

**AMARILLO HOSPITAL DISTRICT
SPECIAL MEETING OF BOARD OF MANAGERS
AMARILLO CITY HALL
CITY COMMISSION CHAMBERS
MINUTES
OCTOBER 19, 2012
7:30 A.M.**

Members

Mr. Bob Stafford, MD, Chair
Mr. Mark Logsdon, Vice Chair
Ms. Liz Hughes, Secretary
Ms. Claudette Dove
Mr. Chuck Speed
Mr. Rodney Ruthart
Mr. Smith Ellis

Present

Yes
Yes
Yes
No
Yes
No
Yes

Also Present

Mr. Dean Frigo	Assistant City Manager for Financial Services, City of Amarillo
Mr. Marcus Norris	City Attorney, City of Amarillo
Dr. Matt Richardson	Director of Public Health, City of Amarillo
Ms. Andrea Rains	Recording Secretary, City of Amarillo
Mr. Charlie Luband	Attorney, SNR Denton
Dr. Todd E. Bell	Assistant Professor, Dept. of Pediatrics & Internal Medicine, TTUHSC

ITEM 1: Selection of Temporary Chair. Motion was made by Mr. Speed, seconded by Ms. Hughes and unanimously carried to nominate Mr. Stafford as temporary Chairman.

ITEM 2: Mr. Stafford called the meeting to order at 7:35 am.

ITEM 3: Election of Officers and TIRZ Representative. Mr. Speed motioned to nominate Mr. Ruthart as the Hospital District's Investment Officer. Mr. Ellis seconded the motion and it carried unanimously. Motion was made by Mr. Speed, seconded by Mr. Logsdon, and carried unanimously to continue having Ms. Hughes serve as Secretary. Ms. Hughes motioned to nominate Mr. Speed as the District's TIRZ representative. Mr. Stafford seconded the motion and it carried unanimously. Mr. Stafford motioned to nominate Mr. Logsdon as Vice-Chairman. Mr. Ellis seconded the motion and it unanimously carried. Motion was made by Mr. Speed, seconded by Ms. Hughes and carried unanimously to nominate Mr. Stafford as Chairman of the Amarillo Hospital District Board of Directors.

ITEM 4: Approval of Minutes from July 31, 2012. Mr. Stafford presented the minutes from the last meeting held July 31, 2012. There were no questions or comments. Motion was made by Ms. Hughes, seconded by Mr. Speed, and unanimously carried to approve the minutes as stated.

ITEM 5: Consider Indigent Care Agreement and Healthcare Services Agreement. Review and Consider Resolutions Regarding Suspension Agreement and Amendment to Healthcare Services Agreement. Mr. Luband presented Items 5 and 6 and stated that he was an attorney representing Universal Health Services (UHS), the parent corporation of Northwest Texas Healthcare System (NWTHS). He explained that the documents presented to the Board would continue to suspend the Indigent Care Agreement and continue to extend the Healthcare Services Agreement. One significant change, he further explained, was due in part of the change in the Medicaid program, from a series of different programs into the Section 1115 Waiver. Mr. Luband stated that with the new Waiver, there were certain conditions of participation and certain certifications that both the governmental entities, such as the Hospital District, and hospital entities, such as NWTHS, would have to make. One of those certifications, he reported, had to do with whether or not there

was linkage between funding of the non-federal share and the indigent care provided for by a hospital. He further reported that previously, there was no certification requirement that the District had to provide about the linkage; however, with the 1115 Waiver program, it would be required. Therefore, Mr. Luband explained that the proposed change to the Healthcare Services Agreement would explicitly eliminate any requirement of the District to provide the non-federal share of Medicaid funding to NWTWS. He added that NWTWS and UHS hoped that the District would continue to provide the non-federal share of funding, which was very critical to the hospital, but recognized the legal requirement and could not have an agreement that would require the District to do so. Mr. Luband stated that the agreements would place NWTWS in a more precarious position, but would continue to provide the indigent care that the District expected. The Board asked for staff recommendation, to which Mr. Norris stated that for reasons he wanted to explain in closed session for the District to consult with attorney for legal advice, it was staff's recommendation that the Board table both Item 5 and Item 6. Mr. Speed motioned to table both Item 5 and Item 6. Mr. Ellis seconded the motion and it carried unanimously.

ITEM 6: Review and Consider Resolution Regarding Upper Payment Limit Program. This item was tabled with Item 5 above.

ITEM 7: Review and Consider Resolution Regarding Upper Payment Limit Program for Monthly Payments for 2012/13. Mr. Frigo stated that there was no linkage in Item 7 between non-federal funding and indigent care being provided as discussed in Item 5. He explained that Item 7 is a resolution to make monthly payments and fund the Medicaid program. He explained that Northwest Texas Hospital has agreed to, but is not obligated to, enter into a contract for pediatric support services and Tobacco Free Amarillo, and to provide the District with a Health Assessment, health planning; which would be utilized to implement the assessment, and also provide x-rays of TB patients. Mr. Frigo stated that Northwest Texas Hospital had literally volunteered to provide all the above-mentioned services to the District, for the District to make monthly payments in return. He added that the District is not obligated to continue the monthly payments; that should the District become dissatisfied with Northwest's services, the District could eliminate the resolution. Mr. Frigo stated that it was staff's recommendation to approve Item 7. Motion was made by Mr. Ellis, seconded by Mr. Speed, and unanimously carried to approve Item 7 as presented.

ITEM 8: Presentation and Discussion of 1115 Medicaid Waiver Program. Dr. Richardson presented an overview of the Medicaid 1115 Waiver Program. He explained that the Waiver was a Medicaid transformation project to "opt out" of the Federal CMS regulations to attempt incentive programs for cost reductions over time. Dr. Richardson further explained that Regional Partnerships had been created in order to maximize allocations. He stated that Regional Healthcare Partnership 12 (RHP 12) had formed and included the Amarillo Hospital District. Each RHP, he added, included member counties with healthcare organizations authorized to participate. Dr. Richardson reviewed that RHP's have an "anchor" facility selected to administer, not award, the dollars allocated by the Health and Human Services Commission (HHSC). RHP 12, he reported, had selected University Medical Center (UMC) in Lubbock as the Region's anchor facility. He further reported that the Waiver consists of two pieces: The Uncompensated Care (UC) and the Delivery System Reform Incentive Payments (DSRIP). Dr. Richardson reviewed that the Upper Payment Limit (UPL) was the former program for adjusting Medicaid payments and explained that the UPL had attempted to equalize payments to hospitals that experienced a disproportionate share of community disease burden and/or uninsured patients. He further explained that the UPL program had been adjusted and was now called Uncompensated Care (UC). Dr. Richardson reviewed that the DSRIP would be a way for HHSC to fund innovative, transformational projects designed to save Medicaid dollars over time. He added that the Amarillo Department of Public Health would be submitting a DSRIP project to fund an adult immunization project.

ITEM 9: Consider 2012 Amarillo Public Health Delivery System Reform Incentive Payments (DSRIP) Project. Dr. Richardson explained that the Amarillo Department of Public Health's proposed DSRIP project was to reinstate the adult immunization program, which had been eliminated the previous year due to budget cuts

at the State level. He added that the project would provide a minimum of 3,000 immunizations each year to underinsured or uninsured adults to include influenza, pneumonia, Hepatitis A and B, TDaP, bacterial meningitis and shingles vaccinations. Dr. Richardson stated that the project would also include the purchase of a mobile clinic to serve the under/uninsured, vaccine costs, staffing costs, and supplies. He explained that DSRIP awards would be based on allocation, not value or cost. Dr. Richardson further explained that the Amarillo Hospital District must provide an Intergovernmental Transfer (IGT) of funds to the State of Texas Health and Human Services Commission (HHSC), which would be forwarded to Centers for Medicare/Medicaid Services (CMMS) for federal match and then returned to the AHD with a match. IGT calculations, he presented, were expected to net the District about \$422,000.00 in the first year and net \$1,190,270.00 in the second year. Reviewing DSRIP requirements, Dr. Richardson reviewed that plan drafts must be submitted to the anchor; then to HHSC for review and entity revision. He added that Local Health Departments (LHD's) are given 5% of RHP allocation; however, at this time, he was unsure exactly how many LHD's would be participating. Process measures, he reported, are required every year and are set by the service provider and that outcome measures for years 3 through 5 are paid based on demonstrated success. He added that the net revenue would be unrestricted and that the AHD would retain full control of the net revenue to offset other program/project costs or to pursue additional public health projects. Dr. Richardson explained that Year 1 (FY11-12) would only require submission of a plan and Years 2-5 (FY12-16) would require process and outcome metrics. He noted that funding would be contingent on CMS approval and the Congressional budget. Dr. Richardson clarified that in Item 9, the District would authorize Dr. Richardson to act on the District's behalf to submit the Year 1 Plan and that Item 10 would authorize submission of the Year 2 Plan. He added that only implied intent is made at the submission of the plans, that the District would not be obligated to make any payments after the submissions; obligation would occur at the payment of the IGT transfer. Motion was made by Mr. Ellis, seconded by Mr. Speed, and unanimously carried to approve both Items 9 and 10 as presented.

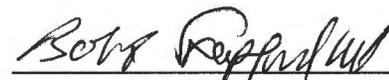
ITEM 10: Consider 2013 Amarillo Public Health Delivery System Reform Incentive Payments (DSRIP) Project. This item was approved above, in Item 9.

ITEM 11: Presentation of Texas Tech Delivery System Reform Incentive Payments (DSRIP) Project(s). Dr. Bell discussed the Delivery System Reform Incentive Payments (DSRIP) projects of Texas Tech's which included interdisciplinary breast cancer fellowship, smoking cessation target to high risk patients, and development of a pediatric patient-centered medical home. He added that these projects would directly benefit the citizens of Amarillo and that Tech was hoping to achieve national accreditation with these projects.

ITEM 12: Public Comments. There were no public comments at this time.

The Board convened into Executive Session, under Section 551.071 of the Texas Open meetings Law, at 8:41 a.m. At 9:15 a.m., the Board completed its Executive Session.

ITEM 13: Adjournment. There, being no further business, the meeting adjourned at 9:15 a.m. This meeting was recorded and all comments are on file in the City Finance Department.


Bob Stafford, MD, Chairman

ATTEST:

Mark Logsdon, Vice-Chairman


Liz Hughes, Secretary