



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.

BOARD OF MANAGERS Meeting Agenda

STAYS IN FILE

Wednesday, August 28, 2019, 5:30 p.m.

**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 time the Board of Managers votes on the motion to approve the CONSENT AGENDA.

C1. Receive the July 2019 Investment Report and ratify Central Health Investments for July 2019.

REGULAR AGENDA*

1. Receive and discuss a presentation on the proposed Central Health and Community Care Collaborative Fiscal Year 2020 Budgets, including Fiscal Year 2019 end-of-year estimates and ongoing budget strategies. *(Informational Item)*
2. Discuss and take appropriate action on Central Health's proposed Fiscal Year 2020 maximum property tax rate. *(Action Item - Roll Call Vote Required)*
3. Set the date, time, and location of the public hearings at which the Central Health Board of Managers will present, and receive comments from the public on, the proposed Fiscal Year (FY) 2020 tax rate. *(Action Item)*
4. Discuss and take appropriate action on an Interlocal Cooperation Agreement between Central Health, The University of Texas at Austin, and Emergency Services District 11 for the establishment of a health care clinic in southeast Travis County.¹ *(Action Item)*

5. Receive and discuss a report of the July 2019 financial statements for the Community Care Collaborative. *(Informational Item)*
6. Receive and discuss a report of the July 2019 financial statements for Central Health. *(Informational Item)*
7. Discuss 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 *(Informational Item)*
8. Receive and discuss an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.¹ *(Informational Item)*
9. Discuss and take appropriate action on health care service delivery expansion in Eastern Travis County, including project budgets and project timelines.¹ *(Action Item)*
10. Discuss Central Health owned or occupied real property, and potential property for acquisition or lease, including the Downtown Campus and properties located in eastern Travis County.¹ *(Informational Item)*
11. Receive and discuss a report from the President & CEO on Central Health operations and current activities, including: (a) the Fiscal Year 2019 strategic work plan and operational priorities; (b) an assessment of systems and processes; and (c) other personnel matters.¹ *(Informational Item)*
12. Confirm the next regular Board meeting date, time, and location.

*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 upon 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 23rd day of

August 2019.

Dana DeBeauvoir

County Clerk, Travis County, Texas

By A. Macedo Deputy

A MACEDO



201981203

**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Dana DeBeauvoir

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

Aug 23, 2019 02:04 PM

Fee: \$0.00

MACEDOS



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BOARD MEETING

August 28, 2019

AGENDA ITEM C1

Receive the July 2019 Investment Report and ratify Central Health Investments for July 2019.

STATE OF TEXAS

COUNTY OF TRAVIS

CENTRAL HEALTH

Whereas, it appears to the Board of Managers of the Central Health, Travis County, Texas that there are sufficient funds on hand over and above those of immediate need for operating demand,

Now, Therefore, the Board of Managers hereby orders

- 1.) that the County Treasurer of Travis County, Texas, acting on behalf of Central Health, execute the investment of these funds in the total amount of \$12,559,786.50 in legally authorized securities as stipulated in the Travis County Healthcare District Investment and Collateral Policy for the periods as indicated in Attachment A, which consists of 10 pages.
- 2.) that the County Treasurer, acting on behalf of Central Health, take and hold in safekeeping all individual security investment instruments, relinquishing same only by order of the Board of Managers or for surrender at maturity.

Date: August 28, 2019

CHAIR, BOARD OF MANAGERS

VICE CHAIR, BOARD OF MANAGERS

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/31/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Pool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$522,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.3401%
PRINCIPAL:	\$522,000.00	PURCHASED THRU:	Tex Pool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$522,000.00	CUSIP #:	N/A
TRADE DATE:	7/31/2019	SETTLEMENT DATE:	7/31/2019

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/25/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Star	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$372,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.3621%
PRINCIPAL:	\$372,000.00	PURCHASED THRU:	Tex Star
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$372,000.00	CUSIP #:	N/A
TRADE DATE:	7/25/2019	SETTLEMENT DATE:	7/25/2019

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/24/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Star	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$57,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.3552%
PRINCIPAL:	\$57,000.00	PURCHASED THRU:	Tex Star
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$57,000.00	CUSIP #:	N/A
TRADE DATE:	7/24/2019	SETTLEMENT DATE:	7/24/2019

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/18/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Star	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$69,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.4036%
PRINCIPAL:	\$69,000.00	PURCHASED THRU:	Tex Star
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$69,000.00	CUSIP #:	N/A
TRADE DATE:	7/18/2019	SETTLEMENT DATE:	7/18/2019

AUTHORIZED BY:

CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/12/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Pool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$45,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.3862%
PRINCIPAL:	\$45,000.00	PURCHASED THRU:	Tex Pool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$45,000.00	CUSIP #:	N/A
TRADE DATE:	7/12/2019	SETTLEMENT DATE:	7/12/2019

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/10/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texpool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$2,000,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.4076%
PRINCIPAL:	\$2,000,000.00	PURCHASED THRU:	Texpool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$2,000,000.00	CUSIP #:	N/A
TRADE DATE:	7/10/2019	SETTLEMENT DATE:	7/10/2019

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/8/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Star	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$17,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.4683%
PRINCIPAL:	\$17,000.00	PURCHASED THRU:	Tex Star
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$17,000.00	CUSIP #:	N/A
TRADE DATE:	7/8/2019	SETTLEMENT DATE:	7/8/2019

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

ATTACHMENT A

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 7/8/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Star	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$8,049,500.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.4683%
PRINCIPAL:	\$8,049,500.00	PURCHASED THRU:	Tex Star
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$8,049,500.00	CUSIP #:	N/A
TRADE DATE:	7/8/2019	SETTLEMENT DATE:	7/8/2019

AUTHORIZED BY:



CASH/INVESTMENT MANAGER

CENTRAL HEALTH
 INVESTMENT DEPARTMENT
 SECURITY TRANSACTION FORM

DATE: 7/1/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$24,286.50	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.4274%
PRINCIPAL:	\$24,286.50	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$24,286.50	CUSIP #:	N/A
TRADE DATE:	7/1/2019	SETTLEMENT DATE:	7/1/2019

AUTHORIZED BY:



 CASH/INVESTMENT MANAGER

CENTRAL HEALTH
 INVESTMENT DEPARTMENT
 SECURITY TRANSACTION FORM

DATE: 7/1/2019

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$1,404,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	YIELD:	2.4274%
PRINCIPAL:	\$1,404,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$1,404,000.00	CUSIP #:	N/A
TRADE DATE:	7/1/2019	SETTLEMENT DATE:	7/1/2019

AUTHORIZED BY:



 CASH/INVESTMENT MANAGER

CENTRAL HEALTH MONTHLY INVESTMENT REPORT
 PORTFOLIO STATISTICS

DATE: July 31, 2019

By Fund Type

Operating	\$	116,936,490.85	100.00%
Debt Service		-	0.00%
Bond Proceeds		-	0.00%
Other		-	0.00%
Total Portfolio	\$	116,936,490.85	100.00%

By Security Type

Operating-

TexasDAILY	\$	13,184,965.28	11.28%
TexPool	\$	24,772,515.44	21.18%
TexSTAR	\$	22,997,874.59	19.67%
TexasTERM CP		5,000,000.00	4.28%
Non-Int Bearing Bank Account		1,190,000.00	1.02%
Certificates of Deposit		-	0.00%
Treasury Securities		-	0.00%
Government Agencies		26,998,500.00	23.09%
Commercial Paper		9,857,226.39	8.43%
Municipal Bonds		12,935,409.15	11.06%
Total	\$	116,936,490.85	100.00%

Debt Service-

TexPool		0.00	#DIV/0!
Total	\$	-	#DIV/0!

Bond Proceeds-

TexPool		-	#DIV/0!
Total	\$	-	#DIV/0!

Compared to Policy Limits

			Actual %	Guidelines
TexasDAILY		13,184,965.28	11.39%	30.00%
TexPool		24,772,515.44	21.40%	50.00%
TexSTAR		22,997,874.59	19.87%	30.00%
TexasTERM CP		5,000,000.00	4.32%	30.00%
Total LGIPS	\$	65,955,355.31	56.98%	60.00%
Certificates of Deposit		-	0.00%	50.00%
Treasury Securities		-	0.00%	100.00%
Government Agencies		26,998,500.00	23.33%	75.00%
Commercial Paper		9,857,226.39	8.52%	20.00%
Municipal Bonds		12,935,409.15	11.18%	20.00%
	\$	115,746,490.85	100.00%	

Commercial Paper by Entity as a Percentage of Portfolio

Toyota CP	\$ 4,921,330.56	4.21%	5.00%
ING CP 10/1/2019 (Disco)	\$ 4,935,895.83	4.22%	5.00%
	<u>\$ 9,857,226.39</u>	<u>8.43%</u>	<u>20.00%</u>

Municipal Bonds by Entity as a Percentage of Portfolio

Chippewa Valley School Go Bonds	\$ 2,022,800.00	1.73%	5.00%
Acalanes CA high District Schools Go Bonds	\$ 2,495,000.00	2.13%	5.00%
NYC GO Bonds	\$ 4,042,520.00	3.46%	5.00%
Georgia Power Muni Rev Bond	\$ 1,348,209.15	1.15%	5.00%
TX A&M Univ Rev Bond	\$ 3,026,880.00	2.59%	5.00%
	<u>\$ 12,935,409.15</u>	<u>11.06%</u>	<u>25.00%</u>

<u>Investment Revenue & Accrued Interest</u>	<u>July-19</u>	<u>Fiscal YTD</u>
Interest/Dividends-		
TexasDAILY	\$ 30,443.85	\$ 510,888.01
TexPool	48,347.43	\$ 503,169.66
TexSTAR	42,692.06	\$ 531,213.40
TexasTERM CP	0.00	\$ 73,698.63
Certificates of Deposit	0.00	\$ -
Treasury Securities	0.00	\$ -
Government Agencies	49,500.00	\$ 390,616.67
Commercial Paper	0.00	\$ -
Municipal Bonds	24,286.50	\$ 242,771.90
	<u>\$ 195,269.84</u>	<u>\$ 2,252,358.27</u>
Discounts, Premiums, & Accrued Interest		
TexasTERM CP	\$ 11,194.45	\$ 57,777.78
-less previous accruals	0.00	\$ (66,575.34)
Certificates of Deposit	0.00	\$ -
-less previous accruals	0.00	\$ -
Treasury Securities	0.00	\$ -
-less previous accruals	0.00	\$ -
Government Agencies	49,278.77	\$ 468,422.52
-less previous accruals	(45,100.00)	\$ (384,393.32)
Commercial Paper	23,309.72	\$ 123,579.17
-less previous accruals	0.00	\$ -
Municipal Bonds	22,991.17	\$ 210,441.43
-less previous accruals	(24,631.93)	\$ (273,041.20)
	<u>\$ 37,042.18</u>	<u>\$ 136,211.04</u>
Total Investment Revenue & Accrued Interest	<u>\$ 232,312.02</u>	<u>\$ 2,388,569.31</u>



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 1

Receive and discuss a presentation on the proposed Central Health and Community Care Collaborative Fiscal Year 2020 Budget, including Fiscal Year 2019 end-of-year estimates and ongoing budget strategies.



CENTRAL HEALTH



A Central Health and Seton partnership

Fiscal Year 2020 Proposed Budget

Central Health Board of Managers

August 28, 2019

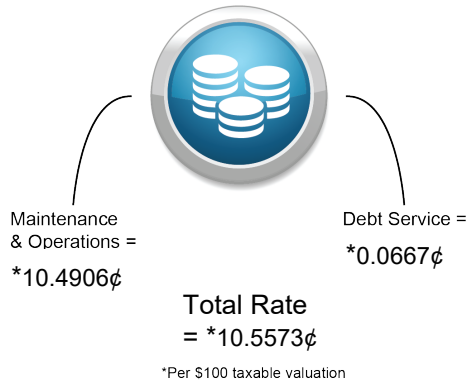
Jeff Knodel, VP of Financial Strategies & CFO

Lisa Owens, VP of Financial Operations



FY2020 Proposed Tax Rate (6.9% over No New Revenue Rate)

Central Health Property Tax Rate



	FY19	FY20 (Proposed)
Average Taxable Homestead Value	\$326,895	\$347,655
Tax Rate	10.5221¢	10.5573¢
Tax Bill	\$343.97	\$367.03
Annual Increase = \$23.07 (6.7%)		

Homestead Exemption	Over 65 Homestead Exemption	Disability Homestead Exemption
20% (A) \$5,000 Minimum	\$85,500 (B)	\$85,500 (B)
(A) Maximum allowable by state law (B) Increased from \$80,000		

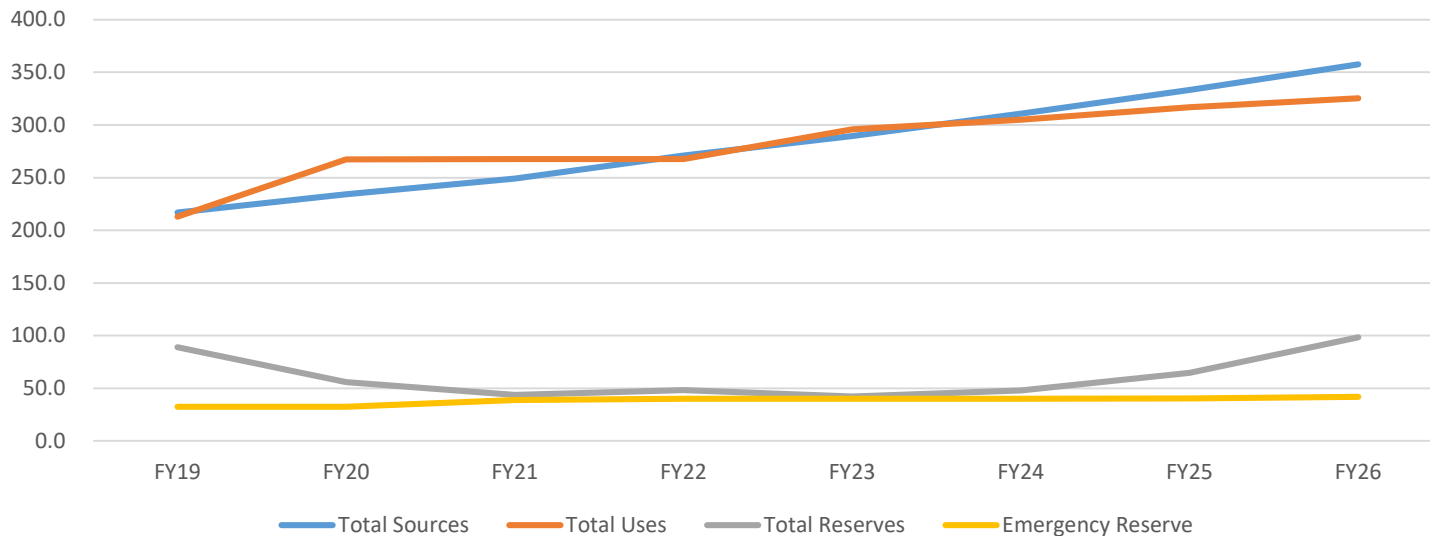
Central Health Property Tax Impact Statement: Fiscal Years 2019-2020

FY 2019 Home Value	FY2019 Taxable Homestead Value*	FY 2019 Tax Rate	FY 2019 Tax Bill	Average Home Value Appreciation	FY2020 Homestead Value	FY 2020 Taxable Home Value*	FY 2020 Proposed Tax Rate (6.9% over No New Revenue)	Proposed FY 2020 Tax Bill	Annual Increase	Percent Increase
150,000	\$120,000	10.5521¢	\$127	7.0%	\$160,500	\$128,400	10.5573¢	\$136	\$9	7%
250,000	\$200,000	10.5521¢	\$210	6.1%	\$265,250	\$212,200	10.5573¢	\$224	\$14	6%
350,000	\$280,000	10.5521¢	\$295	5.7%	\$369,950	\$295,960	10.5573¢	\$312	\$17	6%
450,000	\$360,000	10.5521¢	\$380	5.4%	\$474,300	\$379,440	10.5573¢	\$401	\$21	5%
550,000	\$440,000	10.5521¢	\$464	5.4%	\$579,700	\$463,760	10.5573¢	\$490	\$26	5%

* 20 percent homestead exemption

7-Year Forecast

6.9% Over No New Revenue Property Tax Rate (in millions); Year-Over-Year



	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Total Sources	216.7	234.3	249.2	271.0	289.7	310.8	333.4	357.5
Total Uses	212.9	267.4	267.8	267.5	295.8	305.0	317.0	325.5
Total Reserves	88.8	55.7	43.5	48.1	42.1	47.9	64.7	98.3
Days of Cash on Hand	150	75	58	65	51	57	73	109



CENTRAL HEALTH



CommUnityCare



SENDERO
HEALTH PLANS



Community
Care
Collaborative



@CentralHealthTX

Central Health FY2020 Proposed Budget (in millions)

6.9% over No New Tax Rate

DESCRIPTION	FY 2019 APPROVED BUDGET	FY 2020 PROPOSED BUDGET presented 8/21/19	FY 2020 PROPOSED BUDGET	NOTES
Sources				
Property Taxes	\$196.9	\$213.7	\$214.9	At 6.9% based on Certified Roll Received 8/20/19
Lease Revenue	18.0	13.7	13.7	
Other Revenue	2.4	5.7	5.7	
Subtotal Revenue	217.3	233.1	234.3	
Contingency Reserve	41.1	56.5	56.5	
Total Sources	258.4	289.6	290.8	
Uses				
Healthcare Delivery (IGT and Healthcare services)	178.5	197.0	197.0	
Healthcare Operations and Downtown Property	30.3	46.9	46.9	
Contingency Reserve (appropriated)	13.4	22.2	23.4	
Other Reserves and transfers	23.8	9.4	9.4	
Debt Service	1.4	1.4	1.4	
Total Healthcare Delivery	247.4	276.9	278.1	
Administration	9.3	10.8	10.8	
Tax Collection	1.7	1.9	1.9	
Total Uses	258.4	289.6	290.8	
Emergency Reserves (estimated ending balance)	32.3	38.7	38.7	



FY 2019 Approved Budget and FY 2020 Proposed Budget Sources and Uses Summary

DESCRIPTION	FY 2019 APPROVED BUDGET	FY 2020 PROPOSED BUDGET
TAX RATE	0.105221	0.105573
SOURCES		
Property Taxes	196,861,527	214,906,371
Lease Revenue	18,067,937	13,749,848
Interest	400,000	2,150,000
Tobacco Litigation Settlement	2,000,000	3,500,000
Subtotal Revenue	217,329,464	234,306,218
Contingency Reserve	41,039,184	56,499,497
Total Sources	258,368,648	290,805,715
USES		
Healthcare Delivery	247,343,600	278,017,579
Administration	9,321,838	10,899,878
Tax Collection	1,703,210	1,888,258
Total Uses	258,368,648	290,805,715
RESERVES (ending balance)		
Capital		
HMO Risk-based Capital Reserve		
Contingency Reserve		
Emergency Reserve	32,313,546	38,719,836
Total Reserves	32,313,546	38,719,836



FY 2019 Approved Budget and FY 2020 Proposed Budget Sources and Uses Summary

DESCRIPTION	FY 2019 APPROVED BUDGET	FY 2020 PROPOSED BUDGET
HEALTH CARE DELIVERY		
Intergovernmental transfers:		
IGT - Private UC	24,000,000	-
IGT - Public UC	24,500,000	-
IGT - Disproportionate Share	35,000,000	36,120,000
IGT - CCC DSRIP	27,500,000	25,574,651
IGT - Seton DSRIP	27,500,000	-
IGT - St. David's DSRIP	630,000	-
Total Intergovernmental Transfers	139,130,000	61,694,651
Healthcare Services		
Member Payment	34,000,000	-
Primary Care: Medical, Dental, Behavioral Health	-	50,270,000
Specialty Care, including Specialty Dental	-	8,940,000
Specialty Care: Behavioral Health	-	883,856
Post Acute Care	-	5,400,000
Pharmacy	-	11,600,000
Indigent Care Payment	-	50,225,000
Hospital Performance Incentive	-	2,700,000
Reproductive and Sexual Health	1,870,344	1,950,000
Healthcare Services - PSH/PFS Payment	-	600,000
Integrated Care Collaboration (ICC)	719,990	719,990
Primary Care - Mobile Health Clinic	768,500	-
Primary & Specialty Care Reserves	2,000,000	2,000,000
Total Healthcare Services	39,358,834	135,288,846
Healthcare Operations & Support		
New Healthcare Initiatives and Strategic Work Plan Strategies	1,400,000	-
ACA Healthcare Premium Assistance Programs	8,085,000	9,251,800
ACA Education and Enrollment	831,000	604,320
Healthcare Facilities and Financing (Campus/Development)	11,125,542	10,074,543
UT land lease for teaching hospital	912,502	921,627
Salary and Benefits	3,689,436	15,367,494
Legal	46,200	184,500
Consulting	459,590	1,073,000
Other professional services	365,000	4,493,819
Marketing & Community Relations	414,868	446,166
Community Engagement	350,000	350,000
Leases, security & maintenance	599,320	803,220



FY 2019 Approved Budget and FY 2020 Proposed Budget Sources and Uses Summary

DESCRIPTION	FY 2019 APPROVED BUDGET	FY 2020 PROPOSED BUDGET
Phones, computer equipment & utilities	1,091,890	2,532,760
Printing, copying, postage & signage	133,750	300,633
Travel, training and professional development	40,285	237,140
Other operating expenses	407,480	255,995
Health Promotions	315,455	
Total Healthcare Operations	30,267,318	46,897,017
Reserves, appropriated uses & transfers:		
Transfer to capital reserve	2,840,000	2,950,000
Transfer to emergency reserve	1,000,000	6,406,290
Sendero risk-based capital	20,000,000	-
Contingency reserve appropriation	13,374,631	23,407,493
Total Reserves, appropriated uses & transfers	37,214,631	32,763,783
Debt service:		
Debt service - principal retirement	1,030,000	1,065,000
Debt service - interest	342,818	308,283
Total Debt Service	1,372,818	1,373,283
Total Healthcare Delivery	247,343,600	278,017,579
ADMINISTRATION		
Salary and Benefits	4,690,997	5,903,601
Legal	1,198,320	1,390,820
Consulting	1,026,500	1,187,720
Investment Services (Travis County)	110,000	115,500
Benefits & Payroll administrative services	165,150	174,550
Other professional services	495,000	482,950
Marketing & Community Relations	194,800	212,700
Leases, security & maintenance	308,096	335,200
Insurance & Risk Management	150,030	150,030
Phones, computer equipment & utilities	147,000	135,900
Printing, copying, postage & signage	117,820	103,775
Travel, training and professional development	176,495	211,960
Other operating expenses	541,630	495,172
Total Administration	9,321,838	10,899,878
TAX COLLECTION		
Appraisal District Svcs	1,018,710	1,069,646
Tax Collection Expense	684,500	818,612
Total Tax Collection	1,703,210	1,888,258
TOTAL USES	258,368,648	290,805,715

FY 2020 Proposed Budget

Community Care Collaborative/Healthcare Delivery



A Central Health and Seton partnership

Description	FY19 Amended Budget	FY20 Proposed Budget
Sources:		
DSRIP Payments	59,417,759	61,168,472
Member Payment	74,000,000	-
Other	300,000	100,000
Contingency Reserve Carryforward	8,331,095	4,937,495
Total Sources	142,048,854	66,205,967
Uses:		
Primary Care: Medical, Dental Behavioral Health	52,046,817	921,822
Urgent & Convenient Care	250,000	425,000
Specialty Care, including Specialty Dental	11,773,000	3,758,000
Specialty Care: Behavioral Health	8,933,856	8,000,000
Post Acute Care	1,225,000	2,675,000
Pharmacy	5,850,000	-
Patient Care Management	1,915,141	-
Healthcare Delivery Operations	12,866,947	2,382,462
Operating Contingency	188,093	1,043,683
Total Health Care Delivery	95,048,854	19,205,967
DSRIP Project Costs	12,000,000	12,000,000
UT Affiliation Agreement	35,000,000	35,000,000
Total Uses	142,048,854	66,205,967



CENTRAL HEALTH



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HEALTH PLANS



Community
Care
Collaborative

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Budget Calendar

- ✓ April 29 *Community Conversation (FY2019 Approved Budget)*
- X June 3 *Central Health Healthcare Finance Workshop*
- ✓ June 12 *Central Health Budget and Finance Committee
(FY 2020 Central Health forecast)*
- ✓ June 19 *Central Health Board of Managers
(FY 2020 Central Health forecast and property tax rate)*
- ✓ July 24 *Central Health Budget and Finance Committee
(FY2020 Central Health Proposed Budget)*
- ✓ July 31 *Central Health Board of Managers
(FY2020 Central Health and CCC Proposed Budgets)*
- ✓ Aug. 21 *Central Health Board of Managers
(FY2020 Central Health Proposed Budget and tax rate)*



Budget Calendar

- ✓ Aug 26 Community Conversation – Fiscal Year 2020 Budget
- ✓ Aug. 27 Travis County Commissioners Court
(FY2020 Proposed Central Health budget and tax rate)
- ✓ Aug 28 Central Health Board of Managers
(vote on maximum tax rate)
- Sept. 11 Central Health Board of Managers/First Public Hearing
(FY 2020 Central Health Budget and Tax Rate)
- Sept. 18 Central Health Board of Managers/Second Public Hearing
(FY2020 Central Budget and Tax Rate, Central Health Budget approved)
- Sept. 24 Travis County Commissioners Court
(FY 2020 Central Health Adopted Budget approved)
- Sept. 25 Central Health Board of Managers
(FY2020 Central Health Tax Rate adopted)
- Oct 1 Travis County Commissioners Court
(FY 2020 Central Health Adopted Tax Rate approved)





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FY2020 Budget Strategies

Develop and execute health care delivery based on people and place

- Improve health care access and efficiencies via technology enhancements
- Identify strategic locations and expand delivery model in Eastern Travis County and other priority areas

Implement patient-focused and coordinated health care

- Improve eligibility and enrollment
- Coordinate and leverage of primary and specialty care resources

Sustainable health care financial models

- Change funding models
- Optimize financial returns through continued development of the Central Health Downtown Campus
- Manage financial risk and maintain sufficient reserves



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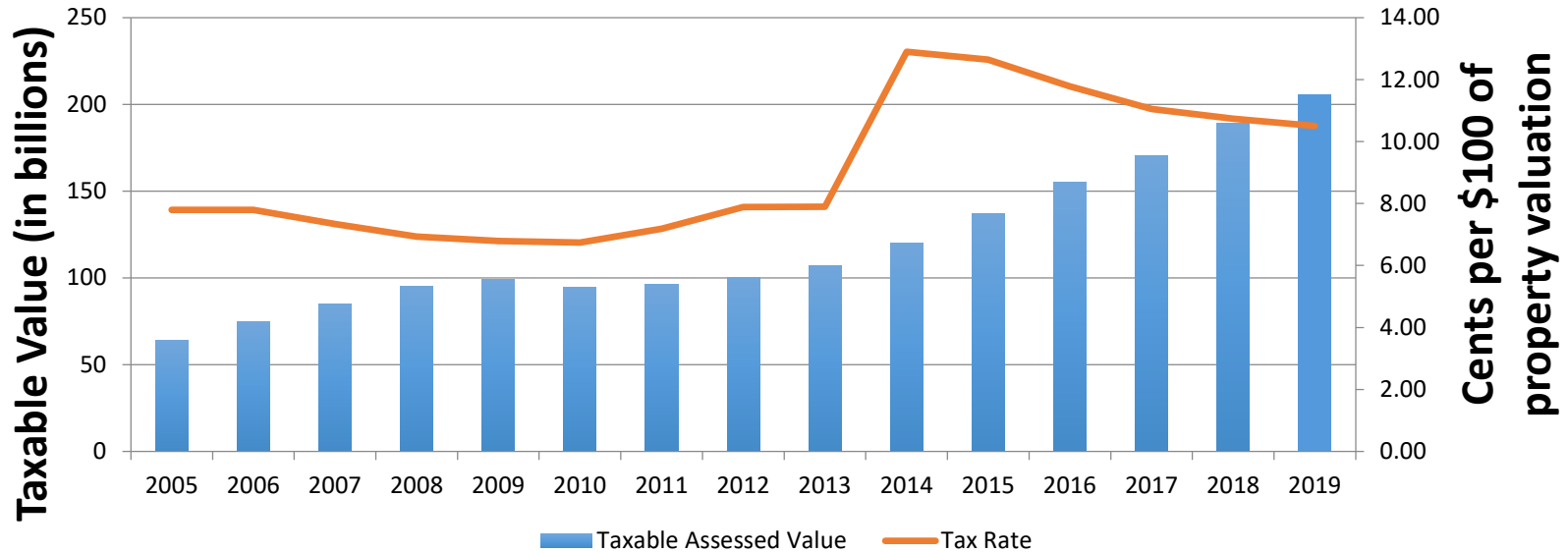
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Taxable Values by Tax Year (in billions)

Travis County taxable values and Central Health tax rate history



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FY2020 Proposed Budget

Capital Reserves (in millions) *updated*

Description	Estimated Opening Balance FY20	Estimated FY20 Capital Expenses	Additional Reserves	Possible Debt Financing	Estimated Ending Balance FY20
Clinical Services/ETC	-	7.7	-	7.7	0.0
Campus Redevelopment	1.1	5.1	-	5.1	1.1
Technology and Equipment	0.6	9.6	0.9	8.7	0.6
Facilities Improvements	2.0	2.6	2.1	-	1.5
Estimated Capital Reserves	\$3.7	\$25.0	\$3.0	\$21.5	\$3.2

Potential Projects:

- Eastern Travis County: two-three potential clinic locations
- Campus redevelopment: Red River realignment
- Technology and equipment: Clinical software and services
- Facilities: Building improvements, new and existing clinical locations



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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.

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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 2

Discuss and take appropriate action on Central Health's proposed Fiscal Year 2020 maximum property tax rate.



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 3

Set the date, time, and location for the public hearings at which the Central Health Board of Managers will present the proposed Fiscal Year (FY) 2020 tax rate and receive comments from the public on the same.



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BOARD MEETING

August 28, 2019

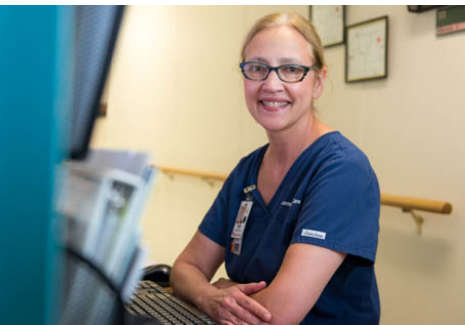
REGULAR AGENDA ITEM 4

Discuss and take appropriate action on an Interlocal Agreement between Central Health, The University of Texas at Austin, and Emergency Services District 11 for the establishment of a health care clinic in southeast Travis County.¹



CENTRAL HEALTH

Interlocal Cooperation Agreement (ILA) for Health Care Clinic Board of Managers Meeting August 28, 2019



Background

Ground Lease between Central Health (Tenant) and Emergency Services District 11 (Landlord)

- Would have given Central Health a leasehold estate in land owned by ESD 11 at 7300 Kellam Rd., Austin, TX 78617.
- Central Health intended to sublease this land and any improvements it built thereon to the University of Texas School of Nursing
 - Estimated cost of improvements was \$2 million



Key Agreed Upon Provisions in ILA

Provision

ESD 11

Section 1: Obligations (P. 2-4)

Central Health will inform MAP enrollees of the clinic's existence and services and will further inform the SON of land purchases it makes within five miles of the clinic

ESD 11 will contract with qualified firms to perform all necessary engineering and construction services and will cooperate* with SON in designing the clinic.

ESD 11 will submit monthly construction progress reports and documentation showing costs/expenses to the SON

ESD 11 will obtain all building, development, and use permits

ESD 11 will also maintain and repair the land and the clinic's mechanical and electrical equipment or systems, at no cost to Central Health or the SON



Key Agreed Upon Provisions in ILA

Provision

ESD 11

Section 1: Obligations (P. 4-8)

The SON will design the clinic to provide adequate space for health care delivery

The SON will oversee the construction of the clinic through an employee of UT Construction Services

The SON will verify all invoices, cost and expense reports that ESD 11 submits for reimbursement meet the conditions set forth in Section 1.3.10

The SON will provide, or arrange to provide, CLIA-exempt laboratory services, primary care, pediatric care, women's health services, and behavioral and mental health services

The SON will submit reports to Central Health on the number of MAP enrollees served at the clinic

The SON will also engage in patient outreach activities and pay for all utility costs associated with the clinic's operations

Key Agreed Upon Provisions in ILA

Provision	ESD 11
<p>Section 2: Compensation (P. 8-9)</p>	<p>Central Health will pay \$1,150,000 during Fiscal Year 2020</p> <p>\$250,000 of this amount may only be used for Clinic equipment, signage, or marketing</p> <p>No more than \$92,500 of this amount may be used to reimburse ESD 11 for earthwork, ingress and egress paving, and architectural and engineering services</p> <p>Remainder of funds can be used to reimburse ESD 11 for survey, design, and direct or field indirect construction costs</p> <p>However, costs and expenses only reimbursable at actual cost</p>



Key Agreed Upon Provisions in ILA

Provision	ESD 11
Section 3: Auditing and Repayment (P. 9-10)	<p>Central Health has the right to perform (itself or through an independent party) an audit of all records that would illustrate the true costs and expenses of the clinic construction</p> <p>If an audit disclosed that Central Health overpaid ESD 11 or paid for a non-permissible cost or expense , ESD 11 or the SON would be required to repay the amount of money that Central Health overpaid</p> <p>Additionally, ESD 11 is required to return all or a portion of the entire compensation paid to ESD 11 on the occurrence of a Recoupment Event</p> <ul style="list-style-type: none">• See page 10 for details on the six Recoupment Events



Key Agreed Upon Provisions in ILA

Provision	ESD 11
Section 4: Ownership of FFE (P. 10-11)	<p>Any furniture, removable fixture, or equipment purchased with Central Health funds will be owned by Central Health</p> <p>SON will be responsible for maintaining, repairing, and replacing all equipment on a schedule that will ensure the equipment is in safe operating condition</p>
Section 5: Ownership of Clinic (P. 11)	ESD 11 will own the clinic
Section 6: Notice and Dispute Resolution (P. 11)	Standard process, which involves negotiation, then mediation, and finally litigation



Key Agreed Upon Provisions in ILA

Provision	ESD 11
<p>Section 7 – Outcome Measures (P. 13)</p>	<p>Central Health and SON will develop performance standards for the MAP population that measure: (1) access to health care services; (2) clinical quality; (3) patient experience; and (4) the success of the clinic in diverting hospital transportation</p>
<p>Section 8 - Term (P. 13)</p>	<p>5 years from the date the clinic opens to the public, with no extensions. ILA may terminate sooner if the clinic does not open by September 30, 2020 or any party initiates termination under Section 9.</p>
<p>Section 9 - Termination (P. 13)</p>	<p>Any party may terminate the ILA for failure to perform the obligations described in Section 1.</p> <p>ESD 11 and SON may terminate the ILA if any of the four defined “Events of Default” occur</p> <p>Central Health may terminate the ILA if any of the certifications or warranties made in Section 10 by either ESD 11 or the SON are misrepresented, false, or void <u>or</u> if insufficient funds are available</p>

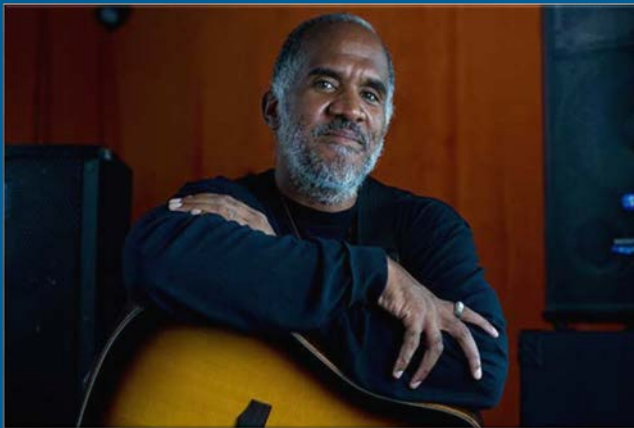


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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 5

Receive and discuss a report of the July 2019 financial statements for the Community Care Collaborative.

Community Care Collaborative

Financial Statement Presentation

FY 2019 – as of July 31, 2019

Central Health Board of Managers
Budget and Finance Committee
August 21, 2019

Jeff Knodel, Chief Financial Officer
Lisa Owens, VP of Financial Operations



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General

July 2019



- * Cash is at \$73 million compared to \$42 million last year. The variance is due to the timing of the \$35 million UT Dell Medical School Affiliation Agreement payment.
- * Total Liabilities are at \$51 million as of the end of July. Accrued Liabilities for July include the UT Dell Medical School Affiliation Agreement payment, paid in August.
- * Net Assets at the end of July are \$22 million. This includes the FY18 contingency reserve carry forward of \$5.1 million.

Balance Sheet

As of July 31, 2019



	<u>as of 7/31/2019</u>	<u>as of 7/31/2018</u>
Assets		
Cash and Cash Equivalents	73,228,637	41,872,206
Other Receivables	20,946	101,897
Prepaid and Other	244,543	421,048
Total Assets	<u>73,494,126</u>	<u>42,395,151</u>
Liabilities		
AP and Accrued Liabilities	49,657,393	25,240,794
Deferred Revenue	773,780	773,780
Other Liabilities	258,507	271,769
Accrued Payroll	528,064	483,736
Total Liabilities	<u>51,217,744</u>	<u>26,770,079</u>
Net Assets	<u>22,276,382</u>	<u>15,625,072</u>
Liabilities and Net Assets	<u>73,494,126</u>	<u>42,395,151</u>

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through July 31, 2019



Sources of Funds	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
DSRIP Revenue	59,417,759	76,552,524	129%	59,153,831
Member Payment - Seton ⁽¹⁾	40,000,000	21,133,245	53%	30,000,000
Member Payment - Central Health ⁽¹⁾	34,000,000	24,210,000	71%	15,000,000
Operations Contingency Carryforward	8,331,095	5,088,306	61%	13,065,346
Other Sources	300,000	527,893	176%	167,264
Total Sources of Funds	142,048,854	127,511,967	90%	117,386,442
Uses - Programs				
Healthcare Delivery	95,048,854	66,640,693	70%	70,772,202
UT Services Agreement	35,000,000	35,000,000	100%	35,000,000
DSRIP Project Costs	12,000,000	8,594,892	72%	989,168
Total Uses	142,048,854	110,235,586	78%	106,761,370
Net Sources (Uses)	-	17,276,382		10,625,072
Net Assets		22,276,382		15,625,072

⁽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.

Healthcare Delivery Costs - Summary

Fiscal Year-to-Date through July 31, 2019



	<u>Approved Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery					
Primary Care	52,046,817	52,046,817	38,207,279	73%	41,424,372
Specialty Care	10,673,000 *	10,973,000	5,452,081	50%	6,859,603
Specialty Behavioral Health	8,933,856	8,933,856	7,652,722	86%	7,009,149
Specialty Dental Care	1,100,000	1,100,000	580,763	53%	379,948
Post-Acute Care	1,225,000 *	2,325,000	1,915,486	82%	1,859,252
Pharmacy	5,850,000	5,850,000	4,517,995	77%	3,949,439
Medical Management	1,915,141	1,915,141	1,360,196	71%	1,769,673
Urgent and Convenient Care	250,000	250,000	105,523	42%	113,264
Healthcare Delivery - Operations ⁽¹⁾	12,866,947 *	11,466,947	6,848,650	60%	7,407,502
Operations Contingency Reserve	188,093	188,093	-	0%	-
Total Healthcare Delivery	95,048,854	95,048,854	66,640,693	70%	70,772,202

(1) Additional detail provided on slide 8

* Budget shifted from Operations to Post-Acute Care

Healthcare Delivery Costs – Primary Care

Fiscal Year-to-Date through July 31, 2019



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Primary Care				
CommUnityCare	41,760,000	31,284,448	75%	34,040,883
El Buen Samaritano	2,100,000	1,469,279	70%	1,835,080
Lone Star Circle of Care	4,364,995	3,317,239	76%	3,027,080
People's Community Clinic	2,500,000	1,415,434	57%	1,803,120
Volunteer Healthcare Clinic	200,000	136,539	68%	129,960
UT School of Nursing	25,000	416	2%	3,263
City of Austin EMS	696,822	580,685	83%	580,685
Other Providers	400,000	3,240	1%	4,301
Total Primary Care	52,046,817	38,207,279	73%	41,424,372

HCD Providers Expenditures – Specialty Care Detail

Fiscal Year-to-Date through July 31, 2019



Specialty Care	Approved Budget	Amended Budget	YTD Actual	% Budget Used	Prior YTD Actual
Consultation Services	535,000	535,000	22,305	4%	21,375
CommUnityCare by Specialty (in FY2019)	n/a	n/a	n/a	n/a	2,001,519
Seton Multi Specialty	200,000	200,000	16,753	8%	168,011
Cardiology	200,000	200,000	114,391	57%	40,657
Dermatology	450,000	450,000	306,430	68%	-
Ear, Nose and Throat	450,000	450,000	170,849	38%	296,075
Gastroenterology	1,250,000	1,250,000	604,150	48%	702,775
General Surgery	-	-	5,100	n/a	-
Gynecology IPU	1,500,000	1,500,000	385,076	26%	535,325
Oncology Services	700,000	700,000	264,908	38%	423,919
Ophthalmology	1,700,000	1,700,000	1,122,984	66%	1,214,521
Musculoskeletal	1,250,000 *	1,550,000	1,062,607	69%	780,258
Orthotics and Prosthetics	200,000	200,000	178,282	89%	70,871
Palliative Care	25,000	25,000	945	4%	-
Physical Medicine and Rehabilitation	15,000	15,000	-	0%	-
Rheumatology	200,000	200,000	116,840	58%	-
Pulmonology	225,000	225,000	283,668	126%	-
Urology	250,000	250,000	157,142	63%	125,000
Endocrinology	700,000	700,000	213,595	31%	-
Ancillary Services	175,000	175,000	13,507	8%	200,960
Project Access	330,000	330,000	275,000	83%	275,000
Other	318,000	318,000	137,551	43%	3,337
Total Specialty Care	10,673,000	10,973,000	5,452,081	50%	6,859,603

HCD Operations Expenditures

Fiscal Year-to-Date through July 31, 2019



	<u>Approved Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery Operations					
Service Delivery Operations	1,516,171	1,516,171	594,815	39%	1,813,212
Claims Payment & Analysis	2,425,492 *	1,425,492	1,088,205	76%	-
Eligibility and Enrollment	1,620,005 *	1,520,005	928,142	61%	767,000
Health Information Technology	3,230,901	3,230,901	1,865,836	58%	1,936,334
Project Management Office	918,619 *	818,619	426,334	52%	843,827
Quality Assessment Performance	1,567,385 *	1,367,385	669,594	49%	969,726
Strategy, Comm, Population Health	381,582	381,582	285,799	75%	2,380
Administration	1,206,792	1,206,792	989,923	82%	1,075,023
Total Healthcare Delivery Operations	12,866,947 *	11,466,947	6,848,650	60%	7,407,502

* Budget shifted from Operations to Post-Acute Care and Specialty Care

Thank You

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July 2019 FYTD Financial Statements (unaudited)
Page 1 of 3

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$73.2M

Other Receivables – \$21K total

Prepaid and Other – \$244K

- \$207K – Prepaid insurance and software license
- \$37K – Atrium Security deposit

Total Assets – \$73.5M

Liabilities

Accounts Payable and Accrued Liabilities – \$49.7M, which includes:

- \$35M UT Dell Medical School Affiliation Agreement annual payment due 8/15
- \$13.4M estimated IBNR to providers
- \$221K non-provider accruals
- \$1.1M due to Central Health

Deferred Revenue – \$774K deferred revenue related to DSRIP projects

Other Liabilities – \$259K; includes leasehold improvement allowance liability of \$124K and Deferred Rent of \$135K

Payroll Liabilities – \$528K; includes PTO liability

BOARD PACKET



July 2019 FYTD Financial Statements (unaudited)
Page 2 of 3

Total Liabilities – \$51.2M

Net Assets

Emergency Reserve – \$5.0M

Unrestricted Net Assets – \$17.3M

Total Net Assets – \$22.3M

Total Liabilities and Net Assets – \$73.5M

Sources and Uses Report

July financials → ten months, 83% of the fiscal year

Sources of Funds, Year-to-Date

DSRIP Revenue - \$77M – \$64M for DY7, \$10M DY8 Category D measures paid but not budgeted, \$3M DY6 Carryforward

Member Payments - \$45M for Central Health and Seton Member Payments

Operations Contingency Carryforward - \$5.1M from FY2018 (does not include \$5M in emergency reserves)

Other Sources – \$528K for interest income

Uses of Funds, Year-to-Date

Operating Expenses

BOARD PACKET



July 2019 FYTD Financial Statements (unaudited)
Page 3 of 3

	<u>Approved Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery					
Primary Care	52,046,817	52,046,817	38,207,279	73%	41,424,372
Specialty Care	10,673,000 *	10,973,000	5,452,081	50%	6,859,603
Specialty Behavioral Health	8,933,856	8,933,856	7,652,722	86%	7,009,149
Specialty Dental Care	1,100,000	1,100,000	580,763	53%	379,948
Post-Acute Care	1,225,000 *	2,325,000	1,915,486	82%	1,859,252
Pharmacy	5,850,000	5,850,000	4,517,995	77%	3,949,439
Medical Management	1,915,141	1,915,141	1,360,196	71%	1,769,673
Urgent and Convenient Care	250,000	250,000	105,523	42%	113,264
Healthcare Delivery - Operations ⁽¹⁾	12,866,947 *	11,466,947	6,848,650	60%	7,407,502
Operations Contingency Reserve	188,093	188,093	0	0%	0
Total Healthcare Delivery	95,048,854	95,048,854	66,640,693	70%	70,772,202

DSRIP Project Costs – Year-to-date \$8.6M

Change in Net Assets – Year-to-date change in net assets is an increase of \$12.2M.
(9/30/2018 Net Assets = \$10.1M)

BOARD PACKET



CENTRAL HEALTH

Our Vision

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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 6

Receive and discuss a report of the July 2019 financial statements for Central Health.



CENTRAL HEALTH

Central Health

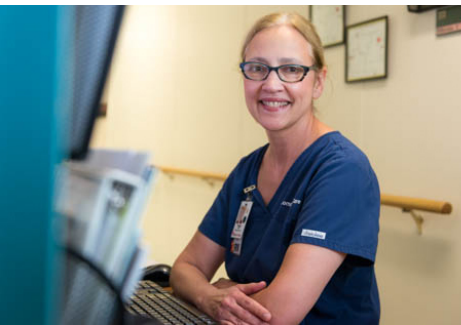
Financial Statement Presentation

FY 2019 – as of July 31, 2019

Central Health Budget & Finance Committee

August 21, 2019

Lisa Owens, VP of Financial Operations





July 2019 Financial Highlights

- Year-to-date, collected net property tax revenue is \$197 million compared to \$181 million as of July 2018.
- Tax collected through July 2019 is 99% of the adjusted tax levy compared to 99% as of July 2018.
- The IGT for YTD July 2019 is \$117 million compared to \$113 million as of July 2018.



Balance Sheet
As of July 31, 2019
(Page 1 of 2, Assets)

Assets	as of 7/31/2019	as of 7/31/2018
Current Assets		
Cash and cash equivalents	1,180,079	1,600,644
Short-term investments	108,796,259	97,667,269
Ad valorem taxes receivable	1,878,986	1,245,192
Other receivables	3,939,482	12,316,380
Prepaid expenses	376,732	1,100,538
Total Current Assets	<u>116,171,538</u>	<u>113,930,023</u>
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	6,661,315	6,328,247
Sendero paid-in-capital	71,000,000	61,000,000
Working capital advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	37,083,000	17,083,000
Total Noncurrent or restricted cash and investments	<u>118,744,315</u>	<u>88,411,247</u>
Capital Assets		
Land	11,770,184	11,770,184
Buildings and improvements	134,395,476	132,393,816
Equipment and furniture	9,495,729	8,909,710
Construction in progress	1,945,242	2,685,252
Less accumulated depreciation	(43,635,767)	(39,668,857)
Total Capital Assets	<u>113,970,864</u>	<u>116,090,105</u>
Total Assets	<u><u>348,886,717</u></u>	<u><u>318,431,375</u></u>



Balance Sheet
As of July 31, 2019
(Page 2 of 2, Liabilities and Net Assets)

Liabilities	as of 7/31/2019	as of 7/31/2018
Current Liabilities		
Accounts payable	2,440,497	1,340,841
Salaries and benefits payable	802,325	507,128
Other Payables	91,273	7,162,687
Debt service payable, short-term	1,037,797	1,179,665
Deferred tax revenue	1,532,576	1,346,967
Other deferred revenue	486,339	-
Total Current Liabilities	<u>6,390,807</u>	<u>11,537,288</u>
Noncurrent Liabilities		
Debt service payable, long-term	7,285,000	8,350,000
Deferred Revenue	1,220,000	
Total Noncurrent Liabilities	<u>8,505,000</u>	<u>8,350,000</u>
Total Liabilities	<u>14,895,807</u>	<u>19,887,288</u>
Net Assets		
Unrestricted	220,020,046	182,453,982
Investment in Capital Assets	113,970,864	116,090,105
Total Net Assets	<u>333,990,910</u>	<u>298,544,087</u>
Liabilities and Net Assets	<u>348,886,717</u>	<u>318,431,375</u>



Sources and Uses Report
Fiscal Year-to-Date through July 31, 2019
(Excludes Depreciation Expense)

Sources / Uses	This Month	Fiscal Year to Date	Fiscal Year Budget	Percent of Budget Used	Prior Fiscal Year to Date
Sources					
Property Tax Revenue	303,009	196,584,290	196,861,527	100%	181,263,434
Lease Revenue	857,841	10,108,437	18,067,937	56%	9,028,409
Other Revenue	266,432	2,388,290	400,000	597%	1,714,176
Tobacco Settlement Revenue	-	3,523,773	2,000,000	176%	3,426,346
Contingency Reserve (Carryforward)	-	52,648,775	41,039,184	128%	51,560,311
Total Sources	1,427,282	265,253,565	258,368,648	103%	246,992,676
Uses of Funds					
Healthcare Delivery	27,905,668	180,987,104	247,343,600	73%	149,939,129
Administrative Program					
Salaries and benefits	336,268	3,497,411	4,690,997	75%	3,004,442
Consulting Fees	7,000	213,981	1,026,500	21%	741,927
Legal Fees	66,789	650,872	1,198,320	54%	640,627
Other Purchase Goods and Services	84,303	926,564	2,406,021	39%	1,371,194
Total Administrative Program	494,360	5,288,828	9,321,838	57%	5,758,190
Tax Collection Expenses	1,886	1,557,581	1,703,211	91%	1,534,643
Total Uses	28,401,914	187,833,513	258,368,648	73%	157,231,962
Excess Sources / (Uses)	(26,974,632)	77,420,052	-		89,760,714



Healthcare Delivery Expense
Fiscal Year-to-Date through July 31, 2019
(Excludes Depreciation Expense)

Healthcare Delivery	This Month	Fiscal Year to Date	Fiscal Year Budget	Percent of Budget Used	Prior Fiscal Year to Date
Intergovernmental Transfers (IGTs) ⁽¹⁾					
Private Uncompensated Care	-	15,228,042	24,000,000	63%	15,965,283
DSMC Uncompensated Care	-	14,256,758	24,500,000	58%	12,667,158
DSH - Disproportionate Share	(72,208)	32,114,584	35,000,000	92%	33,959,603
DSRIP - CCC	18,665,564	32,150,830	27,500,000	117%	24,618,177
DSRIP - DSMC, Dell Children's	7,669,737	22,207,318	27,500,000	81%	25,665,759
DSRIP - St. David's	99,637	684,217	630,000	109%	319,637
Subtotal Intergovernmental Transfers (IGTs)	26,362,730	116,641,749	139,130,000	84%	113,195,617
Provider Costs					
Primary Care	(54,287)	553,612	790,344	70%	589,778
DSRIP Project Expense	-	-	-	0%	(39,043)
Charity Care	-	-	-	0%	1,062,933
Member Payment to CCC ⁽²⁾	-	24,210,000	34,000,000	71%	15,000,000
Medical Administration	51,440	514,396	719,990	71%	514,396
Subtotal Provider Costs	(2,847)	25,278,008	35,510,334	71%	17,128,064
Service Expansion Funds					
Sexual & Reproductive Health	170,550	583,514	1,080,000	54%	-
New Initiatives ⁽³⁾	-	-	1,400,000	0%	-
Other Service Expansion	-	-	2,000,000	0%	-
Subtotal Service Expansion Funds	170,550	583,514	4,480,000	0%	-

(continued on next page)

⁽¹⁾ Budget includes allocated portion of the contingency reserve appropriation, for IGT timing differences.

⁽²⁾ 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.

⁽³⁾ Funds appropriated for \$300,000 for possible Pay for Success project and \$420,000 for Integral Care School based program, paid as a CCC Member Payment.



Healthcare Delivery Expense (continued)
Fiscal Year-to-Date through July 31, 2019
(Excludes Depreciation Expense)

Healthcare Delivery	This Month	Fiscal Year to Date	Fiscal Year Budget	Percent of Budget Used	Prior Fiscal Year to Date
Healthcare Delivery Operating Costs					
Salaries and benefits	300,046	3,190,643	3,818,591	84%	2,908,187
Consulting Services	2,872	43,507	559,590	8%	48,346
Legal Fees	13,632	46,465	51,200	91%	60,378
Other Services and Purchased Goods	267,736	2,097,989	5,164,895	41%	1,465,126
Subtotal HCD Operating Costs	584,286	5,378,604	9,594,276	56%	4,482,037
Other Costs					
UMCB Campus Redevelopment	370,797	3,432,817	11,125,542	31%	1,785,332
ACA Enrollment and Subsidy	392,949	4,516,730	8,916,000	51%	2,037,416
Debt Service	27,203	1,315,682	1,372,818	96%	1,310,663
Subtotal Other Costs	790,949	9,265,229	21,414,360	43%	5,133,411
Reserves and Transfers					
FY2019 Capital reserve		2,840,000	2,840,000		
FY2019 Emergency reserve	-	1,000,000	1,000,000		
FY2019 Sendero Risk Based Capital	-	20,000,000	20,000,000		10,000,000
FY2019 Contingency reserve appropriation			13,374,630		
Subtotal Reserves, Appropriated Uses & Transfers	-	23,840,000	37,214,630	64%	10,000,000
Total Healthcare Delivery	27,905,668	180,987,104	247,343,600	73%	149,939,129



Questions ? Comments ?

Balance Sheet (Assets) – Slide 3

Current Assets

Cash and Cash Equivalents – \$1.2M compared to \$1.6M July 2018

Short-term Investments – Short-term investments were \$109M at month-end, which is net of restricted investments of \$6.7M for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.9M balance is composed of:

Gross Tax Receivables	\$5.5M
Taxable Assessed Valuation Adjustment	(1.4M)
Est. Allowance for Doubtful collections	<u>(2.2M)</u>
Total Taxes Receivable	\$1.9M

Other Receivables – Other receivables total \$3.9M and consists of intercompany balances:

- CommUnityCare - \$1.9M
- Sendero - \$491K
- Community Care Collaborative - \$1.1M
- Interest and miscellaneous receivables of \$431K

Prepaid Expenses – \$377K balance composed of:

- Prepaid Insurance - \$127K
- ICC Dues and TCAD Fees - \$210K
- Prepaid Memberships/Subscriptions - \$29K
- Deposits - \$11K

Total Current Assets – **\$116M**

Balance Sheet (Assets) – Slide 3 (continued)**Noncurrent Assets**

Investments Restricted for Capital Acquisition – \$6.7M in short-term securities restricted for capital acquisition.

Sendero Paid-in Capital – \$71M (unchanged)

Working Capital Advance to CommUnityCare – \$4.0M (unchanged)

Sendero Surplus Debenture – \$37.1M (unchanged) (\$20M paid by CH in December 2018)

Capital Assets – \$114M, net of accumulated depreciation

Total Assets – \$349M

Balance Sheet (Liabilities and Net Assets) – Slide 4**Current Liabilities**

Accounts Payable – Major components of the \$2.4M balance are:

- \$1.6M estimated healthcare delivery costs for services incurred but not received.
- \$796K in vendor invoices at month-end.

Salaries and Benefits Payable – \$802K balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off and various fringe benefit amounts withheld and not yet paid.

Other Payables – \$91K capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center. (unchanged)

Balance Sheet (Liabilities and Net Assets) – Slide 4 (continued)

Debt Service Payable, Short-Term – \$1M balance is comprised of \$1M in Certificates of Obligation Payable.

Deferred Tax Revenue - \$1.5M

Other Deferred Revenue - \$486K are funds received from the HRSA grant related to the Convenient Care Clinic move to South East Health & Wellness Center.

Total Current Liabilities – \$6.4M

Noncurrent Liabilities

Debt Service Payable, Long-Term – \$7.3M balance of the \$16M in Series 2011 Certificates of Obligation, reduced by eight payments made to date. This debt was issued for the North Central clinic.

Deferred Revenue – Long Term - \$1.2M, lease revenue for Block 164 year 2-FY20 and year 3-FY21 from 2033 LLP.

Total Noncurrent Liabilities – \$8.5M

Total Liabilities – \$14.9M

Net Assets

Unrestricted Net Assets – \$220M

Investment in Capital Assets – \$114M

Total Net Assets – \$334M**Total Liabilities and Net Assets – \$349M****Sources and Uses Report** – Slide 5

July financials → ten months into the fiscal year, 83% of the fiscal year.

Sources – Total \$1.4M for the month

Property Tax Revenue – Net property tax revenue for the month was \$303K. Net revenue includes \$322K current month's collections, less \$19K in adjustments for prior year delinquent taxes.

Lease Revenue – \$858K recorded for Seton lease payment, UT ground lease.

Other Revenue – \$266K investment income for the month, \$2.4M YTD, compared to \$1.7M YTD last year.

Uses of Funds – Total \$28.4M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$181M YTD compared to \$150M YTD thru July 2018.

Administration Program – \$494K in expense for the month, which includes:

- Personnel costs – \$336K
- Legal fees – \$67K
- Consulting services – \$7K
- Other general and administrative – \$84K

Tax Collection Expenses – \$1.9K for the month.

Excess Sources/(Uses) – \$(27)M in July. Current YTD is \$77M compared to prior year 2018 YTD of \$90M.

Healthcare Delivery Expense – Slide 6 & 7

Healthcare Delivery Expense – Total \$181M July YTD and \$150M July 2018

Intergovernmental Transfer “IGT” – \$(72)K DSH refund in July, \$26M DSRIP in July, YTD is at \$117M.

Provider Costs – Healthcare delivery providers’ expense for July totaled \$(3)K, which includes:

- Primary care – \$(54)K
- Medical Administration – \$51K

Service Expansion Funds – Service Expansion expense for July totaled \$170K for the LARC program.

Healthcare Delivery Operating Cost – \$584K in expenses for the month and includes:

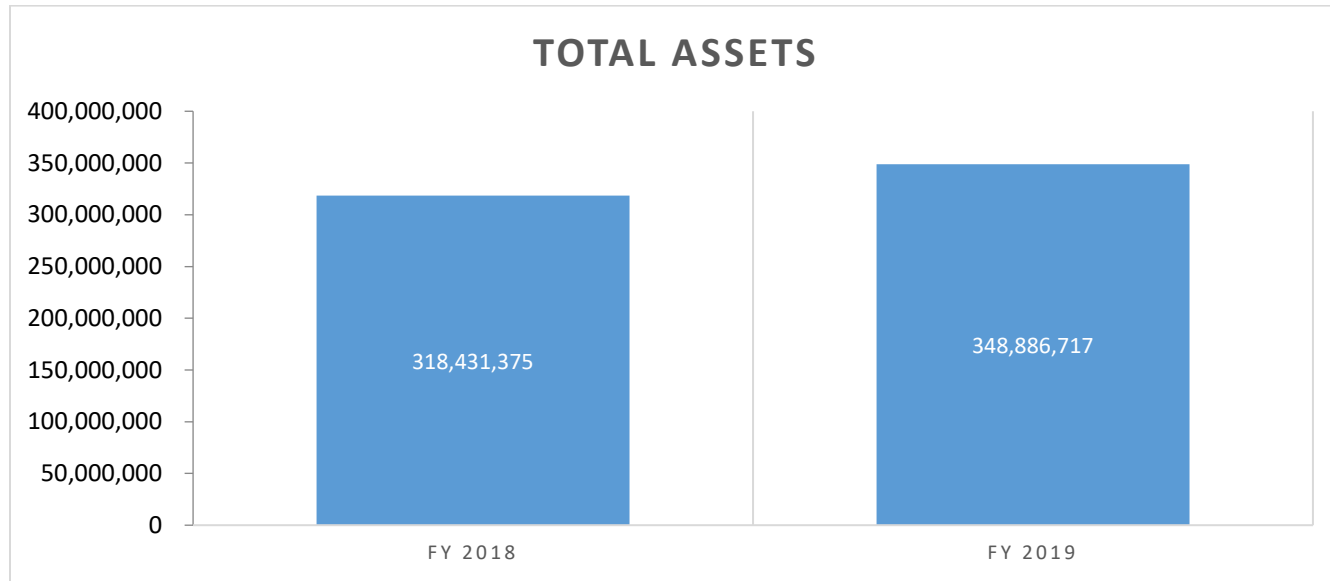
- Personnel costs – \$300K
- Consulting Services – \$3K
- Legal Fees - \$14K
- Other services and purchased goods – \$267K

Other Costs – \$791K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$371K
- ACA Enrollment and Subsidy – \$393K
- Debt Service – \$27K

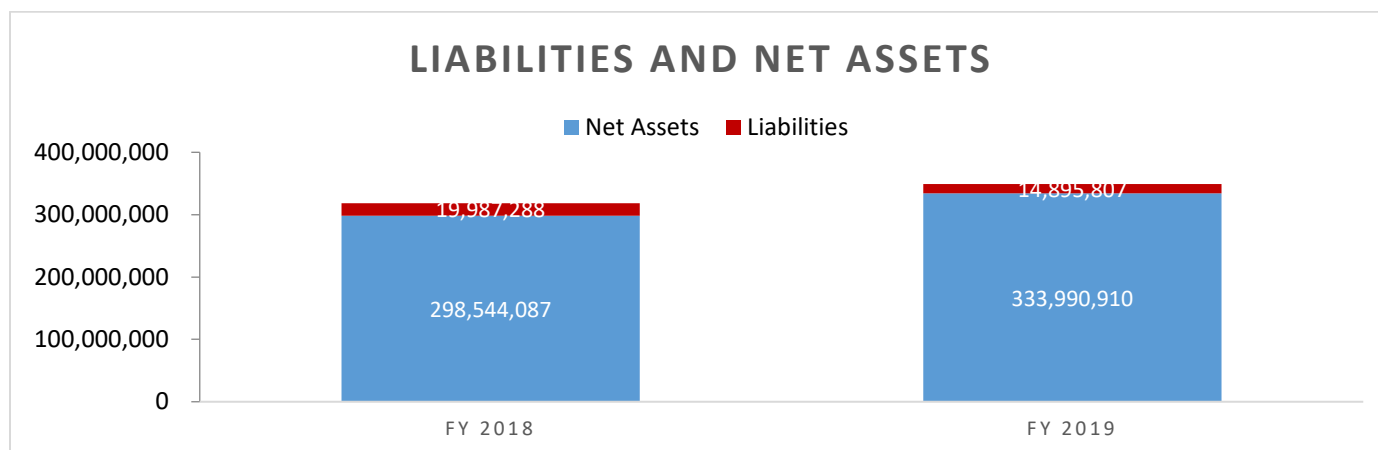
Total Healthcare Delivery - for the month of July was \$28M.

Total Assets (July 31, 2019)



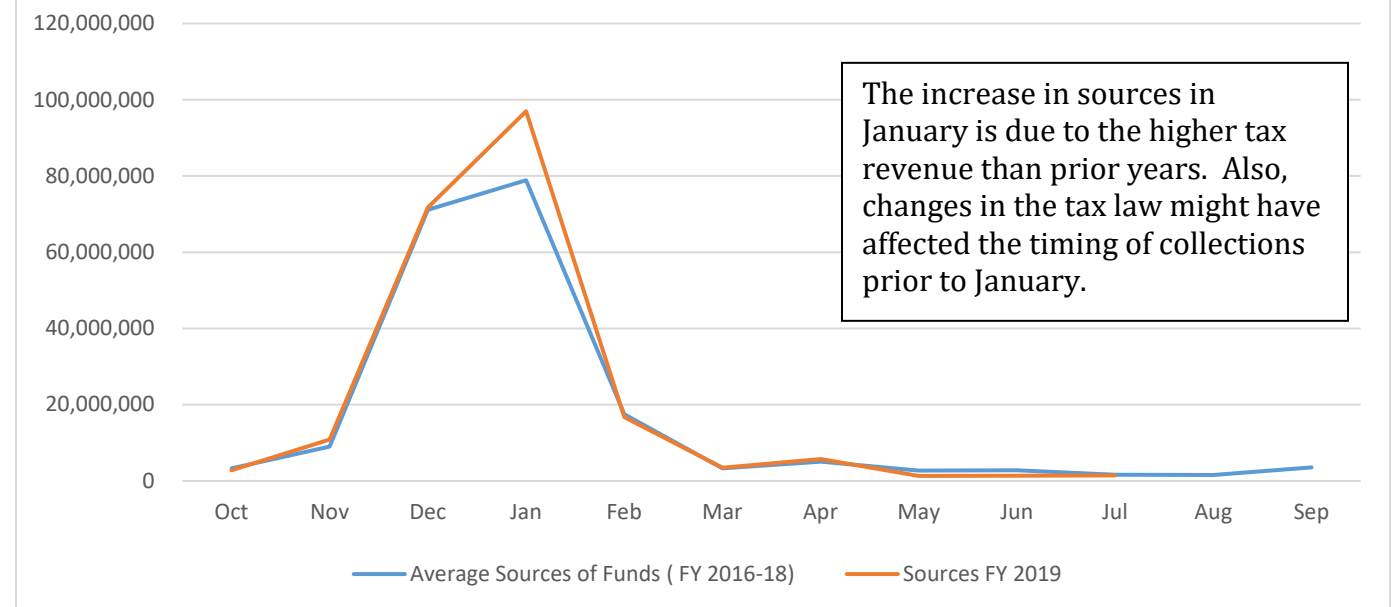
Note: Central Health has a strong cash and short-term investments position. Current assets include cash, investments and accounts receivable which could be converted to cash within one year.

Liabilities and Net Assets (July 31, 2019)



Note: Net assets are equal to total assets minus total liabilities.

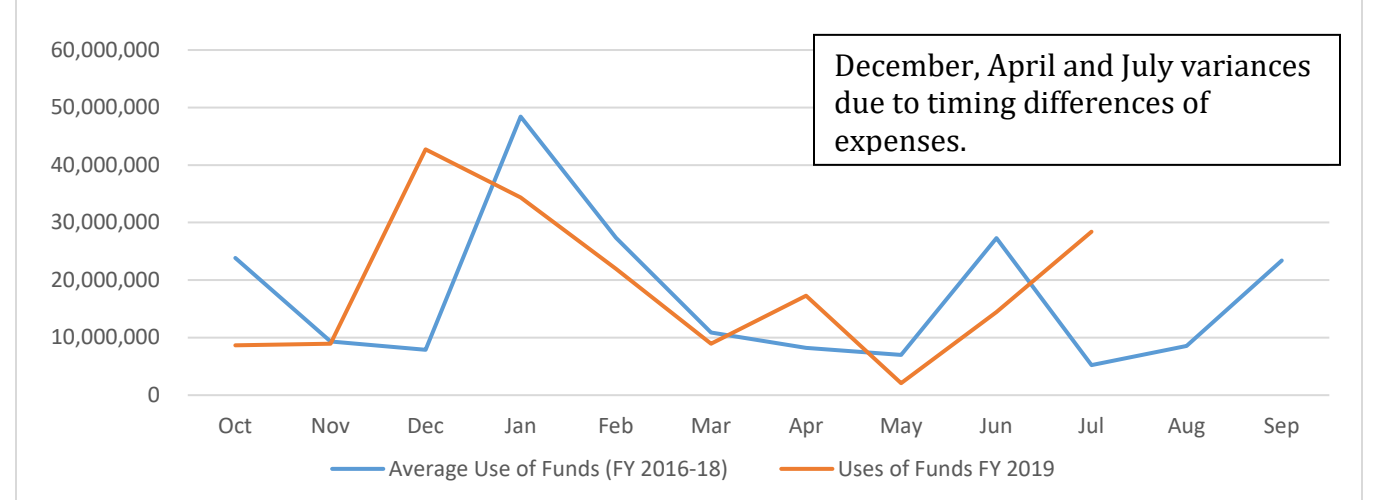
Sources of Funds



FY16-FY18 year-to-date average monthly sources: \$19.5 million

FY19 year-to-date average monthly sources: \$21.3 million

Uses of Funds



FY16-FY18 year-to-date average monthly uses: \$17.5 million

FY19 year-to-date average monthly uses: \$18.8 million



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 7

Discuss 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



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 8

Receive and discuss an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.¹



CENTRAL HEALTH

CENTRAL HEALTH BOARD OF MANAGERS

OPEN SESSION SLIDES

SENDERO HEALTH PLANS UPDATE

Wednesday, August 28th 2019

Sendero Update

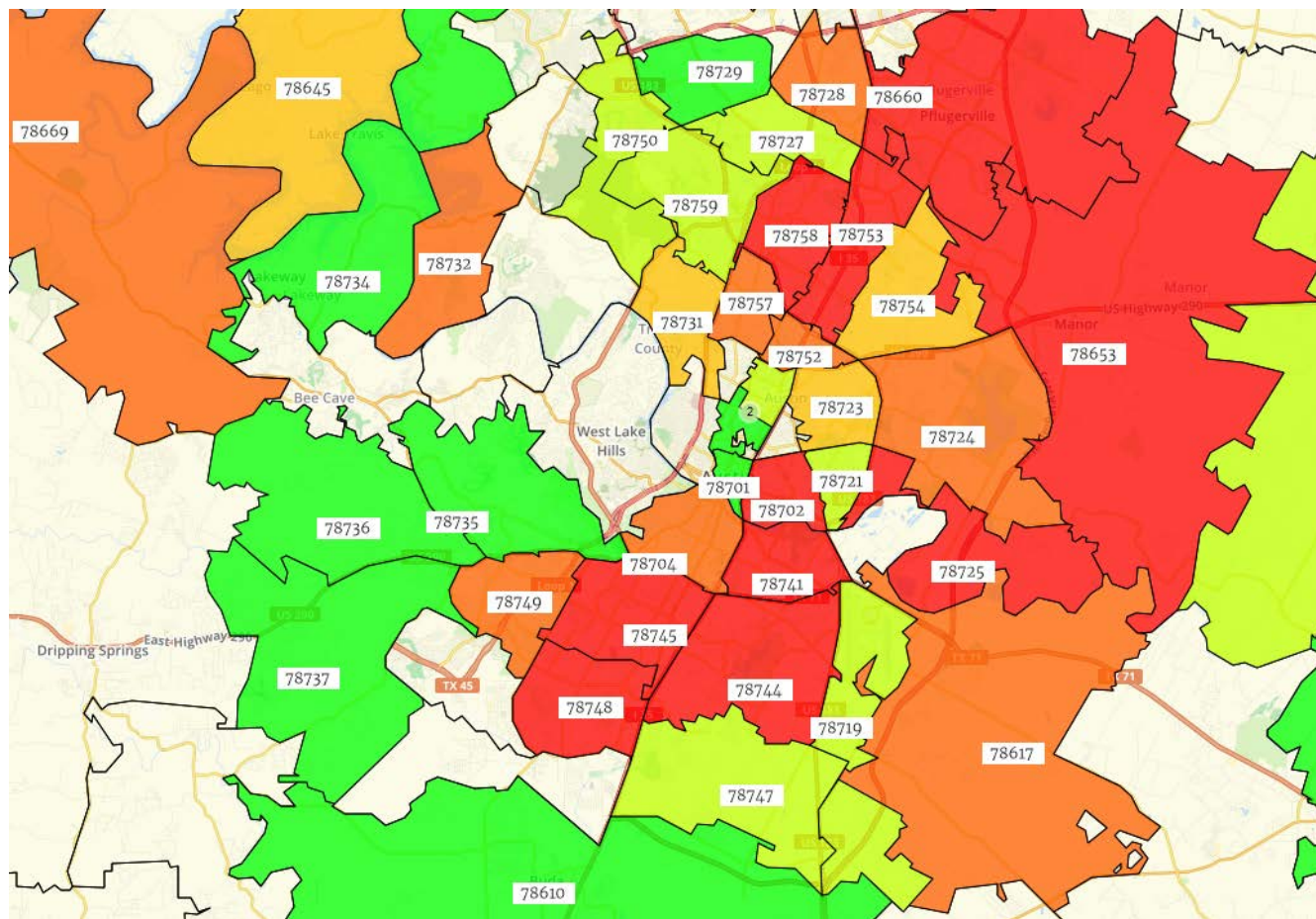
- Year To Date 2019 Q2 Statutory Financials
 - \$31m in services delivered to an average 14,264 members
 - \$1.5m Net Income after 2018 adjustment
 - \$14.9m Surplus

CHAP Services

Approximate value of services delivered to CHAP members by zip code

Approximate value of services delivered through June far exceeds the premiums paid by Central Health

- Red \$250k+ per zip
- Orange \$100k+
- Yellow \$50k+
- Light Green \$10k+
- Green <\$10k



Sendero 2020

Actuarial reviews by Wakely Consulting and NovaRest
on 2019, CHAP Program, and 2020 Forward

- Sendero projected to end the year with sufficient capital to move forward
- CHAP program working: redirecting risk adjustment to local care
- Increasing CHAP and membership improves projected income

Sendero Board voted unanimously to recommend to the Central Health Board to continue the CHAP premium assistance program targeting the 500 member level budgeted last year.



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 9

Discuss and take appropriate action on health care service delivery expansion in Eastern Travis County, including project budgets and project timelines.¹



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 10

Discuss Central Health owned or occupied real property, and potential property for acquisition or lease, including the Downtown Campus and properties located in eastern Travis County.¹



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 11

Receive and discuss a report from the President & CEO on Central Health operations and current activities, including: (a) the Fiscal Year 2019 strategic work plan and operational priorities; (b) an assessment of systems and processes; and (c) other personnel matters.¹



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BOARD MEETING

August 28, 2019

REGULAR AGENDA ITEM 12

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