



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, June 17, 2020, 5:30 p.m.

Via toll-free videoconference¹:

Members of the public may observe and participate in the meeting by connecting to the Ring Central meeting link listed below (copy and paste into your web browser):

[https://meetings.ringcentral.com/j/1496163328?pwd=VkU4Qkl1a1ZWR2dHdGtsQVoyMmpadz](https://meetings.ringcentral.com/j/1496163328?pwd=VkU4Qkl1a1ZWR2dHdGtsQVoyMmpadz09)

09

Password: 363537

Or to participate by telephone only:

Dial: (888) 501-0031

Meeting ID: 149 616 3328

Password: 529383

A member of the public who wishes to make comments during **Public Communication** portion of the meeting must properly register with Central Health **no later than 4:00 p.m. on June 17, 2020**. Registration can be completed in one of two ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-in/>, or
- Call 512-978-9190. Please leave a voice message with your full name and your request to comment via telephone at the meeting.

PUBLIC COMMUNICATION

Central Health will conduct Public Communication in the same manner as it has been conducted at in-person meetings, including setting a fixed amount of time for a person to speak and limiting Board responses to public inquiries, if any, to statements of specific factual information or existing policy.

AGENDA^{2,3}

1. Approve the minutes of the March 11 and May 20, 2020 meetings of the Central Health Budget and Finance Committee. (*Action Item*)
2. Take appropriate action on a report of the May 2020 financial statements for Central Health. (*Action Item*)

3. Take appropriate action on a report of the May 2020 financial statements for the Community Care Collaborative. (*Action Item*)
4. Receive a report on fiscal year-to-date healthcare service expenditures made by Central Health and the Community Care Collaborative. (*Informational Item*)
5. Discuss and take appropriate action on executing a lease agreement with the Kucera Companies for additional space at the Atrium Office Centre (8701 N. Mopac) to house the Central Health Eligibility Call Center. (*Action Item*)
6. Discuss and take appropriate action on a process for the Central Health Board to receive, prioritize, and decide on funding requests from outside organizations. (*Action Item*)
7. Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition or lease, including next steps in the redevelopment of the Central Health Downtown Campus.⁴(*Informational Item*)
8. Confirm the next regular Committee meeting date, time, and location. (*Informational Item*)

¹ By Emergency Executive Order of the Governor, issued March 16, 2020, Central Health may hold a videoconference meeting with no Board members present at a physical meeting location.

² 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.

³ Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Committee.

⁴ Possible closed session discussion under Texas Government Code §551.071 (Consultation with Attorney) and §551.072 (Deliberation Regarding Real Property).

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.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING
June 17, 2020

AGENDA ITEM 1

Approve the minutes of the March 11 and May 20, 2020 meetings of the Central Health Budget and Finance Committee.

MINUTES OF MEETING – MARCH 11, 2020

CENTRAL HEALTH BUDGET AND FINANCE COMMITTEE

On Wednesday, March 11, 2020, the Central Health Budget and Finance Committee convened at 5:30 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 and Manager Bell

Committee Members Absent: Manager Zuniga

Board Members present: Manager Jones, Manager Greenberg, Manager Museitif (arrived at 5:49), and Manager Zamora

AGENDA

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

Clerk's Notes: Discussion on this item began at 5:30 p.m.

Manager Zamora moved that the Committee approve the minutes of the February 19, 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 Jones	For
Manager Greenberg	For
Manager Zamora	For

Emergency 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, the City of Austin, and Travis County with respect to the virus.**

Clerk's Notes: Discussion on this item began at 5:30 p.m. Ms. Megan Cermak, Manager of Community and Population Health Strategy gave a brief presentation on Central Health's planned responses to address the potential impacts of COVID-19. Ms. Cermak announced that the World Health Organization as of March 11, 2020 has declared a global pandemic. Ms. Cermak briefed Managers on three different responses that are being taken by Central Health to ensure safety of staff including creating a staff response, patients and people Central Health serves response, and the public response. As a staff response, Central Health has performed a business impact analysis which identified all critical business functions and Central Health is currently testing the business continuity plan to ensure that all with essential functions can work in a telework capacity. Central Health has updated the rapid response communication plan for this situation and continue to test various communication methods so that we know the best way possible to reach all staff. We have prioritized personal protective equipment for our most public facing staff including eligibility and medical management teams. As for patients and people we serve Central Health is working closely with CommUnityCare and ensuring continuity of care through our business continuity plan. Eligibility will prioritize new enrollments especially those who need testing or care due to COVID-19. As for the public response, Central Health has posted updated signage at our facilities that is in alignment with the CDC, DSHS, and APH recommendations. Central Health is taking each public meeting on a case by case basis following the city mandates, the target audience, and community feedback. Lastly, Central Health is pushing out information provided by the CDC, DSHS and CommUnityCare on all of the social media platforms.

Central Health is also using Community Health Champions and the community advisory committees as information ambassadors to the public.

No action was taken on item A1.

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

Clerk's Notes: Discussion on this item began a 5:35 p.m.

At 5:36 p.m. Chairperson Greenberg announced that the Board was convening in closed session to discuss agenda item 2 under Texas Government Code Section 551.072, Deliberation Regarding Real Property.

At 6:03 p.m. the Board returned to open session.

No action was taken on Item 2.

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

Clerk's Notes: Discussion on this item began at 6:05 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer gave an update on Central Health's Historically Underutilized Business utilization. The presentation included Central Health's Historically Underutilized Business Policy and an eligible HUB expenditures historical comparison. Lastly, she discussed Central Health's HUB outreach expansion planning which includes developing specific HUB good faith outreach efforts for formal solicitations and contracts, tracking data that measures and reports good faith efforts, identifying solicitations with HUB sub-contracting opportunities and requiring prime contractors to provide additional specific plans. Ms. Owens also discussed identifying opportunities to refer vendors to City of Austin (SMBR) or Travis county (TCAAP) business development, developing social media programs for the procurement department to promote upcoming solicitations, and lastly hosting specific events to raise awareness of large upcoming projects that have high participation opportunities.

No action was taken on item 3.

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).

Clerk's Notes: Discussion on this item began at 6:20 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer presented on the new purchasing policy entitled Delegation of Purchasing Duties to Purchasing Authority and Certain Officers, and revisions to the General Procurement Policy (PUR1-001). Ms. Owens advised that Central Health staff recommends that the board review and approve proposed changes to the Central Health Purchasing Policy (PUR1-001) and a adopt a new Purchasing Policy PUR1-005 titled "Delegation of Purchasing Duties to Purchasing Authority and Certain Officers".

Manager Bell moved that the Committee recommend that the Board adopt the new Delegation of Purchasing Duties policy and revise the General Procurement Policy (PUR1-001) as recommended by staff.

Manager Greenberg seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	Absent
Manager Jones	For
Manager Greenberg	For
Manager Museitif	For
Manager Zamora	For

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

Clerk's Notes: Discussion on this item began at 6:31 p.m. Mr. Jonathan Morgan, Chief Operating Officer and Ms. Kit Abney-Spelce, Senior Director of Eligibility Services presented on this item. The presentation included an analysis of projected cost savings and administrative efficiencies, which include reduction of administrative burden on clients and staff, reduction in likelihood patients experience a gap in coverage, and alignment with other healthcare programs. The presentation also included the anticipated MAP enrollment impact and the proposed implementation strategy. The implementation plan is that active members will have their coverage extended to a total of 12 months, with limited exceptions and new enrollments will receive 12 months of coverage. Lastly, the presentation gave a visual overview of the MAP population. The next steps will be for Central Health and Ascension Seton to have an agreement on implementation and timeline.

No action was taken on Item 5.

6. Discuss a potential refunding of certificates of obligation issued by Central Health in 2011.

Clerk's Notes: Discussion on this item began at 7:08 p.m. Mr. Jeff Knodel, Chief Financial Officer presented on this item. Mr. Knodel gave a brief summary of this item stating that it was an informational item regarding an opportunity identified by PFM, Central Health's financial advisor, to refund Series 2011 Certificates of Obligation. He explained that this will achieve Central Health savings and reduce amount of taxpayer funds required for future debt service payments. Last, Mr. Knodel explained he would be coming back to the Central Health Board of Managers on March 25, 2020 to request approval.

No action was taken on Item 6.

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

Clerk's Notes: Discussion on this item began at 7:21 p.m.

Chairperson Oliver announced that the next Central Health Board of Managers Budget and Finance Committee meeting is scheduled for Wednesday, April 15, 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 Museitif seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	Absent
Manager Jones	For
Manager Greenberg	For
Manager Museitif	For
Manager Zamora	For

The meeting adjourned at 7:21 p.m.

Julie Oliver, Committee Chairperson
Central Health Budget and Finance Committee

ATTEST:

Cynthia Valadez
Secretary, Central Health Board of Managers

MINUTES OF MEETING – MAY 20, 2020
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, May 20, 2020, a meeting of the Central Health Budget and Finance Committee convened in open session at 5:30 p.m. remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee Members present via video and audio: Chairperson Oliver, Manager Bell, and Manager Zuniga (joined at 5:34).

Absent:

Central Health Managers present via video and audio: Manager Greenberg, Manager Jones, Manager Museitif, Dr. Zamora (joined at 5:48).

Managers present via audio only:

PUBLIC COMMUNICATION

Clerk's Notes: Citizens Communication began at 5:33 p.m, Ivan Davila introduced one speaker for Citizens' Communication.

Members of the Board heard from: Ms. Sara Black

AGENDA

1. Take appropriate action on a report of the April 2020 financial statements for Central Health.

Clerk's Notes: Discussion on this item began at 5:37 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, presented the April 2020 financial statements for Central Health. The presentation included a balance sheet, as well as a sources and uses report. The presentation also included healthcare delivery services, operating costs, and primary care and specialty care costs.

Manager Zuniga moved that the Committee recommend that the Board accept the April 2020 Central Health financial statements.

Manager Greenberg seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	For
Manager Greenberg	For
Manager Jones	For
Manager Museitif	For
Manager Zamora	For

2. Take appropriate action on a report of the April 2020 financial statements for the Community Care Collaborative.

Clerk's Notes: Discussion on this item began at 5:52 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, presented the April 2020 financial statements for the Community Care Collaborative. The presentation included a balance sheet, a sources and uses report, and a healthcare delivery costs summary.

Manager Zuniga moved that the Committee recommend that the Board accept the April 2020 Community Care Collaborative financial statements.

Manager Greenberg seconded the motion.

Chairperson Julie Oliver	For
Manager Charles Bell	For
Manager Julie Zuniga	For
Manager Greenberg	For
Manager Jones	For
Manager Museitif	For
Manager Zamora	For

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

Clerk's Notes: Discussion on this item began at 5:56 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, presented a report on fiscal year-to-date healthcare service expenditures made by Central Health and the Community Care Collaborative. The presentation included the 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 motion necessary.

4. Discuss the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects; the Community Care Collaborative, including health care delivery arrangements; and other community partnerships.

Clerk's Notes: Discussion on this item began at 6:02 p.m.

At 6:03 p.m. Chairperson Oliver announced that the Committee was convening in closed session to discuss agenda item 4 under Section 551.071 of the Texas Government Code, Consultation with Attorney.

At 6:50 p.m. The Board returned to open session.

No motion necessary.

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

Clerk's Notes: Discussion on this item began at 6:51 p.m.

Chairperson Oliver announced that the next Central Health Board of Managers Budget and Finance Committee is scheduled for, June 17, 2020, at 5:30 p.m. at the Central Health Administrative Offices, 1111 E. Cesar Chavez St., Austin, Texas 78702 and/or remotely by Videoconference depending on the status of the Governor's Disaster Declaration and stay at home orders.

Manager Greenberg moved that the Committee meeting adjourn.

Manager Museitif seconded the motion.

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

Manager Museitif
Manager Zamora

For
Absent

The meeting was adjourned at 6:53 p.m. Greenberg, Museitif unanimous

Sherri Greenberg, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Managers



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 2

Take appropriate action on a report of the May 2020 financial statements for Central Health.



Central Health

Financial Statement Presentation

FY 2020 – as of May 31, 2020 (Preliminary)

Central Health Board of Managers

June 17, 2020

Lisa Owens, Deputy CFO

DRAFT



- Slide 2 Index
- Slide 3 Highlights
- Slide 4 Balance Sheet - Assets
- Slide 5 Balance Sheet - Liabilities & Net Assets
- Slide 6 Sources & Uses
- Slide 7 HCD - Summary
- Slide 8 HCD - Blank Page
- Slide 9 HCD - IGT & HCD Services
- Slide 10 HCD - Operating Cost
- Slide 11 HCD - Primary Care
- Slide 12 HCD - Specialty Care

Note: HCD = Health Care Delivery



- Year-to-date through May, collected net property tax revenue is \$213 million compared to \$196 million as of May 2019.
- Tax collected through May 2020 is 98% of the adjusted tax levy compared to 99% as of May 2019.
- Healthcare Delivery is \$97 million for the eight months ending 05/31/2020.
- GAAP reporting Net Assets increased \$74 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 05/31/2020 is \$39 million.

GAAP: Generally Accepted Accounting Principles refer to a common set of accounting principles, standards, and procedures issued by the Financial Accounting Standards Board. GAAP primary focus is to improve clarity, consistency, and comparability of the communication of financial information.



Assets	Preliminary as	
	of 5/31/2020	as of 5/31/2019
Current Assets		
Cash and cash equivalents	1,254,752	1,259,702
Short-term investments	228,408,793	149,345,144
Ad valorem taxes receivable	3,524,049	2,587,889
Other receivables	6,186,565	3,148,603
Prepaid expenses	463,775	162,863
Total Current Assets	239,837,935	156,504,201
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	7,965,879	7,300,084
Sendero paid-in-capital	71,000,000	71,000,000
Working capital advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	37,083,000	37,083,000
Restricted TCHD LPPF Cash & Investments	38,527,638	-
Total Restricted Cash and Investments or Noncurrent	158,576,516	119,383,084
Capital Assets		
Land	12,598,612	11,770,184
Buildings and improvements	130,697,904	134,395,476
Equipment and furniture	9,590,119	9,495,729
Construction in progress	3,222,250	1,306,472
Less accumulated depreciation	(46,032,201)	(42,910,634)
Total Capital Assets	110,076,684	114,057,227
Total Assets	508,491,135	389,944,512



	Preliminary	
	as of	as of
Liabilities	5/31/2020	5/31/2019
Current Liabilities		
Accounts payable	8,557,886	1,606,059
Salaries and benefits payable	1,335,184	851,737
Other Payables	50,678	90,986
Debt service payable, short-term	1,186,626	1,146,610
Deferred tax revenue	2,957,449	2,175,234
Other deferred revenue	610,000	855,987
Total Current Liabilities	14,697,824	6,726,613
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	38,527,638	-
Debt service payable, long-term	6,105,000	7,285,000
Deferred Revenue	-	1,220,000
Total Restricted of Noncurrent Liabilities	44,632,638	8,505,000
Total Liabilities	59,330,461	15,231,613
Net Assets		
Unrestricted	339,083,990	260,655,672
Investment in Capital Assets	110,076,684	114,057,227
Total Net Assets	449,160,674	374,712,899
Liabilities and Net Assets	508,491,135	389,944,512



Sources / Uses	May 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Sources					
Property Tax Revenue	184,639	213,346,479	214,906,371	99%	195,992,913
Lease Revenue	857,841	8,411,156	13,749,848	61%	8,392,755
Other Revenue	190,579	1,877,373	2,150,000	87%	1,843,903
Tobacco Settlement Revenue	-	3,819,376	3,500,000	109%	3,523,773
Contingency Reserve (Carryforward)	-	64,898,396	56,499,497	115%	52,648,775
Total Sources	1,233,059	292,352,780	290,805,716	101%	262,402,119
Uses of Funds					
Healthcare Delivery	19,860,544	96,660,853	278,017,581	35%	139,183,834
Administrative Program					
Salaries and benefits	433,587	3,081,335	5,903,601	52%	2,798,498
Consulting Fees	16,033	285,272	1,187,720	24%	199,426
Legal Fees	132,550	677,605	1,390,820	49%	495,538
Other Purchase Goods and Services	37,571	698,645	2,417,737	29%	760,951
Total Administrative Program	619,741	4,742,857	10,899,878	44%	4,254,413
Tax Collection Expenses	79,960	1,447,770	1,888,258	77%	1,553,496
Total Uses	20,560,245	102,851,480	290,805,716	35%	144,991,743
Excess Sources / (Uses)	(19,327,186)	189,501,300			117,410,376



Healthcare Delivery Summary	May 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Inter-Governmental Transfers (IGTs)	13,478,714	26,959,115	61,694,651	44%	77,946,698
Healthcare Services					
Member Payment to CCC	-	-	-	0%	24,210,000
Primary Care - (see detail on Slide 11)	3,606,794	30,811,520	50,270,000	61%	486,706
Specialty Care, incld Dental & Behavioral Health	(227,075)	3,656,411	9,823,856	37%	-
Pharmacy	608,440	6,252,620	11,600,000	54%	-
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	89,092	769,533	5,269,990	15%	722,921
Indigent Care & Hospital Performance Incentive	-	-	52,925,000	0%	-
Subtotal Healthcare Services	4,077,251	41,490,084	135,288,846	31%	25,419,627
ACA Premium Assist, Education, Enrollment	881,244	6,151,947	9,856,120	62%	3,674,809
Healthcare Facilities and Campus Redevelopment	118,596	2,462,987	10,996,170	22%	3,348,873
Healthcare Delivery Operating Costs	1,294,083	8,980,403	26,044,728	34%	3,692,552
Debt, Reserves and Transfers	10,656	10,616,317	34,137,066	31%	25,101,275
Total Healthcare Delivery	19,860,544	96,660,853	278,017,581	35%	139,183,834



Details for Health Care Delivery on the following slides.

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Healthcare Delivery - Detail	May 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Intergovernmental Transfers (IGTs)					
Private - Uncompensated Care	-	-	-	0%	15,228,042
DSMC - Uncompensated Care	-	(907,876)	-	0%	14,256,758
DSH - Disproportionate Share	13,478,714	27,866,991	36,120,000	77%	19,854,471
DSRIP - CCC	-	-	25,574,651	0%	13,485,266
DSRIP - DSMC, Dell Children's	-	-	-	0%	14,537,581
DSRIP - St. David's	-	-	-	0%	584,580
Subtotal Intergovernmental Transfers (IGTs)	13,478,714	26,959,115	61,694,651	44%	77,946,698
Healthcare Services					
Member Payment to CCC	-	-	-	0%	24,210,000
Primary Care - (see detail on Slide 11)	3,606,794	30,811,520	50,270,000	61%	486,706
Specialty Care, incld Dental - (see detail on Slide 12)	(326,393)	3,320,914	8,940,000	37%	-
Specialty Care, Behavioral Health	99,318	335,497	883,856	38%	-
Pharmacy	608,440	6,252,620	11,600,000	54%	-
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	37,652	305,516	1,950,000	16%	-
Health care services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	51,440	411,517	719,990	57%	411,517
Primary & Specialty Care Reserves	-	52,500	2,000,000	3%	311,404
Indigent Care	-	-	50,225,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
Subtotal Healthcare Services	4,077,251	41,490,084	135,288,846	31%	25,419,627

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Healthcare Delivery Detail (continued)	May 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	669,062	4,159,563	7,000,000	59%	1,409,215
CHAP Program	198,885	1,425,749	2,251,800	63%	1,409,767
ACA Enrollment and Education Services	13,297	566,635	604,320	94%	855,827
Subtotal ACA & Premium Assist Program	881,244	6,151,947	9,856,120	62%	3,674,809
Healthcare Facilities and Campus					
Salaries and benefits	29,492	240,571	432,555	56%	221,686
Consulting Services	-	-	5,872,788		61,781
Legal Fees	4,134	85,357	234,000	36%	50,644
Other Goods & Svc incl. UT Ground Lease	84,970	2,137,059	4,456,827	48%	3,014,762
Subtotal Healthcare Facilities and Campus	118,596	2,462,987	10,996,170	22%	3,348,873
Healthcare Delivery Operating Costs					
Salaries and benefits	794,362	6,262,746	15,367,495	41%	2,603,337
Consulting Services	8,773	38,048	1,073,000	4%	34,833
Legal Fees	6,294	94,462	184,500	51%	28,696
Other Services and Purchased Goods	484,654	2,585,147	9,419,733	27%	1,025,686
Subtotal HCD Operating Cost	1,294,083	8,980,403	26,044,728	34%	3,692,552
Debt Service, Reserves and Transfers					
Debt Service	10,656	1,260,027	1,373,283	92%	1,261,275
FY2020 Capital reserve	-	2,950,000	2,950,000	100%	2,840,000
FY2020 Emergency reserve	-	6,406,290	6,406,290	100%	1,000,000
FY2020 Sendero Risk Based Capital	-	-	-		20,000,000
FY2020 Contingency reserve appropriation			23,407,493		-
Subtotal Debt, Reserves and Transfers	10,656	10,616,317	34,137,066	31%	25,101,275
Total Healthcare Delivery	19,860,544	96,660,853	278,017,581	35%	139,183,834



Healthcare Delivery - Primary Care	May 2020	FY20 YTD	FY20 Budget	Percent of Budget Used
Primary Care				
CommUnity Care	2,986,070	25,285,160	39,000,000	65%
Lone Star Circle of Care	209,124	3,767,434	6,400,000	59%
People's Community Clinic	374,723	1,469,474	2,500,000	59%
Other Primary Care	36,877	289,453	2,370,000	12%
Subtotal Primary Care Services	3,606,794	30,811,521	50,270,000	61%

(continued on next page)



Healthcare Delivery - Specialty Care	May 2020	FY20 YTD	FY20 Budget	Percent of Budget Used
Specialty Care				
Ancillary Services	(20,933)	13,867	100,000	14%
Cardiology	(16,610)	71,677	150,000	48%
Consultation Services	6,250	50,000	75,000	67%
Dental Specialty	37,097	594,092	1,000,000	59%
Dermatology	(2,779)	245,657	550,000	45%
Durable Medical Equipment	3,164	16,743	115,000	15%
Ear, Nose & Throat ENT	23,363	193,708	400,000	48%
Endocrinology	(47,282)	117,696	300,000	39%
Gastroenterology	(279,793)	483,152	1,650,000	29%
General Surgery	83	94,783	300,000	32%
Gynecology IPU	0	13,974	100,000	14%
Nephrology	0	0	200,000	0%
Oncology	33,892	259,919	700,000	37%
Ophthalmology	(8,921)	594,018	1,725,000	34%
Orthotics & Prosthetics	(116)	89,182	200,000	45%
Podiatry	5,334	111,450	250,000	45%
Pulmonology	(71,015)	149,524	375,000	40%
Rheumatology	(10,002)	80,240	150,000	53%
Specialty Care	17,959	42,207	450,000	9%
Wound Care	3,915	99,025	150,000	66%
Total Specialty Care	(326,394)	3,320,914	8,940,000	37%



Questions ? Comments ?

DRAFT

Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.25M compared to \$1.26M May 2019

Short-term Investments – Short-term investments were \$228M at month-end and restricted investments of \$8.0M for capital acquisitions.

Ad Valorem Taxes Receivable – \$3.5M balance is composed of:

Gross Tax Receivables	\$ 7.6M
Taxable Assessed Valuation Adjustment	(1.7)M
Est. Allowance for Doubtful collections	(2.4)M
Total Taxes Receivable	\$ 3.5M

Other Receivables – Other receivables total \$6.2M and consists of intercompany balances:

- CommUnityCare - \$4.1M
- Sendero - \$544K
- Community Care Collaborative - \$997K
- Accrued Interest and Misc Receivables \$497K

Prepaid Expenses – \$464K balance composed of:

- Prepaid Insurance - \$167K
- Tax Assessor Collection Fees - \$2.9K
- TCAD Appraisal Fees - \$79K
- ICC - \$51K
- Software - \$75K
- Prepaid Memberships/Subscriptions - \$83K
- Deposits - \$6K

Total Current Assets – \$240M



Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$8.0M in short-term securities restricted for capital acquisition.

Sendero Paid-in-Capital – \$71.0M (unchanged)

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

Sendero Surplus Debenture – \$37.1M (unchanged)

Restricted TCHD LPPF Cash & Investments - \$38.5M

Capital Assets – \$110M, net of accumulated depreciation

Total Assets – \$508M



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$8.6M balance are:

- \$6.5M estimated IBNR for healthcare services.
- \$1.5M estimated healthcare delivery costs.
- \$609k in month-end vendor invoices due.

Salaries and Benefits Payable – \$1.3M 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 – \$51K includes capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center.

Debt Service Payable, Short-Term – \$1.2M in Certificates of Obligation Payable and \$6.6K Interest Payable. Refunded in May.

Deferred Tax Revenue - \$3.0M

Other Deferred Revenue - \$610K consists of the lease revenue \$610K for Block 164 Yr3 (FY21) from 2033 LLP

Total Current Liabilities – **\$14.7M**



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$38.5M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$6.1M balance of the \$7.285M in General Obligation Bonds, Series 2020, a refunding in May. This debt was originally issued in 2011 for the North Central clinic. Due annually on 3/1.

Deferred Revenue – Long Term - \$0.

Total Restricted or Noncurrent Liabilities – \$44.6M

Total Liabilities – \$59M

Net Assets

Unrestricted Net Assets – \$339M

Investment in Capital Assets – \$110M

Total Net Assets – \$449M

Total Liabilities and Net Assets – \$508M



Sources and Uses Report – Slide 6

May financials → eight months of the fiscal year, 67% of the fiscal year.

Sources – Total \$1.2M for the month

Property Tax Revenue – Net property tax revenue for the month was \$185K. Net revenue includes \$280K current month's collections, less \$95K in adjustments for prior year delinquent taxes.

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

Other Revenue – \$191K investment income for the month, \$1.9M YTD, compared to \$1.8M YTD last year. And \$7.6K in miscellaneous income (government revenue sharing and lot rent).

Uses of Funds – Total \$20.6M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$19.9M for the month and \$96.7M YTD compared to \$139M YTD thru May 2019.

Administration Program – \$620K in expense for the month, which includes:

- Personnel costs – \$434K
- Consulting services – \$16K
- Legal fees – \$133K
- Other general and administrative – \$37K

Tax Collection Expenses – \$80K for the month.

Excess Sources/(Uses) – \$(19)M in May. Current YTD is \$189.5M compared to prior year 2019 YTD of \$117M.



Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$19.9M May; \$96.7M YTD compared to \$139M May 2019.

Intergovernmental Transfers ("IGT's") – YTD \$27M compared to \$78M last year.

Healthcare Services – Healthcare delivery providers' expense for May totaled \$4.1M, which includes:

- Primary care – \$3.6M
- Specialty Care (including Dental and Behavioral Health) – \$(227)K
- Pharmacy - \$608K
- All Other Healthcare Services - \$89K

ACA Premium Assist, Education, Enrollment – \$868K in expenses for the month.

Healthcare Facilities and Campus Redevelopment - \$119K in expense for the month and \$2.5M YTD.

Healthcare Delivery Operating Cost – \$1.3M in expenses for the month and includes:

- Personnel costs – \$794K
- Consulting Services – \$9K
- Legal Fees - \$6K
- Other services and purchased goods – \$485K

Debt, Reserves and Transfer – \$10.7K in Debt Service expense for the month

Total Healthcare Delivery - for the month of May was \$19.9M.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 3

Take appropriate action on a report of the May 2020 financial statements for the Community Care Collaborative.

Community Care Collaborative

Financial Statement Presentation

FY 2020 – as of May 31, 2020 (Preliminary)

Central Health Board of Managers
Board of Managers Meeting
June 17, 2020

Jeff Knodel, Chief Financial Officer
Lisa Owens, Deputy Chief Financial Officer



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Highlights

May 2020



- * Cash is at \$10.5 million compared to \$43 million last year.
- * Total Liabilities are at \$11.9 million as of the end of May 2020.
- * Net Assets at the end of May are (\$1.1M) mainly due to provider earned DSRIP outcomes from prior reporting periods

Balance Sheet

As of May 2020



Community Care Collaborative

	<u>as of 5/31/2020</u>	<u>as of 5/31/2019</u>
Assets		
Cash and Cash Equivalents	10,495,415	43,305,923
Other Receivables	293,523	17,167
Prepaid and Other	72,932	286,130
Total Assets	<u>10,861,870</u>	<u>43,609,220</u>
Liabilities		
AP and Accrued Liabilities	9,624,078	17,935,852
Deferred Revenue	1,961,042	773,780
Other Liabilities	230,745	261,856
Accrued Payroll	106,556	496,172
Total Liabilities	<u>11,922,420</u>	<u>19,467,661</u>
Net Assets	<u>(1,060,550)</u>	<u>24,141,558</u>
Liabilities and Net Assets	<u>10,861,870</u>	<u>43,609,220</u>

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through May 2020



<u>Sources of Funds</u>	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
DSRIP Revenue	61,168,472	0	0%	32,253,685
Member Payment - Seton ⁽¹⁾	0	0	0%	21,133,245
Member Payment - Central Health ⁽¹⁾	0	0	0%	24,210,000
Operations Contingency Carryforward	5,362,495	10,731,787	200%	5,088,307
Other Sources	100,000	111,237	111%	404,037
Total Sources of Funds	66,630,967	10,843,024	16%	83,089,274
Uses - Programs				
Healthcare Delivery	19,630,967	9,441,800	48%	55,766,664
UT Services Agreement	35,000,000	0	0%	0
DSRIP Project Costs	12,000,000	7,461,775	62%	8,181,051
Total Uses	66,630,967	16,903,575	25%	63,947,715
Net Sources (Uses)	-	(6,060,550)		19,141,559
Net Assets		(1,060,550)		24,141,559

⁽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 May 2020



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	348,433	38%	32,674,576
Specialty Care	3,908,000	1,518,105	39%	4,449,705
Specialty Behavioral Health	8,000,000	3,718,000	46%	6,203,171
Specialty Dental Care	0	(8,710)	0%	439,900
Post-Acute Care	2,675,000	1,860,752	70%	1,624,421
Pharmacy	0	0	0%	3,800,954
Medical Management	0	0	0%	1,092,918
Urgent and Convenient Care	475,000	131,342	28%	141,736
Healthcare Delivery - Operations	2,849,742	1,873,878	66%	5,339,282
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	9,441,800	48%	55,766,664

Thank You

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Preliminary



May 2020 FYTD Financial Statements (unaudited)
Page 1 of 3

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$10.5M

Other Receivables – \$294K

- \$133K – Prior Year PSOP Payment
- \$139K – Prior Year School Base Program
- \$22K – Atrium Rent Allocation

- Prepaid and Other – \$73K – Atrium Security deposit and Insurance

Total Assets – \$10.9M

Liabilities

Accounts Payable and Accrued Liabilities – \$9.6M, which includes:

- \$8.3M estimated IBNR (Incurred But Not Received) for providers
- \$290K non-provider accruals
- \$997K due to Central Health

Deferred Revenue – \$2M deferred revenue related to DSRIP projects

Other Liabilities – \$231K; includes leasehold improvement allowance liability of \$95K and Deferred Rent of \$136K

Payroll Liabilities – \$107K; includes PTO liability

Total Liabilities – \$11.9M

BOARD PACKET



May 2020 FYTD Financial Statements (unaudited)
Page 2 of 3

Net Assets

Unrestricted Net Assets – (\$1.1M)

Total Net Assets – (\$1.1M)

Total Liabilities and Net Assets – \$10.9M

Sources and Uses Report

May financials → eight months, 67% of the fiscal year

Sources of Funds, Year-to-Date

DSRIP Revenue - \$0

Operations Contingency - \$10.7M from FY2019 (This includes emergency reserves of \$5M)

Other Sources – \$111K for interest income

Uses of Funds, Year-to-Date

Operating Expenses
Healthcare Delivery
(Excluding DSRIP)

	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	348,433	38%	32,674,576
Specialty Care	3,908,000	1,518,105	39%	4,449,705
Specialty Behavioral Health	8,000,000	3,718,000	46%	6,203,171
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Post-Acute Care	2,675,000	1,860,752	70%	1,624,421
Pharmacy	0	0	0%	3,800,954
Medical Management	0	0	0%	1,092,918
Urgent and Convenient Care	475,000	131,342	28%	141,736
Healthcare Delivery - Operations	2,849,742	1,873,878	66%	5,339,282
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	9,441,800	48%	55,766,664

DSRIP Project Costs – Year-to-date \$7.5M, primarily made up of provider earnings to date of:

- CommUnity Care - \$5.2M
- Lone Star Circle of Care - \$2.0M
- Hospice Austin - \$95K



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 4

Receive a report on fiscal year-to-date healthcare service expenditures made by Central Health and the Community Care Collaborative.

Healthcare Services Supplemental Report-

Central Health & Community Care Collaborative

DRAFT

Healthcare Services - CH & CCC Highlights	Current Year YTD Actual	FY20 Budget	Percent of Budget Used	Prior Year YTD Actual	YOY % Change
Primary Care	31,291,295	51,666,822	61%	33,303,018	-6%
Specialty Care, incld Dental - (see detail on next slide)	4,830,309	12,848,000	38%	4,889,605	-1%
Specialty Care, Behavioral Health	4,053,497	8,883,856	46%	6,203,171	-35%
Pharmacy	6,252,620	11,600,000	54%	3,800,954	65%
Post Acute Care	1,860,752	8,075,000	23%	1,624,421	15%
Sum of Services Reported - CH & CCC	48,288,473	93,073,678	52%	49,821,169	-3%

Healthcare Specialty Care - CH & CCC	Current Year YTD Actual	FY20 Budget	Percent of Budget Used	Prior Year YTD Actual	YOY % Change	Comments/Notes (greater than +/- 50% and +/- \$90K)
Ancillary Services	6,577	110,000	6%	4,445	48%	
Cardiology	134,437	250,000	54%	84,197	60%	
Consultation Services	60,700	150,000	40%	10,712	467%	
Dental - Specialty	585,382	1,000,000	59%	439,900	33%	
Dermatology	209,935	600,000	35%	237,703	-12%	
Ear, Nose & Throat ENT	197,705	500,000	40%	145,242	36%	
Endocrinology	81,960	300,000	27%	164,977	-50%	
Gastroenterology	380,744	1,700,000	22%	436,054	-13%	
General Surgery (New FY19)	86,012	325,000	26%	0	n/a	
Gynecology IPU	280,384	675,000	42%	435,189	-36%	
Nephrology (New FY20)	0	250,000	0%	n/a	n/a	New program FY20
Oncology	259,919	700,000	37%	187,893	38%	
Ophthalmology	665,107	1,825,000	36%	893,496	-26%	
Orthotics & Prosthetics	81,257	200,000	41%	151,836	-46%	
Musculoskeletal	1,058,874	1,700,000	62%	974,336	9%	
Podiatry (New FY20)	111,450	250,000	45%	n/a	n/a	New program FY20
Pulmonology	110,984	375,000	30%	189,838	-42%	
Rheumatology	63,584	150,000	42%	89,810	-29%	
Palliative Care	0	25,000	0%	945	-100%	
Physical Medicine and Rehabilitation	0	100,000	0%	0	n/a	
Urology	0	250,000	0%	119,185	-100%	Pending Agreement
Other - Multi & Specialty Care	356,274	1,263,000	28%	323,847	10%	
Wound Care (New FY20)	99,025	150,000	66%	n/a	n/a	New program FY20
Total Specialty Care Svcs Reported CH & CCC	4,830,309	12,848,000	38%	4,889,605	-1%	

Note: Management analyzed services lines fluctuating greater than +/-50% and +/- \$90,000. Please refer to comments noted above.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 5

Discuss and take appropriate action on executing a lease agreement with the Kucera Companies for additional space at the Atrium Office Centre (8701 N. Mopac) to house the Central Health Eligibility Call Center.



MEMORANDUM

To: Central Health Budget & Finance Committee
From: Jon Morgan, Chief Operating Officer
Kit Abney Spelce Sr. Director of Eligibility Services
CC: Mike Geeslin, President & CEO
Lisa Owens, Deputy Chief Financial Officer
Jeff Knodel, Chief Financial Officer
Date: June 17, 2020
Re: Agenda Item 5: Discuss and take appropriate action on executing a lease agreement with the Kucera Companies for additional space at the Atrium Office Centre (8701 N. Mopac) to house the Central Health Eligibility Call Center. **ACTION ITEM**

Overview:

Central Health staff requests approval to enter into a lease with The Kucera Companies for space at the Atrium Office Centre to house a Central Health Eligibility Call Center.

In July of 2019, United Way of Central Texas notified Central Health of their desire to discontinue serving as Central Health's Eligibility Call Center vendor effective September 30, 2020 in order to focus on new organizational strategic priorities. Central Health staff have since worked with United Way and other Enterprise departments to transition the call center in-house. We are grateful for the years of partnership with United Way and the tremendous job they have done for our patients and community.

Synopsis:

Central Health currently leases space in the Atrium Office Centre (8701 North MoPac) that houses our Healthcare Delivery Division, including Eligibility Services leadership and the Eligibility Business Process Team. Expansion of a presence at the same location maximizes departmental cooperation, efficiency and management. Locating the Eligibility Call Center at the Atrium also collocates these operations with CommUnityCare's Patient Navigation Center, providing greater opportunities for coordination of these functions moving forward.

Newly leased space will be at the same rates as currently leased space for. The additional 6,151 square feet will house the Central Health Eligibility Call Center staff (nine call center staff and one eligibility supervisor) and planned transition of existing eligibility staff from the Northeast Eligibility Office when that lease expires in December 2021. Strategically, establishing an internal eligibility call center will allow for an enhanced and customized patient experience that is better coordinated with our Enterprise partners.

The Lease term is 36 months, is at fair market value, and includes a tenant fit out (interior renovation allowance) of \$73,812. The initial cost per square foot is \$19.65. Annual rent escalations match that of existing leased space at \$20.65 in year-2 and \$21.15 in year-3 of the lease. Information technology systems and furniture will be purchased and installed to support these operations

Action Requested:

We request that the Budget and Finance Committee recommend approval to the Board of Managers to negotiate and execute a lease with The Kucera Companies for Suite #170 at the Atrium Office Centre from September 1, 2020 to August 30, 2023 on terms at or better than those presented. Minor variance in lease term start and end dates may result as occupancy is not planned until completion of interior fit out construction.

Fiscal Impact:

The FY20 fiscal impact for leasing new space at the Atrium is \$16,982. FY21, FY22, and FY23 lease and building operations expenses are expected to be \$204,172, \$208,785 and \$195,263 respectively, and those expenses will be included in proposed budgets.

Central Health may fund a portion of the initial improvement costs if the lease allowance does not cover the full cost. Construction pricing is not yet available, but we currently have \$73,812 in tenant improvement allowance and expect additional expenses will not exceed \$50,000

Overall, we anticipate that ongoing operational costs for the Eligibility Call Center will be approximately budget neutral compared to the previously outsourced call center operations including lease and ongoing personnel expenses.



New Lease for an Eligibility Call Center

Budget and Finance

June 17, 2020

Jon Morgan, Chief Operating Officer

Kit Abney Spelce, Senior Director of Eligibility Services

United Way Call Metrics

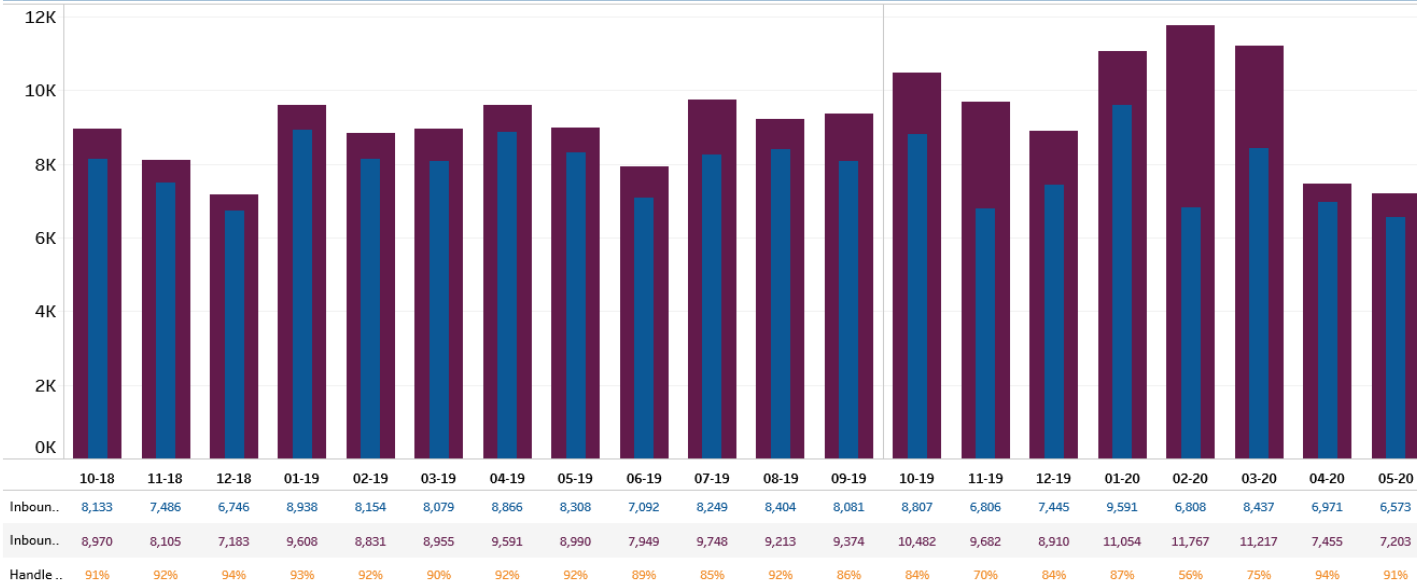
FY20 Budget: \$800,000

UW FTE Count: 9.4 frontline 2.05 Supervisors

Select Fiscal Year(s)
(Multiple values)

	FY 2019	FY 2020
Inbound Handled	96,536	61,438
Inbound Offered	106,517	77,770
Handle %	91%	80%

Inbound Offered vs. Handled

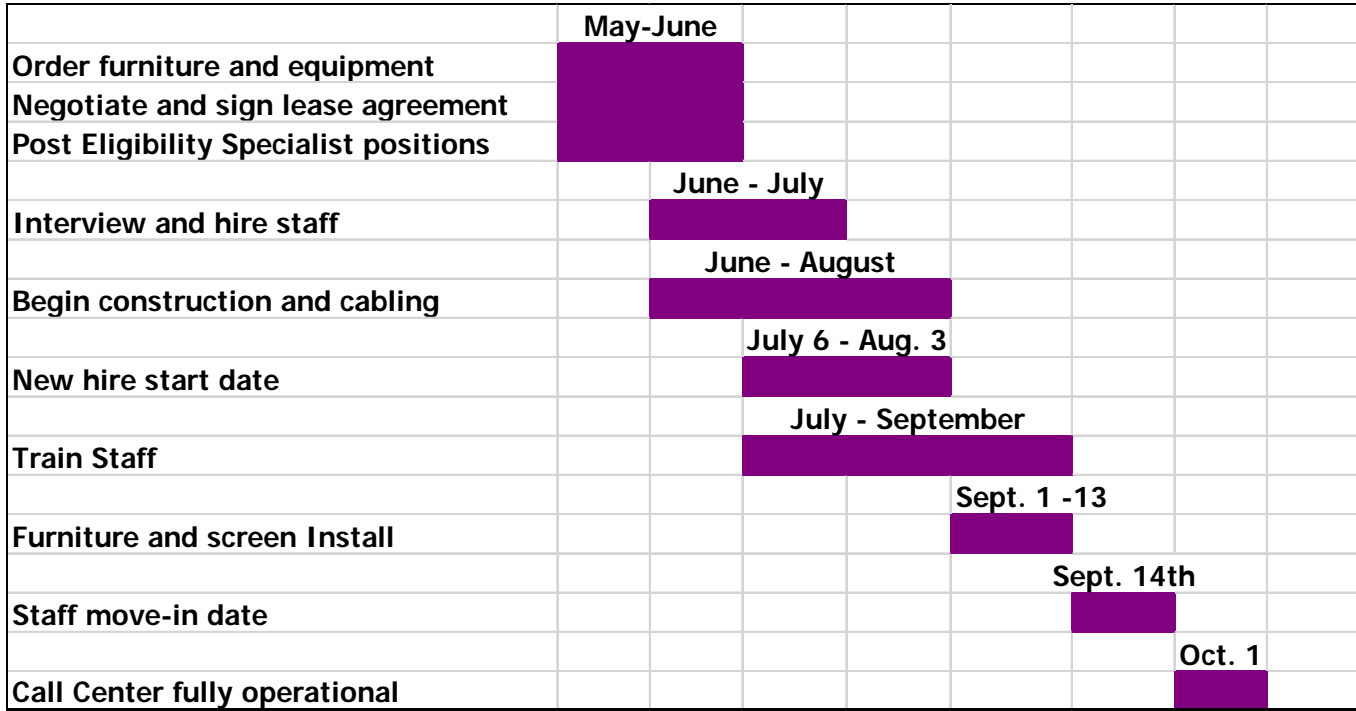


Eligibility Operations

New Vision

- Continue to promote and expand alternative options for applying for coverage
 - Applying by phone or online reduces the need for applicants to take off work, find transportation and or childcare
- Locate in-person appointments inside clinics or centers where clients can receive multiple services
 - Prioritize applicants in need of a face to face appointment
- Call Center staff and Eligibility staff will be one in the same
 - Allows for flexing of staff where needed
 - Allows for one call resolution
 - Allows for outbound calling
- Proximity to CommUnityCare Call Center will allow for easier collaboration and integration as we look to maximize Enterprise resources and services

High-level Implementation Timeline



Action Requested: Approval to Negotiate and Execute a Lease Agreement

- Lessor: Kucera Management
- Location: Atrium Office Centre- Suite 170
- Size: 6,151 square feet
- Start date: September 1, 2020
- Expiration date: August 30, 2023 (36 Month Lease)
- Initial price per square foot: \$19.65
- Improvement Allowance: \$73,812
 - Renovation contingency-\$50,000
- Fiscal year impact:
 - FY20- \$16,982
 - FY21- \$204,172
 - FY22- \$208,785
 - FY23- \$195,263

Questions?





**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 6

Discuss and take appropriate action on a process for the Central Health Board to receive, prioritize, and decide on funding requests from outside organizations.



MEMORANDUM

To: Budget and Finance Committee, Julie Oliver, Chair
CC: Monica Crowley; Jeff Knodel; Lisa Owens
From: Mike Geeslin
Date: 11 June 2020
Re: FY 2021 Budget Development and Funding Request Disposition

Overview

The purpose of this memorandum is to provide background and context to funding requests from organizations outside of Central Health. Further, this memorandum outlines a recommendation for consideration by the Board regarding the handling of such requests.

Background & Context

Central Health provides access to care. In the current fiscal year, our access work has focused on investments in service expansions and adapting to new fiscal and operating environments. More recently, the management team has presented a systems-based approach that takes our access to care work to the next level. Our budget development work for Fiscal Year (FY) 2021 has commenced in parallel to the access work.

The development of local governments' budgets, such as Central Health, are accompanied by requests from outside organizations seeking funding. In the past, some requests have been for direct allocations to fund programs managed by an organization. Other requests have been less specific, advocating for funding categories aligned with an organization's interests.

This memo focuses on organizations' requests for Central Health to directly allocate funds to their programs. The Central Health budget process is open and welcomes all input, including how funds are expended. One issue for the Board's consideration is how to reconcile outside requests with the Board's strategic direction. Specifically, if the Board shifts to developing access to an equitable system of care, with very targeted and sizeable investments, such a shift might not be aligned with funding requests by multiple organizations with different interests. Further, taking on rigorous evaluation during a budget development season will be difficult for the Board of Managers given time and expertise constraints.

To summarize, the issues needing resolution can be distilled to the following:

1. An efficient manner in handling funding requests;
2. Equity in handling such requests within the framework of access to a system of care, rather than a reliance on a political or first-in-line means of making investments; and

3. Funding flexibility for future access to care programs that will address a prioritized health inequity, quality issue, or systems gap.

Recommendation

1. Create a contingency funding allocation for proven, sustainable programs that address access to care system gaps, but which may not fall under the conventional health care delivery budget items. The working title for this allocation of funding is Community Health Care Initiatives Fund.
2. Correlate an incremental increase in the property tax rate to generate a fixed funding allocation amount to fund the initiatives. Absent a final approval of a tax rate that does not contain the correlated incremental increase, the fund will not be created.
3. Draft for Board approval in the FY 2021 Budget resolution a rider that requires:
 - a. An "Alignment Document" that sets forth the elements and requirements of a business case process and establishment of evaluation criteria to be used to establish priorities and a ranking process to be approved by the Board of managers no later than March 1, 2021;
 - b. Board approval of any future investments or expenditures from the allocated funding that are consistent with the Alignment Document;
 - c. Require that elements of the Business Case include, but not be limited to:
 - Criteria for alignment with Central Health's mission
 - Clear demonstration that the proposed services will address systems gaps or quality issues that improve access to care, including measurable impact on health inequities or disparities
 - Targeted patient or member population including income levels, ethnicity, race, or any other elements needed to understand the specifics of the intended targeted population(s)
 - Diversity of leadership and staffing
 - Projected outcomes and processes to measure and validate data sources
 - Validation of proposed business case budget requirements, including other sources of funding (both internal and external)
 - Sustainability of proposed business case beyond timeline of Central Health provided funding
 - Financial reserves and contingency planning in the event proposed initiative encounters unanticipated events

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**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 7

Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition or lease, including next steps in the redevelopment of the Central Health Downtown Campus.⁴

MEMORANDUM

To: Central Health Board of Managers – Budget & Finance Committee
From: Steven Lamp, Vice President – Real Estate & Facilities
CC: Mike Geeslin, President and CEO
Date: June 10, 2020
Reference: Agenda Item 7 - Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition or lease, including next steps in the redevelopment of the Central Health Downtown Campus.

Overview:

Redevelopment of Central Health's Downtown Property is both a strategic and budgetary (FY20) priority, its purpose (summarized) - revenue generation supporting healthcare initiatives and mission. Staff advance 'preparation' for redevelopment as possible. E.g., existing buildings demolition, zoning overlay and entitlements negotiation (New Red River Street realignment). Staff also initiate and accept real estate 'development potential' discussions. Significant, valid development team interest exists.

Background/Synopsis:

Central Health issued a Request for Qualifications (September 2016) to reveal interested development entities, and subsequently, a Request for Proposals (June 2017) to pre-qualified development entities in effort to identify and select a master developer for its Downtown Property. This effort culminated in selection of a master developer entity (November 2017), but potential revenue and more so, revenue timing, disappointed. With Board of Managers direction and approval, Central Health advanced individual parcel/block based negotiations to initiate and enhance revenue generation. Initial agreement Ground Leased Blocks 164 and 167 to the 2033 Higher Education Development Foundation (2033); \$5.038 MM Ground Lease Revenue Received.

Central Health issued a Request for Information (RFI) as to development potential in December 2019 with responses due January 2020. The RFI's purpose was to generate interest, obtain perspective and allow the commercial development market to suggest product mix. Central Health received six (6) responses, five (5) from potential development entities. The RFI was a request for information. It was not a formal request for proposals.

Various and multiple development entities have interest in the Downtown Property. Whether formal procurement effort should be taken is a matter that we defer to Board of Managers' direction. The Board may also want to consider consultation with legal counsel.

Action Requested:

This is an informational item; however, some general direction is requested by staff.

Fiscal Impact:

FY-2020 budget includes funding for consultant and/or legal support of realty development agreements.

Introduction

Background

Downtown Property

1. Objective
2. Land Tracts Availability
 - A. Available Tracts
 - B. Future Available Tracts
 - C. Committed Tracts
3. Development Agreement Structure
4. Entitlements
5. Development Cooperation
 - A. Character
 - B. Transportation and Traffic Management
 - C. Utilities and Infrastructure
 - D. Parking
 - E. Innovation District Support / Creation
 - F. Community Engagement and Communications
 - G. Common Area Management Fee/s
6. Development Guidance
 - A. Environmental Hazards
 - B. Sustainability / Environmental Stewardship
 - C. Living Wage and Non-Discrimination Requirements
 - D. Safe Work Environment
 - E. Historically Underutilized Business (HUB) Program

Interest Submission Requirements

1. Transmittal Letter
2. Developer / Development Team
3. Development Project
4. Transaction Preference
5. Investment / Financial
6. Risks – Project Abandonment
7. Project Description
8. Pre-submission Conference



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

June 17, 2020

AGENDA ITEM 8

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