



# CENTRAL HEALTH

STAYS IN FILE

### 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.

## PUBLIC HEARING & BOARD OF MANAGERS MEETING

### Agenda

**Wednesday, September 18, 2019, 5:30 p.m.**

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

### PUBLIC HEARING

1. Present an overview of the Central Health proposed Fiscal Year (FY) 2020 budget and its associated tax rate and receive public comment concerning the proposed budget and tax rate. (*Informational Item*)
2. Announce the date, time, and place of the meeting at which Central Health will vote to adopt the Fiscal Year (FY) 2020 tax rate. (*Action Item*)

### BOARD MEETING

**5:45 p.m.**

**(or to follow Public Hearing)**

### 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. Approve the minutes of the August 28, 2019 meeting of the Central Health Board of Managers.

## 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 the Central Health proposed Fiscal Year (FY) 2020 budget. *(Action Item)*
3. Discuss and take appropriate action to:
  - a. authorize the Central Health President and CEO to execute all documents necessary for Central Health to obtain a capital line of credit from J.P. Morgan Chase; and
  - b. adopt a Board resolution authorizing these finance expenditures and reimbursement of Central Health funds from finance proceeds. *(Action Item)*
4. Discuss and take appropriate action on the Community Care Collaborative proposed Fiscal Year (FY) 2020 budget. *(Action Item)*
5. Receive and discuss a report of the August 2019 financial statements for the Community Care Collaborative. *(Informational Item)*
6. Receive and discuss a report of the August 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.<sup>1</sup> *(Informational Item)*
8. Discuss health care service delivery expansion in Eastern Travis County, including project timelines.<sup>1</sup> *(Informational Item)*
9. Discuss Central Health owned or occupied real property, and potential property for acquisition or lease, including the Downtown Campus.<sup>1</sup> *(Informational Item)*
10. 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 executive 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 on 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 13th day of

September, 2019

Dana DeBeauvoir  
County Clerk, Travis County, Texas

By *A. Macedo* Deputy

**A. MACEDO**



**201981328**

**FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS**

*Dana DeBeauvoir*

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

**Sep 13, 2019 03:44 PM**

**Fee: \$0.00**

**MACEDOS**



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 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.



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 2**

Discuss and take appropriate action on the Central Health proposed Fiscal Year (FY) 2020 budget.



CENTRAL HEALTH



A Central Health and Seton partnership

# Central Health Board of Managers Fiscal Year 2020 Proposed Budget

Central Health Board of Managers  
September 18, 2019

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



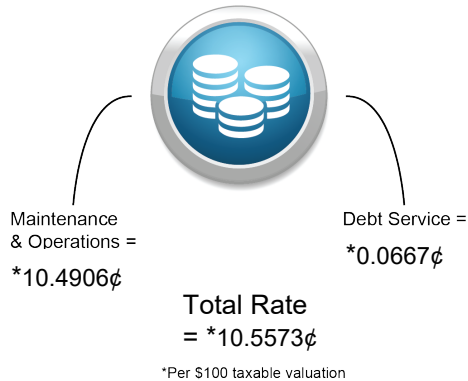
# Budget Calendar

- ✓ 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 and CCC 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)*



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

## Central Health Property Tax Rate



travistaxes.com

	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		





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

DESCRIPTION	FY 2019 APPROVED BUDGET	FY 2020 PROPOSED BUDGET
<b>TAX RATE</b>	<b>0.105221</b>	<b>0.105573</b>
<b>SOURCES</b>		
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	<b>217,329,464</b>	<b>234,306,218</b>
Contingency Reserve	41,039,184	56,499,497
<b>Total Sources</b>	<b>258,368,648</b>	<b>290,805,715</b>
<b>USES</b>		
Healthcare Delivery	247,343,600	278,017,579
Administration	9,321,838	10,899,878
Tax Collection	1,703,210	1,888,258
<b>Total Uses</b>	<b>258,368,648</b>	<b>290,805,715</b>
<b>RESERVES (ending balance)</b>		
Capital		
HMO Risk-based Capital Reserve		
Contingency Reserve		
Emergency Reserve	32,313,546	38,719,836
<b>Total Reserves</b>	<b>32,313,546</b>	<b>38,719,836</b>



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

DESCRIPTION	FY 2019 APPROVED BUDGET	FY 2020 PROPOSED BUDGET
<b>HEALTH CARE DELIVERY</b>		
<b>Intergovernmental transfers:</b>		
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	-
<b>Total Intergovernmental Transfers</b>	<b>139,130,000</b>	<b>61,694,651</b>
<b>Healthcare Services</b>		
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
<b>Total Healthcare Services</b>	<b>39,358,834</b>	<b>135,288,846</b>
<b>Healthcare Operations &amp; Support</b>		
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 Campus Redevelopment	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	
<b>Total Healthcare Operations</b>	<b>30,267,318</b>	<b>46,897,017</b>
<b>Reserves, appropriated uses &amp; transfers:</b>		
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
<b>Total Reserves, appropriated uses &amp; transfers</b>	<b>37,214,631</b>	<b>32,763,783</b>
<b>Debt service:</b>		
Debt service - principal retirement	1,030,000	1,065,000
Debt service - interest	342,818	308,283
<b>Total Debt Service</b>	<b>1,372,818</b>	<b>1,373,283</b>
<b>Total Healthcare Delivery</b>	<b>247,343,600</b>	<b>278,017,579</b>
<b>ADMINISTRATION</b>		
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
<b>Total Administration</b>	<b>9,321,838</b>	<b>10,899,878</b>
<b>TAX COLLECTION</b>		
Appraisal District Svcs	1,018,710	1,069,646
Tax Collection Expense	684,500	818,612
<b>Total Tax Collection</b>	<b>1,703,210</b>	<b>1,888,258</b>
<b>TOTAL USES</b>	<b>258,368,648</b>	<b>290,805,715</b>

**Central Health**

**Healthcare Delivery Program - anticipated providers and specialties or programs**

*Supporting schedule to Attachment B, Fiscal Year 2020 Draft Budget*

<b>Healthcare Services</b>	<b>Provider</b>	<b>Amount</b>
<b>Primary Care: Medical, Dental, Behavioral Health</b>		<b>\$50,270,000</b>
	CommUnityCare	
	El Buen Samaritano	
	Healthcare for the Homeless	
	Latino Healthcare Forum	
	Lone Star Circle of Care	
	People's Community Clinic	
	Planned Parenthood	
	University of Texas School of Nursing	
	Volunteer Healthcare Clinic	
	Other Providers, Pilots & New Initiatives	
<b>Specialty Care, including Specialty Dental</b>		<b>\$8,940,000</b>
Ancillary	Austin Radiological Association	
Ancillary	Clinical Pathology Associates	
Ancillary	Clinical Pathology Laboratories, Inc	
Cardiology	CommUnityCare	
Complex Gynecology	Bailey Square Surgery Center	
Dental	Affordable Dentures	
Dental	Lonestar Oral and Maxillofacial Surgery	
Dermatology	Austin Regional Clinic	
Dermatology	CommUnityCare	
Durable Medical Equipment	Austin Wheelchair	
Durable Medical Equipment	EdgePark Medical Supplies	
Durable Medical Equipment	The Comfort Store	
Endocrinology	CommUnityCare	
Ear, Nose, & Throat	Austin Regional Clinic	
Ear, Nose, & Throat	USPI Northwest Surgery Center	
Ear, Nose, & Throat	Capital Anesthesia	
Family	Family Services	
Gastroenterology	Austin Anesthesia Group	
Gastroenterology	CommUnityCare	
Gastroenterology	Dr. Sridhar Reddy	
Gastroenterology	Gastroenterology Expansion	
Gastroenterology	North Austin Surgery Center	
Gastroenterology	Seton Healthcare Family	
General Surgery	Austin Surgeons	
General Surgery	Central Park Surgery Center	
Musculoskeletal	Musculoskeletal Services	
Nephrology	Nephrology Services	
Oncology	Austin Cancer Centers	
Oncology	Austin Radiological Association	
Oncology	FIT Testing	
Ophthalmology	Austin Anesthesia Group	
Ophthalmology	Austin Retina Associates	
Ophthalmology	Bailey Square Surgery Center	
Ophthalmology	Briggs Eye Clinic	
Ophthalmology	Eye Physicians of Austin	
Ophthalmology	Intelligent Retinal Imaging Systems	
Ophthalmology	Retina Consultants of Austin	
Ophthalmology	Surgicare of South Austin	
Orthotics & Prosthetics	Applied Orthotics	
Orthotics & Prosthetics	Hanger Clinic	
Palliative Care	Palliative Care Services	
Physical Medicine & Rehabilitation	Seton Healthcare Family	
Project Access	Project Access Services	
Pulmonology	CommUnityCare	
Referral Management & eConsults	eConsults	
Referral Management & eConsults	Seton Healthcare Family	
Rheumatology	CommUnityCare	
Service Line Additions & Expansions	CommUnityCare	
Single Case Agreements	Single Case Agreement Services	
Urology	Urology Services	
Other Specialty Care	Other Specialty Care Services	

<b>Central Health</b>		
<b>Healthcare Delivery Program - anticipated providers and specialties or programs</b>		
<i>Supporting schedule to Attachment B, Fiscal Year 2020 Draft Budget</i>		
<b>Specialty Care: Behavioral Health</b>		<b>\$883,856</b>
	Medication Assisted Therapy	
	SIMS Foundation	
<b>Post Acute Care</b>		<b>\$5,400,000</b>
	Expanded Services	
<b>Pharmacy</b>		<b>\$11,600,000</b>
	CommUnityCare	
	Lone Star Circle of Care	
	ScriptCare	
<b>Reproductive and Sexual Health</b>		<b>\$1,950,000</b>
	African-American Mothers Centering Program	
	CommUnityCare	
	Contraceptive Phone Consultation	
	Lone Star Circle of Care	
	Perscription Copays	
	People's Community Clinic	
	Planned Parenthood	
	Vasectomy Services	
<b>Healthcare Services - Permanent Supportive Housing/Pay For Success</b>		<b>\$600,000</b>
<b>Integrated Care Collaboration (ICC)</b>		<b>\$719,990</b>
<b>Healthcare Operations &amp; Support</b>		
<b>ACA Healthcare Premium Assistance Programs</b>		<b>\$9,251,800</b>
	Sendero High Risk Premium Assistance	
	Sendero Premium Assistance	
<b>ACA Education and Enrollment</b>		<b>\$604,320</b>
	Call Center	
	Media/Marketing Campaign	
	Outreach and Enrollment	
	Printing	

# FY2020 Capital Budget

FY2020 Proposed Capital Reserves Budget	Estimated Opening Balance FY20	Estimated FY20 Capital Expenses	Additional Reserves	Proposed Debt Financing	Estimated Ending Balance FY20
Clinical Services/ETC	\$0.0	\$7.7	\$0.0	\$7.7	\$0.0
Campus Redevelopment	\$1.1	\$5.1	\$0.0	\$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	\$0.0	\$1.5
<b>Estimated Capital Reserves FY2020</b>	<b>\$3.7</b>	<b>\$25.0</b>	<b>\$3.0</b>	<b>\$21.5</b>	<b>\$3.3</b>

## • Potential Projects:

- Eastern Travis County: 2-3 potential clinic locations
- Campus Redevelopment: Red River realignment
- Technology and Equipment: Clinical software and services
- Facilities Improvements: New and existing clinical locations





CENTRAL HEALTH



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@CentralHealthTX

**TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH  
BOARD OF MANAGERS  
RESOLUTION ADOPTING THE FISCAL YEAR 2020 BUDGET**

The Travis County Healthcare District d/b/a Central Health Board of Managers (the “Board”) hereby adopts the Central Health Fiscal Year 2020 Budget, which:

- (i) consists of the Central Health Fiscal Year 2020 Budget Sources and Uses Summary (attached as Attachment A) and the Central Health Fiscal Year 2020 Budget Uses Detail (attached as Attachment B), both of which are incorporated herein by reference as if set out in full, and
- (ii) directs the President and CEO to give priority to work that advances access to care and aligns with the following Strategic Goals and Objectives:
  - Develop and execute health care delivery based on people and place,
  - Implement patient-focused and coordinated health care, and
  - Implement sustainable financial model for health care delivery, including optimizing the Brackenridge Campus redevelopment to fund Central Health’s Mission.

Further, the Board hereby identifies the following activities as important sources and uses within the Fiscal Year 2020 Budget, supporting the aforementioned Strategic Goals and Objectives:

- Increasing access to primary, specialty, and other forms of care through contracted partners in the Health Care Delivery budget, including amounts delineated in Attachment B for primary, specialty, post-acute, pharmacy, and reproductive care for the people served by Central Health programs.
- Continuing completion of short-term projects, and commencing long-term projects, estimated at \$7.7 million, for clinical expansion projects in Eastern Travis County, including but not limited to, capital acquisitions or related work for establishing services for Austin’s Colony/Hornsby Bend, Colony Park, and the areas inclusive of the communities in Southeast Travis County (generally, Creedmoor, Elroy, and surrounding community). An additional \$1.15 million is budgeted for establishment of a clinical facility in the Elroy Community, currently under development through an interlocal agreement with the University of Texas at Austin and Travis County Emergency Services District No. 11.
- Continuing to identify and offer high-risk Travis County residents enrolled in MAP or MAP Basic the option of establishing health coverage through Sendero Health Plans, Inc., utilizing \$7 million from the budget line item associated with the Central Health Premium Assistance Program to better leverage the Affordable Care Act and increase the health of the people enrolled.
- Maintaining sufficient reserves to ensure that emergency and total reserves, as projected in the process for development and approval of this Budget, are not materially affected by unplanned expenditures, unless such expenditures are otherwise approved by the Board of Managers.



In addition to the Strategic Goals and Objectives, the Board hereby expresses support for expenditures that facilitate the following operational priorities, which will improve the efficiency and efficacy of Central Health and its affiliates (the “Central Health Enterprise”):

- Acquisition of more efficient information technology and implementing a new Electronic Health Record system to be used by the Central Health Enterprise to increase provider productivity, enhance care coordination and improve patient experience, utilizing \$8 million in the capital budget.
- Coordination between the entities comprising the Central Health Enterprise for improving access to care, including the assessment of patient need and service line capacity planning.

Pursuant to Chapter 281 of the Texas Health & Safety Code, the Central Health Fiscal Year 2020 Budget Sources and Uses Summary and any amendments thereto must be approved by the Travis County Commissioners Court before the budget becomes effective. Moreover, any expenditures incurred or paid pursuant to this Central Health Fiscal Year 2020 Budget shall be controlled by the Travis County Healthcare District Financial Policies, and any policies adopted by the Board related to Reserves and Investments. The acquisitions and services funded by Central Health will, to the greatest extent possible, be predicated on the submission of service or business plans that prove viability, sustainability for the intended term, and value to Central Health’s mission.

ADOPTED at an open meeting of the Central Health Board of Managers held on the 18th day of September 2019.

**TRAVIS COUNTY HEALTHCARE DISTRICT BOARD OF MANAGERS**

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Guadalupe Zamora, Chair  
Central Health Board of Managers



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 3**

Discuss and take appropriate action to:

- a. authorize the Central Health President and CEO to execute all documents necessary for Central Health to obtain a capital line of credit from J.P. Morgan Chase; and
- b. adopt a Board resolution authorizing these finance expenditures and reimbursement of Central Health funds from finance proceeds.



MEMORANDUM

**To:** Central Health Board of Managers  
**From:** Jeff Knodel, Vice President and Chief Financial Officer  
**cc:** Mike Geeslin, President and CEO  
**Date:** September 6, 2019  
**Re:** Agenda Item 3: Receive and discuss a presentation on Central Health’s capital improvement program, including debt finance instruments.

**Overview:**

During the Central Health budget meetings, staff presented the FY2020 capital budget, including budgets for both expenditures and funding sources. Although a few of the capital projects were cash-funded, the majority of the capital sources were debt financing. Staff has evaluated the different debt financing options that are available for debt-financed projects, with a focus on cost, efficiency, and flexibility of the debt financing transactions. As a result, staff has concluded that a bank line of credit is the most appropriate option for smaller capital projects.

**Synopsis:**

Typical, large capital projects are financed with bonds, similar to the contractual obligations that Central Health issued in 2011 to construct the North Central Community Health Center. Bonds are not a good option for smaller, less frequent capital projects, due to the issue costs required to issue bonds and the ratio of issue costs to the bond-financing amount. An alternative financing tool for smaller projects is a bank line of credit. A bank line of credit consists of fixed or variable interest rates along with flexible payment provisions. Advantages of a line of credit over issuing bonds includes simpler execution, lower issue costs, and fewer compliance issues. Central Health finance staff determined that a bank line of credit is the most appropriate option to finance smaller Central Health capital projects, to be used specifically for FFE (Furniture, Fixtures, and Equipment) and Information Technology. Initial capital projects that will utilize the bank line of credit are Information Technology projects, including the CommUnityCare EHR system, with estimated costs of \$7.5 - \$8 million and the eConsult specialty referral system with an estimated cost of \$700K.

**Fiscal Impact:**

Central Health staff proposes a standing credit line available to draw from in order to time the draws around project cash flow needs. Staff has determined the initial credit line amount to be \$10 million, with the following interest rates:

**Minimum Draw of \$1 Million (PRELIMINARY)**

Term	Interest Rate	Interest Rate SWAP Index Rate Formula
36 months	2.202%	
48 months	2.220%	
60 months	2.226%	
84 months	2.228%	

The bank line of credit will pledge property taxes to service the debt, with the debt service portion of the property tax rate serving as the debt service-funding source. Staff will also seek approval of a reimbursement resolution, which will allow Central Health to reimburse any expenses that occur prior to the drawdown of the credit line. This will help Central Health to minimize interest costs due to small, preliminary project costs that would force Central Health to pay interest on the entire draw amount.

**Recommendation:**

Staff plans to bring this item to the Central Health BOM meeting on September 11<sup>th</sup> for informational purposes and September 18<sup>th</sup> for action. Upon approval, this item will be taken to the Travis County Commissioners' Court on September 24<sup>th</sup>.

**RESOLUTION EXPRESSING INTENT TO  
FINANCE PERSONAL PROPERTY EXPENDITURES TO SUPPORT HEALTH CARE  
SERVICES TO INDIGENT AND NEEDY RESIDENTS IN TRAVIS COUNTY**

WHEREAS, the Travis County Healthcare District (the “District”) d/b/a Central Health is a hospital district created and operating under Chapter 281 of the Texas Health and Safety Code, as amended; and

WHEREAS, the District is authorized to finance the acquisition of personal property to support the provision of health care services for indigent and needy residents by issuing debt obligations, including obligations the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Obligations”); and

WHEREAS, the District will make, or has made no more than 60 days prior to the date hereof, payments to acquire, construct, renovate or equip the personal property listed in Exhibit A attached hereto; and

WHEREAS, the District desires to reimburse itself for capital expenditures associated with the projects listed on Exhibit A attached hereto from the proceeds of Obligations to be issued subsequent to the date hereof; and

WHEREAS, the District reasonably expects to issue Obligations to reimburse itself for the costs associated with the projects listed on Exhibit A attached hereto; and

WHEREAS, the Board of Managers of the District desires to delegate to the President & CEO of the District authority to declare official intent to reimburse going forward.

NOW, THEREFORE, be it resolved that:

Section 1. The District reasonably expects to reimburse itself for capital expenditures that have been or will be paid subsequent to the date that is 60 days prior to the date hereof, and that are to be paid in connection with the acquisition, construction, renovation or equipment of the projects listed on Exhibit A attached hereto from the proceeds of Obligations to be issued subsequent to the date hereof.

Section 2. The District reasonably expects that the maximum principal amount of Obligations issued to reimburse the District for the costs associated with the property listed on Exhibit A attached hereto will not exceed \$10,000,000.

Section 3. In addition, the President & CEO is authorized to declare official intent on behalf of the District to reimburse costs and expenditures for other authorized purposes from the proceeds of Obligations, in accordance with Section 1.150-2 of the United States Treasury Regulations, and the President & CEO is authorized to do all things necessary to carry out the intent and purpose of this Section.

Section 4. This Resolution does, and will, not bind the District to make any expenditure, incur any indebtedness, or proceed with the purchase of the property listed in Exhibit A.

ADOPTED THIS 18<sup>th</sup> day of September 2019 by the Travis County Healthcare District Board of Managers.

By: \_\_\_\_\_  
Chairperson, Board of Managers

DRAFT

EXHIBIT A

DESCRIPTION OF PROPERTY

Description: Payment of costs to acquire technology infrastructure and other equipment to provide services to needy and indigent persons residing within the boundaries of the District.

Estimated Cost: \$10,000,000

DRAFT



CENTRAL HEALTH

**Our Vision**

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**Our Mission**

By caring for those who need it most, Central Health improves the health of our community.

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

## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 4**

Discuss and take appropriate action on the Community Care Collaborative proposed Fiscal Year (FY) 2020 budget.





CENTRAL HEALTH



A Central Health and Seton partnership

# Central Health Board of Managers Fiscal Year 2020 Community Care Collaborative Proposed Budget

Central Health Board of Managers  
September 18, 2019

Jeff Knodel, Chief Financial Officer  
Jonathan Morgan, Executive Director



# Community Care Collaborative FY2020 Proposed Budget

Description	FY19 Amended Budget	FY20 Proposed Budget
<b>Sources:</b>		
DSRIP Payments	\$59,417,759	\$61,168,472
Member Payment	74,000,000	-
Other	300,000	100,000
Contingency Reserve Carryforward	8,331,095	5,362,495
<b>Total Sources</b>	<b>142,048,854</b>	<b>66,630,967</b>
<b>Uses:</b>		
Primary Care: Medical, Dental Behavioral Health	52,046,817	921,822
Urgent & Convenient Care	250,000	475,000
Specialty Care, including Specialty Dental	12,073,000	3,908,000
Specialty Care: Behavioral Health	8,933,856	8,000,000
Post Acute Care	2,325,000	2,675,000
Pharmacy	5,850,000	-
Patient Care Management	1,915,141	-
Healthcare Delivery Operations	11,466,947	2,849,742
Operating Contingency	188,093	801,403
<b>Total Healthcare Delivery</b>	<b>95,048,854</b>	<b>19,630,967</b>
DSRIP Project Costs	12,000,000	12,000,000
UT Affiliation Agreement	35,000,000	35,000,000
<b>Total Uses</b>	<b>\$142,048,854</b>	<b>\$66,630,967</b>

<b>Community Care Collaborative</b>		
<b>Fiscal Year 2020 Proposed Budget</b>		
<b>Primary Care: Medical, Dental, and Behavioral Health</b>		
Volunteer Healthcare Clinic		\$200,000
University of Texas School of Nursing		25,000
City of Austin Emergency Management Systems		696,822
<b>Total Primary Care</b>		<b>\$921,822</b>
<b>Urgent and Convenient Care</b>		
NextCare Urgent Care		\$125,000
FastMed		150,000
RediClinic		50,000
Ascension Connect		100,000
Subtotal, Urgent & Convenient Care		425,000
New Initiative: MAP Basic Expansion		50,000
<b>Total, Urgent and Convenient Care</b>		<b>\$475,000</b>
<b>Specialty Care - Service Line</b>		
	<b>Contracted Provider</b>	
Seton Healthcare Family Specialty (multi-specialty)	Seton Healthcare Family	\$200,000
Palliative Care	Austin Geriatric	25,000
Ophthalmology	Austin Anesthesia Group	100,000
Complex Gynecology	University of Texas Health Austin	500,000
	Austin Anesthesia Group	75,000
Musculoskeletal	University of Texas Health Austin	1,100,000
	Texas Physical Therapy Specialists	600,000
Cardiology (transcatheter aortic valve replacement)	Seton Healthcare Family	100,000
Physical Medicine & Rehabilitation	Seton Healthcare Family	100,000
Ear, Nose, & Throat	Capitol Anesthesia	100,000
Urology	Seton Healthcare Family	250,000
Dermatology, Mohs Surgeries	Seton Healthcare Family	50,000
Gastroenterology	Austin Anesthesia Group	50,000
Durable Medical Equipment	TriCounty Practice Association/Seton Healthcare Family	18,000
Project Access	Project Access	330,000
Ancillary	University of Texas Health Austin	10,000
Referral Management and E-consults	Seton Healthcare Family	75,000
Single Case Agreements	Various (as-needed)	150,000
General Surgery	Austin Anesthesia Group	25,000
Nephrology	University of Texas Health Austin	50,000
<b>Total, Specialty Care</b>		<b>\$3,908,000</b>
<b>Specialty Behavioral Health</b>		
Integral Care		\$8,000,000
<b>Total, Specialty Behavioral Health</b>		<b>\$8,000,000</b>
<b>Post Acute Care</b>		
Front Steps (Respite Care for Homeless)		\$800,000
Skilled Nursing Facilities		1,000,000
Hospice Austin		725,000
Home Health Services		100,000
Residential Rooming Services		50,000
<b>Total, Post-Acute Care</b>		<b>\$2,675,000</b>
<b>Healthcare Delivery Operations</b>		
Call Center Support (United Way)		\$800,000
General Business and Other Insurance		115,000
Third Party Administrator (Mediview)		200,000
Third Party Administrator (Sendero Health Plans)		167,280
Consulting (Procentric)		50,000
Bank and Other Fees		50,000
Payroll Services		20,000
Transportation (Circulation, RideAustin)		50,000
Integrated Care Collaboration		50,000
Lease & Utilities		818,000
Personnel & Benefits		529,462
<b>Total, Healthcare Delivery</b>		<b>\$2,849,742</b>



CENTRAL HEALTH



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 5**

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

# Community Care Collaborative

## Financial Statement Presentation

### FY 2019 – as of August 31, 2019

---

**Central Health Board of Managers**  
**Budget and Finance Committee**  
**September 18, 2019**

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



a partnership of Central Health and Seton Healthcare Family

# General

August 2019



- 
- \* Cash is at \$31 million compared to \$38 million last year.
  - \* Total Liabilities are at \$19 million as of the end of August.
  - \* Net Assets at the end of August are \$13 million. This includes the FY18 contingency reserve carry forward of \$5.1 million.

# Balance Sheet

As of August 31, 2019



	<u>as of 8/31/2019</u>	<u>as of 8/31/2018</u>
<b>Assets</b>		
Cash and Cash Equivalents	30,968,568	37,544,923
Other Receivables	-	322,480
Prepaid and Other	241,950	411,629
Total Assets	<u>31,210,518</u>	<u>38,279,032</u>
<b>Liabilities</b>		
AP and Accrued Liabilities	17,151,615	27,515,924
Deferred Revenue	773,780	773,780
Other Liabilities	256,832	271,842
Accrued Payroll	379,935	558,158
Total Liabilities	<u>18,562,162</u>	<u>29,119,704</u>
Net Assets	<u>12,648,356</u>	<u>9,159,328</u>
Liabilities and Net Assets	<u>31,210,518</u>	<u>38,279,032</u>



# Sources and Uses Report, Budget vs Actual

## Fiscal Year-to-Date through August 31, 2019



<b>Sources of Funds</b>	<b>Approved Budget</b>	<b>YTD Actual</b>	<b>YTD % of Budget</b>	<b>Prior YTD Actual</b>
DSRIP Revenue	59,417,759	76,552,524	129%	59,153,831
Member Payment - Seton <sup>(1)</sup>	40,000,000	21,133,245	53%	30,000,000
Member Payment - Central Health <sup>(1)</sup>	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	586,928	196%	156,295
<b>Total Sources of Funds</b>	<b>142,048,854</b>	<b>127,571,003</b>	<b>90%</b>	<b>117,375,472</b>
<b>Uses - Programs</b>				
Healthcare Delivery	95,048,854	76,127,463	80%	77,140,998
UT Services Agreement	35,000,000	35,000,000	100%	35,000,000
DSRIP Project Costs	12,000,000	8,795,185	73%	1,075,146
<b>Total Uses</b>	<b>142,048,854</b>	<b>119,922,648</b>	<b>84%</b>	<b>113,216,144</b>
<b>Net Sources (Uses)</b>	<b>-</b>	<b>7,648,356</b>		<b>4,159,328</b>
<b>Net Assets</b>		<b>12,648,356</b>		<b>9,159,328</b>

<sup>(1)</sup> 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 August 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	44,499,956	85%	45,394,215
Specialty Care	10,673,000 *	10,973,000	6,249,994	57%	7,524,807
Specialty Behavioral Health	8,933,856	8,933,856	8,432,777	94%	7,750,126
Specialty Dental Care	1,100,000	1,100,000	747,894	68%	389,255
Post-Acute Care	1,225,000 *	2,325,000	2,019,311	87%	1,966,552
Pharmacy	5,850,000	5,850,000	4,961,789	85%	4,338,552
Medical Management	1,915,141	1,915,141	1,499,177	78%	1,925,630
Urgent and Convenient Care	250,000	250,000	127,731	51%	149,364
Healthcare Delivery - Operations <sup>(1)</sup>	12,866,947 *	11,466,947	7,588,834	66%	7,702,498
Operations Contingency Reserve	188,093	188,093	-	0%	-
<b>Total Healthcare Delivery</b>	<b>95,048,854</b>	<b>95,048,854</b>	<b>76,127,463</b>	<b>80%</b>	<b>77,140,999</b>

(1) Additional detail provided on slide 8

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

# Healthcare Delivery Costs – Primary Care

## Fiscal Year-to-Date through August 31, 2019



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
<b>Primary Care</b>				
CommUnityCare	41,760,000	36,814,171	88%	37,307,694
El Buen Samaritano	2,100,000	1,472,631	70%	1,953,043
Lone Star Circle of Care	4,364,995	3,797,346	87%	3,534,188
People's Community Clinic	2,500,000	1,653,781	66%	1,813,120
Volunteer Healthcare Clinic	200,000	177,508	89%	139,265
UT School of Nursing	25,000	394	2%	3,263
City of Austin EMS	696,822	580,754	83%	638,754
Other Providers	400,000	3,370	1%	4,888
<b>Total Primary Care</b>	<b>52,046,817</b>	<b>44,499,956</b>	<b>85%</b>	<b>45,394,215</b>

# HCD Providers Expenditures – Specialty Care Detail

## Fiscal Year-to-Date through August 31, 2019



<b>Specialty Care</b>	<b>Approved Budget</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% Budget Used</b>	<b>Prior YTD Actual</b>
Consultation Services	535,000	535,000	23,642	4%	21,825
CommUnityCare by Specialty ( in FY2019 )	n/a	n/a	n/a	n/a	2,194,671
Seton Multi Specialty	200,000	200,000	39,663	20%	106,191
Cardiology	200,000	200,000	134,368	67%	40,657
Dermatology	450,000	450,000	353,317	79%	-
Ear, Nose and Throat	450,000	450,000	209,534	47%	321,460
Gastroenterology	1,250,000	1,250,000	735,883	59%	778,468
General Surgery	-	-	15,466	n/a	-
Gynecology IPU	1,500,000	1,500,000	424,344	28%	485,292
Oncology Services	700,000	700,000	278,788	40%	436,806
Ophthalmology	1,700,000	1,700,000	1,246,958	73%	1,256,141
Musculoskeletal	1,250,000 *	1,550,000	1,201,533	78%	1,116,530
Orthotics and Prosthetics	200,000	200,000	214,224	107%	74,423
Palliative Care	25,000	25,000	486	2%	-
Physical Medicine and Rehabilitation	15,000	15,000	-	0%	-
Rheumatology	200,000	200,000	140,792	70%	-
Pulmonology	225,000	225,000	328,900	146%	-
Urology	250,000	250,000	169,794	68%	125,000
Endocrinology	700,000	700,000	257,226	37%	-
Ancillary Services	175,000	175,000	16,293	9%	258,301
Project Access	330,000	330,000	302,500	92%	302,500
Other	318,000	318,000	156,283	49%	6,543
<b>Total Specialty Care</b>	<b>10,673,000</b>	<b>10,973,000</b>	<b>6,249,994</b>	<b>57%</b>	<b>7,524,807</b>

# HCD Operations Expenditures

## Fiscal Year-to-Date through August 31, 2019



	<u>Approved Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
<b>Healthcare Delivery Operations</b>					
Service Delivery Operations	1,516,171	1,516,171	878,575	58%	1,564,358
Claims Payment & Analysis	2,425,492 *	1,425,492	1,021,649	72%	-
Eligibility and Enrollment	1,620,005 *	1,520,005	1,028,667	68%	896,196
Health Information Technology	3,230,901	3,230,901	2,048,814	63%	2,087,551
Project Management Office	918,619 *	818,619	476,219	58%	902,522
Quality Assessment Performance	1,567,385 *	1,367,385	737,083	54%	1,050,520
Strategy, Comm, Population Health	381,582	381,582	305,315	80%	2,380
Administration	1,206,792	1,206,792	1,092,512	91%	1,198,971
<b>Total Healthcare Delivery Operations</b>	<b>12,866,947 *</b>	<b>11,466,947</b>	<b>7,588,834</b>	<b>66%</b>	<b>7,702,498</b>

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

# Thank You

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[www.ccc-ids.org](http://www.ccc-ids.org)



a partnership of Central Health and Seton Healthcare Family



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

## **Balance Sheet**

### **Current Assets**

Cash and Cash Equivalents – \$31.0M

Other Receivables – \$0

Prepaid and Other – \$242K

- \$205K – Prepaid insurance and software license
- \$37K – Atrium Security deposit

**Total Assets – \$31.2M**

### **Liabilities**

Accounts Payable and Accrued Liabilities – \$17.2M, which includes:

- \$15.5M estimated IBNR (Incurred But Not Received) for providers
- \$292K non-provider accruals
- \$1.3M due to Central Health

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

Other Liabilities – \$257K; includes leasehold improvement allowance liability of \$121K and Deferred Rent of \$136K

Payroll Liabilities – \$380K; includes PTO liability

**Total Liabilities – \$18.6M**

\*BOARD PACKET\*



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

**Net Assets**

Emergency Reserve – \$5.0M

Unrestricted Net Assets – \$7.7M

**Total Net Assets – \$12.7M**

**Total Liabilities and Net Assets – \$31.2M**

**Sources and Uses Report**

August financials → eleven months, 92% 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 – \$586K for interest income

**Uses of Funds, Year-to-Date**

Operating Expenses

\*BOARD PACKET\*





August 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	44,499,956	85%	45,394,215
Specialty Care	10,673,000 *	10,973,000	6,249,994	57%	7,524,807
Specialty Behavioral Health	8,933,856	8,933,856	8,432,777	94%	7,750,126
Specialty Dental Care	1,100,000	1,100,000	747,894	68%	389,255
Post-Acute Care	1,225,000 *	2,325,000	2,019,311	87%	1,966,552
Pharmacy	5,850,000	5,850,000	4,961,789	85%	4,338,552
Medical Management	1,915,141	1,915,141	1,499,177	78%	1,925,630
Urgent and Convenient Care	250,000	250,000	127,731	51%	149,364
Healthcare Delivery - Operations <sup>(1)</sup>	12,866,947 *	11,466,947	7,588,834	66%	7,702,498
Operations Contingency Reserve	188,093	188,093	-	0%	-
<b>Total Healthcare Delivery</b>	<b>95,048,854</b>	<b>95,048,854</b>	<b>76,127,463</b>	<b>80%</b>	<b>77,140,999</b>

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

DSRIP Project Costs – Year-to-date \$8.8M

Change in Net Assets – Year-to-date change in net assets is an increase of \$2.6M.  
(9/30/2018 Net Assets = \$10.1M)

\*BOARD PACKET\*



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 6**

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



CENTRAL HEALTH

# Central Health

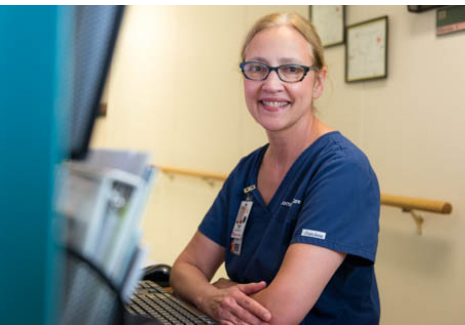
## Financial Statement Presentation

FY 2019 – as of August 31, 2019

Central Health Budget & Finance Committee

September 18, 2019

Lisa Owens, VP of Financial Operations





# August 2019 Financial Highlights

- Year-to-date, collected net property tax revenue is \$197 million compared to \$181 million as of August 2018.
- Tax collected through August 2019 is 99% of the adjusted tax levy compared to 99% as of August 2018.
- The IGT for YTD July 2019 is \$118 million compared to \$113 million as of August 2018. The increase is related to the DSRIP IGT for the CCC.



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

<b>Assets</b>	<b>as of 8/31/2019</b>	<b>as of 8/31/2018</b>
Current Assets		
Cash and cash equivalents	1,198,135	1,648,328
Short-term investments	108,771,513	86,898,811
Ad valorem taxes receivable	1,589,199	1,031,943
Other receivables	3,676,360	13,206,767
Prepaid expenses	291,558	947,741
Total Current Assets	<u>115,526,765</u>	<u>103,733,590</u>
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	6,242,736	6,328,247
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	17,083,000
Restricted TCHD LPPF Cash & Investments	26,163,693	-
Total Noncurrent or restricted cash and investments	<u>144,489,429</u>	<u>98,411,247</u>
Capital Assets		
Land	12,546,211	11,770,184
Buildings and improvements	134,395,476	132,393,816
Equipment and furniture	9,494,278	8,909,710
Construction in progress	1,667,771	2,677,590
Less accumulated depreciation	(43,998,333)	(40,040,603)
Total Capital Assets	<u>114,105,403</u>	<u>115,710,697</u>
<b>Total Assets</b>	<u><u>374,121,597</u></u>	<u><u>317,855,534</u></u>



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

<b>Liabilities</b>	<b>as of 8/31/2019</b>	<b>as of 8/31/2018</b>
Current Liabilities		
Accounts payable	2,658,713	954,228
Salaries and benefits payable	1,408,362	513,356
Other Payables	91,418	7,170,118
Debt service payable, short-term	1,065,000	1,030,000
Deferred tax revenue	1,324,092	1,185,415
Other deferred revenue	8,278	828,027
Due to TCHD LPPF	26,163,693	-
Total Current Liabilities	<u>32,719,556</u>	<u>11,681,144</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>41,224,556</u>	<u>20,031,144</u>
<b>Net Assets</b>		
Unrestricted	218,791,638	182,113,693
Investment in Capital Assets	114,105,403	115,710,697
Total Net Assets	<u>332,897,041</u>	<u>297,824,390</u>
<b>Liabilities and Net Assets</b>	<u>374,121,597</u>	<u>317,855,534</u>



**Sources and Uses Report**  
**Fiscal Year-to-Date through August 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
<b>Sources</b>					
Property Tax Revenue	152,516	196,736,807	196,861,527	100%	181,447,358
Lease Revenue	2,207,841	12,316,278	18,067,937	68%	9,886,250
Other Revenue	204,551	2,592,841	400,000	648%	1,874,209
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
<b>Total Sources</b>	<b>2,564,908</b>	<b>267,818,474</b>	<b>258,368,648</b>	<b>104%</b>	<b>248,194,474</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>3,448,505</b>	<b>184,436,109</b>	<b>247,343,600</b>	<b>75%</b>	<b>151,096,973</b>
<b>Administrative Program</b>					
Salaries and benefits	361,016	3,858,427	4,690,997	82%	3,304,936
Consulting Fees	8,313	222,293	1,026,500	22%	757,927
Legal Fees	31,291	682,163	1,198,320	57%	696,974
Other Purchase Goods and Services	75,953	1,002,517	2,406,021	42%	1,499,180
<b>Total Administrative Program</b>	<b>476,573</b>	<b>5,765,400</b>	<b>9,321,838</b>	<b>62%</b>	<b>6,259,017</b>
<b>Tax Collection Expenses</b>	<b>1,107</b>	<b>1,558,687</b>	<b>1,703,211</b>	<b>92%</b>	<b>1,535,243</b>
<b>Total Uses</b>	<b>3,926,185</b>	<b>191,760,196</b>	<b>258,368,648</b>	<b>74%</b>	<b>158,891,233</b>
<b>Excess Sources / (Uses)</b>	<b>(1,361,277)</b>	<b>76,058,278</b>	<b>-</b>		<b>89,303,241</b>



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

<b>Healthcare Delivery</b>	<b>This Month</b>	<b>Fiscal Year to Date</b>	<b>Fiscal Year Budget</b>	<b>Percent of Budget Used</b>	<b>Prior Fiscal Year to Date</b>
<b>Intergovernmental Transfers (IGTs) <sup>(1)</sup></b>					
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	1,316,171	33,431,254	35,000,000	96%	33,959,603
DSRIP - CCC	-	32,150,830	27,500,000	117%	24,618,177
DSRIP - DSMC, Dell Children's	-	22,207,318	27,500,000	81%	25,665,759
DSRIP - St. David's	-	684,217	630,000	109%	319,637
<b>Subtotal Intergovernmental Transfers (IGTs)</b>	<b>1,316,171</b>	<b>117,958,419</b>	<b>139,130,000</b>	<b>85%</b>	<b>113,195,617</b>
<b>Provider Costs</b>					
Primary Care	60,111	613,723	790,344	78%	693,259
DSRIP Project Expense	-	-	-	0%	(39,043)
Charity Care	-	-	-	0%	1,062,933
Member Payment to CCC <sup>(2)</sup>	-	24,210,000	34,000,000	71%	15,000,000
Medical Administration	51,440	565,835	719,990	79%	565,835
<b>Subtotal Provider Costs</b>	<b>111,551</b>	<b>25,389,558</b>	<b>35,510,334</b>	<b>71%</b>	<b>17,282,984</b>
<b>Service Expansion Funds</b>					
Sexual & Reproductive Health	45,660	629,175	1,080,000	58%	-
New Initiatives <sup>(3)</sup>	52,500	52,500	1,400,000	0%	-
Other Service Expansion	-	-	2,000,000	0%	-
<b>Subtotal Service Expansion Funds</b>	<b>98,160</b>	<b>681,675</b>	<b>4,480,000</b>	<b>0%</b>	<b>-</b>

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 August 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
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	310,057	3,500,701	3,818,591	92%	3,248,783
Consulting Services	39,850	83,357	559,590	15%	37,938
Legal Fees	63,477	109,942	51,200	215%	60,142
Other Services and Purchased Goods	140,330	2,238,319	5,164,895	43%	1,583,847
<b>Subtotal HCD Operating Costs</b>	<b>553,714</b>	<b>5,932,319</b>	<b>9,594,276</b>	<b>62%</b>	<b>4,930,710</b>
<b>UMCB Campus Redevelopment</b>					
Salaries and benefits	35,088	322,466	435,293	74%	303,754
Consulting Services	17,286	79,067	1,685,750	5%	2,835
Legal Fees	106,107	163,960	485,000	34%	112,210
Other Services and Purchased Goods	776,644	3,802,448	8,519,499	45%	1,693,386
<b>Subtotal UMCB Campus Redevelopment</b>	<b>935,125</b>	<b>4,367,941</b>	<b>11,125,542</b>	<b>39%</b>	<b>2,112,185</b>
<b>Other Costs</b>					
ACA Enrollment and Subsidy	406,581	4,923,312	8,916,000	55%	2,234,882
Debt Service	27,203	1,342,885	1,372,818	98%	1,340,595
<b>Subtotal Other Costs</b>	<b>433,784</b>	<b>6,266,197</b>	<b>10,288,818</b>	<b>61%</b>	<b>3,575,477</b>
<b>Reserves and Transfers</b>					
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		
<b>Subtotal Reserves, Appropriated Uses &amp; Transfers</b>	<b>-</b>	<b>23,840,000</b>	<b>37,214,630</b>	<b>64%</b>	<b>10,000,000</b>
<b>Total Healthcare Delivery</b>	<b>3,448,505</b>	<b>184,436,109</b>	<b>247,343,600</b>	<b>75%</b>	<b>151,096,973</b>



# Questions ? Comments ?

**Balance Sheet (Assets)** – Slide 3

**Current Assets**

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

Short-term Investments – Short-term investments were \$109M at month-end, which is net of restricted investments of \$6.2M for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.6M balance is composed of:

Gross Tax Receivables	\$5.3M
Taxable Assessed Valuation Adjustment	(1.5M)
Est. Allowance for Doubtful collections	<u>(2.2M)</u>
<b>Total Taxes Receivable</b>	<b>\$1.6M</b>

Other Receivables – Other receivables total \$3.7M and consists of intercompany balances:

- CommUnityCare - \$1.5M
- Sendero - \$694K
- Community Care Collaborative - \$1.3M
- Interest and miscellaneous receivables of \$135K

Prepaid Expenses – \$292K balance composed of:

- Prepaid Insurance - \$107K
- ICC Dues and TCAD Fees - \$157K
- Prepaid Memberships/Subscriptions - \$22K
- Deposits - \$6K

**Total Current Assets** – \$116M

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

Investments Restricted for Capital Acquisition – \$6.2M 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)

Restricted TCHD LPPF Cash & Investments - \$26M

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

**Total Assets** – \$374M

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

Accounts Payable – Major components of the \$2.7M balance are:

- \$2M estimated healthcare delivery costs for services incurred but not received.
- \$665K in vendor invoices at month-end.

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

Salaries and Benefits Payable – \$1.4M 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)

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

Deferred Tax Revenue - \$1.3M

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

Due to TCHD LPPF - \$26M Receipts from participants in the LPPF.

**Total Current Liabilities** – \$33M**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** – \$41M

**Net Assets**

Unrestricted Net Assets – \$219M

Investment in Capital Assets – \$114M

**Total Net Assets – \$333M**

**Total Liabilities and Net Assets – \$374M**

**Sources and Uses Report** – Slide 5

August financials → eleven months into the fiscal year, 92% of the fiscal year.

**Sources – Total \$2.6M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$153K. Net revenue includes \$172K current month's collections, less \$19K in adjustments for prior year delinquent taxes.

Lease Revenue – \$2.2M recorded for Seton lease payment, UT ground lease and one-time premium fee.

Other Revenue – \$205K investment income for the month, \$2.6M YTD, compared to \$1.7M YTD last year.

**Uses of Funds – Total \$3.9M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$184M YTD compared to \$151M YTD thru August 2018.

Administration Program – \$477K in expense for the month, which includes:

- Personnel costs – \$361K

August 2019 Monthly Financial Statements (unaudited)

Page 5 of 5

- Legal fees – \$31K
- Consulting services – \$8K
- Other general and administrative – \$76K

Tax Collection Expenses – \$1K for the month.

**Excess Sources/(Uses)** – \$(1.4)M in August. Current YTD is \$76M compared to prior year 2018 YTD of \$89M.

**Healthcare Delivery Expense** – Slide 6 & 7

**Healthcare Delivery Expense** – Total \$3.4M August, \$184M YTD and \$151M August 2018

Provider Costs – Healthcare delivery providers' expense for August totaled \$112K, which includes:

- Primary care – \$60K
- Medical Administration – \$52K

Service Expansion Funds – Service Expansion expense for August totaled \$46K for the LARC program, \$53K for Capital Idea.

Healthcare Delivery Operating Cost – \$554K in expenses for the month and includes:

- Personnel costs – \$310K
- Consulting Services – \$40K
- Legal Fees - \$63K
- Other services and purchased goods – \$140K

UMCB Campus Redevelopment - \$935K in expense for the month and \$4.4M YTD.

Other Costs – \$434K in expense for the month, which includes:

- ACA Enrollment and Subsidy – \$406K
- Debt Service – \$27K

**Total Healthcare Delivery** - for the month of August was \$3.4M.



## 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 MEETING**

**September 18, 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.<sup>1</sup>





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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 8**

Discuss health care service delivery expansion in Eastern Travis County, including project timelines.<sup>1</sup>



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 9**

Discuss Central Health owned or occupied real property, and potential property for acquisition or lease, including the Downtown Campus.<sup>1</sup>



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## **BOARD MEETING**

**September 18, 2019**

## **REGULAR AGENDA ITEM 10**

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