



CENTRAL HEALTH

STAYS IN FILE

Our Vision

Central Texas is a model healthy community.

Our Mission

By caring for those who need it most, Central Health improves the health of our community.

Our Values

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BOARD OF MANAGERS

Meeting Agenda

**Wednesday, February 26, 2020, 5:30 p.m.
or following the Executive Committee Meeting**

Central Health Administrative Offices

1111 E. Cesar Chavez St.

Austin, Texas 78702

Board Room

CITIZENS' COMMUNICATION

CONSENT AGENDA

All matters listed under the CONSENT AGENDA will be considered by the Board of Managers to be routine and will be enacted by one motion. There will be no separate discussion of these items unless members of the Board request specific items be moved from the CONSENT AGENDA to the REGULAR AGENDA for discussion prior to the vote on the motion to adopt the CONSENT AGENDA.

- C1. Approve the amended minutes of the December 18, 2019 meeting of the Central Health Board of Managers.
- C2. Approve the minutes of the January 29, 2019 meeting of the Central Health Board of Managers.
- C3. Approve the minutes of the December 23, 2019 and December 30, 2019 ad Hoc Policy Review Committee meetings of the Central Health Board of Managers.
- C4. Receive the Quarterly Investment Report and ratify Central Health Investments for January 2020.
- C5. Receive a report of the January 2020 financial statements for Central Health, as presented to the Budget and Finance Committee.

- C6. Receive a report of the January 2020 financial statements for the Community Care Collaborative, as presented to the Budget and Finance Committee.
- C7. Approve the appointment of Stephanie Lee McDonald to the Downtown Austin Alliance Board of Directors, as recommended by the Executive Committee.

REGULAR AGENDA*

1. Discuss and take appropriate action on the formation of the Central Health Medical Executive Board. (*Action Item*)
2. Discuss and take appropriate action to merge the ad hoc Policy and ad hoc Bylaws Committees into a single committee called the ad hoc Bylaws and Policy Committee. (*Action Item*)
3. Discussion of the Executive Committee's instructions to the ad hoc Bylaws and Policy Committee and the ad hoc Women's Health Committee on subject matter and scope, and provide an update on subject matter and scope of the Strategic Planning Committee's Eastern Crescent Subcommittee. (*Informational Item*)
4. Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.¹ (*Informational Item*)
5. Discuss and take appropriate action to renew and amend the employment contract between Central Health and the President and Chief Executive Officer of Sendero Health Plans, Inc. (*Action Item*)
6. Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition or lease.¹ (*Action Item*)
7. Confirm the next regular Board meeting date, time, and location. (*Informational Item*)

*The Board of Managers may take items in an order that differs from the posted order.

Note ¹, Possible closed session item.

The Board of Managers may consider any item posted on the agenda in a closed session if the item involves issues that require consideration in a closed session and the Board announces that the item will be considered during a closed session.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify Central Health at least two days in advance, so that appropriate arrangements can be made. Notice should be given to the Board Governance Manager by telephone at (512) 978-8049.

Consecutive interpretation services from Spanish to English are available during Citizens Communication or when public comment is invited. Please notify the front desk on arrival if services are needed.

Los servicios de interpretación consecutiva del español al inglés están disponibles para la comunicación de los ciudadanos o cuando se invita al público a hacer comentarios. Si necesita estos servicios, al llegar sírvase notificarle al personal de la recepción.

Came to hand and posted on a Bulletin Board in the Courthouse,
Austin, Travis County, Texas on this the 21st day of

February 20 20

Dana DeBeauvoir
County Clerk, Travis County, Texas

By

A. Macedo Deputy

A. MACEDO



202080302

**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Dana DeBeauvoir

**Dana DeBeauvoir, County Clerk
Travis County, Texas**

Feb 21, 2020 02:37 PM

Fee: \$0.00

MACEDOS



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BOARD MEETING

February 26, 2020

REGULAR AGENDA ITEM 1

Discuss and take appropriate action on the formation of the Central Health Medical Executive Board.



CENTRAL HEALTH

Central Health Medical Executive Board

February 26, 2020

presented by: Jonathan Morgan, Chief Operating Officer

Monica Crowley, Chief Strategy & Planning Officer



Background

- Senate Bill 1142* authorizes Central Health to appoint, contract for, or employ physicians as the Board of Managers considers necessary for the efficient operation of the district.
- Senate Bill 1142 requires a Medical Executive Board to ensure that physicians employed by Central Health exercise their **independent medical judgment** in providing care to patients and strictly prohibits the Board of Managers from supervising or controlling the practice of medicine.
- Central Health is authorized under Section 7.10 of its bylaws to appoint committees of non-Board members to assist the District when authorized or required by law.

*Section 281.02815 of the Texas Health and Safety Code



Required Policies

- Governance of the Medical Executive Board
- Credentialing
- Quality Assurance
- Utilization Review
- Peer Review
- Medical Decision-Making
- Due Process

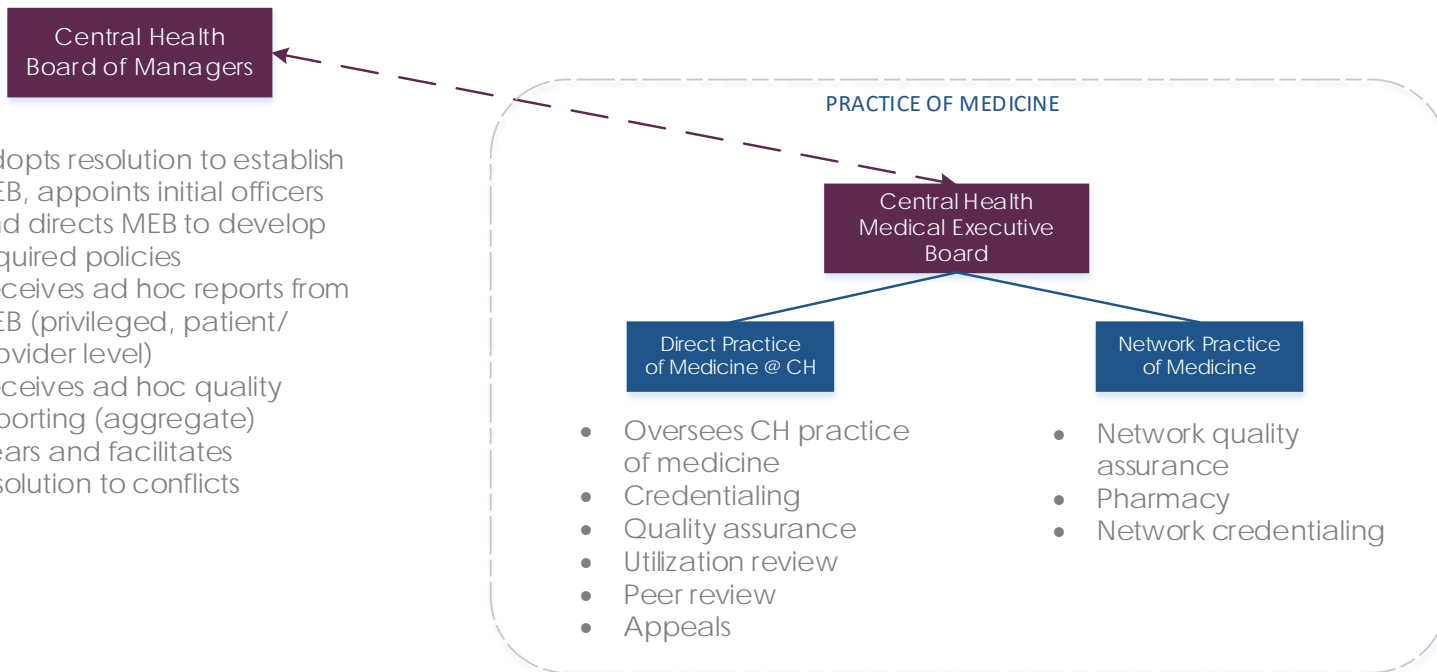


Required Processes and Rules

- Conflict management process to resolve any conflict between a policy adopted by the Medical Executive Board and a policy of the district
- Rules requiring the disclosure of financial conflicts of interest by a member of the Medical Executive Board



Medical Executive Board Framework



- Adopts resolution to establish MEB, appoints initial officers and directs MEB to develop required policies
- Receives ad hoc reports from MEB (privileged, patient/provider level)
- Receives ad hoc quality reporting (aggregate)
- Hears and facilitates resolution to conflicts

- Oversees CH practice of medicine
- Credentialing
- Quality assurance
- Utilization review
- Peer review
- Appeals

- Network quality assurance
- Pharmacy
- Network credentialing



Committee Structure

Central Health Medical
Executive Board

Standing Committees

Peer Review

Credentialing

Policies and Protocols

Quality Assurance

Pharmacy and
Therapeutics

Utilization Review



Next Steps

Staff requests adoption of a resolution to:

- Establish the Central Health Medical Executive Board.
- Direct the Medical Executive Board to recruit and maintain a diverse physician staff and membership that reflects the community of patients we serve.
- Appoint Central Health's Chief Medical Officer as the Chair and Associate Chief Medical Officer as the Vice-Chair of the Medical Executive Board.
- Direct the Medical Executive Board to develop the policies and processes in accordance with Senate Bill 1142.





CENTRAL HEALTH

QUESTIONS?



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@CentralHealthTX

**RESOLUTION OF THE TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL
HEALTH BOARD OF MANAGERS TO FORM A MEDICAL EXECUTIVE BOARD**

WHEREAS, the Central Health Board of Managers (the “Board”) is continually seeking to improve the quality of medical aid, care, and services it offers to the indigent and needy residents of Travis County; and

WHEREAS, the 86th Texas Legislature passed, and the Governor signed into law, Senate Bill 1142 (now codified as Section 281.02815 of the Texas Health & Safety Code) which authorizes the Board to appoint, contract for, or employ physicians whenever the Board deems such action necessary to provide medical care to such residents; and

WHEREAS, the Central Health Board of Managers believes it is necessary for the efficient operation of the district to appoint or employ physicians who are reflective of the residents it serves and who have broad subject matter expertise; and

WHEREAS, Section 281.02815 strictly prohibits the Board from supervising or controlling the practice of medicine and requires any physician employed by Central Health to report to the chair of a Medical Executive Board; and

WHEREAS, Section 281.02815 prescribes the establishment of a Medical Executive Board that will adopt, maintain, and enforce certain rules, policies, and implement disclosure and reporting conventions; and

NOW, THEREFORE, BE IT RESOLVED that on this date the Central Health Board of Managers hereby creates the Central Health Medical Executive Board and delegates to the Central Health President & CEO the authority to appoint, contract for, or employ physicians under Section 281.02815;

BE IT FURTHER RESOLVED that the Medical Executive Board is created to promulgate and adopt, maintain, and enforce policies to ensure that a physician employed by Central Health exercises the physician’s independent medical judgment in providing care to patients;

BE IT FURTHER RESOLVED that, to emphasize the prohibition contained in Section 281.02815 and Title 3 of the Occupations Code on the Board’s supervision or control of the practice of medicine, the Board will amend its Bylaws to explicitly recognize this prohibition and will develop and implement a conflict management process jointly with the Medical Executive Board;

BE IT FURTHER RESOLVED that among the policies the Medical Executive Board is charged with adopting, maintaining, and enforcing are policies relating to:

1. Governance of the Medical Executive Board,
2. Credentialing,
3. Quality Assurance,
4. Utilization Review,
5. Peer Review,

6. Medical Decision-Making, and
7. Due Process;

BE IT FURTHER RESOLVED that the Central Health Board hereby appoints Central Health's Chief Medical Officer and Associate Chief Medical Officer to the Medical Executive Board as the Chair and Vice-Chair, respectively;

BE IT FURTHER RESOLVED that the Chief Medical Officer and the Associate Medical Officer shall be licensed to practice medicine in the State of Texas and shall at all times serve in their respective capacities as officers of the Medical Executive Board;

BE IT FURTHER RESOLVED that the Medical Executive Board may elect additional officers or members who are employees of Central Health and currently licensed to practice medicine in the State of Texas;

BE IT FURTHER RESOLVED that the Medical Executive Board is charged with recruiting and maintaining a diverse physician staff and Medical Executive Board membership that reflects the community of patients we serve; and

BE IT FURTHER RESOLVED that the Medical Executive Board may engage non-employed physicians and other clinical professionals who have specific subject matter expertise to serve on any committees the Medical Executive Board forms to perform the functions of the Medical Executive Board.

ADOPTED this ____th day of _____, 2020 by the Central Health Board of Managers

Chairperson
Central Health Board of Managers



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BOARD MEETING

February 26, 2020

REGULAR AGENDA ITEM 2

Discuss and take appropriate action to merge the ad hoc Policy and ad hoc Bylaws Committees into a single committee called the ad hoc Bylaws and Policy Committee.



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BOARD MEETING

February 26, 2020

REGULAR AGENDA ITEM 3

Discussion of the Executive Committee's instructions to the ad hoc Bylaws and Policy Committee and the ad hoc Women's Health Committee on subject matter and scope, and provide an update on subject matter and scope of the Strategic Planning Committee's Eastern Crescent Subcommittee.



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BOARD MEETING

February 26, 2020

REGULAR AGENDA ITEM 4

Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.¹



MEMORANDUM

To: Central Health Board of Managers
CC: Mike Geeslin, President and CEO, Central Health
Jeff Knodel, CFO, Central Health
Wesley Durkalski, President and CEO, Sendero Health Plans
Kit Abney-Spelce, Sr. Director Eligibility Services, Central Health
From: Stephanie Lee McDonald, VP, Enterprise Alignment and Coordination
Date: February 19, 2020
Re: Agenda item 4 - Discuss an update on Sendero Health Plans, Inc. - INFORMATIONAL ITEM

Overview

This memo summarizes the enrollment effort for the Calendar Year (CY) 2020 Central Health premium Assistance Program Expansion (CHAP Expansion). Currently, there are 536 Active members enrolled in Sendero through CHAP Expansion. Total membership goal for CY 2020 was 500 CHAP Expansion members with appropriate risk scores.

Synopsis

As directed in the Central Health Fiscal Year 2020 budget resolution, Central Health identified high-risk MAP or MAP Basic members to establish health coverage through Sendero Health Plans, Inc. This effort leverages the Affordable Care Act and increases access to health services for the people enrolled. CHAP Expansion members do not pay any co-pays, including for prescription drugs, and Sendero Health Plans, Inc. receives premium payments for the members directly from Central Health.

Through a coordinated Enterprise effort, Central Health Enrollment and Eligibility utilized both written communication and an aggressive outbound call campaign through the United Way call center to reach out to 1,503 eligible MAP and MAP Basic members during the open enrollment period.

Sendero outreach and case management staff, including the Community Health Worker assigned to each current CHAP Expansion member, directly contacted the 201 members who were currently enrolled prior to the start of open enrollment. Each member who has reenrolled has verified financial eligibility as well as current residency in Travis County.

Recognizing the historic member attrition rates through the course of the year and available budget, Central Health's CFO recommended enrollment over 500 to maintain the potential risk adjustment over the course of the year.

Table with 2 columns: Item, Value. Rows include: Number of existing CHAP Expansion enrolled in Calendar Year 2020 (156), New CHAP Expansion members (380), Total CHAP Expansion enrollment for Calendar Year 2020 (536).



New 2020 Members

Current Central Health analysis has calculated a current average risk score of roughly 12.97 for the 380 newly enrolled CHAP Expansion Members. Given the fragility of the health status of the CHAP Expansion members, each member is assigned a Community Health Worker through Sendero. Sendero requires that each member receives a health risk assessment and depending on the health needs, may work with a licensed social worker who can also assess behavioral health needs. Recently the care teams including Registered Nurses, Licensed Clinical Social Workers, and Community Health Workers from across the Enterprise convened to better understand the Sendero network and make connections as we work with the CHAP Expansion members to appropriately access the expanded services available to them.

Financial Impact

Central Health Board of Managers approved \$7 Million in funding for continuing the CHAP Expansion program for approximately 500 people in adopting the Fiscal Year 2020 budget on September 18, 2019. Current financial impact is tracking with the allocated funding.

Action Requested

This is an informational item and no action is required. Future updates on Sendero, which includes the CHAP Expansion members, will be provided by Sendero.



**SENDERO
HEALTH PLANS**



CommUnityCare



CENTRAL HEALTH

CENTRAL HEALTH BOARD OF MANAGERS BUDGET & FINANCE

OPEN SESSION SLIDES

SENDERO HEALTH PLANS 2020 UPDATE

Wednesday, February 26th 2020

Sendero 2019 Draft and 2020 Budget

SENDERO HEALTH PLANS 2019-20 PRELIM BUDGET UPDATE

	<u>2019 BUDGET</u>	<u>2019 DRAFT</u>	<u>2020 BUDGET</u>	
	APPROVED BUDGET thru DECEMBER 2019 (Dec 5, 2018)	PROJECTED thru DECEMBER 2019 (Feb 20, 2020)	APPROVED BUDGET thru December 2020 (Oct 28, 2019)	<u>Notes</u>
Total Revenue After Risk Adjustment	\$86,733,600	\$84,241,804	\$110,484,000	2019 Membership lower than budgeted, 2020 increased CHAP 2019 Membership lower but CHAP costs higher than expected 2019 Margin slightly higher than budgeted
Total Medical Expenses	\$66,091,003	\$62,394,656	\$86,729,940	
Contribution to Overhead	\$20,642,597	\$21,847,147	\$23,754,060	
 Total Administrative Expenses	 \$19,487,345	 \$17,756,152	 \$23,238,087	2019 better than budget, 2020 based on greater membership
 Net Income (loss)	 \$1,155,251	 \$4,090,995	 \$515,973	2020 conservative projection
<i>Check Total</i>				
 Average Membership	 14,200	 12,632	 16,500	2020: Actual membership less than projected in budget
Member Months	170,400	151,579	198,000	
Admin as % of Revenues After Risk Adj	22%	21%	21%	
 Premium PMPM	 \$509.00	 \$555.76	 \$558.00	Average premiums higher due to more CHAP
Claims PMPM	\$387.86	\$411.63	\$438.03	
Admin PMPM	\$114.36	\$117.14	\$117.36	Admin is roughly half fixed and half variable per member
Net Income PMPM	\$6.78	\$26.99	\$2.61	

- 2019 CHAP implementation was successful and did not harm Sendero financials
- 2020 actual membership lower than budget, but no deterioration in budgeted Net Income foreseen



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BOARD MEETING

February 26, 2020

REGULAR AGENDA ITEM 5

Discuss and take appropriate action to renew and amend the employment contract between Central Health and the President and Chief Executive Officer of Sendero Health Plans, Inc



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BOARD MEETING

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REGULAR AGENDA ITEM 6

Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition or lease.¹



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BOARD MEETING

February 26, 2020

REGULAR AGENDA ITEM 7

Confirm the next regular Board meeting date, time, and location.