysis efforts by ICC partners to improve the quality, efficiency and integration of service delivery. In addition, the information helps researchers evaluate the effectiveness of innovative new programs to improve patient treatment and access to care. ICare data is also useful for physicians, nurses, social workers and other clinicians at health centers, emergency rooms and other places where people seek care.

FINANCIALS

TRAVIS COUNTY HEALTHCARE DISTRICT, A COMPONENT UNIT OF TRAVIS COUNTY, TEXAS STATEMENTS OF NET ASSETS SEPTEMBER 30, 2008 AND 2007

ASSETS

Current assets:	2008	2007
Cash and cash equivalents	\$ 45,284	\$ 34,681
Restricted cash and cash equivalents	8,054,598	9,056,544
Short-term investments	111,618,233	86,056,633
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$101,860 and \$95,458	278,446	259,128
Due from other governments	986,144	2,327,558
Other receivables	558,125	52,892
Prepaid expenses	2,390	66,511
Total current assets	121,543,220	97,853,947

Capital Assets:

Land	8,497,335	8,497,335
Buildings and improvements	90,052,494	90,002,665
Equipment and furniture	462,426	416,697
Construction in progress	117,291	-
Less accumulated depreciation	(7,565,978)	(5,674,409)
Total capital assets, net	91,563,568	93,242,288
Total assets	213,106,788	191,096,235

LIABILITIES

Current Liabilities:	2008	2007
Accounts payable	7,936,916	4,464,150
Private UPL payable	8,054,598	9,056,544
Salaries and benefits payable	141,259	173,142
Due to other governments	59,654	68,543
Total current liabilities	16,192,427	13,762,379

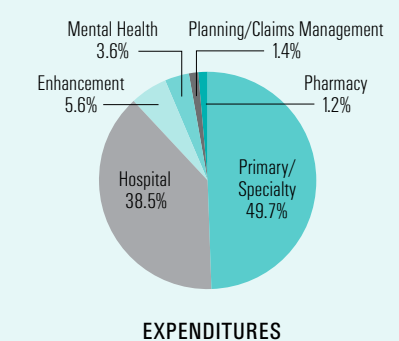
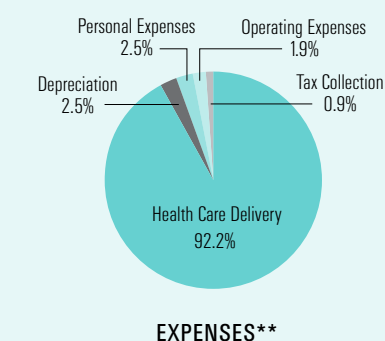
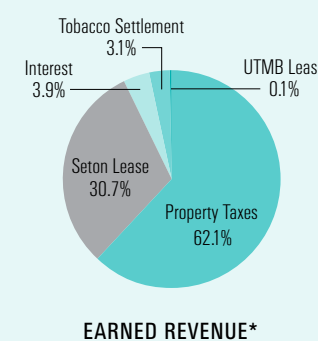
NET ASSETS

Invested in capital assets	91,563,568	93,242,288
Unrestricted	105,350,793	84,091,568
Total net assets	\$ 196,914,361	\$ 177,333,856

TRAVIS COUNTY HEALTHCARE DISTRICT, A COMPONENT UNIT OF TRAVIS COUNTY, TEXAS STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS YEARS ENDED SEPTEMBER 30, 2008 AND 2007

REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	2008	2007
Operating revenues:		
DSH/UPL program	\$ 28,168,429	\$ 28,434,895
Operating lease revenue	1,155,396	1,155,396
Total operating revenues	29,323,825	29,590,291
Operating expenses:		
Health care delivery	69,728,485	65,957,969
Salaries and benefits	1,904,719	1,028,780
Other purchased goods and services	1,454,381	904,166
Depreciation	1,891,569	1,889,419
Total operating expenses	74,979,154	69,780,334
Operating loss	(45,655,329)	(40,190,043)
Nonoperating revenues (expenses):		
Ad valorem tax revenue	59,183,015	55,085,553
Tax assessment and collection expense	(680,175)	(624,337)
Tobacco settlement revenue	5,316,234	4,449,080
Tobacco settlement expense	(2,322,663)	(2,168,482)
Investment income	3,733,173	4,087,153
Other revenue	6,250	315
Total nonoperating revenues, net	65,235,834	60,829,282
Change in net assets	19,580,505	20,639,239
Total net assets - beginning of year	177,333,856	156,694,617
Total net assets - end of year	\$ 196,914,361	\$ 177,333,856



*Note: Excludes pass-through revenue to other entities (Disproportionate Share (DSPRO) and Tobacco Settlement)
**Note: Excludes pass-through items (Disproportionate Share (DSPRO) and Tobacco Settlement payments)

TRAVIS COUNTY HEALTHCARE DISTRICT,
A COMPONENT UNIT OF TRAVIS COUNTY, TEXAS
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2008 AND 2007

CASH FLOWS

	2008	2007
Cash flows from operating activities:		
Cash received from DSH/UPL program	\$ 86,486,557	\$ 99,940,274
Cash payments for DSH/UPL program	(58,028,163)	(63,237,809)
Cash payments for private UPL program	(25,385,212)	(16,172,293)
Cash received from operating leases	1,155,396	1,155,396
Cash payments for goods and services	(42,317,483)	(41,016,597)
Cash payments to employees	(1,839,272)	(927,273)
Net cash used in operating activities	<u>(39,928,177)</u>	<u>(20,258,302)</u>
Cash flows from noncapital financing activities:		
Ad valorem taxes received	59,163,697	55,034,082
Payments for tax assessment and collection	(680,175)	(624,337)
Tobacco settlement received	5,316,234	4,449,080
Tobacco settlement paid	(2,322,663)	(2,168,482)
Other nonoperating revenue received	6,250	315
Net cash provided by noncapital financing activities	<u>61,483,343</u>	<u>56,690,658</u>
Cash flows from investing activities:		
Receipts of interest income	3,395,984	3,259,382
Net purchases of investment pools	(14,100,637)	(19,480,667)
Purchase of investment securities	(71,629,007)	(43,136,239)
Proceeds from maturities of investment securities	60,000,000	32,000,000
Purchase of capital assets	(212,849)	(14,200)
Net cash used in investing activities	<u>(22,546,509)</u>	<u>(27,371,724)</u>
Net increase (decrease) in cash and cash equivalents	(991,343)	9,060,632
Cash and cash equivalents - beginning of year	9,091,225	30,593
Cash and cash equivalents - end of year	<u>\$ 8,099,882</u>	<u>\$ 9,091,225</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (45,655,329)	\$ (40,190,043)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,891,569	1,889,419
Changes in operating assets and liabilities that provided (used) cash:		
Due from other governments	1,341,414	8,140,004
Other receivables	-	958,051
Prepaid expenses	64,121	(2,522)
Accounts payable	3,472,766	(216,307)
Private UPL payable	(1,001,946)	9,056,544
Salaries and benefits payable	(31,883)	101,507
Due to other governments	(8,889)	5,045
Net cash used in operating activities	<u>\$ (39,928,177)</u>	<u>\$ (20,258,302)</u>

DEDICATION

The television documentary "Critical Condition," shown on PBS stations nationwide, features the story of local resident Karen Dove and her struggle with ovarian cancer after losing her health insurance coverage. Karen passed away on March 30, 2008. This report is dedicated to her memory.