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CENTRAL HEALTH

Our Vision
Central Texas is a model healthy community.

Our Mission
Central Health creates access to healthcare for those who need it most.

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.

CENTRAL HEALTH BOARD OF MANAGERS BUDGET AND FINANCE COMMITTEE

Wednesday, May 20, 2015, 5:30 p.m.

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

AGENDA*

1. Approve the minutes from the April 15, 2015 Central Health Board of Managers Budget and Finance Committee meeting.

2. Receive and discuss a review of the Community Care Collaborative's actuarial analyses prepared by the Wakely Consulting Group.

3. Receive and discuss a report on CommUnityCare operations for Fiscal Year 2015 year-to-date.

4. Discuss and take appropriate action on a presentation of a three-year budget forecast for Central Health.[1]

5. Receive and discuss a report of the April 2015 financial statements for the Community Care Collaborative.

6. Receive and discuss a report of the April 2015 financial statements for Central Health.

7. Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated community partnerships.[1]

8. Confirm the next committee meeting date, time, and location.

* The Budget and Finance Committee may take items in an order that differs from the posted order.

Note 1, Possible closed session item.

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.

A quorum of Central Health's Board of Managers may convene to discuss matters on the agenda.

Came to hand and posted on a Bulletin Board in the Courthouse, Austin, Travis County, Texas on this the 15TH day of MAY 20 15.

Dana DeBeauvoir
County Clerk, Travis County, Texas

By M. Mitchell Deputy

M. MITCHELL

TRAVIS COUNTY TEXAS ★ SEAL OF COUNTY COURT ★

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Dana DeBeauvoir

May 15, 2015 03:49 PM 201580786
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Dana DeBeauvoir, County Clerk
Travis County TEXAS

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 1
(NO BACKUP)

Approve the minutes from the April 15, 2015 Central Health Board of Managers Budget and Finance Committee meeting.

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 2
(NO BACKUP)

Receive and discuss a review of the Community Care Collaborative's actuarial analyses prepared by the Wakely Consulting Group.

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 3
(NO BACKUP)

Receive and discuss a report on CommUnityCare operations for Fiscal Year 2015 year-to-date.

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 4
(NO BACKUP)

Discuss and take appropriate action on a presentation of a three-year budget forecast for Central Health. [1]

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 5

Receive and discuss a report of the April 2015 financial statements for the Community Care Collaborative.

Community Care Collaborative

Financial Statement Presentation

FY 2015 – as of April 30, 2015

Community Care
COLLABORATIVE

General

- Financial Statements
  - Balance Sheet
  - Sources and Uses Report – Budget vs. Actual
  - Detail of Healthcare Delivery Expense
- Seven months of operations
  - October 1, 2014 – April 30, 2015

Balance Sheet

As of April 30, 2015

Assets:		
Cash & cash equivalents (1)	$	50,945,566
Other receivable		350
Total Assets	$	50,945,916
Liabilities and Net Assets:		
Accounts payable	$	11,879,354
Other Payable		419,899
Total Liabilities		12,299,253
Net Assets (1)		38,646,663
Liabilities and Net Assets	$	50,945,916

(1) Includes $5M Emergency Reserve Balance

Sources and Uses Report, Budget vs. Actual

Fiscal Year-to-Date through April 30, 2015

		Annual Budget	Actual
Sources of Funds	DSRIP Revenue	$ 48,875,000	$ 52,931,460
	Seton Indigent Care Payment (1)	60,000,000	8,600,000
	Central Health Indigent Care Payment (2)	15,489,552	289,552
	Operations Contingency Carryforward	8,209,600	10,414,962
	Other Sources	20,000	5,873
	Total Sources of Funds	$ 132,594,152	$ 72,241,848
Uses - Programs	Healthcare Delivery	71,908,131	34,940,198
	UT Services Agreement	35,000,000	-
	Emergency Reserve	5,000,000	-
	DSRIP Project Costs	20,686,021	3,654,986
	Total Uses	$ 132,594,152	$ 38,595,184
	Sources Over Uses	-	33,646,663
Net Assets	Unrestricted		$ 33,646,663
	Emergency Reserve		5,000,000
	Total Net Assets		$ 38,646,663

(1) Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.

(2) Includes Service Expansion Funds $289,552

Healthcare Delivery Costs

Fiscal Year-to-Date through April 30, 2015

	Annual Budget	Actual	
Primary Care	$ 51,771,147	$ 26,703,930	52%
Specialty Care (1)	1,887,537	578,805	31%
Mental Health	383,856	201,960	53%
Oral Surgery/Dental Devices	596,711	243,839	41%
Pharmacy	4,000,000	2,479,278	62%
Ophthalmology	550,915	290,993	53%
Ortho	41,000	19,098	47%
Client Referral Services	907,309	487,405	54%
Claims Administration	3,500,000	2,041,667	58%
Service Expansion Funds	500,000	-	0%
Health Information Technology	4,813,000	392,016	8%
Other/Admin	1,853,576	1,501,206	81%
Operations Contingency	1,068,080	-	0%
Total Healthcare Delivery	$ 71,908,131	$ 34,940,198	49%

(1) Includes $289,552 Service Expansion Funds

Selected HCD Providers Expenditures

Fiscal Year-to-Date through April 30, 2015

	FY15 Budget	FYTD 2015 Actual	% of Budget
Primary care			
Primary Care - CommUnityCare	$41,501,395	$23,193,912	56%
Primary Care - El Buen Samaritano	1,950,000	438,265	22%
Primary Care - Lone Star Circle of Care	4,364,995	1,410,866	32%
Primary Care - Peoples Community Clinic	1,398,000	678,637	49%
Primary Care - Volunteer Clinic	100,000	63,890	64%
Primary Care - Recuperative Care Beds	400,000	129,464	32%
Primary Care - Urgent Care	166,000	80,911	49%
Primary Care - Planned Parenthood	510,000	313,911	62%
Primary Care - City of Austin EMS	696,822	406,411	58%
Primary Care - Paul Bass Clinic - Primary	709,647	242,567	34%
Primary Care - Blackstock (moved to CUC)	262,045	55,948	21%
	$52,058,904	$27,014,782	52%
Specialty care			
Paul Bass Clinic - Specialty	$933,985	$182,953	20%
Austin Cancer Centers	334,000	200,494	60%
Project Access	330,000	192,500	58%
Ophthalmology	550,915	292,322	53%
Orthotics	41,000	20,628	50%
Oral Surgery/Dental Devices	596,711	243,839	41%
	$2,786,611	$1,132,736	41%
Mental health			
ATCIC	$8,045,166	$4,693,013	58%
SIMS Foundation	383,856	201,960	53%
	$8,429,022	$4,894,973	58%
Pharmacy	$4,000,000	$2,479,278	62%
Central Health Expenditures			

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 6

Receive and discuss a report of the April 2015 financial statements for Central Health.

CENTRAL HEALTH

Balance Sheet
As of April 30, 2015
(page 1 of 2, Assets)

	FY 2015	FY 2014
Assets		
Current Assets		
Cash and cash equivalents	$ 3,032,088	$ 10,100,337
Short-term investments	169,392,117	156,256,685
Ad valorem taxes receivable	2,800,333	2,653,932
Other receivables	2,423,949	1,091,448
Prepaid expenses	70,152	417,270
Total Current Assets	$ 177,718,639	$ 170,519,673
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	11,613,540	11,499,750
Restricted for future Sendero paid in capital	4,083,000	12,883,000
Sendero paid-in-capital	29,000,000	16,200,000
Working capital advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	8,093,333	-
Total Noncurrent or restricted cash and investments	$ 56,789,873	$ 44,582,750
Capital Assets		
Land	11,770,184	10,464,414
Buildings and improvements	117,789,671	110,939,947
Equipment and furniture	7,058,698	6,346,584
Construction in progress	10,791,106	9,078,706
Less accumulated depreciation	(26,783,063)	(22,994,599)
Total Capital Assets	$ 120,626,595	$ 113,835,052
Total Assets	$ 355,135,108	$ 328,937,475

Balance Sheet
As of April 30, 2015
(page 2 of 2, Liabilities and Net Assets)

	FY 2015	FY 2014
Liabilities		
Current Liabilities		
Accounts payable	$ 5,416,133	$ 5,528,250
Salaries and benefits payable	745,702	623,785
Other Payables	9,684,905	4,016,764
Debt service payable, short-term	1,021,400	1,009,002
Deferred tax revenue	2,423,678	2,383,479
Other deferred revenue	2,636,448	2,693,456
Total Current Liabilities	$ 21,928,265	$ 16,254,736
Noncurrent Liabilities		
Deferred Revenue	$ 93,333	$ -
Debt service payable, long-term	11,355,000	12,305,000
Total Noncurrent Liabilities	11,448,333	12,305,000
Total Liabilities	$ 33,376,599	$ 28,559,736
Net Assets		
Unrestricted	$ 201,131,914	$ 183,753,531
Series 2011 CO Construction Account	-	2,789,156
Investment in Capital Assets	120,626,595	113,835,052
Total Net Assets	$ 321,758,509	$ 300,377,739
Liabilities and Net Assets	$ 355,135,108	$ 328,937,475

Income Statement
Fiscal Year-to-Date through April 30, 2015

	Actual - This Month	Actual - Fiscal Year to Date	Budget - Fiscal Year Total	Percent of Annual Budget	Actual - Prior Year to Date
Operating revenues:					
Lease revenue	$ 2,636,448	$ 18,455,136	$ 31,637,380	58.3%	$ 18,854,192
Total Operating revenues:	$ 2,636,448	$ 18,455,136	$ 31,637,380	58.3%	$ 18,854,192
Operating expenses:					
Health care delivery	$ 1,698,455	$ 90,031,482	$ 149,741,174	60.1%	$ 71,798,444
Salaries and benefits	440,158	3,683,134	6,454,683	57.1%	3,451,317
Other purchased goods and services	325,303	2,312,210	5,363,848	43.1%	2,753,586
Depreciation	349,125	2,336,311	3,500,000	66.8%	2,032,681
Total Operating expenses:	$ 2,813,040	$ 98,363,136	$ 165,059,705	59.6%	$ 80,036,028
Operating income (loss)	$ (176,592)	$ (79,908,000)	$ (133,422,325)	59.9%	$ (61,181,836)
Nonoperating revenues (expenses):					
Ad valorem tax revenue	$ 565,338	$ 149,081,576	$ 151,728,532	98.3%	$ 136,420,587
Tax assessment and collection expense	(4,951)	(1,327,466)	(1,355,000)	98.0%	(613,599)
Tobacco settlement revenue, net	2,753,050	2,753,050	1,500,000	183.5%	1,900,357
Investment income	37,293	217,903	400,000	54.5%	197,229
Interest expense, certificates of obligation	(35,700)	(256,406)	(436,207)	58.8%	(263,953)
Intergovernmental and other revenue	-	4,506	-	0.0%	82
Total Nonoperating revenues (expenses):	$ 3,315,029	$ 150,473,163	$ 151,837,325	99.1%	$ 137,640,703
Changes in net assets	**$ 3,138,437**	**$ 70,565,163**	**$ 18,415,000**	**383.2%**	**$ 76,458,867**

Health Care Delivery Expense
From 10/1/2014 Through 4/30/2015

	Actual - Fiscal Year to Date	Budget - Fiscal Year Total	Percent of Annual Budget
Healthcare delivery cost			
Healthcare delivery (excluding service expansion)			
IGT Private Regional UC	$ 16,812,563	$ 27,900,000	60.3%
IGT UMCB UC	9,724,857	25,000,000	38.9%
IGT Disproportionate Share (DSH)	9,956,369	20,000,000	49.8%
IGT - CCC DSRIP	22,204,748	23,800,000	93.3%
IGT - UMCB DSRIP	20,634,333	20,200,000	102.2%
IGT DSRIP ST DAVIDS	544,852	500,000	109.0%
Subtotal IGTs	$ 79,877,722	$ 117,400,000	68.0%
Primary Care	$ 313,911	$ 510,000	61.6%
Mental Health	4,693,013	8,045,166	58.3%
Charity Care	2,480,178	4,251,733	58.3%
Medical Administration	1,612,216	2,334,275	69.1%
DSRIP Projects	910,724	0	0.0%
Indigent Care Payment to CCC	289,552	15,489,552	1.9%
Total Healthcare delivery (excluding service expansion)	$ 90,031,483	$ 148,030,726	60.8%
Service expansion	0	1,710,448	0.0%
Total Healthcare delivery	$ 90,031,483	$ 149,741,174	60.1%

Questions? Comments?

CENTRAL HEALTH

Statement of Net Assets (Balance Sheet)

Current Assets

Cash and cash equivalents - $3.0 million.

Short-term investments – Short-term investments were $169.4 million at month end, which is net of restricted investments of $4.1 million for future Sendero paid-in capital and $11.6 million for capital acquisitions.

Ad valorem taxes receivable – $2.8 million balance is composed of property taxes receivable of $3.0 million plus delinquent prior year taxes of $2 million; offset by estimated allowances for doubtful collections and adjustments of $2.3 million and includes $82k collected by the Travis County Tax Office and in transit at month end.

Other Receivables – Other receivables total $2.4M and consist of intercompany balances and interest receivable.

Prepaid expenses – $70k balance includes $53k in prepaid insurance and $8k prepaid tax appraisal and tax collection fees.

Total Current Assets - $ 177.7 million.

Noncurrent assets

Investments restricted for capital acquisition – $11.6 million in short-term securities restricted for capital acquisition.

Investments restricted for future Sendero paid-in capital – (unchanged) $4.1 million

Sendero paid-in-capital – (unchanged) $29 million

Working capital advance to CommUnityCare - (unchanged) $4 million

Sendero Surplus Debenture - $8.1 million including accumulated interest

Capital assets - $120.6 million net of accumulated depreciation.

Total assets - $355.1 million

Current Liabilities

Accounts payable – Major components of the $5.4 million balance are:

- $1.8 million for vendor invoices at month end; including $1 million for payment of pass-through funds for a grant to CommUnity Care and
- $3.6 million in estimated costs for health care delivery expense including providers and ACA enrollment services.

Salaries and benefits payable – $746k is comprised of the estimated liability for salary costs not yet paid at month end, the value of accrued leave balances and various fringe benefit amounts withheld and not yet disbursed.

Other payables - $9.7 million dollar balance consists of:

- $3.0 million due to Seton for Fiscal Years 2013, 2014 and 2015 Tobacco Settlement; and
- $6.7 million due for Charity Care.

Debt service payable, short term – $1 million balance consists of $71k in interest (paid each March 1 and September 1) and $950k principal due March 2016.

Deferred Tax Revenue – Balance of $2.4 million is the uncollected portion of the 2014 tax levy as of the current month end. Fiscal year-to-date 0.1% of the current year levy is uncollected, compared to 1.9% uncollected last year at this time.

Other Deferred Revenue - $2.6 million balance for Seton's May 2015 lease revenue payment received in the month.

Total Current Liabilities - $21.9 million

Noncurrent Liabilities

Deferred Revenue – $93k for interest on the Sendero Surplus Debenture, which is subject to several conditions prior to payment thus timing of the payment is uncertain.

Debt service payable, long term – (unchanged) $11.4 million balance of the $16 million in Series 2011 certificates of obligation, reduced by principal payments made in 2011, 2012, and 2013, less current portion of debt due March 2016. This debt was issued for the development of the North Central clinic and the purchase of the Southeast Health & Wellness center.

Total Liabilities - $33.4 million

Net assets

Unrestricted net assets – $201.1 million

Investment in capital assets – $120.6 million

Total net assets – $321.8 million

Total liabilities and net assets - $355.1 million

Statement of Revenues, Expenses and Changes in Net Assets (Income Statement)

April financials →seven months, 58.3% of the fiscal year.

Operating Revenues

Lease revenue - $2.6 million recorded for Seton lease payment.

Operating Expenses

Healthcare delivery – For the month of April, healthcare delivery expenses totaled $1.7 million. No IGTs were made in April. The table below summarizes IGT amounts for the fiscal year.

All $ in millions	FY15 Actual	FY15 Budget	FY14 Actual
Private UC	$16.8	$ 27.9	$32.1
UMCB UC	$9.7	$ 25.0	$11.1
DSH	$10.0	$ 20.0	$17.9
CCC DSRIP	$22.2	$ 23.8	$22.3
UMCB/Dell DSRIP	$20.6	$ 20.2	$15.6
St David's DSRIP	$.5	$.5	$0
Totals	$79.8	$117.4	$99.1

Other healthcare delivery expenses included $670k for mental health, $354k for charity care, $413k for DSRIP projects and $202k for medical administration.

Salaries & Benefits – $440k, or 57% of the year-to-date budget.

Other Purchased Goods & Services – $325k. Components of this group of expenses are:

- Consulting – $30k
- Legal – $99k
- Other – $196k

Depreciation expense - $349k for April. Depreciation is budgeted as a non-cash item and netted to zero in the budget presentation.

Non-Operating Revenues/Expenses

Net Ad valorem Tax Revenue – April income of $565k is $90k less than April 2014; year-to-date collections are comparable to prior at 98.0% this year versus 98.1% last year.

Property Tax Collection Expense – $5k for the current month.

Tobacco Settlement – $2.8 million received for the 2015 distribution. This year's payout is 10% higher due to strong investment returns on the trust fund and for an increase in Central Health's pro rata share of the distribution. The advisory committee was also able to add to the rainy day fund that had been depleted during 2008 & 2009 due to the financial crisis, it is now at 64% of its pre-financial crisis balance.

Interest Income – For the month of April, interest income was $37.3k.

Interest expense – Interest on the $16 million Certificates of Obligation, Series 2011. In accordance with the debt agreement, $36k interest payable has been accrued for the current month. Interest is due each March 1 and September 1.

Total Non-Operating Revenue & Expense – $3.3 million

Change in net assets

In April, net assets increased $3.2 million and fiscal year-to-date net assets have increased $70.6 million.

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 7
(NO BACKUP)

Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery

CENTRAL
HEALTH

arrangements, and other interrelated community partnerships.[1]

CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
May 20, 2015

AGENDA ITEM 8
(NO BACKUP)

Confirm next Committee Meeting date, time and location.