



# CENTRAL HEALTH

### 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

Central Health will achieve excellence through:

*Stewardship* - We maintain public trust through fiscal discipline and open and transparent communication.

*Innovation* - We create solutions to improve healthcare access.

*Respect* - We honor our relationship with those we serve and those with whom we work.

*Collaboration* - We partner with others to improve the health of our community.

## BUDGET AND FINANCE COMMITTEE

Wednesday, March 11, 2020, 5:30 p.m.

Central Health Administrative Offices  
1111 E. Cesar Chavez St.  
Austin, Texas 78702  
Board Room

**STAYS IN FILE**

### AGENDA\*

**\*Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Committee.**


1. Approve the minutes of the February 19, 2020, meeting of the Central Health Budget and Finance Committee. (*Action Item*)
2. Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition or lease.<sup>1</sup> (*Action Item*)
3. Discuss Central Health's Historically Underutilized Business (HUB) outreach and education activities and statutes related to increasing contracting opportunities for HUBs.<sup>1</sup> (*Informational Item*)
4. Take appropriate action to adopt a new purchasing policy entitled Delegation of Purchasing Duties to Purchasing Authority and Certain Officers, and to make revisions to the General Procurement Policy (PUR1-001). (*Action Item*)
5. Receive and discuss an update on expanding Medical Access Program (MAP) enrollment from 6-months to 12-months. (*Informational Item*)
6. Discuss a potential refunding of Central Health Certificates of Obligation issued in 2011. (*Informational Item*)
7. Confirm the next regular Committee meeting date, time, and location. (*Informational Item*)

Note <sup>1</sup> – possible closed session item.

A quorum of Central Health's Managers may convene to discuss matters on the agenda, and such quorum may take Board action on items consistent with the Board's bylaws and the limits of any posting on this agenda.

The Budget and Finance Committee may consider any matter posted on the agenda in a closed session if there are issues that require consideration in a closed session and the Committee 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.

Came to hand and posted on a Bulletin Board in the Courthouse,  
Austin, Travis County, Texas on this the 14th day of  
March 2020  
Dana DeBeauvoir  
County Clerk, Travis County, Texas  
By A. Macedo Deputy  


**A. MACEDO**



**202080364**

**FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS**

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

Mar 06, 2020 03:49 PM  
Fee: \$0.00      MACEDOS



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**SUPPLEMENTAL NOTICE  
BUDGET AND FINANCE COMMITTEE**

**Wednesday, March 11, 2020, 5:30 p.m.**

**Central Health Administrative Offices  
1111 E. Cesar Chavez St.  
Austin, Texas 78702  
Board Room**

**EMERGENCY ADDITION TO AGENDA\***

\*This notice is provided in compliance with Texas Government Code §551.045(a), which allows a governmental body to deliberate its response to an emergency or urgent public necessity, such as an imminent threat to public health and safety or an epidemic.

**ADDITIONAL ITEM:**

- A1 Receive and discuss a briefing on Central Health's planned responses to address the potential impacts of COVID-19 and the declarations issued by the World Health Organization<sup>1</sup>, the City of Austin<sup>2</sup>, and Travis County<sup>3</sup> with respect to the virus.

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<sup>1</sup> On March 11, 2020, the World Health Organization declared COVID-19 a pandemic (i.e., an epidemic that has global spread).

<sup>2</sup> On March 6, 2020, the City of Austin declared a local state of disaster to more proactively increase preventative measures and require mitigation plans for events in the region.

<sup>3</sup> On March 6, 2020, and again on March 11, 2020, Travis County issued a declaration of local disaster, prohibiting all events of more than 2,500 people.



# CENTRAL HEALTH

## **BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

### **AGENDA ITEM A1**

Receive and discuss a briefing on Central Health's planned responses to address the potential impacts of COVID-19 and the declarations issued by the World Health Organization<sup>1</sup>, the City of Austin<sup>2</sup>, and Travis County<sup>3</sup> with respect to the virus.

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**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 1**

Approve the minutes of the February 19, 2020 meeting of the Central Health Budget and Finance Committee.

MINUTES OF MEETING – FEBRUARY 19, 2020

CENTRAL HEALTH BUDGET AND FINANCE COMMITTEE

On Wednesday, February 19, 2020, the Central Health Budget and Finance Committee convened at 5:34 p.m. in the Board Room, 1111 East Cesar Chavez, Austin, Texas 78702. Clerk for the meeting was Briana Yanes.

**Committee Members present:** Chairperson Oliver, Manager Bell, and Manager Zuniga (arrived at 5:52 p.m.)

**Board Members present:** Manager Greenberg, Manager Jones, and Manager Valadez

**AGENDA**

- 1. **Approve the minutes of the January 22, 2020 meeting of the Central Health Budget and Finance Committee.**

**Clerk’s Notes:** Discussion on this item began at 5:35 p.m.

Manager Bell moved that the Committee approve the minutes of the January 22, 2020 meeting of the Central Health Budget and Finance Committee.

Manager Greenberg seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	Absent
Manager Greenberg	For
Manager Jones	For
Manager Valadez	For

- 2. **Take appropriate action on a report of the January 2020 financial statements for Central Health.**

**Clerk’s Notes:** Discussion on this item began at 5:36 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer presented on the January 2020 Central Health financial statements. The presentation included a balance sheet as well as a sources and uses report. The presentation also included healthcare delivery, intergovernmental and healthcare delivery services, operating costs, and primary care and specialty care costs.

- 3. **Take appropriate action on a report of the January 2020 financial statements for the Community Care Collaborative.**

**Clerk’s Notes:** Discussion on this item began at 5:50 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer presented on the Community Care Collaborative January 2020 financial statements. The presentation included a balance sheet, a sources and uses report, and a healthcare delivery costs summary.

- 4. **Receive a report on fiscal year to date health care service expenditures made by Central Health and Community Care Collaborative.**

**Clerk’s Notes:** Discussion on this item began at 5:52 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer presented on the fiscal year to date health care service expenditures made by Central Health and Community Care Collaborative. The presentation included Central Health and Community Care Collaborative healthcare service highlights as well as healthcare specialty care highlights. These included totals of what has been spent year to date and what has been budgeted for.

No action was taken on Item 4.

**5. Receive and discuss a report of Historically Underutilized Business (HUB) spending performance.**

**Clerk's Notes:** Discussion on this item began at 6:02 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer presented a report of Historically Underutilized Businesses (HUB) spending performance. The report included a description of eligible and ineligible expenses, FY 2019 HUB-eligible expenditures totals, a historical comparison of eligible HUB expenditures, and Central Health's continuing outreach efforts.

At 6:20 p.m. Chairperson Oliver announced that the Board was convening in closed session to discuss agenda item 5 under Texas Government Code Section 551.071, Consultation with Attorney.

At 6:43 p.m. The Board returned to open session.

No action was taken on Item 5.

**6. Take appropriate action on proposed changes to Central Health's purchasing policies, including the General Procurement Policy numbered PUR-001.**

**Clerk's Notes:** Discussion on this item began at 7:08 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer presented on proposed changes to Central Health's purchasing policies, including the General Procurement Policy numbered PUR1-001. The presentation included a discussion on the non-substantive changes to the policy, which include changes to formatting, elaborating on the purpose, editing the scope and updating terminology. It also included discussion on the substantive changes which include changes to thresholds, exemptions and authorizations. Ms. Owens explained that these changes are designed to create more organizational efficiency aligned with growth.

Manager Greenberg moved that the Committee recommend that the Board accept the staff recommendations for changes to the Central Health Purchasing Policy, with amended language on bullet #3 under the heading "Procurement Thresholds and Methods" removing the word "sealed" from the phrase "competitive sealed proposal."

Manager Bell seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	For
Manager Greenberg	For
Manager Jones	For
Manager Valadez	For

**7. Confirm the next regular Committee meeting date, time, and location.**

**Clerk's Notes:** Discussion on this item began at 7:43 p.m.

Chairperson Oliver announced that the next Central Health Board of Managers Budget and Finance Committee meeting is scheduled for Wednesday, March 11, 2020 at 5:30 p.m., Central Health Administrative Offices, 1111 E. Cesar Chavez St., Austin, Texas 78702.

Manager Greenberg moved that the Committee adjourn.

Manager Bell seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	For

Manager Greenberg  
Manager Jones  
Manager Valadez

For  
For  
For

The meeting adjourned at 7:43 p.m.

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Julie Oliver, Committee Chairperson  
Central Health Budget and Finance Committee

ATTEST:

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Cynthia Valadez  
Secretary, Central Health Board of Managers





**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 2**

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



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 3**

Discuss Central Health's Historically Underutilized Business (HUB) outreach and education activities and statutes related to increasing contracting opportunities for HUBs.<sup>1</sup>



CENTRAL HEALTH

# Historically Underutilized Business Update

Budget and Finance Committee

March 11, 2020

Lisa Owens, Deputy Chief Financial Officer

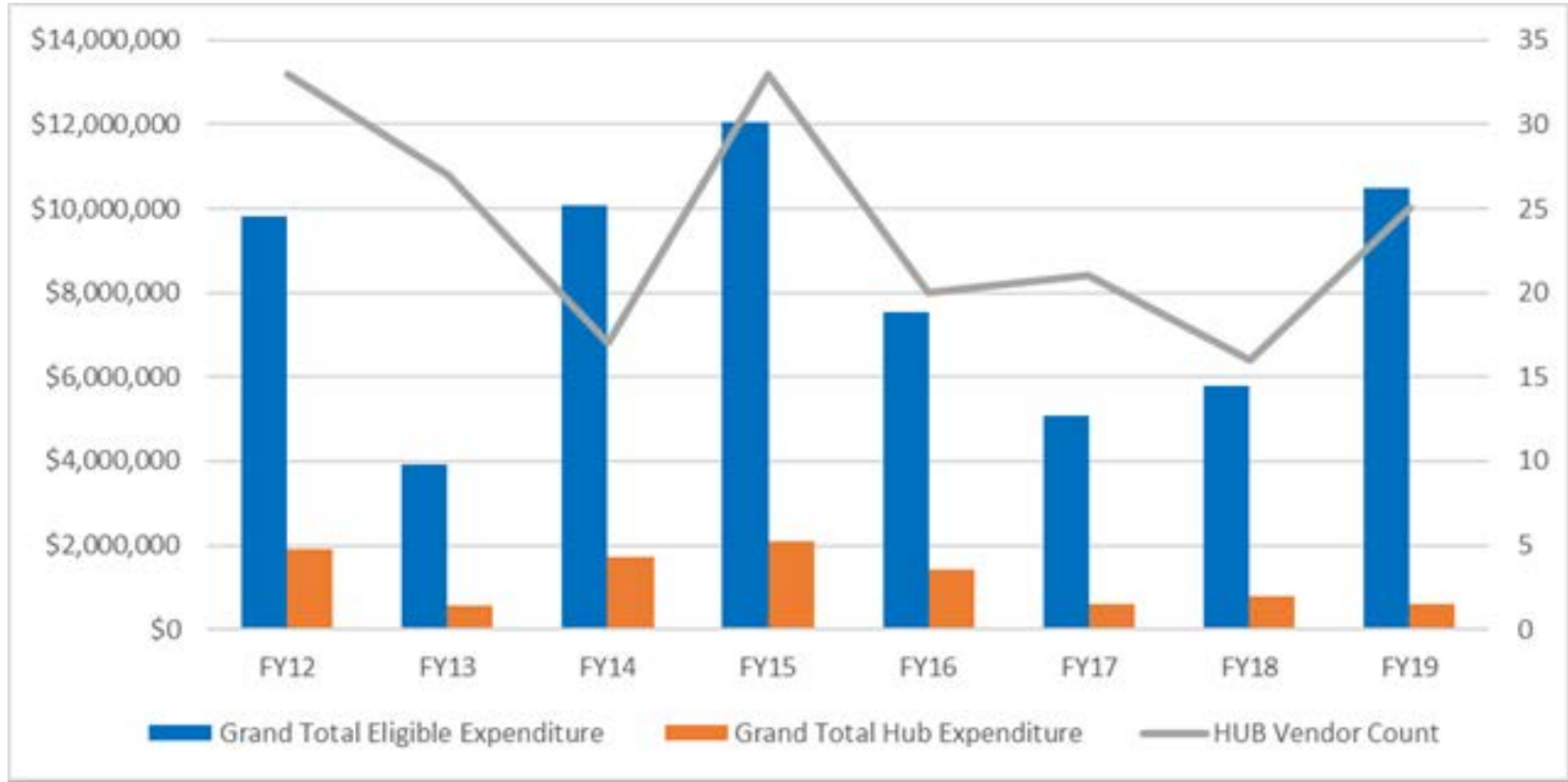


# Central Health's Historically Underutilized Business Policy

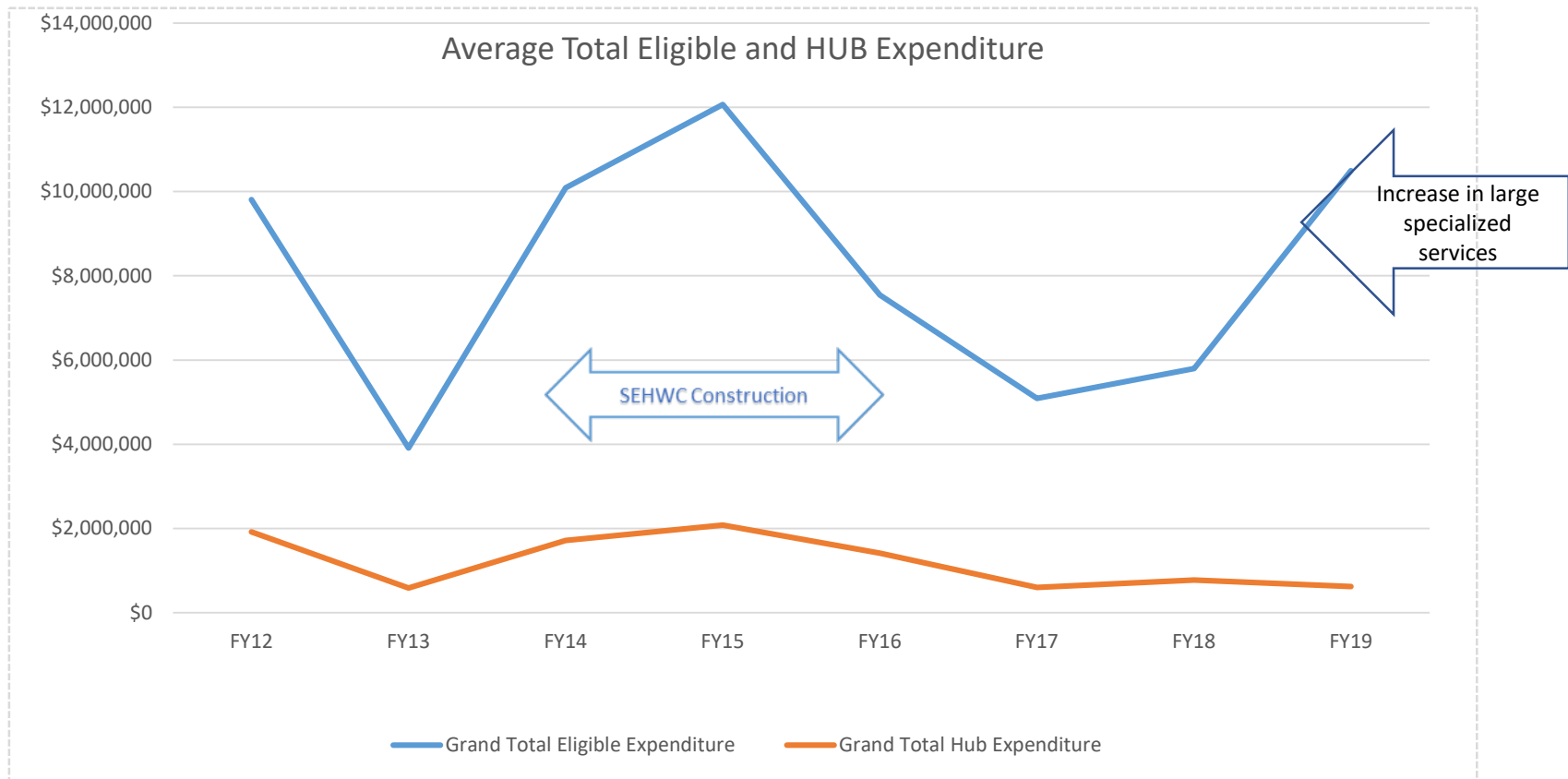
It is the policy of Central Health to provide full and equal opportunities for disadvantaged or HUB vendors to participate in Central Health's procurement process and receive contract awards.



# Eligible HUB Expenditures Historical Comparison

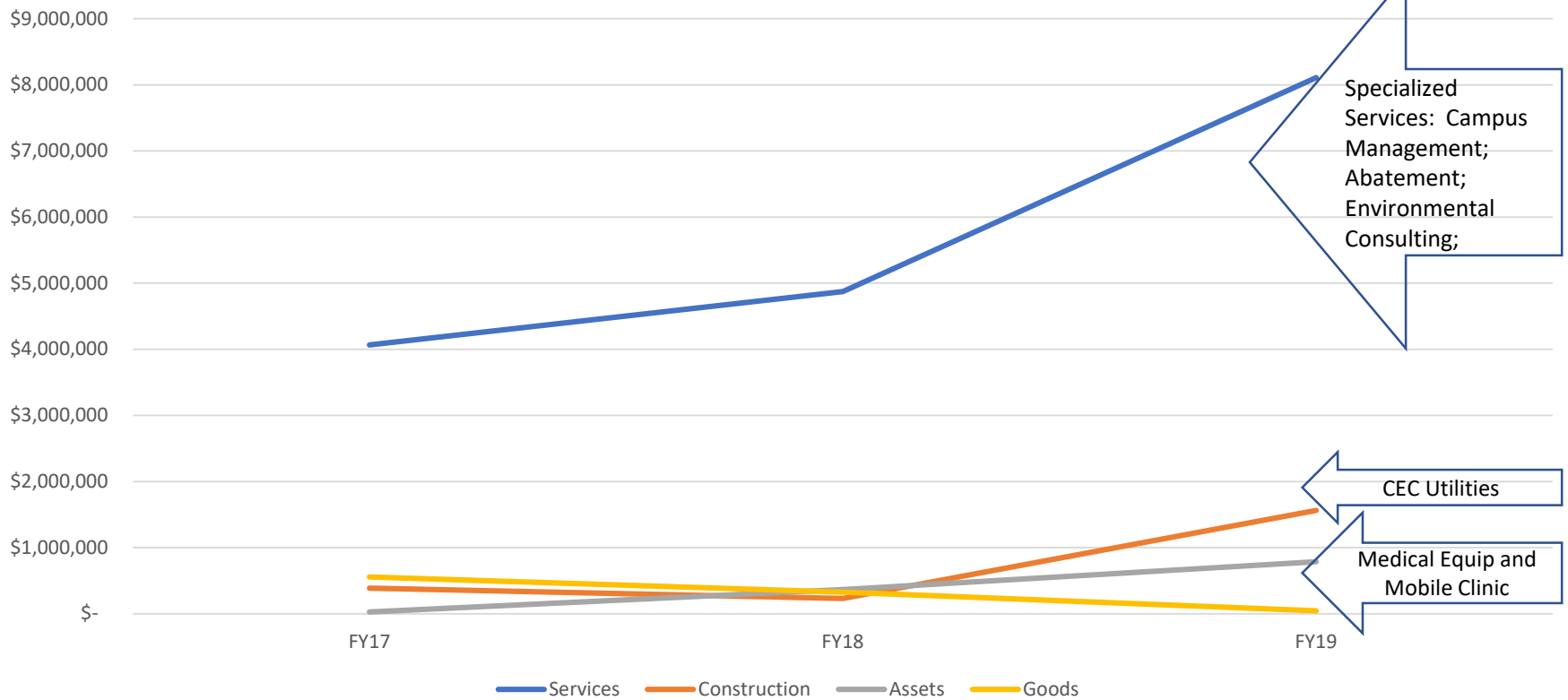


# Central Health's Eligible and HUB Expenditure - trend



# Central Health's Eligible Expenditure – by type

Expenditure Trends FY17-FY19



# Central Health's Continuing HUB Outreach Efforts

Use the following sourcing methods when procuring services and goods.

- BidSync-The largest Government bid notification system in the US
  - On average, 17% of our notifications via BidSync are to HUB vendors
- Electronic State Business Daily (ESBD) is a website where state (political subdivisions) post bid opportunities valued at \$25,000 or more <http://www.txsmartbuy.com/sp>
- All solicitations are posted to the Central Health website.
- Advertise in traditional large distribution outlets and small local outlets including Austin American Statesman, The Villager and Spanish language media outlets such as El Mundo newspaper.
- Direct communication to vendors that have signed up through the Central Health portal to be notified of solicitations.





# Central Health's Continuing HUB Outreach Efforts

Participate in HUB fairs through the City of Austin, Texas Comptroller, Travis County, Chamber's and other procurement fairs as offered.

- Recent examples include: November 2019 Texas Comptroller HUB EXPO and December 2019 Travis County HUB Expo

Negotiating agreements with local Chamber's of Commerce for increased promotions to members.

Partnering with the City and County on outreach efforts.



# Central Health's HUB Outreach Expansion Planning

Met with other governmental entities to identify best practices to implement in upcoming year:

- Develop specific HUB good faith outreach efforts for formal solicitations and contracts
- Track data that measures and reports good faith effort
- Identify solicitations with HUB sub-contracting opportunities and require prime contractors to provide additional specific plans
- Identify opportunities to refer vendors to City of Austin (SMBR) or Travis County (TCAAP) business development, training and certifications and work
- Develop social media program for procurement department to promote upcoming solicitations
- Host specific events to raise awareness of large upcoming projects, that have high participation opportunities



CENTRAL HEALTH

(512) 978-8000

[www.centralhealth.net@centralhealthtx](mailto:www.centralhealth.net@centralhealthtx)



@CentralHealthTX



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 4**

Take appropriate action to adopt a new purchasing policy entitled Delegation of Purchasing Duties to Purchasing Authority and Certain Officers, and to make revisions to the General Procurement Policy (PUR1-001).



MEMORANDUM

**To:** Central Health Board of Managers  
**From:** Lisa Owens, Deputy Chief Financial Officer  
**Cc:** Jeff Knodel, Chief Financial Officer  
Mike Geeslin, President and CEO  
**Date:** March 6, 2020  
**Re:** Proposed changes to Central Health Purchasing and Finance Policies

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**Overview:**

Central Health staff recommends that the Board of Managers (BOM) review and approve proposed changes to the Central Health Purchasing Policy (PUR1-001) and adopt a new Purchasing Policy PUR1-005 titled “Delegation of Purchasing Duties to Purchasing Authority and Certain Officers.”

**Synopsis:**

Central Health is proposing changes to our purchasing policy. These updates were reviewed and recommended at the February 19, 2020 Budget and Finance Meeting. Additional proposed changes have been made, as outlined below:

PUR1-001 Summary of Changes (updated since February 19, 2020):

- Clarification regarding Competitive Bidding terminology in “Procurement Thresholds and Methods”
- Moving the section on “authorizations” to a standalone policy titled “Delegation of Purchasing Duties to Purchasing Authority and Certain Officers”

PUR1-005 New Policy “Delegation of Purchasing Duties to Purchasing Authority and Certain Officers.”

- Board of Managers delegation to the CEO; and
- Authority to the CEO to delegate to certain officers at specific thresholds.

**Fiscal Impact:**

The implementation of this policy update will have no immediate fiscal impact, however, will create organizational efficiencies.

**Action Requested:**

Staff requests that the Budget and Finance Committee recommend that the BOM approve the proposed changes to policy PUR1-001 and PUR1-005.

## PUR1-001 General Procurement Policy

<b>Policy Title:</b> General Procurement Policy
<b>Policy #:</b> PUR1-001
<b>Effective Date:</b>
<b>Revision Dates:</b> May 28, 2009, February 28, 2008, January 25, 2007
<b>Board Last Approval Date:</b> April 15, 2010
<b>Policy Owner:</b> Lisa Owens, Deputy CFO
<b>Executive Sponsor:</b> Jeff Knodel, CFO
<b>Attachments:</b> PUR1-001 General Purchasing Policy Standard Operating Procedures

### **I. PURPOSE**

As a public institution, Central Health is held to a high degree of public scrutiny and accountability for its business practices. This policy establishes a standard approach to Procurement that ensures Central Health funds are used responsibly and in a manner consistent with the organization's mission, applicable laws, and ethical practices.

### **II. SCOPE**

This policy applies to all Central Health employees (including employees assigned to enterprise affiliates) when Central Health funds will be used to purchase goods and services. Detailed procedures for implementing this policy and applicable forms are found in the standard operating procedures (SOP #PUR1-001P) for purchasing and are available from the Procurement Authority.

### **III. DEFINITIONS**

Competitive Bidding: A solicitation method that allows available vendors to compete with each other to provide goods or services to Central Health. The responses to a competitive bid are sealed until opened by the organization at the established date and time and as defined by the solicitation method.

Historically Underutilized Business (HUB): A business formed for the purpose of making a profit, with its principal place of business in Texas, and that is either organized as: (A) a corporation in which at least 51 percent or more of all classes of the shares, stocks, or other equitable securities are owned by one or more economically disadvantaged persons who actively participate in the corporation's control, operation, and management; (B) a sole proprietorship that is completely owned, operated, and controlled by an economically disadvantaged person; (C) a partnership in which 51% or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and who actively participate in the partnership's control, operation, and management; (D) a joint venture in which each entity in the venture is a historically underutilized business; and (E) a supplier contract between a historically underutilized business and a prime contractor under which the historically underutilized

business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.

Procurement: The full continuum of the purchasing cycle that may begin with informal or formal solicitation of goods and services and result in an authorization for payment or execution of a purchase order or contract with Central Health.

Professional Services: Those services explicitly identified in the Professional Services Procurement Act, including those services within the scope of the practice of accounting, architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing.

Procurement Authority: The individuals designated by the President & CEO with the responsibility for purchasing and overseeing the Central Health Procurement processes.

Request for Proposal ("RFP"): A solicitation method that allows the organization to request a proposal or solution to a specific need from vendors, when factors other than price are to be considered and which allows for negotiations after a proposal has been received and before award of any contract.

Request for Qualifications ("RFQ"): A solicitation method that allows the organization to request details about the qualifications of professionals whose services must be obtained in compliance with the Professional Services Procurement Act.

#### **IV. POLICY**

It is the policy of Central Health that its Procurement processes maximize the value of public funds and serve the best interests of Central Health, its affiliated organization(s), and their constituents or customers while providing an open and fair process for responsible and qualified vendors.

The following Procurement principles are essential to achieving an open and fair process:

- Integrity and commitment to the highest ethical standards of the purchasing profession when dealing with internal and external customers.
- Free access to Procurement opportunities and information.
- Equal opportunity in contract awards to all businesses, including HUBs. The Central Health Board of Managers seeks to ensure that a good faith effort is made to assist certified HUB vendors and contractors in its solicitation of proposals for contracts and subcontracts.
- Cooperative purchasing through established local, state, and national purchasing

cooperatives or interlocal cooperation contracts with other governmental entities provide organizational efficiency if, in the opinion of the Procurement Authority, these cooperative purchasing organizations or contracts provide the best value to the organization.

The following guiding principles will help maximize value to the organization:

- Quality, innovation, and superior service and delivery from vendors.
- Effective partnerships among Central Health and its affiliated organization(s) and alignment with population served, organizational values, and mission. This alignment is the foundation for planning, implementing, and managing the most beneficial contracts to Central Health.
- Agility in developing and providing successful Procurement solutions to meet Central Health's business needs.

**Prohibited Procurement Processes:**

Procurement processes designed to avoid formal solicitation, such as component purchases (purchasing in separate pieces rather than purchasing as a whole) and sequential purchases (purchases made over a period of time that would normally have been made as one purchase) are explicitly prohibited.

**Procurement Thresholds and Methods**

The dollar amount and type of desired purchase will influence the procurement method chosen; however, formal solicitation methods (e.g., Competitive Bidding, RFPs, or RFQs) may be utilized regardless of purchase amount. In general, purchases in the amounts listed below will be accomplished as follows:

- **Less than \$10,000:** Procurement may be completed without informal or formal solicitation with requisite approval and payment methods, for example, through a purchase order or use of a purchasing card.
- **Between \$10,000 and \$49,999:** Procurement may be completed through informal solicitation, which requires Central Health staff to request at least three quotes from vendors. Attempts will be made to obtain a quote from HUB vendors whenever practical. The Procurement Authority will issue a purchase order or contract as authorized by policy.
- **\$50,000 or More:** Except for construction and Professional Services that specify a different process, Procurement may be accomplished through a formal solicitation method, such as Competitive Bidding, an RFP, or RFQ. A reverse auction is also



permitted for certain types of purchases.

Central Health will also extensively use cooperative purchasing through established local, state, and national purchasing cooperatives and "piggyback" on existing contracts with other governmental entities when these methods provide savings in staff time and costs and are determined by the Procurement Authority to provide the best value to the organization.

### **Exemptions from Competitive Bidding Process**

The President & CEO may grant an exemption from the Competitive Bidding processes set forth above in the following situations:

- Purchases in an amount less than \$50,000 when the item to be purchased is:
  - available from only one responsible supplier in the geographic area in which the organization operates; or
  - a film, manuscript, or book; electric power, gas, water, or other utility service; captive replacement parts or components for proprietary products, including equipment.
- Purchases in an amount greater than \$50,000 for captive replacement parts or major components of highly specialized equipment or when competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies that do not permit an equivalent product or service to be supplied.
- Purchases in any amount if the purchases are to be made from a vendor through an interlocal cooperation contract or a purchasing cooperative formed under Texas Government Code Chapter 791.
- Purchases of personal or Professional Services.
- Purchases of services that are critical to Central Health's operations that, if not secured immediately (i.e. subjected to Competitive Bidding or other solicitation method), will have severe impact, impair or completely inhibit such operations.
- Emergency Purchases, which are defined as:
  - an item or service that must be purchased in a case of public disaster (i.e., a disaster that has been declared by the Governor);
  - an item or service that must be purchased to prevent a hazard to the immediate public health, safety, or welfare of the residents of Travis County;
  - an item or service that must be purchased because of unforeseen damage to Central Health property (including leased facilities);
  - an item or service that must be purchased to avoid substantial undue additional cost that cannot be recovered by Central Health; or

- a situation that suddenly and unexpectedly causes Central Health to need the services of a consultant, but only if there is insufficient time to comply with this policy (e.g., the issuance of a court order or new legislation).

## **VI. RELEVANT LAWS**

- Government Code § 497.024 (Purchase of items from the Institutional Division of the Texas Department of Corrections)
- Government Code Chapter 791 (Interlocal Cooperation Act)
- Government Code § 2155.204 (Comptroller's Local Government Purchasing Program)
- Government Code Chapter 2157 (Catalog Purchase Procedures through the Texas Building and Procurement Commission)
- Government Code Chapter 2251 (Prompt Payment Act)
- Government Code Chapter 2252 (Contracts with Government Entities - Reciprocal penalties for out of state governments that impose penalties on Texas bidders)
- Government Code Chapter 2253 (Public Work Performance and Payment Bonds)
- Government Code Chapter 2254 (Professional Services Procurement Act)
- Government Code Chapter 2258 (Prevailing Wage Rates)
- Government Code Chapter 2269 (Contracting and Delivery Procedures for Construction Projects)
- Health & Safety Code §12.056 (Participation in Department of State Health Services Purchasing Contracts or Group Purchasing Organization)
- Health & Safety Code § 281.049 (Purchasing/Accounting Methods and Procedures)
- Health & Safety Code § 361.426 (Recycled Product Preferences)
- Human Resources Code Chapter 122 (Purchasing from People with Disabilities)
- Local Government Code Chapter 171 (Conflict of Interest Reporting)
- Local Government Code Chapter 176 (Disclosure of Relationships with Local Government Officers)
- Local Government Code Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties and Certain Other Local Governments)
- Local Government Code Chapter 273 (Acquisition of Property for Public Purposes by Municipalities, Counties, and Certain Other Local Governments)
- 28 Tex. Admin. Code § 110.110 (Workers' Compensation-required language for Construction Contracts)

## **VII. RELATED ORDERS AND POLICIES**

- Financial Order of the Travis County Commissioners Court
- Human Resources Policy (HR2-008): Standards of Conduct
- Compliance Policy (CMP-002): Code of Conducts and Ethics for Employees
- Compliance Policy (CMP-009): Duality of Conflict of Interest Policy and Standard Operating Procedure (CMP-009P)

## **VIII. PROCEDURES**

- PUR-001P General Purchasing Standard Operating Procedures

## PUR1-001 General Procurement Policy

<b>Policy Title:</b> General Procurement Policy
<b>Policy #:</b> PUR1-001
<b>Effective Date:</b>
<b>Revision Dates:</b> May 28, 2009, February 28, 2008, January 25, 2007
<b>Board Last Approval Date:</b> April 15, 2010
<b>Policy Owner:</b> Lisa Owens, Deputy CFO
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### II. SCOPE

This policy applies to all Central Health employees (including employees assigned to enterprise affiliates) when Central Health funds will be used to purchase goods and services. Detailed procedures for ~~implementing~~ this policy and applicable forms are found in the standard operating procedures (SOP #PUR1-001P) for purchasing and are available from the Procurement Authority.

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management; (D) a joint venture in which each entity in the venture is a historically underutilized business; and (E) a supplier contract between a historically underutilized business and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods ~~have been certified by a governmental program.~~

Procurement: The full continuum of the purchasing cycle that may begin with informal or formal solicitation of goods and services and result in an authorization for payment or execution of a purchase order or contract with Central Health.

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The following guiding principles will help maximize value to the organization:

- Quality, innovation, and superior service and delivery from vendors.
- Effective partnerships among Central Health and its affiliated organization(s) and alignment with population served, organizational values, and mission. This alignment is the foundation for planning, implementing, and managing the most beneficial contracts to Central Health.
- Agility in developing and providing successful Procurement solutions to meet Central Health's business needs.

**Prohibited Procurement Processes:**

Procurement processes designed to avoid ~~competitive formal~~ solicitation, such as component purchases (purchasing in separate pieces rather than purchasing as a whole) and sequential purchases (purchases made over a period of time that would normally have been made as one purchase) are explicitly prohibited.

**Procurement Thresholds and Methods**

The dollar amount and type of desired purchase will influence the ~~Competitive Bidding procurement~~ method chosen ~~by the Central Health Procurement Authority; however, formal solicitation methods (e.g., Competitive Bidding, RFPs, or RFQs) may be utilized regardless of purchase amount.~~ In general, ~~purchases in the amounts listed below will be accomplished as follows~~ Central Health will use the following purchase dollar thresholds as guidelines for determining which ~~Competitive Bidding method to use:~~

- **Less than \$10,000:** Procurement may be completed without ~~informal or formal competitive Bidding solicitation~~ with requisite approval and payment methods, for example, through a purchase order or use of a purchasing card.
- **Between \$10,000 and \$49,999:** Procurement ~~may~~ ~~be~~ completed through ~~Competitive Bidding, including informal bidding solicitation,~~ which requires Central Health staff to request at least three ~~bids quotes from vendors or issue an Invitation for Bid.~~ Attempts will be made to ~~include obtain a quote from~~ HUB vendors

whenever practical. ~~A competitive sealed bid or proposal process (RFP, RFQ, etc.) is optional depending on the specifications and requirements of the goods and services.~~ The Procurement Authority will issue a purchase order or contract as authorized by policy.

- **\$50,000 or More:** Except for construction and Professional Services that specify a different process, Procurement may be accomplished through a ~~competitive sealed proposal process~~ formal solicitation method, such as Competitive Bidding, an RFP, or RFQ ~~or a cooperative purchasing organization~~. A reverse auction is also permitted for certain types of purchases.

Central Health will also extensively use cooperative purchasing through established local, state, and national purchasing cooperatives and ~~will also~~ "piggyback" on existing contracts with other governmental entities when these methods provide savings in staff time and costs and are determined by the Procurement Authority to provide the best value to the organization.

#### **Exemptions from Competitive Bidding Process**

The President & CEO ~~or Procurement Authority~~ may grant an exemption from the Competitive Bidding processes set forth above in the following situations:

- Purchases in an amount less than \$50,000 when the item to be purchased is:
  - available from only one responsible supplier in the geographic area in which the organization operates; or
  - a film, manuscript, or book; electric power, gas, water, or other utility service; captive replacement parts or components for proprietary products, including equipment.
- Purchases in an amount greater than \$50,000 for captive replacement parts or major components of highly specialized equipment or when competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies that do not permit an equivalent product or service to be supplied.
- Purchases in any amount if the purchases are to be made from a vendor through an interlocal cooperation contract or a purchasing cooperative formed under Texas Government Code Chapter 791.
- Purchases of personal or Professional Services.
- Purchases of services that are critical to Central Health's operations that, if not secured immediately (i.e. subjected to Competitive Bidding or other solicitation method), will have severe impact, impair or completely inhibit such operations.
- Emergency Purchases, which are defined as:

- an item or service that must be purchased in a case of public disaster (i.e., a disaster that has been declared by the Governor);
- an item or service that must be purchased to prevent a hazard to the immediate public health, safety, or welfare of the residents of Travis County;
- an item or service that must be purchased because of unforeseen damage to Central Health property (including leased facilities);
- an item or service that must be purchased to avoid substantial undue additional cost that cannot be recovered by Central Health; or
- a situation that suddenly and unexpectedly causes Central Health to need the services of a consultant, but only if there is insufficient time to comply with this policy (e.g., the issuance of a court order or new legislation).

~~The Central Health Board of Managers delegates the following authority to its President and CEO or in his/her prolonged absence to the Deputy Administrator:~~

- ~~• Approval and administration of exemption orders described by this policy. Exemption orders will be executed documented in a memorandum to file;~~
- ~~• Authorization to execute contracts regardless of amount, including renewals and amendments, provided that funding has been previously approved by the Board of Managers for the contracted item or service during the annual budget adoption process or the initiative was approved as an agenda item by the Board of Managers and funding is currently available;~~
- ~~• Authorization to execute contract renewals and amendments regardless of the amount if the amendment and renewal are for a correction that does not affect the substantive terms and conditions (e.g. term or length, cost, scope of service), and the amendment and renewal are reported to the Board of Managers.~~
- ~~• Authorization to award contracts and/or contract amendments and modifications for goods or services that have not been preauthorized up to \$100,000;~~
- ~~• Authorization to delegate to the Procurement Authority the identification and application of the appropriate procurement method as outlined by policy, approval and administration of exemption orders, the ability and the authorization to reject bids/proposals that do not meet Central Health needs, and the ability to re-issue solicit procurements solicitations as needed.~~

~~Notwithstanding the authority granted herein, the President and CEO, in his or her discretion, may choose to take any procurement action to the Central Health Board of Managers for approval.~~

## VI. RELEVANT LAWS

- Government Code § 497.024 (Purchase of items from the Institutional Division of the Texas Department of Corrections)
- Government Code Chapter 791 (Interlocal Cooperation Act)
- Government Code § 2155.204 (Comptroller's Local Government Purchasing Program)
- Government Code Chapter 2157 (Catalog Purchase Procedures through the Texas Building and Procurement Commission)
- Government Code Chapter 2251 (Prompt Payment Act)
- Government Code Chapter 2252 (Contracts with Government Entities - Reciprocal penalties for out of state governments that impose penalties on Texas bidders)
- Government Code Chapter 2253 (Public Work Performance and Payment Bonds)
- Government Code Chapter 2254 (Professional Services Procurement Act)
- Government Code Chapter 2258 (Prevailing Wage Rates)
- Government Code Chapter 2269 (Contracting and Delivery Procedures for Construction Projects)
- Health & Safety Code §12.056 (Participation in Department of State Health Services Purchasing Contracts or Group Purchasing Organization)
- Health & Safety Code § 281.049 (Purchasing/Accounting Methods and Procedures)
- Health & Safety Code § 361.426 (Recycled Product Preferences)
- Human Resources Code Chapter 122 (Purchasing from People with Disabilities)
- Local Government Code Chapter 171 (Conflict of Interest Reporting)
- Local Government Code Chapter 176 (Disclosure of Relationships with Local Government Officers)
- Local Government Code Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties and Certain Other Local Governments)
- Local Government Code Chapter 273 (Acquisition of Property for Public Purposes by Municipalities, Counties, and Certain Other Local Governments)
- 28 Tex. Admin. Code § 110.110 (Workers' Compensation-required language for Construction Contracts)

## **VII. RELATED ORDERS AND POLICIES**

- Financial Order of the Travis County Commissioners Court
- Human Resources Policy (HR2-008): Standards of Conduct
- Compliance Policy (CMP-002): Code of Conducts and Ethics for Employees
- Compliance Policy (CMP-009): Duality of Conflict of Interest Policy and Standard Operating Procedure (CMP-009P)

## **VIII. PROCEDURES**

- PUR-001P General Purchasing Standard Operating Procedures





<b>Policy Title:</b> Delegation of Purchasing Duties to Purchasing Authority and Certain Officers
<b>Policy #:</b> PURX-005
<b>Effective Date:</b> TBD
<b>Revision Dates:</b> N/A
<b>Board Last Approval Date:</b> N/A
<b>Policy Owner:</b> Deputy Chief Financial Officer
<b>Executive Sponsor:</b> Chief Financial Officer
<b>Attachments:</b>

**I. PURPOSE**

This policy operates to delegate certain procurement-related duties to the President & CEO and allows the President & CEO to delegate these duties to other Central Health officers and employees in order to ensure that Central Health operates efficiently.

**II. SCOPE**

This policy applies to all employees who are specifically identified by title in the definitions and policy statement.

**III. DEFINITIONS**

Chief Information Officer (CIO): The individual designated by the President & CEO with the responsibility for overseeing the Central Health Joint Technology department.

Chief Financial Officer (CFO): The individual designated by the President & CEO with the responsibility for overseeing Central Health’s financial operations.

Chief Operating Officer (COO): The individual designated by the President & CEO with the responsibility for overseeing healthcare delivery services and operations.

Deputy Administrator: The individual designated by the Board of Managers to perform any of the President & CEO’s powers or duties in the event that the President & CEO is incapacitated, absent for a prolonged period of time, or unable to perform the President & CEO’s duties.

Procurement Authority: The individual(s) designated by the President & CEO in PUR1-001 with the responsibility for purchasing and overseeing Central Health’s procurement process.

Prolonged Period of Time: An amount of time exceeding five (5) business days.

**IV. POLICY**

The Central Health Board of Managers delegates the following procurement authority to its President & CEO:

- Approval to issue exemption orders for the purposes described in the General Procurement Policy (PUR1-001).
- Authorization to execute contracts regardless of dollar value, including contract renewals and amendments, provided that:
  - the Board of Managers has allocated funds for the contracted goods or service during the annual budget adoption process or the goods or service is necessary to implement an initiative that was approved by the Board of Managers at an Open Meeting and
  - funding is currently available;
- Authorization to execute contract amendments that are necessary due to a change in law or to correct a scrivener's error that does not affect the contract's substantive terms and conditions (e.g. term or length, cost, scope of service); and
- Authorization to award contracts and/or contract amendments for goods or services that were not contemplated in the budget that was adopted by the Board of Managers if the dollar value of the contract is less than \$100,000;

Notwithstanding the authority granted herein, the President and CEO, in his or her discretion, may choose to take any procurement action to the Central Health Board of Managers for approval.

The Central Health Board of Managers authorizes the President & CEO to delegate the following procurement duties and rights to the Central Health Procurement Authority:

- Identification and application of the appropriate procurement method;
- Approval and administration of exemption orders;
- Ability to reject bids, proposals, or qualifications that do not meet Central Health's needs;
- Ability to reissue solicitations as needed; and
- Execution of contracts, including renewals and amendments, having a dollar value of less than or equal to \$50,000 provided funds are available for the good or service in the annual budget.

The Central Health Board of Managers further authorizes the President & CEO to delegate limited contract execution function to the Central Health officers named below, provided that funds are available in the annual budget for the contracted good or service:

- Chief Operating Officer – Execution of health care services contracts, including renewals and amendments, having a dollar value of less than or equal to \$100,000
- Chief Information Officer – Execution of technology services, software, hardware, and equipment contracts, including renewals and amendments, to

support technology operations up to \$50,000

- Chief Financial Officer – Execution of audit, investment, and construction services contracts, including renewals and amendments, up to \$50,000

**V. RELEVANT STATUTES, REGULATIONS OR GUIDANCE**

Texas Health & Safety Code § 281.027

**VI. RELATED POLICIES AND PROCEDURES**

N/A

**VII. PROCESS**

This policy will be reviewed annually in the budget process.



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 5**

Receive and discuss an update on expanding Medical Access Program (MAP) enrollment from 6-months to 12-months.



## MEMORANDUM

**To:** Central Health Budget and Finance Committee  
**CC:** Mike Geeslin, President and CEO, Central Health  
**From:** Jon Morgan, Chief Operating Officer, Central Health  
Kit Abney Spelce, Sr. Director Eligibility Services, Central Health  
**Date:** March 11, 2020  
**Re:** Agenda item 5: Receive and discuss an update on expanding Medical Access Program (MAP) enrollment from 6-months to 12-months. *INFORMATIONAL ITEM*

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### Overview

The Central Health Board of Managers FY2020 Budget Resolution identified extending Medical Access Program (MAP) coverage from six to twelve months as an important activity to support Central Health's Strategic Goals and Objectives. Increasing the enrollment period from six to twelve months not only prevents gaps in coverage, but also aligns with other healthcare programs and reduces client and staff administrative burden. On December 18<sup>th</sup> of 2019, an initial memo was provided to the Central Health Board of Managers including analysis of MAP member demographics and renewal patterns. The attached subsequent presentation provides additional analysis of projected cost savings and administrative efficiencies, anticipated MAP enrollment impact and proposed implementation strategy.

### Action Requested

This is an informational item, and no action is required.



# MAP Enrollment Expansion to 12 Months

Budget and Finance Committee Meeting  
March 11, 2020

Jon Morgan, Chief Operating Officer  
Kit Abney Spelce, Senior Director of Eligibility  
Services



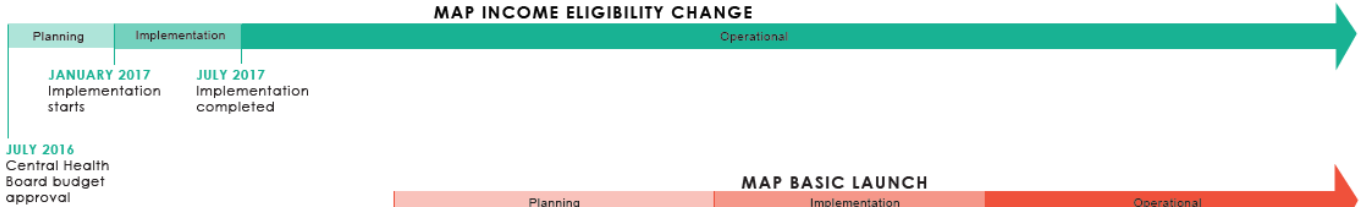
# Agenda

- Timeline of MAP Benefit Redesign Accomplishments and Overview of MAP Enrollment
- Analysis of MAP Member Renewal Patterns
- Characteristics and Utilization of MAP Members
- Literature Review, Implementation Plan and Impact to Enrollment
- Projected Costs and Administrative Efficiencies
- Next Steps

# TIMELINE: MAP BENEFIT REDESIGN



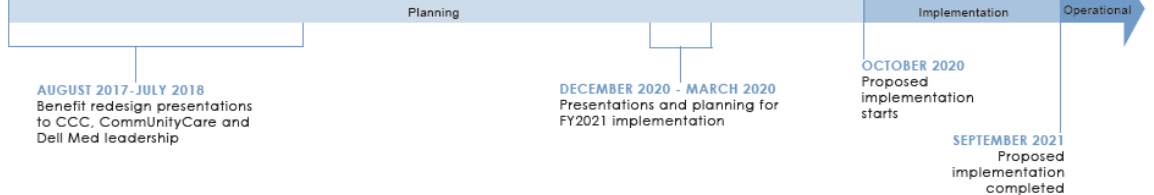
## MAP INCOME ELIGIBILITY CHANGE



## MAP BASIC LAUNCH



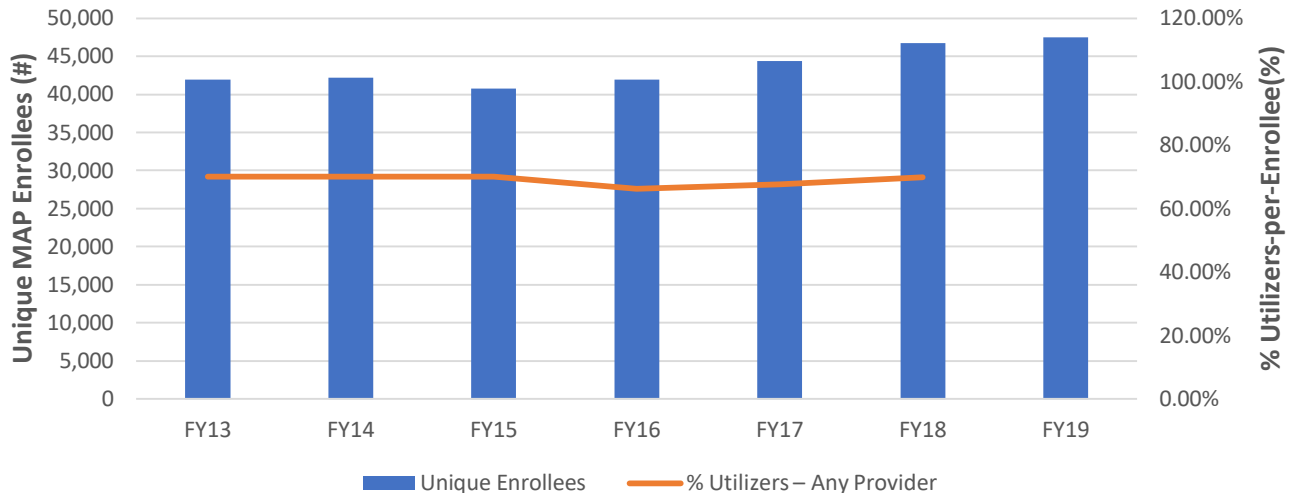
## 12-MONTH ENROLLMENT EXPANSION





# Overview of MAP Population

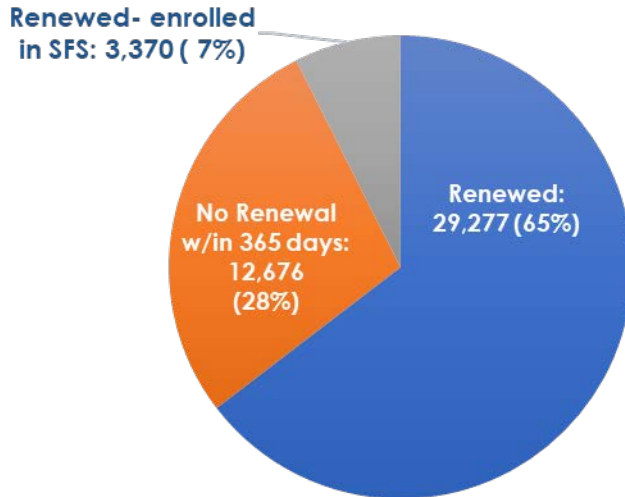
MAP	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Unique Enrollees	41,947	42,196	40,735	41,919	44,415	46,746	47,532
% Utilizers – Any Provider	70.03%	70.08%	69.98%	66.17%	67.71%	69.94%	NA



Data Source: FY18 Actuarial Data

# MAP Member Renewal Pattern Analysis

- **Study Population:** 45,323 individuals enrolled in MAP between April 1, 2017 – March 31, 2018



## Findings:

- 72% of the study population **went through the renewal process**
- 20% (20,391) of the 29,277 individuals renewed in MAP **experienced a lapse in coverage**

\*Less than 1% moved to Medicare

# FY18 MAP Population:

(October 1, 2017 – September 30, 2018)

Demographics	Enrollment Period ≤6 months	Enrollment Period >6 months
Population Size: Total	20,772 (44.5%)	25,928 (55.5%)
Population Size: Homeless	7,431	4,003
Average age: Total	37.1 years	44.1 years
Average age: Homeless	40.3 years	42.8 years
2+ Chronic Diseases: Total	15.4%	40.3%
2+ Chronic Diseases: Homeless	17.9%	56.5%
Risk Score: Total	1.87	3.11
Risk Score: Homeless	2.14	4.92
Ascension Seton MAP and Charity Care Utilization	Enrollment Period ≤6 months	Enrollment Period >6 months
Number of Patients Utilizing Seton	5,215 (25.1%)	12,108 (46.7%)
IP Visits Per Month per 1000	3.8	7.9
OP Visits Per Month per 1000	11.4	51.9
ED Visits Per Month per 1000	25.7	47.5

***Enrollment Period >6 months also includes MAP Members with a gap in coverage of <30 days***

Data Source: FY18 Actuarial Data

# Other Program Research

## Literature Review:

- People with short episodes of coverage have poorer quality of health care (1)
- People with lapses in coverage often reenroll in Medicaid after they obtain high-cost care in hospitals that could have been avoided with better ongoing care (1)
- Potential increase in hospital utilization, especially the emergency room (2)

## Program Review

- Other coverage programs and hospital districts have 12-month enrollment

**(1) Reducing Medicaid Churning: Extending Eligibility For Twelve Months Or To End Of Calendar Year Is Most Effective:** By: Katherine Swartz, Pamela Farley Short, Deborah Roempke Graefe, and Namrata Uberoi. Health Affairs 2015 34:7, 1180-1187

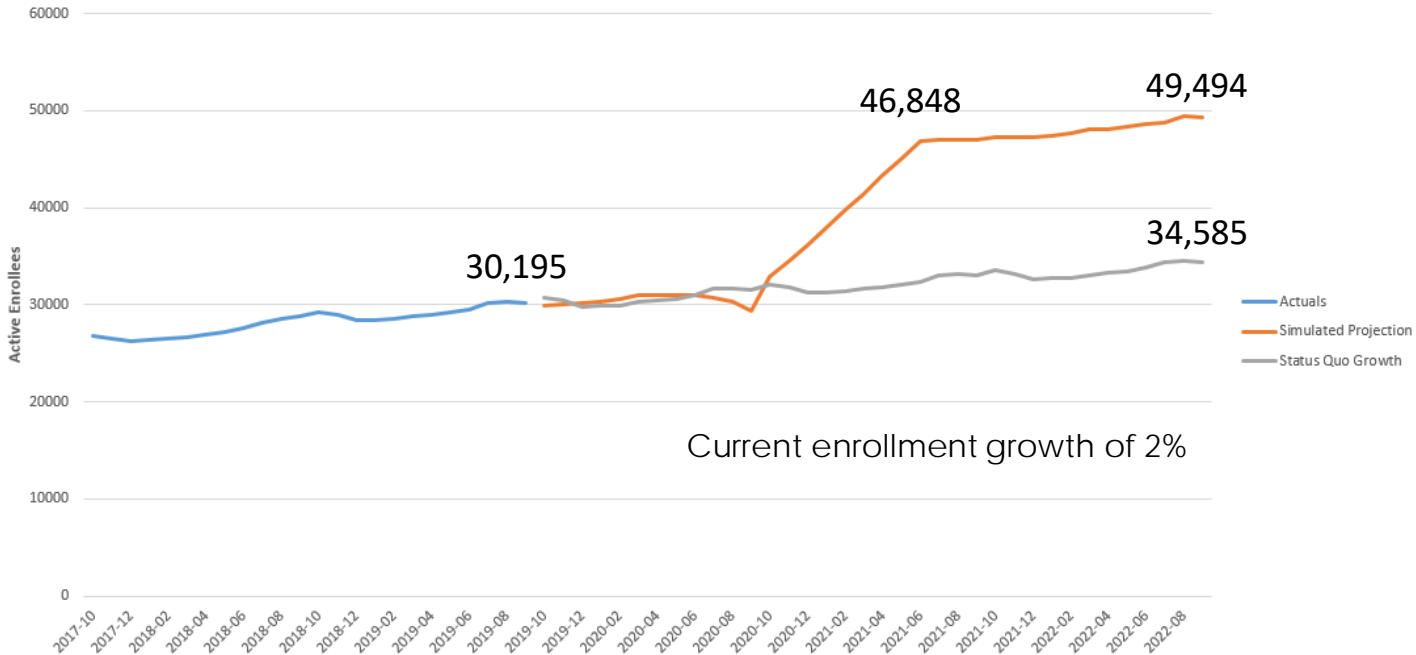
**(2) The Uninsured Do Not Use the Emergency Department More- They Use Other Care Less:** By: Ruohua Annetta Zhou, Katherine Baicker, Sarah Taubman, Amy N. Finkelstein, Health Affairs 36, No.12 (2017) 2115-2122

# Implementation Plan

- Active members will have their coverage extended to a total of 12 months, with limited exceptions.
- New enrollments will receive 12 months of coverage.

# Anticipated Impact to MAP Enrollment

October 2020: Proposed implementation of 12 months coverage



Data Source: Eligibility system

# Benefits and Costs

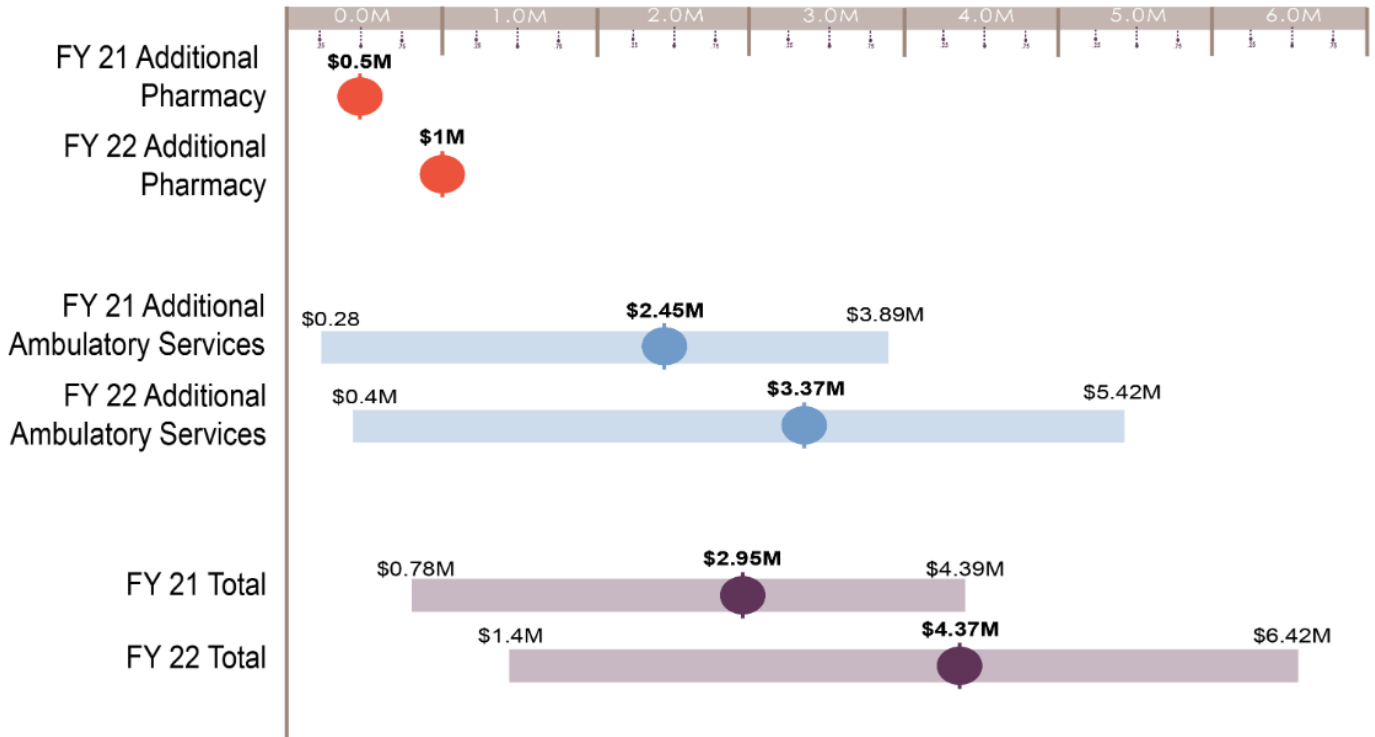
## Anticipated Benefits

- Reduction of administrative burden on clients and staff
- Reduction in the likelihood patients experience a gap in coverage which can result in delaying care, skipping medications, or grappling with out-of-pocket costs
- Alignment with other healthcare programs
- Additional DSRIP data consistency; less outcome volatility

## Additional Cost and/or Utilization

- Increase in pharmacy and urgent/convenient care utilization
- Potential increase in ED and inpatient utilization

# ADDITIONAL COST ANALYSIS FY21 & FY22



\*Excludes hospital based services



# Anticipated Administrative Efficiencies

## Central Health resources

- 52 hours repurposed per month in the 1<sup>st</sup> year

## Community Partner resources

- 25 hours repurposed per month in the 1<sup>st</sup> year

	Year 1	Year 2	Year 3
Central Health	\$466,031	\$273,688	\$153,065
Community Partners	\$5,530	\$3,263	\$1,827
<b>TOTAL</b>	<b>\$471,561</b>	<b>\$276,951</b>	<b>\$154,892</b>

# Next Steps

- Central Health and Ascension Seton agreement on implementation and timeline

# QUESTIONS & DISCUSSION





**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 6**

Discuss a potential refunding of Central Health Certificates of Obligation issued in 2011.



CENTRAL HEALTH



A Central Health and Seton partnership

# Central Health

Budget & Finance Committee

March 11, 2020

Agenda Item No. 6

2011 Certificates of Obligation Refunding



# Summary

- Informational item regarding an opportunity identified by PFM, Central Health's financial advisor, to refund Series 2011 Certificates of Obligation
- Will achieve savings and reduce amount of taxpayer funds required for future debt service payments
- Will request approval at Central Health Board of Managers meeting on March 25, 2020



CENTRAL HEALTH



CommUnityCare



SENDERO  
HEALTH PLANS



Community  
Care  
Collaborative

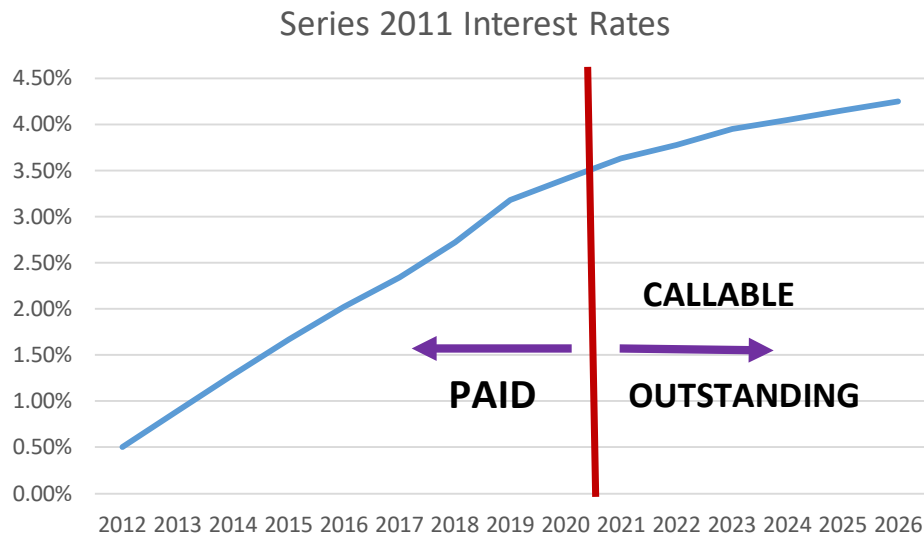
A Central Health and Seton partnership



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# Series 2011 Certificates of Obligation

- Issued in August 2011 in an amount of \$16 million
- Outstanding amount is \$7,285,000
- Certificates of Obligations are callable on March 1, 2020
- Interest rates at issuance ranged from 0.5% - 4.25%
- Outstanding rates range from 3.63% - 4.25%



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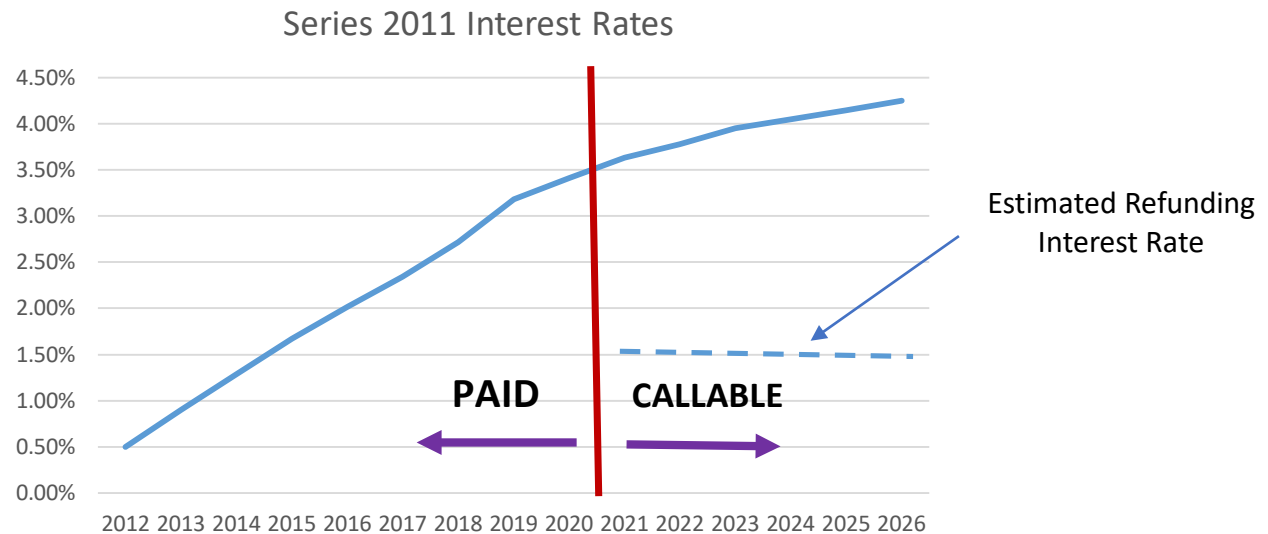
# Refunding Objectives

- Achieve PV savings >5%
- \$500,000 in savings over the term of the refunding debt (through 2026), averaging \$75,000 per year in interest savings
- Utilize existing banking relationship with JPMorgan to expedite transaction
- Refund debt with a private placement, which minimizes administrative and issue costs
- Lock rates as soon as possible



# Next Steps

- Request approval of parameter sale at Central Health BOM meeting on 3/25/2020
- Lock interest rate
- Evaluate if Travis County Commissioner Court approval is required



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**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**March 11, 2020**

**AGENDA ITEM 7**

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