



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.

PUBLIC HEARING AND BOARD OF MANAGERS MEETING Wednesday, October 27, 2021, 5:00 p.m. or immediately following the Executive Committee Meeting

Videoconference meeting¹

A quorum of the Board and the presiding officer will be present at:

Austin Independent School District
4000 S I-35 Frontage Rd.
Austin, TX 78704

Members of the public may attend the meeting at the address above, or 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/1480092287?pwd=c0JMdDlEWkZaMFBVb2xWRjIWWWZNUt09>

Password: 652145

Members of the public may also listen and participate by telephone at:

Dial: (888) 501-0031

Meeting ID: 148 009 2287

The Central Health Board of Managers has modified its meeting practices in light of recent orders by the Governor during the COVID-19 pandemic. Effective September 1, 2021, Governor Abbott has rescinded emergency waivers allowing Open Meetings to be conducted virtually. To reduce the possibility of infection as a result of attendance at in-person meetings, the Board will meet via videoconference with a quorum present in person and allow public participation via videoconference and telephone as allowed under the Open Meetings Act. Although a quorum of the Central Health Board will be physically present at the location posted in the meeting notice, we strongly encourage all members of the public to observe the meeting virtually and participate in public comment, if desired, through the virtual meeting link or telephone number listed on each meeting notice.

Members of the public who attend in person should conduct a self-assessment before coming to the building to ensure they do not have a high temperature or any symptoms of COVID-19. Anyone who is symptomatic and/or has a fever should contact their healthcare provider for further instructions. Symptomatic members of the public can still participate, if desired, through the virtual meeting link or telephone number listed on each meeting notice. Masks are required inside AISD facilities and individuals should maintain proper social distancing from others. Resources related to COVID-19 can be found at the following link <https://www.austintexas.gov/covid19>.

REGISTERING FOR PUBLIC HEARING OR PUBLIC COMMUNICATION

Members of the public who wish to make comments during the Public Hearing or Board of Managers Meeting should register with Central Health **no later than 3:30 p.m. on October 27, 2021**. Registration can be completed in one of three ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-up/> by 3:30 p.m. on the day of the meeting;
- Call 512-978-9190 by 3:30 p.m. on the day of the meeting; or
- Members of the public who attend the meeting in person are also invited to register in person to speak until the time that the Chair closes the public hearing.

Those registering by phone should leave a voice message by 3:30 p.m. on the day of the meeting with your full name, the meeting at which you wish to make public comment, the item(s) on the agenda you wish to comment on (if applicable), and your mode of public communication (internet, telephone, or in person).

Individuals who register to speak on the website or by telephone will receive a confirmation email and/or phone call by staff with instructions on how to join the meeting and participate in public communication.

PUBLIC HEARING

1. Receive public comment on the proposed mandatory payment rate to be assessed on institutional healthcare providers during fiscal year 2022 under the local healthcare provider participation program (LPPF) in Travis County and how the revenue derived from those payments is to be spent, as required by Texas Health & Safety Code §298E.101. (*Informational Item*)

PUBLIC COMMUNICATION

Public Communication rules for Central Health Board and Committee meetings include setting a fixed amount of time per person to speak and limiting Board responses to public inquiries, if any, to statements of specific factual information or existing policy.

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 vote on the motion to adopt the CONSENT AGENDA.

- C1. Approve the minutes of the Central Health Board of Managers August 4, August 11, August 23, August 31, and September 9, 2021 meetings.
- C2. Receive the Quarterly Investment Report and ratify Central Health Investments for September 2021.
- C3. Adopt the Fiscal Year 2022 Central Health Investment Policy as presented by the Travis County Cash/Investment Management Department.
- C4. Authorize the President and CEO to execute an Interlocal Agreement with Texas Municipal League Health Partners Benefits Pool.
- C5. Approve the reappointment of Dr. Charles Bell, Mr. Jeff Knodel, Mr. Amit Motwani, and Mr. Eddie Southard to the Sendero Health Plans Board of Directors as recommended by the Executive Committee.

REGULAR AGENDA²

1. Discuss and take appropriate action on the proposed mandatory payment rate to be assessed on institutional healthcare providers during Fiscal Year 2022 under the local healthcare provider participation program (LPPF) in Travis County and how the revenue derived from those payments is to be spent, as required by Texas Health & Safety Code §298E.151. (*Action Item*)
2. Receive and discuss a report on fiscal year-to-date healthcare service expenditures made by, and accept the preliminary August and September 2021 financial statements for, Central Health and the Community Care Collaborative. (*Informational Item*)
3. Receive and discuss a presentation on CommUnityCare Health Centers' Fiscal Year 2022 budget. (*Informational Item*)
4. Discuss and take appropriate action on a proposed business arrangement for Sendero Health Plans, Inc. and receive an update on 2021 enrollment numbers.^{3, 4}(*Action Item*)
5. Discuss and take appropriate action on the Fiscal Year (FY) 2022 budget for Sendero Health Plans, Inc. ³(*Action Item*)
6. Receive and discuss updates on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) program and associated projects, the Community Care Collaborative, and other healthcare delivery partners, programs, projects, and arrangements, including agreements with Ascension Texas.⁴ (*Informational Item*)
7. Receive and take appropriate action on the Central Health President and CEO's performance evaluation tool for May 2021 - April 2022, or other timeframe as might be appropriate, as recommended by the Executive Committee. ^{4, 5} (*Action Item*)
8. Confirm the next regular Board meeting date, time, and location. (*Informational Item*)

Notes:

- ¹ Although emergency orders allowing for fully virtual meetings have expired, the Travis County area continues to have a high COVID-19 infection rate. This meeting may include one or more members of the Board of Managers participating by videoconference. It is the intent of the presiding officer to be physically present and preside over the meeting at Austin Independent School District, 4000 S I-35 Frontage Rd, Austin, TX 78704. This meeting location will be open to the public during the open portions of the meeting, and any member participating by videoconference shall be visible and audible to the public whenever the member is speaking. **Members of the public are strongly encouraged to participate remotely through the toll-free videoconference link or telephone number provided.**
- ² The Board of Managers may take items in an order that differs from the posted order and 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.
- ³ Possible closed session discussion under Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).
- ⁴ Possible closed session discussion under Texas Government Code §551.071 (Consultation with Attorney).
- ⁵ Possible closed session discussion under Texas Government Code §551.074 (Personnel Matters).

A recording of this meeting will be made available to the public through the Central Health website (www.centralhealth.net) as soon as possible after the meeting.

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.

Cualquier persona con una discapacidad que planea asistir o ver esta reunión y requiera ayudas o servicios auxiliares debe notificar a Central Health con la mayor anticipación posible de la reunión, pero no menos de dos días de anticipación, para que se puedan hacer los arreglos apropiados. Se debe notificar al Gerente de Gobierno de la Junta por teléfono al (512) 978-8049.

Consecutive interpretation services from Spanish to English are available during Public Communication or when public comment is invited. Please notify the Board Governance Manager by telephone at (512) 978-8049 if services are needed.

Servicios de interpretación consecutiva del español al inglés están disponibles durante la Comunicación Pública o cuando se le invita al público a comentar. Notifique al Gerente de Gobierno de la Junta por teléfono al (512) 978-8049 si necesita servicios.

Central Health Board of Managers Shared Commitments **Agreed adopted on June 30, 2021**

Whereas, the Board of Managers of Central Health has come together as a governing body to ensure the Vision of Central Health: Central Texas is a model health Community;

Whereas, the Board of Managers of Central Health bring this vision into reality by enacting the mission of caring for those who need it most and thereby improving the health of our community;

Whereas, the Board of Managers of Central Health achieves excellence toward this vision and mission through the stated values of Stewardship, Innovation, Respect, and Collaboration;

Whereas, the Board of Managers of Central Health further known as we in this document understand that systemic racism is the root of health inequities that emerge from a history of racism in Texas including Travis County that contributes to the social determinants of health that play a primary role in producing inequitable health outcomes;

Whereas, as an organization, Central Health is anti-racist and committed to a diverse and inclusive culture that seeks equity and social justice in the pursuit of its mission:

1. We Commit to informing all of our actions as Board Managers with the understanding that we are accountable to recognizing and to interrupting systems of oppression. This includes understanding the power structure in the United States, and Texas, and Travis County, that advantages certain community members and has historically disadvantaged other community members based on the color of their skin, race, ethnicity, language, and/or other characteristics. We further understand that to disrupt this power structure and the health inequities it produces, we must collaborate to collectively respond to the lived realities of all ethnicities, races, and identities disadvantaged within this system and all historically oppressed identities and communities disadvantaged within this system. We Commit to understanding that when disadvantaged communities compete against each other, we all lose in this system, and the only way forward is to work together for the benefit of all oppressed communities collectively.
2. We Commit to a model of Generative Leadership which requires us to understand and practice collaboration and accountability demonstrated by following our agreed upon meeting procedures and ensuring all members have the opportunity for comparable speaking time. We further Commit to intentionality prior to speaking including: considering: what is the goal of what I

want to share; is this the right time to share it; and is this in keeping with our collective goal for this particular moment within this particular meeting?

3. We Commit to Generative Conflict which includes engaging in disagreements and differences in perspective in a way that deepens relationships and trust by expanding knowledge and understanding of each other, including expecting our ideas to be expanded and enriched by learning and engaging with other Board Manager ideas, choosing curiosity over competition of ideas, and anchoring our conversations in our common purpose.
4. We Commit to practicing emotional intelligence as leaders which includes being aware of our own emotions and reactions and managing them, as well as being aware of our impact on others and managing this impact for the collective good when we are in our role as Board Managers.
5. We Commit to being aware of our own privileges and advantages in the sociopolitical and economic structure of the United States, Texas, and Travis County to use these for the benefit of interrupting inequities across historically disadvantaged identities.
6. We Commit to preventing the commission of microaggressions through the awareness of the history and oppression of diverse identities and communities. To this end, we Commit to strive to learn the historical context informing the lived realities of all historically oppressed identities and communities, and to use this to prevent use of language and commission of actions that can be harmful given these histories.
7. If we inadvertently commit a microaggression, we strive to immediately become aware on our own of the harm we have caused. If another Board Manager generously helps us become aware of a microaggression we have committed we welcome the support in our learning and growing process as a leader and immediately express appreciation for having made us aware, own the mistake we have made, acknowledge the impact of the harm we have caused, and engage repair through apology and the articulation of what we will do to avoid the repetition of such harm in the future.
8. If we observe one of our fellow Board Managers commit a microaggression, we Commit to calling them in by letting them know in a respectful and kind manner of the mistake that has been made.
9. We understand that many of us, as survivors of historically oppressed identities and communities, carry internalized narratives of oppression, and we can inadvertently express these oppressions against others in ways that cause harm and we Commit to the same process identified in 7 and 8 to engage repair and return to generative collaborative processes.
10. We understand that even without the history of oppression potentiating the weight of harm, expressions of prejudice and rudeness can also cause harm to our shared aims, and we Commit to the same process identified in 7 and 8 to engage repair and return to generative collaborative processes.

11. We Commit to using our Racial and Social Justice Framework (next page) for decision-making as we work together for the collective good of our communities as we eradicate health inequities and create a model healthy community.
12. We understand that we are entrusted with a vital responsibility for our communities and are accountable stewards for the time and resources available to our Board of Managers. We understand that these commitments are entered into to ensure responsible stewardship of this time and resources through generative collaborative processes to reach our vision and mission and we agree that if we do not follow any one of these commitments we welcome our Board Manager colleagues to bring this to our attention through the agreed upon process reflected here and when this occurs, we commit to immediately acknowledging the mistake and engaging in a repair and correction process as indicated in these commitments so that our work to dismantle systemic racism and resulting barriers and achieve health equity can move forward.

Be it adopted that the above agreements will be honored and acted upon by each Board Manager as of 6/30/2021 and henceforth forward as indicated by signature below.

Board Manager Signature

Date

Board Manager Printed Name

Calling In and Repairing Harm

Calling In after Harm in Groups with Shared Values and Aims Stance

Hey, this thing you said/did hurt some folks or could hurt some folks.

A) Here's why that can be hurtful or,

B) Please do some research to learn the history of why that's hurtful.

Implied message: I know you are good and are on this journey with us and we are all going to make mistakes as we unlearn things.

Calling In after Harm in Groups with Shared Values and Aims Sample Language

- I know it wasn't your intention, but what you just said minimizes the horror of _____ e.g. the history of racism, enslavement, the holocaust, etc.
- I know it wasn't your intention but what you just said has the impact of implying that _____ are not competent or as intelligent as others.
- What you just said suggests that _____ people don't belong.
- That phrase has been identified as being disrespectful and painful to _____ people and it's important that we not use it.
- Oh, I have also used that term, but I have now learned that when we use it we are leaving out people who _____ or we are implying that _____ and the word people are learning to use now is _____.
- The term used now by people living with that identity is _____.

Repairing Harm after Microaggressions, Mistakes, and expressions of Prejudice

- Own / Name it
- Recognize the Impact
- Apologize (Do not share context or explanations)
- Make any amends that are possible
- State what you are going to do to learn and do better in the future.

Sample Language: Thank you so much for letting me know. You are right, I used this term or said that phrase and realize that it has the impact of minimizing the experience of _____ or implying that _____. I am deeply sorry and will practice learning the correct language and will research and learn more about this to ensure that I do not make this mistake and cause this harm in the future.

RACIAL and SOCIAL JUSTICE FRAMEWORK

Values and Anti-Racism/Anti-Oppression

- Is this consistent with our values?
- Are we taking steps so we cannot predict outcomes by race and other systemically disadvantaged characteristics?

Intentional and Accountable Storytelling

- What data are we using and has it been disaggregated by race? What is the source of the data? Who is it making visible and invisible? Whose experience is being centralized and whose is being marginalized in the data? Does the way we are using the data reflect the complexity of the issues and reflect the issues accurately?
- What are the stories and narratives we are telling? What is the purpose? Who is interpreting the meaning? Who's it meant for? Who's impacted and how?
- Are we refusing to be ahistorical? Are we fully considering history and the impacts of the historical context?

Power Analysis

- What are the power dynamics in this situation? What are the intersecting spheres of oppression at work in this situation?
- What are the cultural norms of white supremacy at work in this situation?
- Who would benefit and who would be harmed by this action/decision?
- Does this interrupt/disrupt or collude with/reinforce oppressive systems/power structures?
- If this is attempting a solution, where are we locating the problem?
- Does the solution/strategy we are proposing change the system or the individual?
- Who are we asking to change and why?

Relationships

- Who is in the room and who isn't and why? Who is sharing and who is not and why?
- Whose perspective is represented/who is left out? And who is doing the representing? Who do we believe, who do we find credible? Why? Why not?
- Whose experience is being centralized and whose experience is being marginalized? Who is gazing and who is being gazed upon?
- Are we boldly leading toward our racial justice aim by building a broad coalition of support?
- Are we operating from a similar/shared understanding of anti-racism work? Do we have a shared anti-racist understanding of where the problem is located and a shared anti-racist theory of change to generate a solution? Have we agreed upon a shared goal?



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PUBLIC HEARING

October 27, 2021

AGENDA ITEM 1

Receive public comment on the proposed mandatory payment rate to be assessed on institutional healthcare providers during fiscal year 2022 under the local healthcare provider participation program (LPPF) in Travis County and how the revenue derived from those payments is to be spent, as required by Texas Health & Safety Code §298E.101. (*Informational Item*)



AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date October 27, 2021

Who will present the agenda item? (Name, Title) Katie Coburn, RHP Director

General Item Description FY 22 LPPF Rate Setting

Is this an informational or action item? Action Item

Fiscal Impact None

Recommended Motion (if needed – action item) Approve the FY 22 rate as proposed by Central Health staff

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) FY 22 rate is 1.31% of Net Patient Revenue and will generate \$46 million in mandatory payments for Travis County hospitals.
- 2) HHSC and CMS are still negotiating approval of new Medicaid directed payments. We do not have final information about how much will be needed in IGT for FY 22.
- 3) Given this uncertainty, the FY 22 rate will likely need to be amended as more information becomes available.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) PPT, memo

Estimated time needed for presentation & questions? 10 minutes (maybe less)

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: Katie Coburn



MEMORANDUM

To: Central Health Board of Managers
From: Katie Coburn
CC: Mike Geeslin, President & CEO
Date: October 27, 2021
Re: Setting the Local Provider Participation Fund (LPPF) mandatory payment rate for FY 2022 – ACTION ITEM

Summary

Central Health staff request the board take action to set the FY 2022 Local Provider Participation Fund (LPPF) mandatory payment rate at 1.31% of net patient revenue of Travis County inpatient hospitals.

Background

Under Chapter 298E of the Texas Health & Safety Code, the Central Health board is authorized to set the mandatory payment rate for hospitals that provide inpatient services in Travis County. The fee must be uniform and broad based. Funds generated by the payment must be used to provide intergovernmental transfer (IGT) payments on behalf of nonpublic hospitals to draw down Federal matching funds available in certain Medicaid supplemental payment programs.

The 1.31% payment rate will generate approximately \$46 million dollars. It is intended to provide the local funding portion needed for the Comprehensive Hospital Increased Reimbursement Program (CHIRP).

Central Health staff has evaluated the rate, and we recommend the board adopt the proposed rate of 1.31%. Public input on the rate will be taken at a public hearing of the Board of Managers on October 27, 2021. Notice of the hearing was posted according to Central Health Board of Managers meeting posting procedures, emailed directly to Travis County inpatient hospitals, and was published in the newspaper according to legislative mandated notice requirements.

Action Requested

Central Health staff request the board take action to set the FY 2022 Local Provider Participation Fund (LPPF) mandatory payment rate at 1.31% of net patient revenue of Travis County inpatient hospitals.



**CENTRAL
HEALTH**

Travis County LPPF: FY 22 Proposed Mandatory Payment Rate

OCT 27, 2021

Central Health Board of Managers Meeting

PRESENTER

Katie Coburn, RHP Director

LPPF Mandatory Payment Rate

- **Assessed as a uniform percentage of net patient revenue of Travis County inpatient hospitals**
- **Set by the Board of Managers**
- **Central Health, as LPPF Administrator, collects funds to be held in fiduciary capacity and completes intergovernmental transfers**
- **Use of funds**
 - Limited to legislative purposes
 - Central Health collaborates with hospital representatives on uses of funds
- **FY 21 Rate –3.21%**



Proposed Payment Rate for FY 2022

- **Proposed FY 2022 LPPF Payment Rate: 1.31% of net patient revenue**
- **Generates approximately \$46 million in local funds to be used for intergovernmental transfers**
- **Provides the local portion for:**
 - Comprehensive Hospital Increased Reimbursement Program
- **Staff anticipates amending rate once additional information is available from HHSC and CMS**





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BOARD MEETING

October 27, 2021

AGENDA ITEM C1

Approve the minutes of the Central Health Board of Managers August 4, August 11, August 23, August 31, and September 9, 2021 meetings.

MINUTES OF MEETING – AUGUST 4, 2021
CENTRAL HEALTH
PUBLIC INPUT SESSION

On Wednesday, August 4, 2021, a meeting of the Central Health Board of Managers convened in open session at 12:31 p.m. remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee members present via video and audio: Chairperson Greenberg, Vice Chairperson Bell, Secretary Valadez, Manager Brinson, Manager Jones, and Manager Motwani.

Absent: Treasurer Zuniga, Manager Zamora, and Manger Museitif

PUBLIC COMMUNICATION

- 1. Receive a staff presentation and public input on the issuance of Certificates of Obligation for the Central Health headquarters consolidation with clinical space and the Eastern Travis County expansion, including construction of the Del Valle and Hornsby Bend clinics.**

Clerk's Notes: Discussion on this item began at 12:31 p.m. Mr. Mike Geeslin, President and CEO, and Mr. Jeff Knodel, Chief Financial Officer, presented on the certificates of obligation issuance. The presentation included a look at the 2021 certificates of obligation issue. Next, it discussed in detail the 2021 tax-exempt series, which includes the acquisition, construction, improvement, renovation, and equipping of the Hornsby Bend Health & Wellness Center and the Del Valle Health & Wellness Center. Then the 2021 taxable series was discussed, which includes the acquisition, construction, improvement, renovation, and equipping of two units at the Hancock property, the former Sears building and the existing CommUnityCare clinic. Lastly, an overview of some of the benefits were presented, a couple of those being that ownership benefits include long-term asset appreciation and equity and favorable debt market conditions.

Public Communication began at 12:49 p.m. Yesenia Ramos introduced one speaker for Public Communication.

Members of the Board heard from: Frank Rodriguez

Manager Brinson moved that the Board public input session be adjourned.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	Absent
Manager Guadalupe Zamora	Absent

The meeting was adjourned at 12:55 p.m.

Sherri Greenberg, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Managers

MINUTES OF MEETING – AUGUST 11, 2021
CENTRAL HEALTH
BOARD OF MANAGERS

On Wednesday, August 11, 2021, a meeting of the Central Health Board of Managers convened in open session at 5:01 p.m. remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee members present via video and audio: Chairperson Greenberg, Vice Chairperson Bell, Treasurer Zuniga (6:01 p.m.), Manager Brinson (5:05 p.m.), Manager Jones, Manager Motwani, Manager Museitif, and Manager Zamora (5:04 p.m.)

Absent: Secretary Valadez

PUBLIC COMMUNICATION

Clerk’s Notes: Public Communication began at 5:01 p.m. Yesenia Ramos introduced one speaker for Public Communication.

Members of the Board heard from: Mike Geeslin

REGULAR AGENDA

1. Receive and take appropriate action on a contract with Guidehouse, Inc. for strategic systems of care planning services.

Clerk’s Notes: Discussion on this item began at 5:04 p.m. Mr. Mike Geeslin, President & CEO; Ms. Monica Crowley, Chief Strategy and Planning Officer; and Ms. Balena Bunch, Procurement Manager, presented on the strategic systems of care consultant engagement. The presentation began with a look at the cog diagram for components of a high functioning system and current identified gap areas, and an equity-based systems planning prioritization timeline. Next, some background information on Guidehouse, Inc. and their team was presented. The Guidehouse team noted that they would be taking a technical approach, which would include three phases, project planning; safety net community needs assessment including gap analysis and current state assessments; and strategic planning culminating with delivery of recommended multi-year, equity focused, service delivery strategic plan. Lastly, they stated that there would be extensive communications and community engagement throughout the process. To conclude the presentation, Ms. Bunch presented the procurement process.

Manager Bell moved that the Board delegate authority to the President and CEO to negotiate and execute a contract for up to \$500,000 on the terms identified in the staff presentation, or terms at least as favorable to Central Health as those discussed.

Manager Museitif seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	Absent
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

2. Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2022 budget and tax rate, including proposed strategic priorities.

Clerk's Notes: Discussion on this item began at 5:26 p.m. Mr. Jeff Knodel, Chief Financial Officer; Ms. Lisa Owens, Deputy Chief Financial Officer; and Mr. Lester Hannaher, Budget Analyst, presented on the FY22 final proposed budget. The presentation began with a look at the risks and events leading up to the budget and tax rate setting. Several graphs were presented, including a history and forecast of healthcare delivery expenditures; healthcare utilization 2013-2020; future reserve levels and days of cash on hand; major Texas hospital districts FY21 tax burden comparisons; hospital district debt comparison per capita; and lastly, taxable values by tax year. Next, a look at the FY22 proposed tax rate of 6.0% over M&O no-new-revenue rate, the Central Health property tax impact statement FY21-22 was shown, and proposed strategic priority objectives were discussed. These included developing and executing healthcare delivery based on people and place, implementing a patient-focused and coordinated health care system, and developing a sustainable financial model for healthcare delivery. Proposed organizational excellence priorities for FY22 and a chart with the FY22 Central Health business cases were presented. Next, the FY22 proposed budget, a look at the healthcare delivery program and administrative program year-over-year comparisons, FY22 capital reserve estimates and Central Health major capital project update was presented. The presentation concluded with the FY 2022 budget calendar.

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

At 6:26 p.m. Manager Bell moved that meeting adjourn.

Manager Brinson seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	Absent
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

The meeting was adjourned at 6:26 p.m.

Sherri Greenberg, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Managers

MINUTES OF MEETING – AUGUST 23, 2021
CENTRAL HEALTH
BOARD OF MANAGERS

On Wednesday, August 23, 2021, a meeting of the Central Health Board of Managers convened in open session at 5:28 p.m. remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee members present via video and audio: Chairperson Greenberg, Vice Chairperson Bell, Treasurer Zuniga, Secretary Valadez, Manager Brinson, Manager Jones, Manager Motwani, Manager Museitif, and Manager Zamora

PUBLIC COMMUNICATION

Clerk’s Notes: Public Communication began at 5:29 p.m. Yesenia Ramos introduced one speaker for Public Communication.

Members of the Board heard from: John Wagner

CONSENT AGENDA

- C1. Approve the minutes of the Central Health Board of Managers June 30, 2021 regular meeting and June 14, 2021 Special Called meeting.**
- C2. Receive and ratify Central Health Investments for June and July 2021.**
- C3. Approve a contract amendment to the interlocal agreement with Travis County for Cash Management and Investment Services, Risk and Claim Management, Legal Services, and Television Broadcasting.**
- C4. Approve the reappointment of Ms. Patricia “Trish” Young Brown to the Integral Care Board of Trustees as recommended by the Executive Committee.**

Clerk’s Notes: Discussion on this item began at 5:35 p.m.

Manager Bell moved that the Board approve Consent Agenda Items C1 through C4.

Manager Valadez seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	Abstain
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

REGULAR AGENDA

- 1. Discuss and take appropriate action on a resolution of the Board of Managers of the Travis County Healthcare District approving the issuance and the terms, and**

provisions and pricing, of the District's Certificates of Obligations; approving the form of and requesting that the Travis County Commissioners Court approve and adopt order(s) to authorize the issuance of such Certificates; and other related matters.

Clerk's Notes: Discussion on this item began at 5:36 p.m. Mr. Mike Geeslin, President & CEO, and Mr. Jeff Knodel, Chief Financial Officer, presented on the sale of certificates of obligation (COs). The presentation included a look at the certificates of obligation tax-exempt series 2021 and the taxable series 2021. Next a heat map of the change in families in poverty from 2017-2022 was presented. Next a graph of a build vs. lease comparison and a hospital district debt comparison per capita was shown. Lastly, a summary of action items leading to the current request was discussed.

Next, Mr. Blake Roberts with PFM Financial Advisors LLC presented on the Travis County Healthcare District final CO sale results.

Manager Valadez moved approval of the sale of certificates of obligation for the nontaxable component to fund the construction of the clinics in the Eastern Crescent.

Manager Jones seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	Abstain
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	Against
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

Manager Valadez moved for the adoption of the sale of certificates of obligation for the taxable component.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	Against
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

Manager Bell moved that the Board approve a resolution of the Board of Managers of the Travis County Healthcare District approving the issuance and the terms, and provisions and pricing, of the District's Certificates of Obligations and approve the form of and request that the Travis County Commissioners Court approve and adopt order(s) to authorize the issuance of such Certificates.

Manager Brinson seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	Abstained

Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

2. **Receive and discuss a report on fiscal year-to-date healthcare service expenditures made by, and accept the preliminary June and July 2021 financial statements for, Central Health and the Community Care Collaborative, and review historical average revenues and expenses for Central Health.**

Clerk's Notes: Discussion on this item began at 6:32 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, presented on the July Central Health and Community Care Collaborative financials. The June financials were also included in the packet. The Central Health July 2021 financial statement presentation included a balance sheet, as well as a sources and uses report. The presentation also included healthcare delivery services, operating costs, and primary- and specialty-care costs. She also presented the July 2021 financial statements for the Community Care Collaborative, which included a balance sheet, a sources and uses report, and a healthcare delivery costs summary.

3. **Receive and discuss an update on community engagement and results of the community survey regarding the proposed Fiscal Year 2022 strategic priorities and proposed budget.**

Clerk's Notes: Discussion on this item began at 6:39 p.m. Ivan Davila, Director of Communications and Community Engagement, and Matt Richardson, Senior Data Strategy Analyst, Analysis and Reporting, presented on the community engagement for the FY22 budget and strategic priorities. The presentation included a look at the community engagement goals, which were to educate members and the public about Central Health's functions, how it pays for medical services, and its budget priorities and strategies for FY 2022, and also to gather community input on the proposed budget priorities and strategies. Next, they discussed the communications, community engagement, and outreach tactics used. Lastly, they presented on the demographic breakdown of the survey participants, survey and telephone interview methodology, and the summary of results.

4. **Receive and discuss a presentation on the proposed Central Health Fiscal Year 2022 Budget and tax rate.**

Clerk's Notes: Discussion on this item began at 6:56 p.m. Items 4, 5, and 6 were taken up together. Mr. Mike Geeslin, President & CEO, and Ms. Lisa Owens, Deputy Chief Financial Officer, presented on these items. Mr. Geeslin opened up the presentation by briefly stating the request for the tax rate. The request was to approve a proposed property tax rate of 11.1814 cents per \$100 of taxable property value, which is 6% above the Maintenance & Operations No-New-Revenue Tax Rate and which will support Central Health's Fiscal Year 2022 budget of \$506M. He then discussed the meaning behind "Empowering Communities with Care" and how Central Health will do this. Next, he briefly shared the Fiscal Year 2022 ("FY22") proposed budget highlights. He then discussed the plan for the coming year, which includes connecting with MAP members, connecting with the community, connecting with community leaders, and striving for organizational excellence. Next, he briefly shared the FY22 proposed strategic priorities and budget survey results. He quickly shared a visual of the progress made with regard to the three strategic priority objectives.

Ms. Lisa Owens presented the details on the FY22 budget. The presentation included a look at the FY 2022 proposed tax rate of 6.0% over M&O no-new-revenue rate. A couple of graphs were presented, including future reserve levels, days of cash on hand, and a comparison of the FY21 tax burdens for the major Texas hospital districts. Next, she presented on the FY22 proposed budget, the healthcare delivery program and

administrative program year-over-year comparisons, and FY22 capital reserve estimates. The presentation concluded with an overview of the FY22 budget calendar.

5. Discuss and take appropriate action on Central Health's proposed property tax rate for Fiscal Year 2022.

Clerk's Notes: Discussion on this item began at 6:56 p.m. Items 4, 5, and 6 were taken up together.

Manager Bell moved that the Board approve a proposed total property tax rate of no more than .111814 cents per \$100 of taxable property value for the 2021 tax year, which will support Central Health's Fiscal Year 2022 budget.

Manager Valadez seconded the motion.

The vote was recorded by roll call, and the Managers voted as follows:

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

6. Set the date, time, and location for the public hearing at which the Central Health Board of Managers will present, and receive comments from the public on, the proposed Fiscal Year 2022 tax rate.

Clerk's Notes: Discussion on this item began at 6:56 p.m. Items 4, 5, and 6 were taken up together.

Manager Bell moved that the public hearing on the proposed tax rate increase be held on Wednesday, September 2, 2021 at 5:00 p.m. at Central Health's Administrative Offices, 1111 E. Cesar Chavez St., Austin, Texas 78702, a notice for which will be posted on the Central Health website and published in a general circulation newspaper in Travis County.

Manager Valadez seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

7. Receive an update and take appropriate action on an interlocal agreement with the City of Austin for the purchase of property and preliminary design for Colony Park clinic.

Clerk's Notes: Discussion on this item began at 7:52 p.m. Mr. Mike Geeslin, President & CEO, presented an update on the Colony Park land transaction with the City of Austin. He noted that Central Health is still

in the process of finalizing the land transaction with the City. He noted that a purchase of a sale agreement is being circulated between City of Austin and Central Health attorneys. He stated that the goal is to turn an agreement around as quickly as possible and get it to the City so that it could come back to the Board in September.

Manager Bell moved that the Board authorize the President and CEO to negotiate and enter into an interlocal agreement with the City of Austin for the purchase of property and preliminary design for Colony Park clinic on terms similar to those presented or more favorable to Central Health.

Manager Valadez seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

8. Receive and take appropriate action on revisions to the plan fiduciary and administrator designation, and renaming of the committee responsible for, the Central Health Retirement and Deferred Compensation Plans.

Clerk's Notes: Discussion on this item began at 7:57 p.m. Mr. Jeff Knodel, Chief Financial Officer, presented on the Retirement Plan Committee Charter. He explained that the committee name is changing from "Investment Committee" to "The Retirement Plan Committee." Mr. Knodel also explained that staff is asking that the Board authorize the proposed Retirement Plan Committee to serve as the Plans' fiduciary and plan administrator.

Manager Bell moved that the Board approve revisions to the plan fiduciary and administrator designation, and renaming of the committee responsible for, the Central Health Retirement and Deferred Compensation Plans as recommended by staff.

Manager Valadez seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

9. Receive and take appropriate action on revisions to the Central Health Policy on Policies.

Clerk's Notes: Discussion on this item began at 8:00 p.m. Mr. McKenzie Frazier, Compliance Officer, presented the revisions to the Central Health Policy on Policies.

Manager Bell moved that the Board approve revisions to Policy # CMP-0011P, the Central Health Policy on Policies and Standard Operating Procedures Management.

Manager Brinson seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

10. Receive a briefing on and discuss Fiscal Year 2021 Strategic Objectives, per Board adopted budget resolution or Board directive, and receive updates on specific items including:

- a. Current workforce demographics and levels, including new hires and turnover;**
- b. Workforce culture update on Central Health's Diversity & Inclusion initiatives.**

Clerk's Notes: Discussion on this item began at 7:27 p.m. Ms. Jana Allen, Interim Diversity & Inclusion Manager, presented a Diversity, Equity, and Inclusion update. The presentation included a look at Central Health's Diversity, Equity, & Inclusion journey and the Equity & Inclusion taskforce efforts. Next, Ms. Allen discussed the Diversity, Equity, & Inclusion Awareness Training and its purpose. She then went into the history of Diversity, Equity, & Inclusion. Lastly, she discussed employee resource groups and their purpose.

Ms. Willars noted that the current workforce demographics and levels, including new hires and turnover, was included in the backup.

11. Receive and discuss updates on the Central Health Enterprise's responses to the current COVID-19 pandemic, including basic reports on services, coordination, and outreach with and among Central Health, CommUnityCare, and Sendero Health Plans, Inc.

Clerk's Notes: Discussion on this item began at 8:04 p.m. Dr. Mary Carol Jennings, Chief Medical Officer, presented a Sendero COVID update. Dr. Jennings's presentation included a look at tracking and preventing COVID-19 among CHAP Expansion and Non-CHAP Sendero Health Plan Members.

Ms. Tara Tower, Chief Strategy Officer, presented a CommUnityCare COVID-19 update. Ms. Tower presented graphs on the number of vaccines provided by CommUnityCare from June 1, 2021, to August 17, 2021, and graphs on vaccinated individuals by race, ethnicity, age, insurance status, and zip codes. Lastly, Ms. Tower gave an update on COVID-19 testing.

Mr. Ted Burton, VP of Communications, presented a Central Health COVID-19 update. The presentation included a look at COVID-19 communications and outreach, Central Health vaccine initiatives, and lastly, combined program patient demographics.

12. Receive and discuss updates on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) program and associated projects, the Community Care Collaborative, and other healthcare delivery partners, programs, projects, and arrangements, including agreements with Ascension Texas.

Clerk's Notes: Discussion on this item began at 8:35 p.m.

At 8:35 p.m. Chairperson Greenberg announced that the Board was convening in closed session to discuss agenda item 12 under Texas Government Code §551.071 Consultation with Attorney.

At 10:08 p.m. the Board returned to open session.

13. Receive a briefing regarding Central Health Enterprise information security.

Clerk's Notes: Discussion on this item began at 8:35 p.m.

At 8:35 p.m. Chairperson Greenberg announced that the Board was convening in closed session to discuss agenda item 13 under Texas Government §551.089 Deliberation Regarding Security Devices or Security Audits.

At 10:08 p.m. the Board returned to open session.

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

At 10:08 p.m. Manager Valadez moved that meeting adjourn.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	Absent
Manager Amit Motwani	For
Manager Maram Museitif	Absent
Manager Guadalupe Zamora	Absent

The meeting was adjourned at 10:08 p.m.

Sherri Greenberg, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Manager

MINUTES OF MEETING – AUGUST 31, 2021
CENTRAL HEALTH
BOARD OF MANAGERS

On Wednesday, August 31, 2021, a meeting of the Central Health Board of Managers convened in open session at 5:01 p.m. remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee members present via video and audio: Chairperson Greenberg, Vice Chairperson Bell, Treasurer Zuniga, Secretary Valadez (5:06 p.m.), Manager Brinson, Manager Jones, and Manager Motwani.

Absent: Manager Museitif and Manager Zamora

PUBLIC COMMUNICATION

Clerk’s Notes: Public Communication began at 5:01 p.m. Yesenia Ramos announced that no speakers signed up for Public Communication.

REGULAR AGENDA

- 1. Discuss and take appropriate action to set the time, date and location of the public hearing and vote to set the Central Health tax rate for the 2021 tax year, and cancel the public hearing originally scheduled for September 2, 2021.**

Clerk’s Notes: Discussion on this item began at 5:01 p.m. Mr. Mike Geeslin, President & CEO, briefly explained that the reason for this request was that, in light of the need to social distance, the meeting needed to be in a larger facility where masks could be required by orders from the City or County, who control the facilities. Ms. Perla Cavazos, Deputy Administrator, announced that the City Council Chambers has been secured for the September 9, 2021 Public Hearing and Board of Managers meeting. Chairperson Greenberg then addressed what some of the logistics would be for having an in-person meeting at City Council Chambers.

Manager Brinson moved that the public hearing previously scheduled for September 2, 2021, be cancelled and that the hearing and vote on the proposed tax rate increase be held on Thursday, September 9, 2021, at 5:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX 78701, a notice for which will be posted on the Central Health website and published in a general circulation newspaper in Travis County.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	Absent
Manager Guadalupe Zamora	Absent

At 5:14 p.m. Manager Valadez moved that meeting adjourn.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	For
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	Absent
Manager Guadalupe Zamora	Absent

The meeting was adjourned at 5:14 p.m.

Sherri Greenberg, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Managers

MINUTES OF MEETING – SEPTEMBER 9, 2021
CENTRAL HEALTH
BOARD OF MANAGERS

On Thursday, September 9, 2021, a meeting of the Central Health Board of Managers convened in open session at 5:27 p.m. remotely by toll-free videoconference and in-person at Austin City Hall. Clerk for the meeting was Briana Yanes.

Board members present in person at Austin City Hall: Chairperson Greenberg, Vice Chairperson Bell, Secretary Valadez, Manager Jones, Manager Museitif, and Manager Zamora

Board members present via video and audio: Manager Brinson and Manager Motwani

Absent: Treasurer Zuniga

PUBLIC HEARING

- 1. Present an overview of the proposed Central Health Fiscal Year 2022 budget and its associated tax rate.**

Clerk's Notes: Discussion on this item began at 5:28 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, presented on the Fiscal Year 2022 (FY22) proposed budget. The presentation included a look at the FY22 proposed tax rate of 6.0% over Maintenance and Operations No New Revenue Rate and a look at the FY22 proposed budget Attachment A - Sources and Uses.

- 2. Receive public comment on the proposed Central Health Fiscal Year 2022 budget and its associated tax rate.**

Clerk's Notes: Discussion on this item began at 5:32 p.m.

The Public Hearing began at 5:32 p.m. Ivan Davila introduced seven speakers for the Public Hearing.

Members of the Board heard from: Ellen Richards, Michael Lofton, BiNi Coleman, Shuronda Robinson, Pastor Lea Walker-Clark, and Tyra Clark

Cluren Williams signed up to speak but was not present when called upon.

Manager Valadez moved that that the Board close the Public Hearing.

Manager Brinson seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

PUBLIC COMMUNICATION

Clerk's Notes: Public Communication began at 5:55 p.m. Ivan Davila announced that there are no speakers for Public Communication

BOARD OF MANAGERS MEETING

CONSENT AGENDA

- C1. Receive and ratify Central Health Investments for August 2021.**
- C2. Approve a contract amendment and renewal with JP Morgan Chase for depository services.**

Clerk's Notes: Discussion on this item began at 5:55 p.m.

Manager Bell moved that the Board approve Consent Agenda Items C1 and C2.

Manager Jones seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

REGULAR AGENDA

At 5:57 p.m. Manager Bell moved that the Board of Managers limit debate on all items on the agenda to three minutes per member per item.

Manager Museitif seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	Against
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

- 1. Receive and discuss a presentation on CommUnityCare Health Centers' Fiscal Year 2022 budget.**

Clerk's Notes: Item 1 was not taken up at this meeting.

- 2. Discuss and take appropriate action on the Central Health proposed Fiscal Year 2022 Budget.**

Clerk's Notes: Discussion on this item began at 5:58 p.m. Mr. Jeff Knodel, Chief Financial Officer, and Ms. Lisa Owens, Deputy Chief Financial Officer, presented on the Fiscal Year 2022 budget. Mr. Knodel outlined the three requests for the evening: approval of the proposed property tax rate of 11.1814 cents per \$100 of

taxable property value; approval of Central Health's Fiscal Year 2022 budget of \$506M; and adoption of the Fiscal Year 2022 Budget Resolution as presented by staff. The presentation included overviews of the following: the FY22 proposed strategic priorities; the FY22 proposed tax rate 6.0% over Maintenance and Operations No New Revenue Rate; the proposed FY22 budget; and the anticipated healthcare providers, specialties, and programs. Lastly, Ms. Owens announced that staff will be going to Travis County Commissioners Court with the budget on September 21, 2021.

Manager Museitif moved that the board approve the funding of \$213,000.75 for the African American Men's Health Clinic with the condition to expedite COVID-19 vaccination for men of color in Travis County.

Manager Jones seconded the motion

Managers discussed processes, how the organization plans to spend the money, and if they have worked with staff on a proposal.

Manager Bell called the question.

Manager Museitif withdrew the motion.

Managers gave direction to the President & CEO and staff to come back to the Board with a COVID-19 vaccination strategy for communities of color, especially amongst men.

Manager Valadez moved that the Board approve the budget items in the Central Health Fiscal Year 2022 budget and resolution that pertain to The University of Texas at Austin.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	Abstain
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	Abstain
Manager Cynthia Brinson	For
Manager Shannon Jones	Abstain
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

Manager Valadez moved that the Board approve the budget items in the Central Health Fiscal Year 2022 budget and resolution that pertain to The University of Texas System.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	Abstain
Manager Cynthia Brinson	For
Manager Shannon Jones	Abstain
Manager Amit Motwani	For
Manager Maram Museitif	Abstain
Manager Guadalupe Zamora	For

Manager Museitif moved that the Board approve the budget items in the Central Health Fiscal Year 2022 budget and resolution that pertain to Integral Care and Project Access.

Manager Brinson seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	Abstain

Manager Museitif moved that the Board approve the budget items in the Central Health Fiscal Year 2022 budget and resolution that pertain to People's Community Clinic and Sendero Health Plans, Inc.

Manager Valadez seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	Abstain
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	Abstain
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

Manager Jones moved that the Board approve the Central Health Fiscal Year 2022 budget as presented by staff, and the accompanying resolution that was provided in Board backup, for all items other than the item relating to The University of Texas at Austin, The University of Texas System, Integral Care, Project Access, People's Community Clinic, and Sendero Health Plans, Inc.

Manager Bell seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	Abstain
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

3. **Discuss and take appropriate action regarding Central Health's proposed Fiscal Year 2022 (Tax Year 2021) tax rates:**
 - a. **Maintenance and Operations Tax Rate (Roll Call Vote);**
 - b. **Total Debt Service Tax Rate (Roll Call Vote); and**
 - c. **Total Ad Valorem Tax Rate (Roll Call Vote).**

Clerk's Notes: Discussion on this item began at 6:47 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, briefly shared the FY22 proposed tax rate of 6.0% over maintenance and operations no-new-revenue rate slide.

a. For the maintenance and operations tax rate, Manager Zamora moved that the property tax rate be increased by the adoption of a tax rate of \$0.109204 for maintenance and operations, which is effectively a six percent (6.0%) increase in the tax rate.

Manager Brinson seconded the motion.

The vote was recorded by roll call, and the Managers voted as follows:

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

b. For the debt service tax rate, Manager Zamora moved that the property tax be increased by the adoption of a tax rate of \$0.002610 which is effectively a three hundred and forty-three and one tenths percent (343.1%) increase in the tax rate.

Manager Museitif seconded the motion.

The vote was recorded by roll call, and the Managers voted as follows:

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

c. For the total tax rate, which is the sum of the maintenance and operations and debt service tax rates, Manager Zamora moved that the property tax rate be increased by the adoption of a tax rate of \$0.111814, which is effectively a one and four tenths percent (1.4%) increase in the tax rate.

Manager Brinson seconded the motion.

The vote was recorded by roll call, and the Managers voted as follows:

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

4. Discuss and take appropriate action to authorize the President and CEO to negotiate and execute contracts with general contractor vendors for the Hornsby Bend and Del Valle Health and Wellness Centers.

Clerk's Notes: Discussion on this item began at 6:58 p.m. Ms. Stephanie Lee McDonald, VP Enterprise Alignment & Coordination, presented on this item. She explained that staff is requesting Board authorization for the President and CEO to negotiate and execute contracts with General Contractors for the construction of the Hornsby Bend Health and Wellness Center and the Del Valle Health and Wellness Center. She explained that action tonight would allow Central Health to work with the firm selected and execute contracts in advance of the next regular Board meeting scheduled for October 27, 2021. She noted that as detailed in her August Eastern Crescent Subcommittee presentation and in the backup materials for this meeting, the solicitation method for these services was through the prescribed process of Competitive Sealed Proposals overseen by the Central Health Procurement Manager, Balena Bunch, under the guidance of the Travis County Attorney's Office. She explained that draft contracts were included in the solicitation posting and all proposers had to review the contract. Copies of the draft contracts were also included in the supplemental backup materials. Tuesday of this week, several proposals from General Contractors were received for the Hornsby Bend Health and Wellness Center construction. Ms. McDonald explained that she hopes to see a similar number for the Del Valle project next week on September 17, 2021. Lastly, she explained that action tonight would keep the momentum going as the construction phase of these projects begins.

Manager Bell moved that the Board authorize the President and CEO to negotiate and execute contracts for general contractor services for both Hornsby Bend and Del Valle Health and Wellness Centers with terms similar to or more favorable than presented.

Manager Museitif seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For
Manager Shannon Jones	For
Manager Amit Motwani	For
Manager Maram Museitif	For
Manager Guadalupe Zamora	For

5. Receive and discuss updates on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) program and associated projects, the Community Care Collaborative, and other healthcare delivery partners, programs, projects, and arrangements, including agreements with Ascension Texas.

Clerk's Notes: Item 5 was not taken up at this meeting.

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

At 7:02 p.m. Manager Valadez moved that meeting adjourn.

Manager Brinson seconded the motion.

Chairperson Sherri Greenberg	For
Vice Chairperson Charles Bell	For
Treasurer Julie Zuniga	Absent
Secretary Cynthia Valadez	For
Manager Cynthia Brinson	For

Manager Shannon Jones
Manager Amit Motwani
Manager Maram Museitif
Manager Guadalupe Zamora

For
For
For
For

The meeting was adjourned at 7:02 p.m.

Sherri Greenberg, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Managers



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

October 27, 2021

AGENDA ITEM C2

Receive the Quarterly Investment Report and ratify Central Health Investments for September 2021.

INVESTMENT MANAGEMENT DEPARTMENT
TRAVIS COUNTY, TEXAS



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DATE: August 31, 2021

TO: Sherri R. Greenberg, M.S., Chairperson
Charles E. Bell, M.D., M.S., Vice-Chairperson
Julie Zuniga, R.N. PhD., Treasurer
Cynthia Valadez, Sr., Secretary
Cynthia Brinson, M.D., Manager
Shannon Jones III, M.P.A., Manager
Amit Motwani, Manager
Maram Museitif, M.P.H., C.P.H., Manager
Guadalupe Zamora, M.D., Manager

FROM: Deborah A. Laudermilk, Travis County Chief Investment Officer
Reagan Grimes, Travis County Investment Manager
Michael Gbenoba, Sr. Financial Analyst

RE: Central Health FY 2021 Third Quarter Investment Report

INVESTMENT EARNINGS

Total portfolio earnings for this quarter: \$ 268,354

Total portfolio earnings for this fiscal year: \$ 638,737

These earnings are determined on an accrual basis. Investment balances are in the Portfolio Statistics section of this report.

CASH AVAILABILITY

Operating Account for the Quarter Ended June 30, 2021:

The cash availability in the bank operating account is monitored daily. Typically, cash balances are invested as soon as they are known and available. The cash availability (includes the controlled disbursement) for the quarter ended June 30, 2021:

	2021 Average Daily Collected Balance	2020 Average Daily Collected Balance
April	\$ 1,319,084	\$ 1,374,854
May	\$ 1,351,649	\$ 1,394,101
June	\$ 1,365,817	\$ 1,369,477

Several years ago we opened a dedicated non-interest bearing account at Chase that we have managed with the goal of earning additional ECR (earnings credit) to offset annual bank charges. The current balance is \$928,000 and is reflected in the totals listed above.

MARKET REVIEW

The biggest economic controversy, at the moment, is the rate of inflation and if the Fed needs to address it or wait to make sure that this isn't just an aberration relative to the previous year's craziness. In the latest report, CPI increased only a third of what the past increases have been. It was the smallest increase since February and well below expectations. Unfortunately, some of the slowing could be a result of the new global wave of COVID/Delta variant. In comparison to the rates experienced a year ago (year-over-year results) the inflation rate could continue to rise through the first quarter of next year. Rising prices compared to the last year's flat prices, could stall the economy as gas prices continue to rise as well as increases in the cost of living and wage pressures. Granted some the price inflation has been due to supply chain bottlenecks brought on by material shortages, high raw material prices and the inability to hire enough workers. The Chicago Business barometer fell from 73.4 to 66.8 reflecting the order backlogs, and supplier deliveries rose to new cycle highs, while new orders and production fell dramatically. Most supply chain issues are expected to continue through mid-2022. The spread of the Delta variant in East Asia has only exacerbated some of the supply shortages. Auto manufacturers have had serious supply issues due the inability to have a sufficient supply of semiconductors to complete the manufacturing process. This shortage has created a lack of supply of new vehicles which has also driven up the prices of used vehicles too. You can no longer "cut a deal" with car dealerships since they have very few vehicles on their lots. Likewise, home sales have been slowing as the supply has been constrained and of course that means that the prices of homes have risen. Home prices have risen 19.1% year-on-year. Strong demand and low supply. Some of the home sales constraints are related to shortage of raw materials/higher prices and labor shortages too. While demand has been fueled by the "work from home" ability for many employees who no-longer want to commute to big cities.

Retail sales for July fell a disappointing 1.1%, much more than the consensus estimate of a fall of 0.3% which some believe is due to a combination of the fading effects of stimulus as well as the impact of the thriving Delta variant of COVID spreading faster than had been anticipated. If you take into consideration the high level of inflation, retail spending fell even more, although the level is still higher than the pre-pandemic levels. One of the few positives, restaurant and bar sales rose as more people started dining out more and more re-openings took place, likewise gasoline sales rose most likely related to people opting to drive for summer vacations instead of flying.

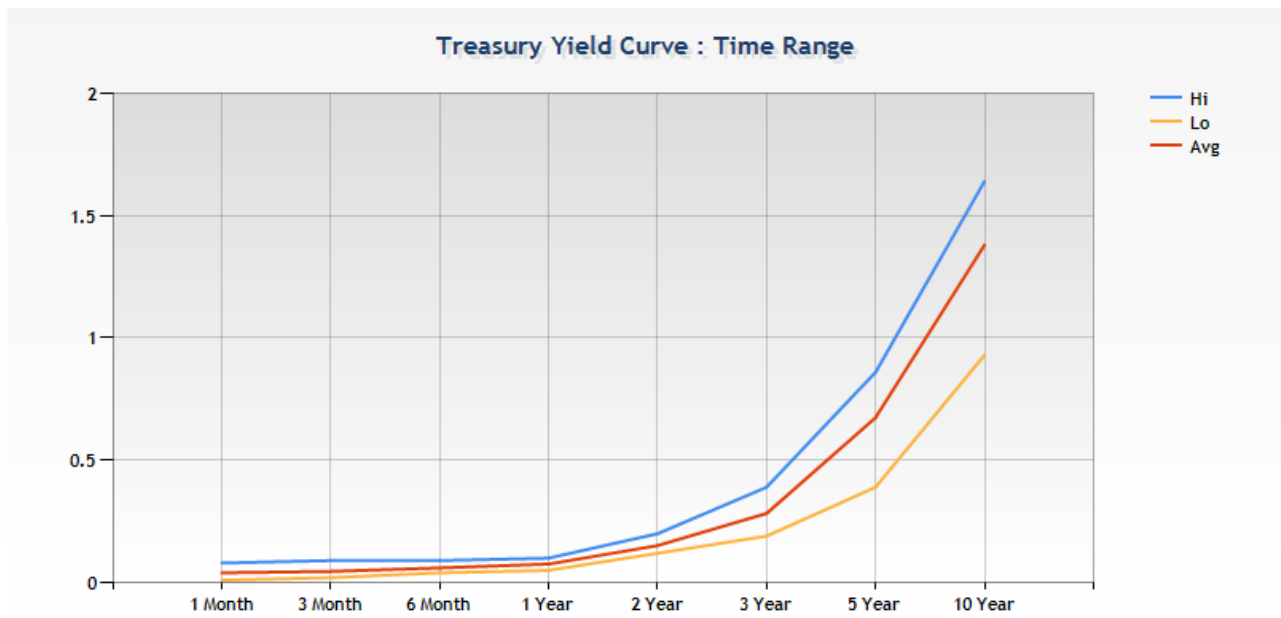
Not only is inflation an economic component that is struggling to return to the norm, but employment/unemployment is not behaving as it should in these times. The August nonfarm payrolls only rose 235k, far below the anticipated 733k consensus. Seasonal hiring continued to be chaotic as employers were unable to predict their employment needs particularly with the rise in Delta variant cases. Unfortunately, some believe that the falling employment component is not just a result of slow hiring demand, but a lack on the employee side which could exhibit a change in the September numbers as many unemployment supplements end. ADP's report of only 374K rise in private payrolls is not

a good indication for future employment numbers. August had the smallest payroll increase since the December-January disappointments. Payrolls are still 5.3 million short of the 2020 peak. Goods producing employers added 40K jobs and manufacturing had a similar increase of 37K. Commercial construction was weak evidenced by the decline in construction payrolls and lack of demand for office space, but on the other hand even though residential construction demand was strong, the high cost and short supply of materials, as well as difficulty finding employees, payrolls shrunk. The only healthy increase was in business services which seems a little odd considering the great number of employees still working from home. Average hourly earnings for the month rose 0.6%, twice what was expected and added to the increase in year-over year acceleration of 4.28%. Even though leisure and hospitality workers make 40% less than the average payroll employee, their wages grew the most in August and continue to close the wage pay gap. This is more evidence why the unemployment numbers remain so high and why we see so many help-wanted signs and continued evidence of shortages in the service industries. The unemployment numbers remain high, even though they have fallen to 5.2% and the participation rate was unchanged at 61.7%. Throughout this time, many people have decided to retire early or have had issues with childcare and or eldercare that have prevented them from searching for jobs until the pandemic is under control. It could be an interesting turn of events in September, but as has been the case over the last 18 months, so much is dependent on the spread of COVID and its variants. Of course, all of this ties into what actions will the FOMC do over the rest of 2021 and through 2022. There are very few who believe that rates will be raised in 2021 and many do not believe that they will tighten until late 2022 or possibly 2023. Granted, a lot of this pontification is based on the many projections of what inflation will do and how long the Fed will allow it to be over their optimal goal of 2.0%. It seems that the FOMC is more focused on inflation than their other goal of 3.0% unemployment. Not only has Chairman Powell stated, as well as other Fed presidents, that even though inflation is well above their goal of 2.0% in these extraordinary dynamic times of the pandemic, they believe it's premature to take action to bring down the inflation rate. Having studied and learned from previous economic cycles, the Fed has made it clear that they will communicate their intentions well in advance to prevent any extraordinary upheaval of the financial markets. At this point in time, Chairman Powell and the participant majority believes the Fed has met its "significant progress standard" for inflation and made progress toward the standard for employment. The difficulty with meeting the standard for employment is that it is heavily influenced by the risks of the continued spread of the Delta variant. There has been some indication of tapering their bond purchases, but it has been made clear that when they do begin to taper, it is in no way intended to be a signal of when there will be an increase in rates. As mentioned earlier in the report, the inflation rate is being heavily influenced by supply-demand imbalance of various goods and services prices that have been most affected by the pandemic. If progress of the economy continues to slow, it is likely that any actions by the Fed will also slow.

As to the status of the rest of the world, many countries have been impacted and retreated to lockdowns again due to the spread of the Delta variant. The EU has pretty much banned any visitors from the US. Europe is also struggling with the labeling of any reduction in government bond purchases. They have announced that they are undertaking a slower pace of purchases due to the improving demand, but they have not indicated anything more than that. Chinese inflation, PPI reached a 13-year high in August of 9.5%, but the majority of this increase is a reflection of US and European

consumers' willingness to pay more for goods, particularly those in short supply. China has been working at accelerating the pace of exports to us, but again, Delta can impact this, regardless of the workarounds. The other restriction is that many of the raw materials that China needs for these exports, are dependent on raw materials from their east Asia neighbors. There is a strong correlation between China's PPI and US consumer prices since a significant portion of the goods sold in the US are made and purchased from China at wholesale prices, so as in every other aspect of the world economy, it is heavily dependent on the control of COVID and its variants.

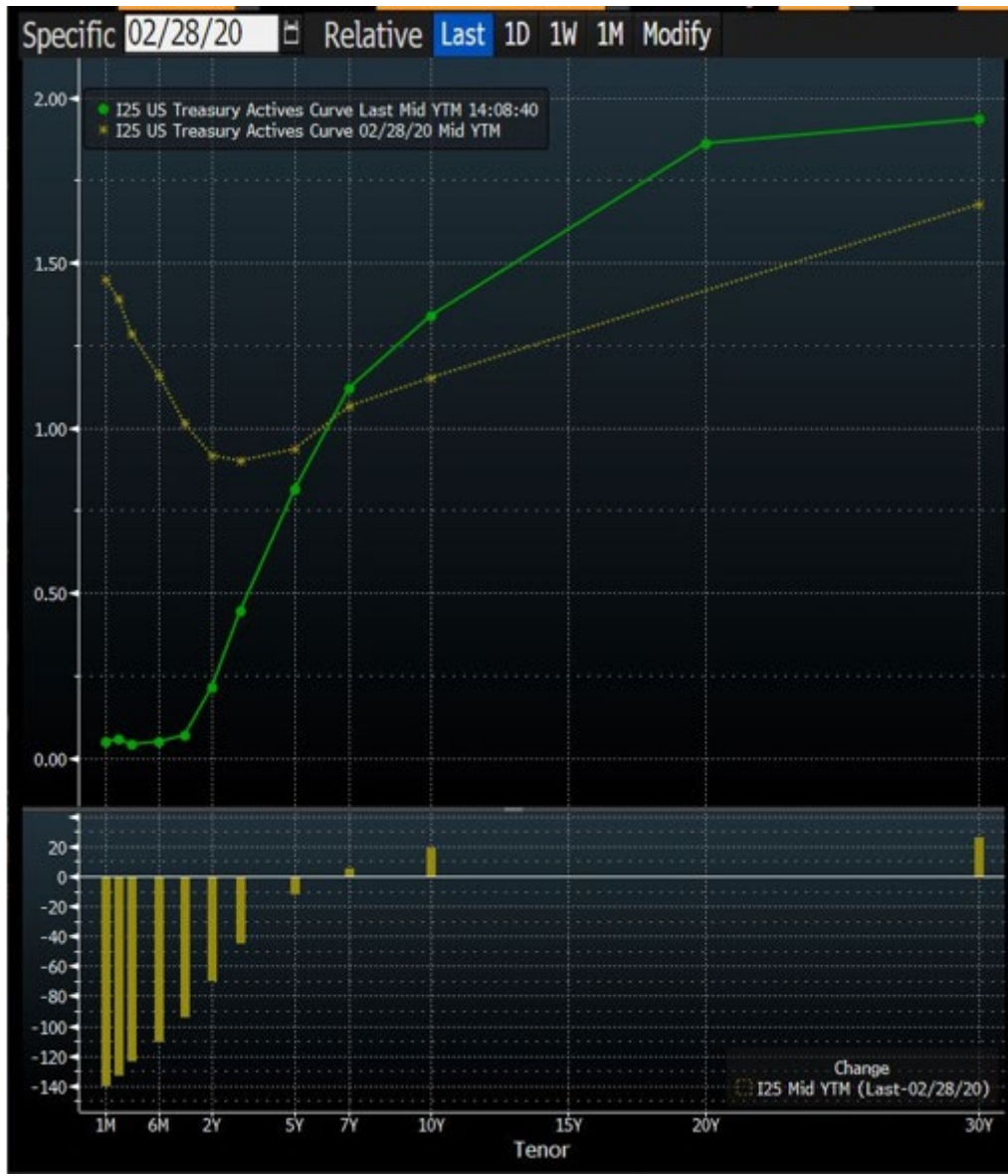
Fed funds effective rate was trading at the beginning of the quarter around 0.06% and has climbed to 0.10% through July. For most of the third quarter the yield of the 2-year treasury was trading in the mid-teens, but towards the end of July it had risen to the low twenties. The ten-year treasury yields ranged higher at the beginning of the quarter, trading around 1.60%, but have weakened to a current yield of mid 1.30% and the thirty-year rates have also weakened from the 2.30% range to 1.90%.

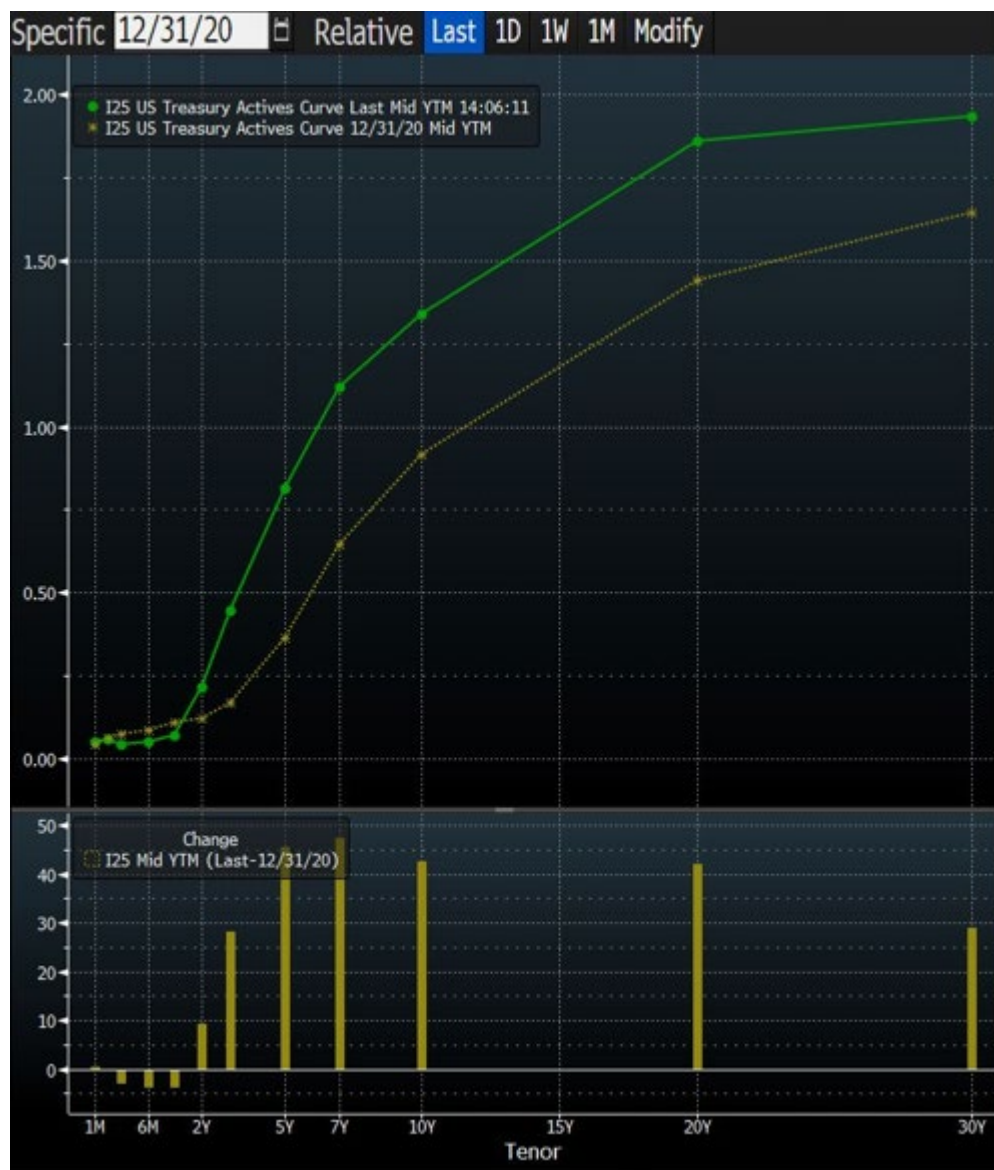


Data	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Hi	0.08	0.09	0.09	0.1	0.2	0.39	0.86	1.64
Lo	0.01	0.02	0.04	0.05	0.12	0.19	0.39	0.93
Avg	0.04	0.05	0.06	0.08	0.15	0.28	0.67	1.38

Date	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Dec 2020	0.08	0.09	0.09	0.1	0.14	0.19	0.39	0.93
Jan 2021	0.08	0.08	0.09	0.1	0.13	0.2	0.45	1.08
Feb 2021	0.04	0.04	0.06	0.07	0.12	0.21	0.54	1.26
Mar 2021	0.02	0.03	0.05	0.08	0.15	0.32	0.82	1.61
Apr 2021	0.02	0.02	0.04	0.06	0.16	0.35	0.86	1.64
May 2021	0.01	0.02	0.04	0.05	0.16	0.32	0.82	1.62
Jun 2021	0.03	0.04	0.05	0.07	0.2	0.39	0.84	1.52

I believe it's important to continue to show how dramatic the shift in rates has been since the beginning of pandemic as you can see from the Bloomberg chart below showing the dramatic shift in the yield curve from February 28th as compared to the current yield curve:



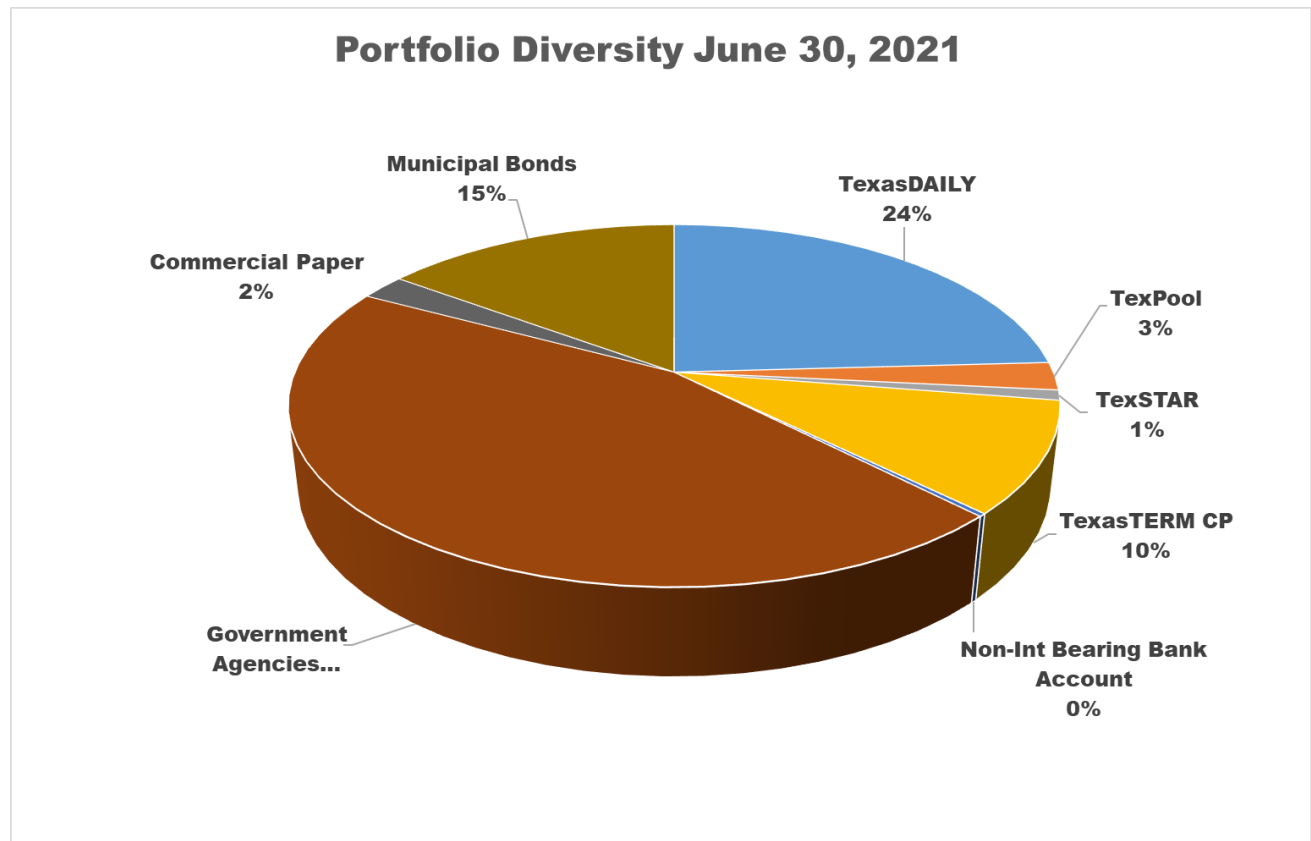


The chart above is reflective of the shift in rates in 2021. As you can see, the short end out to approximately 18 months has fallen below the rates at the end of 2020 and the rates longer-term have made a steeper ascent even though we are still dramatically below where rates were pre-pandemic.

INVESTMENT STRATEGY - NEXT QUARTER

Operating Portfolio

Up to this point in the quarter, there have been no agencies called and only 2 maturities. In addition, no securities have been purchased. The goal is to have investments that meet liquidity needs and when possible allowing the portfolio to earn a better yield than the LGIPs. Our first priority in investing is always the security of the principal of Central Health investments. In this incredibly low-rate environment, it will continue to be difficult for the performance of the Central Health investments to contribute much to investment income.



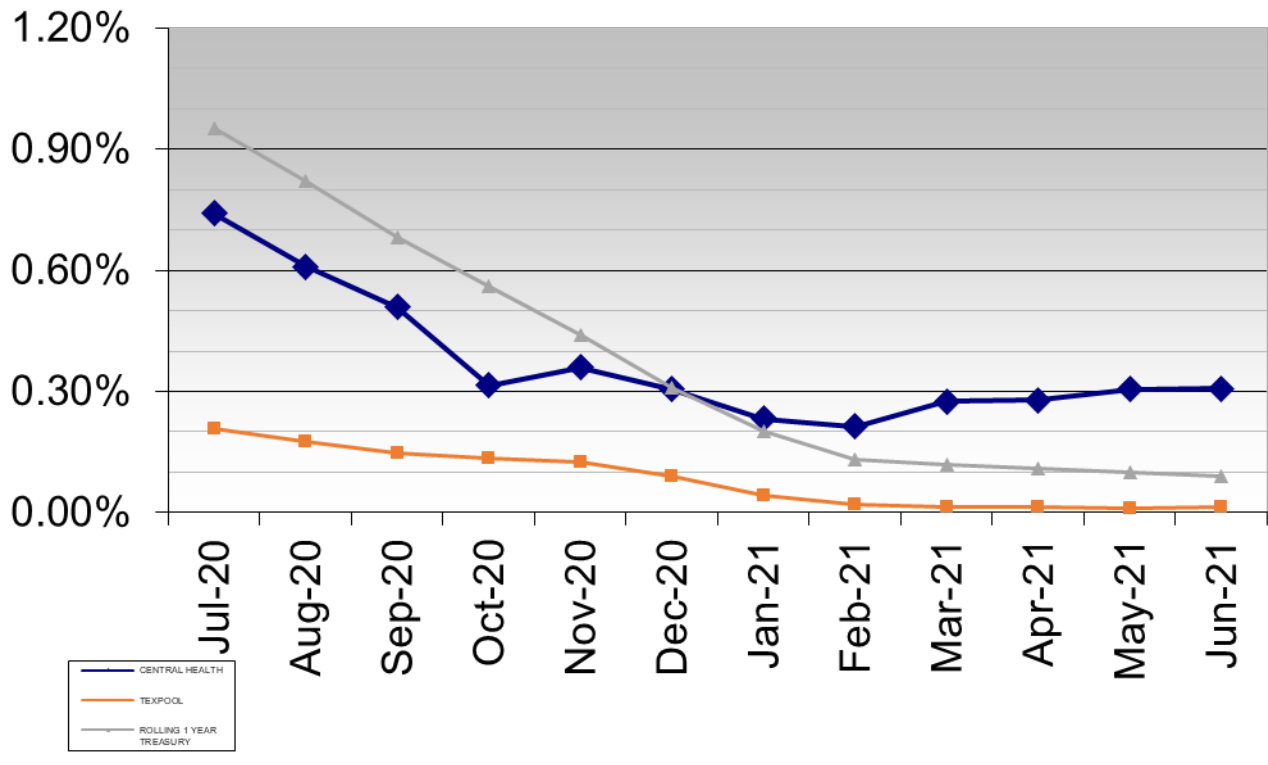
PORTFOLIO DIVERSITY

Safety of principal is the first priority of any public investing portfolio. An important way to maintain safety is to diversify by purchasing a variety of security types. Total investment in the overnight pools is at 37%. During the quarter, two securities were called. In addition, four agency bonds, two municipal bonds, and one piece of Texas TERM were purchased. These transactions resulted in a decrease in the percentage invested in the overnight pools from 45% at the end of March to 37% at the end of June.

	<u>Actual Percent</u>	<u>Policy Limit</u>
Government Agencies	45.16%	75%
TexasDAILY	24.11%	30%
TexPool	2.49%	50%
TexSTAR	0.90%	30%
Texas TERM CP	9.91%	30%
Treasury Securities	0.00%	100%
Non-Int Bearing Bank Acct	0.26%	--
Certificates of Deposits	0.00%	50%
Municipal Bonds	14.90%	20%
Commerical Paper	2.26%	20%
	<u>100.00%</u>	

Portfolio percentage limits are tested at least monthly and reported to the Board of Managers. All investments during this quarter were within the Policy Limits. As always, we will continue to monitor the needs of Central Health and choose appropriate short and long-term investments.

Portfolio Performance June 30, 2021



PERFORMANCE ANALYSIS

	<u>April</u>	<u>May</u>	<u>June</u>
Healthcare District	0.28%	0.21%	0.28%
Rolling 1 Year Treasury	0.11%	0.10%	0.09%
TexPool	0.01%	0.01%	0.01%

The Federal Funds rate continues in the range 0% to 0.25%. It is highly unlikely that rates will be increased before 2022.

The weighted average maturity (WAM) of the Central Health portfolio (excluding the LPPF investments) increased from 582 days at the end of the second quarter on March 31, 2021, to 625 days at the end of the third quarter on June 30, 2021.

COLLATERAL ADEQUACY

Collateral coverage was more than the 105% of bank balances required by policy on every day during the third quarter except for one. On May 28, 2021, an after-hours deposit into the bank caused collateral coverage to fall to 81.96%.

Based on policy requirements, the highest collateral coverage during the third quarter was 257.69% on April 2, 2021, and the lowest was 81.96% on May 28, 2021.

This report was prepared jointly by Deborah Laudermilk, Travis County Chief Investment Officer, Reagan Grimes, Travis County Investment Manager, and Michael G'Benoba, Sr. Financial Analyst. The investment portfolio of Central Health complies with the investment parameters in the Public Funds Investment Act of Texas.

Deborah A. Laudermilk
Deborah A. Laudermilk
Chief Investment Officer

Reagan Grimes
Reagan Grimes
Investment Manager

Michael G'Benoba
Michael Gbenoba
Financial Analyst

CENTRAL HEALTH QUARTERLY INVESTMENT REPORT

PORTFOLIO STATISTICS

DATE: June 30, 2021

By Security Type			WAM in Days	June Yield to Maturity
Operating-				
TexasDAILY	\$ 85,165,751.23	24.11%	1	0.03%
TexPool	\$ 8,798,400.11	2.49%	1	0.01%
TexSTAR	\$ 3,184,730.57	0.90%	1	0.01%
Texas TERM CP	35,000,000.00	9.91%	109	0.16%
Non-Int Bearing Bank Account	928,000.00	0.26%	1	0.00%
Certificates of Deposit	-	0.00%		
Treasury Securities	-	0.00%		
Government Agencies	159,496,100.00	45.16%	1154	0.42%
Commercial Paper	7,992,520.00	2.26%	84	0.18%
Municipal Bonds	52,638,462.25	14.90%	597	0.59%
Total	\$ 353,203,964.16	100.00%	625	0.31%

LPPF

TexasPool	\$ 11,662,035.81	100.00%	1	0.01%
	\$ 11,662,035.81	100.00%	1	0.01%
Total	\$ 364,865,999.97	100.00%		

Compared to Policy Limits

		Actual %	Guidelines
TexasDAILY	\$ 85,165,751.23	23.40%	30.00%
TexPool	20,460,435.92	5.62%	50.00%
TexSTAR	3,184,730.57	0.88%	30.00%
Texas TERM CP	35,000,000.00	9.62%	30.00%
Total LGIPS	\$ 143,810,917.72	39.52%	70.00%
Certificates of Deposit	0.00	0.00%	50.00%
Treasury Securities	0.00	0.00%	100.00%
Government Agencies	159,496,100.00	43.83%	75.00%
Commercial Paper	7,992,520.00	2.20%	20.00%
Municipal Bonds	52,638,462.25	14.46%	20.00%
	\$ 363,937,999.97	100.00%	

Municipal Bonds by Entity as a Percentage of Portfolio

Alabama ST Pub Sch & Clg	\$ 1,000,000.00	0.28%	5.00%
City of Hampton VA - GO	\$ 1,157,199.00	0.33%	5.00%
Chippewa Valley School Go Bonds	\$ 2,022,800.00	0.57%	5.00%
Florida St Board Admin Fin Corp Rev	\$ 5,871,068.00	1.66%	5.00%
San Bernardino COPS	\$ 2,027,420.00	0.57%	5.00%
Harris County TX Transit	\$ 1,090,843.20	0.31%	5.00%
Oklahoma County OK ISD	\$ 4,662,698.00	1.32%	5.00%
Alabama ST Pub Sch & Clg 2022	\$ 1,000,000.00	0.28%	5.00%
Texas Tech Univ	\$ 525,840.00	0.15%	5.00%
Commonwealth of Virginia - GO	\$ 5,089,600.00	1.44%	5.00%
City of Dallas Waterworks	\$ 5,154,300.00	1.46%	5.00%
Multnomah CNTY OR - GO	\$ 5,415,174.00	1.53%	5.00%
Upper Occoquan VA - Rev	\$ 3,110,000.00	0.88%	5.00%
San Diego CA Pub Facs - Rev	\$ 1,067,164.80	0.30%	5.00%
City of Yuma AZ - REV	\$ 1,500,000.00	0.42%	5.00%
NYC Tran Fin Tax - REV	\$ 5,000,000.00	1.42%	5.00%
WA DC INC Tax - Rev	\$ 4,944,355.25	1.40%	5.00%
Shakopee MN ISD - GO	\$ 1,000,000.00	0.28%	5.00%
Univ Cincinnati OH Tax - Rev	\$ 1,000,000.00	0.28%	5.00%
	\$ 52,638,462.25	14.90%	25.00%

Investment Revenue & Accrued Interest	3rd Quarter 2021	FY 2021
TexasDAILY	\$ 7,859.20	\$ 21,682.92
TexPool	1,033.26	31,746.91
TexSTAR	83.55	1,989.05
Texas TERM CP	0.00	6,328.77
Certificates of Deposit	0.00	-
Treasury Securities	0.00	-
Government Agencies	115,263.89	348,013.89
Commercial Paper	0.00	-
Municipal Bonds	145,475.59	338,515.73
	<u>\$ 269,715.49</u>	<u>\$ 748,277.27</u>
Discounts, Premiums, & Accrued Interest		
TexasTERM CP	\$ 13,158.87	\$ 22,228.86
-less previous accruals	0.00	(5,876.71)
Certificates of Deposit	0.00	-
-less previous accruals	0.00	-
Treasury Securities	0.00	-
-less previous accruals	0.00	-
Government Agencies	160,927.91	326,381.01
-less previous accruals	(106,338.23)	(316,118.07)
Commercial Paper	3,640.00	9,946.31
-less previous accruals	0.00	-
Municipal Bonds	131,121.01	359,207.53
-less previous accruals	(203,871.49)	(505,309.12)
	<u>\$ (1,361.93)</u>	<u>\$ (109,540.19)</u>
Total Investment Revenue & Accrued Interest	<u>\$ 268,353.56</u>	<u>\$ 638,737.08</u>

Portfolio Yield and WAM	Yield	Weighted Average Maturity
April 2021	0.28%	584 days
May 2021	0.31%	630 days
June 2021	0.31%	625 days

SUMMARY OF MARKET VALUES FOR THE QUARTER ENDED 06/30/21

(Excludes funds in TexPool, TexasDAILY, and TexSTAR because the difference between book value and market value of Central Health shares is immaterial)

Operating Portfolio

	<u>Cost Value</u>	<u>Market Value</u>	<u>Unrealized Gain/(Loss)</u>	<u>Accrued Interest</u>
3/31/2021	\$ 228,711,908.25	\$ 228,005,381.70	\$ (706,526.55)	\$ 335,067.24
Changes	\$ 26,415,174.00	\$ 26,278,358.50	\$ (136,815.50)	\$ 62,904.08
6/30/2021	<u>\$ 255,127,082.25</u>	<u>\$ 254,283,740.20</u>	<u>\$ (843,342.05)</u>	<u>\$ 397,971.32</u>

The primary source of market values was JP Morgan Chase safekeeping.
This pricing was uploaded into our Tracker Investment Software.

Central Health

Q3 - FY 2021 - Matured, Sold and Called Investments

04/01/2021 to 6/30/2021

Portfolio Name	Description	CUSIP/ Ticker	Face Amount/Shares	Principal	Settlement Date	Maturity Date	Coupon Rate
Called							
Healthcare Operating	FHLB 0.54 8/29/2024-21	3130ALN75	10,000,000.00	10,000,000.00	6/29/2021	8/29/2024	0.540
Healthcare Operating	FHLMC 0.625 10/30/2023-21	3134GVPE2	10,000,000.00	10,000,000.00	4/30/2021	10/30/2023	0.625
Sub Total / Average	Called		20,000,000.00	20,000,000.00			0.583

Purchases - Q U A R T E R L Y Report
Central Health
Q3 2021 - 04-01-2021 to 06/30/2021

Description	CUSIP/Ticker	Broker/Dealer	Coupon Rate	Face Amount/Shares	Principal	Interest/Dividends	Settlement Date	Maturity Date	YTM @ Cost
Healthcare Operating									
FFCB 0.71 5/6/2025-22	3133EMYN6	Drexel Hamilton	0.710	10,000,000.00	10,000,000.00	0.00	5/6/2021	5/6/2025	0.710
FHLB 0.375 6/10/2024-22	3130AMMS8	Banc of America	0.375	10,000,000.00	10,000,000.00	0.00	6/10/2021	6/10/2024	0.375
FHLB 0.58 12/13/2024-21	3130ALTM6	UBS	0.580	5,000,000.00	5,000,000.00	0.00	4/13/2021	12/13/2024	0.580
FHLB 0.58 12/13/2024-21	3130ALU69	UBS	0.580	5,000,000.00	5,000,000.00	0.00	4/13/2021	12/13/2024	0.580
Multnomah CNTY OR - GO 0.35 6/15/2023	625506QL7	Wells Fargo	0.350	5,400,000.00	5,415,174.00	5,565.00	5/12/2021	6/15/2023	0.215
TexasTERM 0.12 10/26/2021	TXTERMCP102621	None	0.120	10,000,000.00	10,000,000.00	0.00	4/27/2021	10/26/2021	0.120
Univ. Cincinnati OH - Tax -REV 0.478 6/1/2024	9141193R1	Wells Fargo	0.478	1,000,000.00	1,000,000.00	0.00	6/3/2021	6/1/2024	0.478
Total Healthcare Operating			0.456	46,400,000.00	46,415,174.00	5,565.00			0.437

Central Health
Beg- End Balance Quarterly Report - Q3 - FY 2021
3/31/2021 - 6/30/2021

Description	CUSIP/Ticker	Beginning Face Amount/Shares	Coupon Rate	Beginning Cost Value	Maturity Date	Ending YTM @ Cost	Ending Cost Value	Total Buys	Total Sells	Ending MV	Ending Market Accrued Interest	Unrealized Gain/Loss-CV
Healthcare Operating												
Florida St Board Admin Fin Corp Rev 2.638 7/1/2021	341271AB0	5,760,000.00	2.638	5,871,068.00	7/1/2021	1.000	5,871,068.00	0.00	0.00	5,760,000.00	75,552.32	-111,068.00
AL ST PUB SCH & COLL AUTH 0.253 9/1/2021	010609FV2	1,000,000.00	0.253	1,000,000.00	9/1/2021	0.253	1,000,000.00	0.00	0.00	1,000,180.00	836.31	180.00
Texas TERM 0.21 9/13/2021	TXTERMCP091321	5,000,000.00	0.210	5,000,000.00	9/13/2021	0.210	5,000,000.00	0.00	0.00	5,000,000.00	5,580.82	0.00
ING Funding LLC 0 9/22/2021	4497W0WN4	8,000,000.00	0.000	7,992,520.00	9/22/2021	0.180	7,992,520.00	0.00	0.00	7,998,880.00	0.00	6,360.00
San Bernardino Cty COPS 2.03 10/1/2021	796815ZF8	2,000,000.00	2.030	2,027,420.00	10/1/2021	1.000	2,027,420.00	0.00	0.00	2,008,580.00	10,037.22	-18,840.00
Texas TERM 0.19 10/8/2021	TERMCP10821	10,000,000.00	0.190	10,000,000.00	10/8/2021	0.190	10,000,000.00	0.00	0.00	10,000,000.00	8,708.33	0.00
Texas TERM 0.12 10/26/2021	TXTERMCP102621	0.00	0.120	0.00	10/26/2021	0.120	10,000,000.00	10,000,000.00	0.00	10,000,000.00	2,104.11	0.00
Harris County TX Transit 1.659 11/1/2021	41422EJX2	1,080,000.00	1.659	1,090,843.20	11/1/2021	0.951	1,090,843.20	0.00	0.00	1,085,464.80	2,936.43	-5,378.40
Texas TERM 0.15 11/4/2021	TERMCP110421	10,000,000.00	0.150	10,000,000.00	11/4/2021	0.150	10,000,000.00	0.00	0.00	10,000,000.00	4,602.74	0.00
CHIPPEWA VALLEY SCHOOLS GO 2.98 5/1/2022	170016YZ6	2,000,000.00	2.980	2,022,800.00	5/1/2022	2.603	2,022,800.00	0.00	0.00	2,045,440.00	9,767.78	22,640.00
Alabama St Public Sch & CLG Auth 0.353 9/1/202	010609FW0	1,000,000.00	0.353	1,000,000.00	9/1/2022	0.353	1,000,000.00	0.00	0.00	1,001,840.00	1,166.86	1,840.00
Oklahoma County, OK 1 9/1/2022	678720KL6	4,600,000.00	1.000	4,662,698.00	9/1/2022	0.440	4,662,698.00	0.00	0.00	4,645,724.00	38,205.56	-16,974.00
City of Dallas Waterworks Rev 1.868 10/1/2022	23542JBH7	5,000,000.00	1.868	5,154,300.00	10/1/2022	0.333	5,154,300.00	0.00	0.00	5,102,900.00	23,090.56	-51,400.00
WA DC INC TAX - Rev 0.451 12/1/2022	25477GTJ4	4,925,000.00	0.451	4,944,355.25	12/1/2022	0.254	4,944,355.25	0.00	0.00	4,943,124.00	1,789.28	-1,231.25
Commonwealth of VA- GO 1 6/1/2023	928109A2	5,000,000.00	1.000	5,089,600.00	6/1/2023	0.300	5,089,600.00	0.00	0.00	5,069,850.00	4,027.78	-19,750.00
Multnomah CNTY OR - GO 0.35 6/15/2023	625506QL7	0.00	0.350	0.00	6/15/2023	0.215	5,415,174.00	5,420,739.00	0.00	5,405,616.00	8,085.00	-9,558.00
Upper Occoquan VA - REV 0.53 7/1/2023	916277PP5	3,110,000.00	0.530	3,110,000.00	7/1/2023	0.530	3,110,000.00	0.00	0.00	3,117,090.80	10,439.23	7,090.80
San Diego Calif Pub Facs Water REV 1.327 8/1/2023-	79730CJG0	1,040,000.00	1.327	1,067,164.80	8/1/2023	0.259	1,067,164.80	0.00	0.00	1,061,829.60	5,712.00	-5,335.20
FHLMC 0.27 8/23/2023-21	3134GXCY8	7,500,000.00	0.270	7,500,000.00	8/23/2023	0.270	7,500,000.00	0.00	0.00	7,490,610.00	2,081.25	-9,390.00
FHLMC 0.625 10/30/2023-21	3134GVPE2	10,000,000.00	0.625	10,000,000.00	10/30/2023	0.00	0.00	0.00	10,000,000.00	0.00	0.00	0.00
FNMA 0.25 11/27/2023	3135G06H1	10,000,000.00	0.250	9,988,600.00	11/27/2023	0.288	9,988,600.00	0.00	0.00	9,985,200.00	2,291.67	-3,400.00
Texas Tech University 2.939 2/15/2024	882806FP2	500,000.00	2.939	525,840.00	2/15/2024	1.524	525,840.00	0.00	0.00	530,420.00	5,510.62	4,580.00
FHLMC 0.375 4/8/2024-21	3134GWYD2	10,000,000.00	0.375	10,012,500.00	4/8/2024	0.335	10,012,500.00	0.00	0.00	9,982,660.00	8,541.67	-29,840.00
FHLB 0.47 5/30/2024-21	3130ALPA6	12,000,000.00	0.470	12,000,000.00	5/30/2024	0.470	12,000,000.00	0.00	0.00	11,991,252.00	14,100.00	-8,748.00
Univ. Cincinnati OH - Tax -REV 0.478 6/1/2024	9141193R1	0.00	0.478	0.00	6/1/2024	0.478	1,000,000.00	1,000,000.00	0.00	996,210.00	358.50	-3,790.00
FHLB 0.375 6/10/2024-22	3130AMMS8	0.00	0.375	0.00	6/10/2024	0.375	10,000,000.00	10,000,000.00	0.00	9,973,500.00	2,083.33	-26,500.00
City of Yuma AZ - Rev 0.704 7/15/2024	98851WAD5	1,500,000.00	0.704	1,500,000.00	7/15/2024	0.704	1,500,000.00	0.00	0.00	1,497,195.00	3,842.67	-2,805.00
FNMA 0.41 8/12/2024-22	3136G4H22	10,000,000.00	0.410	9,995,000.00	8/12/2024	0.423	9,995,000.00	0.00	0.00	9,960,940.00	15,716.67	-34,060.00
FHLB 0.25 8/16/2024-22	3130AKY34	10,000,000.00	0.250	10,000,000.00	8/16/2024	0.250	10,000,000.00	0.00	0.00	9,920,040.00	9,305.56	-79,960.00
FHLB 0.3 8/26/2024-21	3130ALB45	10,000,000.00	0.300	10,000,000.00	8/26/2024	0.300	10,000,000.00	0.00	0.00	9,931,170.00	10,333.33	-68,830.00
FHLB 0.54 8/29/2024-21	3130ALN75	10,000,000.00	0.540	10,000,000.00	8/29/2024	0.00	0.00	0.00	10,013,500.00	0.00	0.00	0.00
City of Hampton VA - GO 0.7 9/1/2024	4095588J5	1,150,000.00	0.700	1,157,199.00	9/1/2024	0.531	1,157,199.00	0.00	0.00	1,146,964.00	2,660.97	-10,235.00
FHLB 0.375 9/3/2024-21	3130ALH49	10,000,000.00	0.375	10,000,000.00	9/3/2024	0.375	10,000,000.00	0.00	0.00	9,948,940.00	12,187.50	-51,060.00
FHLMC 0.44 9/24/2024-21	3134GWSR8	10,000,000.00	0.440	10,000,000.00	9/24/2024	0.440	10,000,000.00	0.00	0.00	9,960,960.00	11,733.33	-39,040.00
FFCB 0.43 10/15/2024-21	3133EMCY6	10,000,000.00	0.430	10,000,000.00	10/15/2024	0.430	10,000,000.00	0.00	0.00	9,955,710.00	8,958.33	-44,290.00
FNMA 0.42 11/18/2024-22	3135GA3E9	10,000,000.00	0.420	10,000,000.00	11/18/2024	0.420	10,000,000.00	0.00	0.00	9,945,560.00	4,900.00	-54,440.00
FHLB 0.58 12/13/2024-21	3130ALTM6	0.00	0.580	0.00	12/13/2024	0.580	5,000,000.00	5,000,000.00	0.00	4,987,765.00	6,202.78	-12,235.00
FHLB 0.58 12/13/2024-21	3130ALU69	0.00	0.580	0.00	12/13/2024	0.580	5,000,000.00	5,000,000.00	0.00	4,987,765.00	6,202.78	-12,235.00
NYC Tran Fin Tax Rev 0.66 2/1/2025	64971XWU8	5,000,000.00	0.660	5,000,000.00	2/1/2025	0.660	5,000,000.00	0.00	0.00	4,958,650.00	12,741.67	-41,350.00
Shakopee, MN ISD GO 0.609 2/1/2025	819190WT2	1,000,000.00	0.609	1,000,000.00	2/1/2025	0.609	1,000,000.00	0.00	0.00	996,950.00	1,877.75	-3,050.00
FHLB 0.375 2/25/2025-21	3130AL5E0	10,000,000.00	0.375	10,000,000.00	2/25/2025	0.375	10,000,000.00	0.00	0.00	9,898,950.00	13,020.83	-101,050.00
FFCB 0.7 3/17/2025-22	3133EMTQ5	10,000,000.00	0.700	10,000,000.00	3/17/2025	0.700	10,000,000.00	0.00	0.00	9,997,950.00	20,277.78	-2,050.00
FFCB 0.71 5/6/2025-22	3133EMYN6	0.00	0.710	0.00	5/6/2025	0.710	10,000,000.00	10,000,000.00	0.00	9,991,860.00	10,650.00	-8,140.00
Central Health Operating		228,165,000.00		228,711,908.25		0.416	255,127,082.25	46,420,739.00	20,013,500.00	254,283,740.20	397,971.32	-843,342.05

STATE OF TEXAS

COUNTY OF TRAVIS

CENTRAL HEALTH

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

Now, Therefore, the Board of Managers hereby orders

- 1.) that the County Treasurer of Travis County, Texas, acting on behalf of Central Health, execute the investment of these funds in the total amount of \$94,593,186.16 in legally authorized securities as stipulated in the Travis County Healthcare District Investment and Collateral Policy for the periods as indicated in Attachment A, which consists of 15 pages.
- 2.) that the County Treasurer, acting on behalf of Central Health, take and hold in safekeeping all individual security investment instruments, relinquishing same only by order of the Board of Managers or for surrender at maturity.

Date: October 27, 2021

CHAIR, BOARD OF MANAGERS

VICE CHAIR, BOARD OF MANAGERS

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/1/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	1,001,265.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0248%
PRINCIPAL:	1,001,265.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	1,001,265.00	CUSIP #:	N/A
TRADE DATE:	9/1/2021	SETTLEMENT DATE:	9/1/2021

AUTHORIZED BY:

Deborah A. Lauder milk
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/1/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	835,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0248%
PRINCIPAL:	835,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	835,000.00	CUSIP #:	N/A
TRADE DATE:	9/1/2021	SETTLEMENT DATE:	9/1/2021

AUTHORIZED BY:

Deborah A. Lauder milk
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/1/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	1,765.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0248%
PRINCIPAL:	1,765.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	1,765.00	CUSIP #:	N/A
TRADE DATE:	9/1/2021	SETTLEMENT DATE:	9/1/2021

AUTHORIZED BY:

Deborah A. Lauder milk
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/1/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	4,025.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0248%
PRINCIPAL:	4,025.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	4,025.00	CUSIP #:	N/A
TRADE DATE:	9/1/2021	SETTLEMENT DATE:	9/1/2021

AUTHORIZED BY:

Deborah A. Laudermilk
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/3/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION	TEXPOOL	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	18,750.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DAT	N/A	BOND EQ. YIELD:	0.0212%
PRINCIPAL:	18,750.00	PURCHASED THRU:	TEXPOOL
ACCRUED INT	N/A	BROKER:	N/A
TOTAL DUE:	18,750.00	CUSIP #:	N/A
TRADE DATE:	9/3/2021	SETTLEMENT DATE:	9/3/2021

AUTHORIZED BY:  

CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/9/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	23,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	BOND EQ. YIELD:	0.0237%
PRINCIPAL:	23,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	23,000.00	CUSIP #:	N/A
TRADE DATE:	9/9/2021	SETTLEMENT DATE:	9/9/2021

AUTHORIZED BY


CASH INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/10/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	31,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0242%
PRINCIPAL:	31,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	31,000.00	CUSIP #:	N/A
TRADE DATE:	9/10/2021	SETTLEMENT DATE:	9/10/2021

AUTHORIZED BY:

CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/13/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexDaily	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	5,007,738.36	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	BOND EQ. YIELD:	0.0200%
PRINCIPAL:	5,007,738.36	PURCHASED THRU:	TexDaily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	5,007,738.36	CUSIP #:	N/A
TRADE DATE:	9/13/2021	SETTLEMENT DATE:	9/13/2021

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/17/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	35,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0250%
PRINCIPAL:	35,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	35,000.00	CUSIP #:	N/A
TRADE DATE:	9/17/2021	SETTLEMENT DATE:	9/17/2021

AUTHORIZED BY:

 
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/21/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	77,742,442.80	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0263%
PRINCIPAL:	77,742,442.80	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	77,742,442.80	CUSIP #:	N/A
TRADE DATE:	9/21/2021	SETTLEMENT DATE:	9/21/2021

AUTHORIZED BY:

 
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/21/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TEXPOOL	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	1,105,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0263%
PRINCIPAL:	1,105,000.00	PURCHASED THRU:	TEXPOOL
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	1,105,000.00	CUSIP #:	N/A
TRADE DATE:	9/21/2021	SETTLEMENT DATE:	9/21/2021

AUTHORIZED BY:  

CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/22/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	8,000,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0268%
PRINCIPAL:	8,000,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	8,000,000.00	CUSIP #:	N/A
TRADE DATE:	9/22/2021	SETTLEMENT DATE:	9/22/2021

AUTHORIZED BY:

Deborah A. Lauder milk
CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/24/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	22,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0411%
PRINCIPAL:	22,000.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	22,000.00	CUSIP #:	N/A
TRADE DATE:	9/24/2021	SETTLEMENT DATE:	9/24/2021

AUTHORIZED BY:

CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/27/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TEXPOOL	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	738,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	BOND EQ. YIELD:	0.0362%
PRINCIPAL:	738,000.00	PURCHASED THRU:	TEXPOOL
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	738,000.00	CUSIP #:	N/A
TRADE DATE:	9/27/2021	SETTLEMENT DATE:	9/27/2021

AUTHORIZED BY:


CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/30/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TexPool	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	28,200.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE	N/A	BOND EQ. YIELD:	0.0372%
PRINCIPAL:	28,200.00	PURCHASED THRU:	TexPool
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	28,200.00	CUSIP #:	N/A
TRADE DATE:	9/30/2021	SETTLEMENT DATE:	9/30/2021

AUTHORIZED BY


CASH INVESTMENT MANAGER

CENTRAL HEALTH MONTHLY INVESTMENT REPORT
 PORTFOLIO STATISTICS

DATE: 9/31/2021

By Fund Type

Operating	\$	287,545,358.53	71.51%
LPPF		36,825,909.90	9.16%
Bond Proceeds		77,743,190.13	19.33%
Other		-	0.00%
Total Portfolio	\$	<u>402,114,458.56</u>	<u>100.00%</u>

By Security Type

Operating-

TexasDAILY	\$	33,642,055.67	11.70%
TexPool	\$	15,168,009.91	5.27%
TexSTAR	\$	2,543,798.70	0.88%
TexasTERM CP		30,000,000.00	10.43%
Non-Int Bearing Bank Account		928,000.00	0.32%
Certificates of Deposit		-	0.00%
Treasury Securities		-	0.00%
Government Agencies		159,496,100.00	55.47%
Commercial Paper		-	0.00%
Municipal Bonds		45,767,394.25	15.92%
Total	\$	<u>287,545,358.53</u>	<u>100.00%</u>

LPPF-

TexPool		36,825,909.90	100.00%
Total	\$	<u>36,825,909.90</u>	<u>100.00%</u>

Bond Proceeds-

TexPool	\$	77,743,190.13	100.00%
Total	\$	<u>77,743,190.13</u>	<u>100.00%</u>

Compared to Policy Limits

		Actual %	Guidelines
TexasDAILY	33,642,055.67	8.39%	30.00%
TexPool	129,737,109.94	32.34%	50.00%
TexSTAR	2,543,798.70	0.63%	30.00%
TexasTERM CP	30,000,000.00	7.48%	30.00%
Total LGIPS	\$ 195,922,964.31	48.84%	70.00%
Certificates of Deposit	-	0.00%	50.00%
Treasury Securities	-	0.00%	100.00%
Government Agencies	159,496,100.00	39.76%	75.00%
Commercial Paper	-	0.00%	20.00%
Municipal Bonds	45,767,394.25	11.41%	20.00%
	\$ <u>401,186,458.56</u>	<u>100.00%</u>	

Commercial Paper by Entity as a Percentage of Portfolio

\$	-	0.00%	5.00%
\$	-	0.00%	20.00%

Municipal Bonds by Entity as a Percentage of Portfolio

Alabama ST Pub Sch & Clg	\$	1,000,000.00	0.35%	5.00%
City of Hampton VA - GO	\$	1,157,199.00	0.40%	5.00%
Chippewa Valley School Go Bonds	\$	2,022,800.00	0.70%	5.00%
San Bernardino COPS	\$	2,027,420.00	0.71%	5.00%
Harris County TX Transit	\$	1,090,843.20	0.38%	5.00%
Oklahoma County OK ISD	\$	4,662,698.00	1.62%	5.00%
Alabama ST Pub Sch & Clg 2022	\$	1,000,000.00	0.35%	5.00%
Texas Tech Univ	\$	525,840.00	0.18%	5.00%
Commonwealth of Virginia - GO	\$	5,089,600.00	1.77%	5.00%
City of Dallas Waterworks	\$	5,154,300.00	1.79%	5.00%
Multnomah CNTY OR - GO	\$	5,415,174.00	1.88%	5.00%
Upper Occoquan VA - Rev	\$	3,110,000.00	1.08%	5.00%
San Diego CA Pub Facs - Rev	\$	1,067,164.80	0.37%	5.00%
City of Yuma AZ - REV	\$	1,500,000.00	0.52%	5.00%
NYC Tran Fin Tax - REV	\$	5,000,000.00	1.74%	5.00%
WA DC INC Tax - Rev	\$	4,944,355.25	1.72%	5.00%
Shakopee MN ISD - GO	\$	1,000,000.00	0.35%	5.00%
Univ Cincinnati OH Tax - Rev	\$	1,000,000.00	0.35%	5.00%
	\$	<u>46,767,394.25</u>	<u>16.26%</u>	<u>25.00%</u>

Investment Revenue & Accrued Interest

September-21

Fiscal YTD

Interest/Dividends-

TexasDAILY	\$	577.17	\$	24,422.99
TexPool		204.96	\$	32,101.71
TexSTAR		20.96	\$	2,057.18
TexasTERM CP		7,738.36	\$	104,809.22
Certificates of Deposit		0.00	\$	-
Treasury Securities		0.00	\$	-
Government Agencies		103,950.00	\$	518,713.89
Commercial Paper		0.00	\$	-
Municipal Bonds		7,055.00	\$	377,804.13
	\$	<u>119,546.45</u>	\$	<u>1,059,909.12</u>

Discounts, Premiums, & Accrued Interest

TexasTERM CP	\$	3,749.73	\$	35,567.90
-less previous accruals		(7,364.38)	\$	(13,241.09)
Certificates of Deposit		0.00	\$	-
-less previous accruals		0.00	\$	-
Treasury Securities		0.00	\$	-
-less previous accruals		0.00	\$	-
Government Agencies		38,094.28	\$	468,535.26
-less previous accruals		(87,369.11)	\$	(459,780.28)
Commercial Paper		880.00	\$	13,306.31
-less previous accruals		0.00	\$	-
Municipal Bonds		36,091.93	\$	465,646.98
-less previous accruals		(23,807.21)	\$	(680,514.06)
	\$	<u>(39,724.76)</u>	\$	<u>(170,478.98)</u>

Total Investment Revenue & Accrued Interest

\$	<u>79,821.69</u>	\$	<u>889,430.14</u>
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STATE OF TEXAS

COUNTY OF TRAVIS

CENTRAL HEALTH - LPPF

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

Now, Therefore, the Board of Managers hereby orders

- 1.) that the County Treasurer of Travis County, Texas, acting on behalf of Central Health LPPF, execute the investment of these funds in the total amount of \$676,000.00 in legally authorized securities as stipulated in the Travis County Healthcare District Investment and Collateral Policy for the periods as indicated in Attachment A, which consists of 2 page(s).
- 2.) that the County Treasurer, acting on behalf of Central Health LPPF, take and hold in safekeeping all individual security investment instruments, relinquishing same only by order of the Board of Managers or for surrender at maturity.

Date: October 27, 2021

CHAIR, BOARD OF MANAGERS

VICE CHAIR, BOARD OF MANAGERS

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/28/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION	TEXPOOL	FUND NAME:	CENTRAL HEALTH LPPF
PAR VALUE:	139,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DAT	N/A	BOND EQ. YIELD:	0.0364%
PRINCIPAL:	139,000.00	PURCHASED THRU:	TEXPOOL
ACCRUED INT	N/A	BROKER:	N/A
TOTAL DUE:	139,000.00	CUSIP #:	N/A
TRADE DATE:	9/28/2021	SETTLEMENT DATE:	9/28/2021

AUTHORIZED BY:  

CASH/INVESTMENT MANAGER

CENTRAL HEALTH
INVESTMENT DEPARTMENT
SECURITY TRANSACTION FORM

DATE: 9/30/2021

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	TEXPOOL	FUND NAME:	CENTRAL HEALTH LPPF
PAR VALUE:	537,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE:	N/A	PRICE:	100%
MATURITY DATE:	N/A	BOND EQ. YIELD:	0.0372%
PRINCIPAL:	537,000.00	PURCHASED THRU:	TEXPOOL
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	537,000.00	CUSIP #:	N/A
TRADE DATE:	9/30/2021	SETTLEMENT DATE:	9/30/2021

AUTHORIZED BY:


CFO/INVESTMENT MANAGER

CENTRAL HEALTH - LPPF INVESTMENT REPORT
 PORTFOLIO STATISTICS

DATE: September 30, 2021

By Fund Type		
LPPF	\$ 36,825,909.90	100.00%
Total Portfolio	\$ 36,825,909.90	100.00%

By Security Type		
LPPF-		
TexasDAILY	\$ -	0.00%
TexPool	\$ 36,825,909.90	100.00%
TexSTAR	\$ -	0.00%
TexasTERM CP	\$ -	0.00%
Non-Int Bearing Bank Account	\$ -	0.00%
Certificates of Deposit	\$ -	0.00%
Treasury Securities	\$ -	0.00%
Government Agencies	\$ -	0.00%
Commercial Paper	\$ -	0.00%
Municipal Bonds	\$ -	0.00%
Total	\$ 36,825,909.90	100.00%

LPPF Investment Revenue & Accrued Interest	September-21	Fiscal YTD
Interest/Dividends-		
TexasDAILY	0.00	0.00
TexPool	828.98	7,680.87
TexSTAR	0.00	0.00
TexasTERM CP	0.00	0.00
Certificates of Deposit	0.00	0.00
Treasury Securities	0.00	0.00
Government Agencies	0.00	0.00
Commercial Paper	0.00	0.00
Municipal Bonds	0.00	0.00
LPPF Total Investment Revenue & Accrued Interest	\$ 828.98	\$ 7,680.87



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

October 27, 2021

AGENDA ITEM C3

Adopt the Fiscal Year 2022 Central Health Investment Policy as presented by the Travis County Cash/Investment Management Department.

INVESTMENT MANAGEMENT DEPARTMENT
TRAVIS COUNTY, TEXAS



Planning & Budget Office
700 Lavaca, Suite 1560
P.O. Box 1748
Austin, Texas 78767

Phone: (512) 854-9779
Fax: (512) 854-4210
Email: deborah.laudermilk@traviscountytx.gov

DATE: October 8, 2021

TO: Sherri R. Greenberg, M.S., Chairperson
Charles E. Bell, M.D., M.S., Vice Chairperson
Cynthia Valadez, Sr., Secretary
Julie Zuniga, PHD, R.N., FAAN, Treasurer
Cynthia Brinson, M.D., Manager
Shannon Jones III, M.P.A., Manager
Maram Museitif, Manager, MPH, CPH
Amit Motwani, Manager
Guadalupe Zamora, M.D., Manager

FROM: Deborah Laudermilk, Travis County Chief Investment Officer
Reagan Grimes, Travis County Investment Manager
Michael G'Benoba, Sr. Financial Analyst

RE: Review and Approval of Travis County Healthcare District Investment and Collateral Policy and Procedures

In conjunction with our annual review of the Investment Policy and Procedures for the Travis County Healthcare District ("the Policy"), doing business as, and also referred to, as Central Health, Investment Management (IM) recommends one minor change to the Travis County Healthcare District Investment and Collateral Policy and Procedures. Currently, applications are accepted every year for new broker/dealers and all broker/dealers will continue to be reviewed annually. The proposal is to only accept new applications for broker/dealers biennially. Travis County and Central Health always has enough interest from the broker/dealer community to warrant this amendment.

Investment Advisory Committee

The Travis County Investment Advisory Committee members reviewed and agreed unanimously that the proposed change was acceptable and unanimously approved the Travis County Investment Policy at their meeting on September 16, 2021. The Travis County Commissioners Court adopted the amended Travis County Investment Policy and Procedures on September 28, 2021.

It is the recommendation of the Travis County Investment staff that the Board of Managers for Central Health approve the adoption of Travis County Healthcare District Investment and Collateral Policy and Procedures for FY 2022.

Attachment A, Travis County Healthcare District Investment Policy – Final
Attachment B, Redline - Travis County Healthcare District Investment Policy

cc: Mike Geeslin, President and Chief Executive Officer
Jeff Knodel, VP and Chief Financial Officer
Lisa Owens, Deputy Chief Financial Officer

Jessica Rio, County Executive, Planning and Budget
Christy Moffett, Interim Director Economic Development and Strategic Investing
Dolores Ortega-Carter, County Treasurer
Rhonda Ambrose, County Treasurer's Office

Travis County Healthcare District Investment & Collateral Policies and Procedures¹

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¹ Chapter 23 was replaced by Travis County Healthcare District Board of Managers, October 27, 2021.

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Subchapter A. General Provisions of Chapter

23.001 Authority

- (a) The Public Funds Investment Act and the Public Funds Collateral Act authorize the Board of Managers to promulgate this chapter on investment policy and procedures.
- (b) Texas Local Government Code Section 116.112(a) (Vernon 1994) authorizes the Board of Managers to invest the District funds in compliance with Texas Government Code Chapter 2256.

23.002 Application

This chapter governs the investment of the operating account portfolio, the pooled bond funds portfolio, the debt service portfolio, and the Local Provider Participation Funds (LPPF) portfolio. The pooled bond funds portfolio is managed in compliance with its governing ordinances and federal laws, including the Tax Reform Act of 1986, as amended, in addition to compliance with this chapter.

23.003 Effective Date

This chapter is effective upon adoption by the Board of Managers.

23.004 Definitions

- (a) In this manual, the following words and phrases have the following meanings:
 - (1) "Auditor" means the Travis County Auditor or her designees.
 - (2) "District" means the Travis County Healthcare District d/b/a Central Health
 - (3) "Investment Officer(s)" means the Travis County Chief Investment Officer and/or the Investment Manager or her designees.
 - (4) "Board of Managers" means the Central Health Board of Managers.
 - (5) "Treasurer" means the Travis County Treasurer or her designees.
- (b) In this chapter, the words "bond proceeds", "book value", "funds", "investing entity", "entity", "investment pool", "local government", "market value", "separately invested asset", "qualified representative", and "state agency" are used as defined in Texas Government Code Section 2256.002.
- (c) Whenever applicable, definitions in Chapter 2256 of the Texas Government Code and Chapter 298E of the Texas Health & Safety Code shall be used to interpret this chapter.

23.005 Construction and Interpretation

Despite any other provision to the contrary, this chapter must be construed to meet the following provisions:

- (1) This chapter must be construed liberally, so as to give the relevant parties the full authorization intended for the investment of all portfolios.
- (2) Throughout the chapter, words that begin with an initial capital are defined terms whose meaning may be found in Section 23.004, Chapter 2256 of the Texas Government Code, Chapter 298E of the Texas Health and Safety Code, or other statutes or regulations that this Chapter cites. (3) All hours stated in this chapter are stated in Central Standard Time or Central Daylight Saving Time, whichever is applicable in Austin, Texas at that time of year.

23.006 The Public Funds Investment Act

When this chapter is provided to broker/dealer/financial institutions, the Investment Management Office shall also include a copy of Texas Government Code Chapter 2256, which is titled the Public Funds Investment Act.

(23.007 - 23.010 Reserved for expansion)

Subchapter B. Investment Authority and Scope of Policy

23.011 Delegation of Investment Authority

- (a) Board of Managers delegates the authority to select investment instruments in which District or Paying Provider funds may be placed and to prepare any documentation necessary to evidence the investment of District and Paying Provider funds to the Chief Investment Officer, Investment Manager, and Senior Financial Analyst. Occasionally, the Board of Managers may designate in writing other Travis County personnel authorized to invest District or Paying Provider funds as back-ups.
 - (1) The Board of Managers approves or ratifies the investments, and the Board of Managers retains ultimate responsibility as fiduciaries of the assets of the District.
 - (2) The Chief Investment Officer, Investment Manager, and Senior Financial Analyst advise the Travis County Treasurer of the investment instruments purchased. The Travis County Treasurer's office, with the verification of the District's President and CEO or his or her authorized designee, wires the funds for the investment instruments purchased.
 - (3) No other person may invest, withdraw, transfer or manage District funds without the express written authority of the Board of Managers.

- (4) Authority granted under this section is effective until rescinded by Board of Managers or until termination of employment by Travis County of all of the persons in the designated positions or until elimination by Travis County of the designated positions.
- (b) These designated Investment Officers must perform their duties in compliance with Chapter 23 and Chapter 32, subchapter C, of the Travis County Code and with the Texas Public Funds Investment Act. When these Investment Officers act in good faith and in compliance with these chapters, they have no personal liability for their actions.
- (c) Officers and employees of any regional planning commission created under Texas Local Government Code Annotated Chapter 391 are not eligible to be designated any authority under this section.

23.012 District Investment Portfolio Structure

The funds that are entrusted to the Board of Managers for investment are divided into the following portfolios based on the source of funds:

- (1) The operating account portfolio means funds from the general fund account, the risk management fund account, the employee benefit fund account, the general county reserve account, and all other Travis County Healthcare District funds except capital projects, and debt service.
- (2) The pooled bond funds portfolio means bond funds from all capital projects except road district funds.
- (3) The debt service portfolio means all interest and sinking funds.
- (4) The LPPF portfolio means all funds received by the District from Paying Providers in connection with the Program described in Chapter 298E of the Texas Health & Safety Code and authorized by the Board of Managers.

23.013 Prudence and Ethical Standards

These standards apply to Travis County Investment Officers and anyone acting on their behalf.

- (1) Prudence
 - (A) Travis County Investment Officers serve as fiduciaries of the District and are responsible for prudently investing the District's assets. The Investment Officers shall comply with the provisions of this section, the Public Funds Investment Act, and all other applicable laws.
 - (B) The Investment Officers shall observe the "prudent investor rule" when performing the duties of an investment officer within the applicable legal and policy constraints.

The prudent investor rule is restated as follows: The Investment Officers shall invest and manage District assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the portfolio. In satisfying this standard, the Travis County Investment Officers shall exercise professional care, skill, and judgment. Among the circumstances that an Investment Officer shall consider in investing and managing District assets include, but are not limited to the following:

- (i) general economic conditions;
- (ii) the yield curve;
- (iii) the role that each investment plays within the overall portfolio; and
- (iv) the risk/reward relationship of investments considered.

(C) In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made as follows:

- (i) the Investment Officer's investment and portfolio management decisions must be evaluated not in isolation of an individual purchase or sale but in the context of the District's portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the portfolio; and
- (ii) whether the investment decision was consistent with this chapter.

(D) Investment Officers must be honest in the exercise of their duties and must not take actions that will discredit the District.

(E) Travis County Investment Officers must comply with the Travis County Healthcare District Ethics Policy.

(2) Avoidance of Conflicts of Interest

(A) Travis County Investment Officers shall be loyal to the interests of the District, the Board of Managers, and to Travis County residents, to the extent that such loyalty is not in conflict with other duties or legal requirements. Investment Officers shall avoid personal, employment, or business relationships that create conflicts of interest. Should the Investment Officers become aware of any conflict of interest, they have an affirmative duty to disclose and remedy the conflict promptly.

(B) A conflict of interest exists whenever Investment Officers have personal or private commercial or business relationships that could reasonably be expected to diminish their independence of judgment in the performance of their duties.

(C) Serving on the board of a local government investment pool shall not be prohibited. However, the Investment Officer who is a board member should not be allowed to invest funds in such local

government investment pool without additional approval from another authorized signer, who does not serve on the board of the proposed investment pool and is not a subordinate of the board member.

- (3) Acceptance of Gifts
 - (A) Investment Officers may not personally accept gifts or entertainment from vendors or consultants doing or seeking to do investment or banking related business with the District, except as noted below:
 - (B) Gifts, which may be accepted under these guidelines, from a single vendor or consultant should not exceed \$50.00 per person in a given fiscal year. If gifts over \$50.00 are provided by a vendor or consultant, they must be returned, donated to a charitable cause, or shared with other District employees and disclosed to the President and CEO of the District. However, entertainment, food, or goods provided to all persons attending a conference or a continuing education activity and goods or services provided during meetings convened to conduct business necessary to manage a contract generally do not violate this prohibition.
 - (C) In addition to the disclosure required to be made to the District President and CEO, disclosure shall be made to the Travis County Director of Economic Development and Strategic Investments of the acceptance of all gifts, entertainment, food, goods, or services no later than 30 days following the calendar quarter in which received.

23.014 Quality and Capability of Investment Management

The District shall pay for the following persons to receive investment training at courses and seminars offered by professional organizations and associations: the Chief Investment Officers, the President and CEO, and the Chief Financial Officer.

23.015 Disclosure of Personal Business

- (a) Investment Officers who have a personal business relationship, as described in Texas Government Code Section 2256.005(i), with any qualified representative offering to engage in an investment transaction with the District, shall file a statement disclosing that personal business interest with the Texas Ethics Commission and the Board of Managers.
- (b) Investment Officers who are related within the second degree by affinity or consanguinity, as determined under Texas Government Code Chapter 573, to an individual seeking to engage in an investment transaction with the District shall file a statement disclosing that relationship with the Texas Ethics Commission and the Board of Managers.

(23.016 - 23.020 Reserved for expansion)

Subchapter C. Investment Objectives

23.021 Safety of Principal

The primary investment objective of the District is to ensure the safety of principal placed in all portfolios. (See Subchapter E, Safety of Principal.)

23.022 Maintenance of Adequate Liquidity

The secondary investment objective of the District for all portfolios is to provide the liquidity necessary to pay obligations as they become due. (See Subchapter F, Liquidity.)

23.023 Return on Investments

- (a) The District must invest all its portfolios in eligible investments (see Section 23.043(b)) that yield the highest possible rate of return while providing the necessary protection of the principal. The District seeks to optimize return on investments in all portfolios. The goal of the Investment Officers is to match or outperform the twelve-month rolling average pf of the 1 Year Treasury. This rate is published by the U.S. Treasury Department and is comparable to the average maturity timeframe that is typical of the District Investment Portfolio. As with any benchmark, there could be economic situations, such as a period of rapidly changing interest rates that could prevent the portfolio from exceeding the benchmark. In addition, if funds are subject to yield restrictions due to federal arbitrage regulations, those funds are excluded from the yield calculation.
- (b) The District may only invest in a particular eligible investment if its yields are equal to or greater than the Treasury Convention or Street Convention yield provided by the Bloomberg Financial Information System or the Interactive Data Corporation yield on United States Treasury obligations of comparable maturity. The Chief Investment Officer and the Investment Advisory Committee may establish additional appropriate criteria for investment performance measures.

23.024 Additional Objectives for Pooled Bond Funds Portfolio

The major objectives for the pooled bond funds portfolio governed by federal arbitrage regulations are to maximize permitted market yield and to minimize investment costs.

(23.025 - 23.030 Reserved for expansion)

Subchapter D. Investment Strategies

23.031 Operating Account Portfolio

- (a) The primary objective of the investment strategy for the operating account portfolio is to create a diversified structure (see 23.048 through 23.051) which will experience minimal volatility during economic cycles, thus providing for preservation and safety of principal.
- (b) The secondary objective is to assure that anticipated cash expenditures are matched with adequate liquidity.
- (c) The tertiary objective is to ensure that the portfolio is invested in eligible short-to medium term securities that are high quality, marketable, complement each other in a laddered maturity structure, and that yield the highest possible rate of return while providing the necessary protection of principal. The dollar weighted average maturity of two and one-half years or less will be calculated using the stated final maturity dates of each security.

23.032 Debt Service Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the debt service portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-term securities that mature on or before the debt service payment dates. The securities suitable for this fund are described in Section 23.042.

23.033 Pooled Bond Funds Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the pooled bond funds portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-to-medium term securities that match forecasted project expenditures to investment maturities. In addition, a three month historical cash expenditure balance is maintained in highly liquid securities to cover unexpected project outlays. All eligible securities described by this Chapter 23 are suitable for this fund.

23.034 LPPF Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the LPPF portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-term securities that mature on or before the dates that the money in the LPPF must be transferred to accomplish the purposes for which such funds can be spent pursuant to Chapter 298E

of the Texas Health & Safety Code. The securities suitable for this fund are described in Section 23.042.

(23.0035 - 23.040 Reserved for expansion)

Subchapter E. Safety of Principal

23.041 Protection of Principal

- (a) The District seeks to control the risk of loss due to the failure of a security issuer or grantor.
 - (1) To control that risk, the District purchases only eligible investments, requires prior approval of qualified representatives/business organizations with which it transacts business, diversifies investments in all portfolios based on maturity and type, monitors the market price of investments by way of independent sources such as market telecommunication services and financial publications, when possible, or through an approved Broker/Dealer other than the one that sold the District the security, and collateralizes deposits.
 - (2) The quarterly report will identify the method and source used to monitor the market price of investments. The quarterly report will also indicate whether the method and source changed from the previous quarterly report.
- (b) The ratings of all investments held by the District are monitored on a regular basis to ensure that the investments remain eligible. If an investment is downgraded to a level lower than the minimum rating required by this chapter, the Investment Officers will take prudent action as described in Section 23.013(1).
- (c) In addition, the District must execute the purchase of individual eligible investments only on the “delivery versus payment” (DVP) method with the exception of investment pools and money market mutual funds to ensure that District funds are not released until the District has received the securities purchased.
- (d) Investment securities must be held in either the District’s name or the name of the Travis County Healthcare District LPPF by a third party custodian, as evidenced by safekeeping receipts from the institution with which the securities are deposited.
- (e) All investments made by the District must comply with all federal, state, and local statutes, rules, and regulations.

23.042 Purchasing Only Eligible Investments

- (a) Ineligible Investments: The following investments, which are legal investments under the Public Funds Investment Act, are ineligible investments for the District's funds, but not the funds placed in the LPPF Portfolio, which are sometimes referred to as the Paying Provider funds:
- (1) Collateralized mortgage obligations
 - (2) Any security the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
- (b) Eligible Investments: The following investments, which do not include all of the securities allowed by the Public Funds Investment Act, are the only eligible investments for all of the District's portfolios, except the LPPF Portfolio:
- (1) Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 - (2) Direct obligations of the State of Texas or its agencies and instrumentalities;
 - (3) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
 - (4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state, so long as they are rated not less than A or its equivalent by a nationally recognized investment rating firm.
 - (5) Domestic commercial paper, including commercial paper issued in the United States by corporations doing business and having a significant market presence in the United States, which are wholly owned by foreign entities, and with a stated maturity of 270 days or less from the date of its issuance and that is rated not less than A-1 by Standard and Poor's and P-1 by Moody's, two nationally recognized credit rating agencies.
 - (6) Fully collateralized repurchase agreements including direct security repurchase agreements and reverse security repurchase agreements that:
 - (A) have a defined termination date that does not exceed 90 days after delivery;
 - (B) are placed either through a primary government securities dealer as defined by the Federal Reserve, or a financial institution doing business in this state;

- (C) are secured by a combination of cash and obligations described by Section 23.042(b)(1), its agencies or instrumentalities to include commercial paper that are pledged to the District, held in the District's name, and deposited with a third party selected and approved by the District; and
 - (D) have a market value at the time funds are disbursed of not less than the principal amount of the funds disbursed. (See Section 23.056, Collateral Requirements for Repurchase Agreements.)
- (7) Certificates of deposit issued by a depository institution that has its main office or a branch office in this state that are:
- (A) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
 - (B) secured by obligations that are described by Section 23.042(b)(1), 23.042(b)(2), 23.042(b)(3) or 23.042(b)(4) that have a market value of not less than 102% of the principal amount plus accrued interest of the certificates; and (See 23.052 Collateral Requirements for All Deposits.)
 - (C) secured in accordance with Government Code Chapter 2257 or in any other manner and amount provided by law for deposits of the investing entity.
- (8) Certificates of deposit when:
- (A) the funds are invested through a broker that has its main office or a branch office in this state and is selected from a list adopted by the District as required by Sections 23.043 through 23.047 or
 - (B) the broker or the District depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District;
 - (C) the full amount of principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
 - (D) The District appoints one of the following as its custodian for these certificates of deposit
 - (i) the District depository,
 - (ii) the Texas Treasury Safekeeping Trust Company;
 - (iii) a Federal Reserve Bank or a branch of a Federal Reserve Bank; or
 - (iv) a Federal Home Loan Bank.
- (9) A no-load money market mutual fund ("MMMMF") that is registered with and regulated by the Securities and Exchange Commission and:

- (A) complies with the Securities and Exchange Commission Rule 2a-7 (17 C.F.R. sect 270.2a-7), promulgated under the Investment Company Act of 1940 (15 United States Code § 80a-1 et seq.); and
 - (B) provides the District with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 United States Code. § 78a et seq.) or the Investment Company Act of 1940 (15 United States Code. § 80a-1 et seq.)
- (10) Public funds and local government investment pools (“LGIP”) if the following conditions are met:
- (A) the LGIP is organized under the Interlocal Cooperation Act, as amended;
 - (B) the Board of Managers has authorized investment in that particular LGIP;
 - (C) the assets of the LGIP consist exclusively of obligations that are authorized investments under Texas Government Code Chapter 2256, known as the Texas Public Funds Investment Act;
 - (D) the LGIP meets all eligibility acts including disclosure and reporting;
 - (E) the LGIP meets all management requirements of the Public Funds Investment Act, including existence and reliance on maintenance of advisory board, net asset value, maintenance ratings, and disclosing its policy regarding holding deposits in cash; and
 - (F) the LGIP maintaining a \$1.00 net asset value must calculate and report yield to investors in the pool in accordance with federal regulations applicable to money market funds. An LGIP using amortized cost accounting, to the extent reasonably possible, must stabilize at a \$1.00 net asset value, when rounded and expressed to two decimal places. The governing body of an investment pool using amortized cost account must also take action to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing pool participants, including a sale of portfolio holdings, to attempt to maintain the ratio of market value of the portfolio divided by the book value of the portfolio between 0.995 and 1.005.(G) the LGIP must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- (11) A securities lending program in which the loan meets the following conditions:
- (A) The loan may be terminated at any time;
 - (B) The loan is placed through

- (i) a primary government securities dealer, as defined by 5 Code of Federal Regulation section 6801.102(f), as that regulation existed on September 1, 2003, or
 - (ii) a financial institution doing business in this state that is rated no less than A or its equivalent by two nationally recognized rating services;
- (C) The loan agreement has a term of one year or less and complies with the provisions of section 1058 of the Internal Revenue Code;
- (D) The loan is secured by
- (i) cash invested in accordance with subsections (1), (2), (3), (4), (5), (8), or (9) of Section 23.042 for a term that ends no later than the expiration date of the loan agreement;
 - (ii) pledged irrevocable letters of credit issued by a bank that is organized and exists under the laws of the United States or any of its states and is continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
 - (iii) pledged securities issued by the United States government or its agencies and instrumentalities as described in Section 23.042(1) through (4) inclusive;
- (E) The loan agreement requires securities being held as collateral to be pledged to the District, held in the District's name, and deposited at the time the investment is made with a third party approved by Travis County Healthcare District;
- (F) The amount of the collateral is not be less than 102% of the market value of securities loaned, including accrued income with the market value of securities determined daily.

(c) Purchasing Eligible Investments

- (1) The Travis County Chief Investment Officer and the Travis County Investment Manager may invest all portfolios in the eligible investments described by Section 23.042. When contemplating a new type of investment instrument, the Chief Investment Officer will submit a description to the Travis County Attorney's Office to ensure that the proposed investment instruments are eligible investments described by Section 23.042.
- (2) If an investment that was eligible at the time of purchase becomes ineligible during the holding period, consistent with the Public Funds Investment Act, Section 2256.017, the Travis County Investment Officer is not required to liquidate the investment. The Travis County Investment Officer shall take all prudent measures that are consistent

with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential loss.

Requiring Approval of Broker/Dealer/Financial Institutions

23.043 Applications for Approval as Broker/Dealer/Financial Institutions

- (a) When a primary broker/dealer/financial institution applies for the Board of Managers' approval, the Travis County Investment Management Office provides a copy of the District's Investment and Collateral Policies and Procedures to the qualified representative of that institution. To qualify for approval, the qualified representative of the primary broker/dealer/financial institution must comply with the following requirements:
 - (1) Provide the most recent audited financial statements of the institution;
 - (2) Acknowledge receipt, thorough review, and understanding of the District's Investment and Collateral Policies and Procedures, and
- (b) When a non-primary broker/dealer/financial institution doing business that is regulated by the Comptroller of Currency or registered with the Securities and Exchange Commission applies for the Board of Managers' approval, the Travis County Investment Management Office provides a copy of the District's Investment and Collateral Policies and Procedures to the qualified representative of that institution. To qualify for approval, the qualified representative of the broker/dealer/financial institution must submit a written application that complies with the following requirements:
 - (1) Provides references who are public fund investment officers, preferably in Texas;
 - (2) Gives evidence of capital adequacy (See Section 23.044(b)(3));
 - (3) Acknowledges receipt, thorough review, and understanding of the District's Investment and Collateral Policies and Procedures;
 - (4) Includes a completed Broker/Dealer Questionnaire available on the Travis County Investment Management website.
- (c) The District strives to include in the application process broker/dealers located in Travis County who are currently serving institutional clients.

23.044 Qualifications for Approval as Broker/Dealer/Financial Institutions

The Travis County Investment Management Office reviews the applications of the broker/dealer/financial institutions for compliance with this policy and recommends broker/dealer/financial institutions for approval. Although having an office in Texas is not a required criteria, the District prefers working with broker/dealer/financial institutions with offices located in Texas.

- (a) To be recommended for approval, the qualified representative of the primary broker/dealer/financial institution must provide the information and comply with the requirements set forth in Section 23.043(a).
- (b) To be recommended for approval, a non-primary broker/dealer/financial institution and/or its qualified representative(s) must demonstrate possession of the following criteria:
 - (1) Institutional investment experience;
 - (2) Good references from public fund investment officers, preferably in Texas, with the exception of incumbents;
 - (3) For financial institutions, adequate capitalization in compliance with the Capital Adequacy Guidelines for Government Securities Dealers published by the New York Federal Reserve Bank;
 - (4) For brokers/dealers, adequate capitalization in compliance with the Securities and Exchange Commission;
 - (5) Acknowledgement of a thorough review and understanding of this Investment Policy and Procedures Chapter;
 - (6) Membership in good standing in the Financial Industry Regulatory Authority (FINRA) by broker/dealers and subsidiaries of national banks;
 - (7) Valid licensure from the State of Texas, except for national banks.
- (c) To be recommended for approval, broker/dealer/financial institutions previously approved by the Board of Managers will also be evaluated based on the following criteria:
 - (1) Performance since the last review based on participation in competitive bids documented on bid sheets; and
 - (2) Activity level based on proposals presented since the last review.

23.045 Approval of Broker/Dealer/Financial Institutions

The Board of Managers reviews the recommendations of the Travis County Chief Investment Officer and may approve any number of broker/dealer/financial institutions. The District and Investment Officers may only purchase securities, except for commercial paper, from qualified broker/dealer/financial institutions. Commercial paper shall be purchased in compliance with Section 23.101, captioned Competitive Bidding. The Travis County Chief Investment Officer may limit the number of institutions with which the District does business.

23.046 Annual Review of Approved Broker/Dealer/Financial Institutions

Each year Travis County Investment Management performs due diligence reviews on all broker/dealer/financial institutions currently on the approved list in compliance with the Texas Public Funds Investment Act. If any broker/dealer financial institution does not meet the financial requirements, they will be removed from the list. New applications will only be considered every 2 years effective FY 2022. All changes to the approved list recommended by the Travis County Chief Investment Officer must be submitted to the Board of Managers for approval on an annual basis.

23.047 Removal from Approved List

When the Travis County Investment Management Office reviews and reevaluates the broker/dealer/financial institutions currently on the approved list, which review may occur any time that the Travis County Chief Investment Officer discovers good cause, the Travis County Chief Investment Officer may recommend that a broker/dealer/financial institution be removed from the approved list for any of the following reasons:

- (1) Placing the District’s funds at risk;
- (2) Inactivity of the broker/dealer/financial institution;
- (3) Failure to satisfy one or more of the criteria in Section 23.044;
- (4) Offering to sell investments other than eligible investments described by Section 23.042(b);
- (5) Consistently causing an administrative burden by inaccurate documentation or late verification of trade;
- (6) Consistently offering/bidding securities at non-competitive prices; or
- (7) Undergoing material change through divestiture, merger, purchase, or other similar corporate transformations.

Diversifying Portfolios

23.048 Diversifying Operating Account Portfolio by Type

The Investment Officer must minimize loss of principal in the operating account portfolio by diversifying investments by type and maturity. The Investment Officer must maintain diversity in the types of eligible investments purchased for all District portfolios (see Section 23.042(b) for a full description of eligible investments) by limiting the percentage for each type of eligible investment to the percentage listed in this section. These percentages will be applied to all District portfolios in aggregate. The limits will be tested each Friday and the Investment Officer will have 30 days following the test to bring the percentage back within the limits described below:

Investment Type	Percentage Limit for Combined Portfolios
Obligations of the U.S. – Treasury Notes/Bonds/Bills	100%

Obligations of U.S. Agencies – U.S. Agencies	75%
Direct obligations of the State of Texas or its agencies and instrumentalities	60%
Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States	60%
Obligations of states, agencies, counties, cities, and other political subdivisions of any state. The Investment Officers must not invest more than 5% of the portfolio in municipal securities of a single entity (see Section 23.042(b) for full description)	20%
Domestic commercial paper. The Investment Officer must not invest more than 5% of the portfolio in the commercial paper of a single entity. If the amount held exceeds 5% during the life of the investment, the Investment Officer shall take all prudent measures that are consistent with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential economic loss. (See Section 23.042(b) for full description.).....	20%
Fully collateralized repurchase agreements are limited to 15% of the portfolio when purchased from an individual broker. (See Section 23.042(b) for full description.)	50%
Certificates of Deposit (See Section 23.042(b) for full description.)	50%
MMMF. The Investment Officers must not make an investment in any MMMF that exceeds 10% of the total assets of that MMMF. (See Section 23.042(b) for full description.)	20%
TexPool if the following conditions are met:	
(a) TexPool is organized under the Interlocal Cooperation Act, as amended;	
(b) the Board of Managers has authorized investment in TexPool;	
(c) the assets of TexPool consist exclusively of obligations that are authorized investments under Texas Government Code Chapter 2256, known as the Texas Public Funds Investment Act;	
(e) TexPool meets all eligibility requirements of the Public Funds Investment Act including disclosure and reporting; and	
(e) TexPool meets all management requirements of the Public Funds Investment Act, including existence and reliance on maintenance of advisory board, net asset value and maintenance ratings	50%
LGIPs. (See 23.042(b) for full description.)	30%
All LGIPs in total.....	80%

23.049 Diversifying All Other Portfolios by Type

- (a) Within the pooled bond funds portfolio and the debt service portfolio the proceeds of a single bond issue may be segregated and invested in a single eligible investment or group of eligible investments designed to facilitate compliance with arbitrage regulations if the Investment Officers or the District’s arbitrage advisors determine that this type of strategy is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage recordkeeping and calculation.
- (b) In all other cases, the Investment Officers must apply the diversification and measurement requirements to the pooled bond funds portfolio combined with all the District Operating Account portfolio in accordance with Section 23.048, with the exception of the LPPF portfolio.
- (c) Due to the short-term nature of the funds in the LPPF portfolio, the diversification calculation for these funds will be calculated separately from the other District funds. All efforts will be made to diversify the LPPF portfolio when possible, but the primary objective of the investment strategy will be safety and liquidity in order to meet the cash flow needs of the fund.

23.050 Diversifying Operating Account Portfolio by Maturity

- (a) The Investment Officers must monitor the maturity dates of all investments in the operating account portfolio to minimize risk of loss from interest rate fluctuations and to ensure that the maturities do not exceed the anticipated cash flow requirements of the operating account portfolio. The Investment Officer must also monitor the maturity dates of all investments in the operating account portfolio to ensure that the dollar-weighted average maturity are less than 547 days. The weighted average maturity is calculated as of the end of each month using the stated final maturity dates for each security.
- (b) If these levels are exceeded, the Investment Officer shall take all prudent measures that are consistent with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential economic loss.
- (c) The maximum allowable stated maturity of any individual investment owned by the operating account portfolio is as follows (see Section 23.042(b) for full description of eligible investments):

Investment Type	Maturity Limit
Obligations of the U.S. – Treasury Notes/Bonds/Bills	4 years
Obligations of U.S. Agencies.....	4 years
Direct obligations of the State of Texas or its agencies and instrumentalities	4 years
Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United	

States their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.....	4 years
Obligations of states, agencies, counties, cities, and other political subdivisions of any state (See Section 23.042(b) for full description).....	4 years
Domestic commercial paper (See Section 23.042(b) for full description.)	270 days
Fully collateralized repurchase agreements (See Section 23.042(b) for full description.)	90 days
Certificates of Deposit (See Section 23.042(b) for full description)	18 months
MMMF (See Section 23.042(b) for full description)	1 day
LGIPs (See Section 23.042(b) for full description)	1 day
TexasTERM local government investment pool	365 days

23.051 Diversifying All Other Portfolios by Maturity

- (a) The Investment Officers may limit the maturity of the pooled bond funds portfolio, the debt service portfolio, the LPPF portfolio, and the agency funds portfolio to the “temporary period”, as such term is defined by the Internal Revenue Code, Section 148, during which period bond proceeds may be segregated and invested at an unrestricted yield. After the temporary period ends, the Investment Officers must consider the anticipated cash flow requirements of the funds and invest the portions of the pooled bond funds portfolio, the debt service portfolio, agency funds portfolio, and the LPPF portfolio, subject to yield restriction within limits permitted by Federal arbitrage regulations.
- (b) The Investment Officers must monitor the maturity dates of all investments in the pooled bond funds portfolio, the debt service portfolio, and the LPPF portfolio to ensure that the dollar-weighted average maturity for each portfolio does not exceed one year. The weighted average maturity is calculated as of the end of each month using the stated final maturity dates for each security.
- (c) If these levels are exceeded, the Travis County Investment Officers shall take all prudent measures that are consistent with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential economic loss.
- (d) The maximum allowable stated maturity of any individual investment owned by the pooled bonds fund portfolio and the debt service portfolio, that is not subject to the temporary period, is the same as the operating portfolio (See Section 23.050); provided, however, that the maximum allowable stated maturity for the below investment types shall be as follows:

Investment Type	Maturity Limit
Obligations of the U.S. – Treasury Notes/Bonds/Bills	3 years
Obligations of U.S. Agencies.....	3 years

Collateralizing Deposits

23.052 Collateral Requirements for All Deposits

- (a) Certificates of deposit and bank deposits in financial institutions must be either federally insured or collateralized only with the following securities:
 - (1) Direct obligations of the United States or its agencies and instrumentalities;
 - (2) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
 - (3) Letters of credit issued to the District by the Federal Home Loan Banks, if approved in advance by Travis County Healthcare District.

- (b) If an event causes an increase in collateral of more than \$50 million to be needed after noon on any business day, the market value of collateral must be equal to or greater than 100% of the par value of the certificates of deposit, plus accrued interest, and equal to or greater than 100% of the bank deposits plus accrued interest, less the amount insured by the Federal Deposit Insurance Corporation and may remain at that level until the next business day when additional collateral can be obtained. At all other times, the market value of collateral must be equal to or greater than 105% of the par value of the certificate of deposits plus accrued interest and equal to or greater than 105% of the bank deposits plus accrued interest, less the amount insured by the Federal Deposit Insurance Corporation.

23.053 Monitoring Collateral Adequacy for All Deposits

Financial institutions with which the District has certificates of deposit or bank deposits must provide the District with monthly reports that state the market values of collateral. The Investment Officers monitor the adequacy of collateral at least weekly. If the value of the collateral falls below the required level, the financial institution must pledge additional collateral no later than the end of the next business day after the value falls below the required level.

23.054 Substituting Collateral for All Deposits

- (a) If the financial institution collateralizing certificates of deposit and bank deposits wants to substitute new collateral, the financial institution must contact the Treasurer for approval;
- (b) The Investment Officer must calculate the value of the substituted collateral and determine that the substituted collateral is within the requirements of this Chapter and the depository bank contract;
- (c) The value of the new collateral must equal at least the value of the original collateral. If the collateral has sufficient value, the Treasurer may approve the substitution;
- (d) The Treasurer must notify the financial institution or the safekeeping agent holding the collateral when any substitution is approved. Although substitution is allowable, it should be limited to minimize a potential administrative burden. The Treasurer may limit substitutions and assess reasonable fees if requests for substitution become excessive or abusive.

23.055 Agreements and Safekeeping for All Deposits

Financial institutions serving as District depositories must enter into agreements for the safekeeping of collateral with both the District and its safekeeping agent, or agree to cooperate with the Federal Reserve Bank under the terms of its Pledgee Agreement Form, to define the District's rights to the collateral in case of default, bankruptcy, or bank closing. All collateral securing deposits is held by the safekeeping agent.

23.056 Collateral Requirements for Repurchase Agreements

Issuers of repurchase agreements must collateralize them with a combination of cash and obligations of the United States or its agencies or instrumentalities to include commercial paper. These issuers must wire transfer the collateral to the safekeeping agent designated by the District through the Federal Reserve System. If the collateral matures in one year or less, the value of the collateral must be at least 101% of the par value of the repurchase agreement plus accrued interest. If the collateral matures in one to two years, the value of the collateral must be at least 102% of the par value of the repurchase agreement plus accrued interest. Collateral maturity is limited to two years.

23.057 Monitoring Collateral Adequacy for Repurchase Agreements

The Investment Officer must monitor all collateral underlying repurchase agreements weekly. More frequent monitoring may be necessary during periods of market volatility. If the value of the collateral for a repurchase agreement falls below the required level, the Investment Officer must make a margin call unless the repurchase agreement matures within five business days and the difference between the value of the collateral and the required level is immaterial.

23.058 Substituting Collateral for Repurchase Agreements

Seller shall obtain written consent of the Healthcare District prior to substitution. The duration (or maturity) of securities offered as substitutes may not exceed the duration or maturity of the originally purchased securities.

23.059 Safekeeping of Repurchase Agreement Collateral

Issuers of repurchase agreements must transfer collateral for repurchase agreements to the safekeeping agent with whom the District has established a safekeeping agreement.

(23.060 - 23.070 Reserved for expansion)

Subchapter F. Liquidity

23.071 Achieving Liquidity

Investments are selected to meet anticipated cash needs. The Investment Officers must achieve liquidity by purchasing eligible investments described by Section 23.042(b) with active secondary markets, eligible MMMFs, and LGIPs.

23.072 Liquidating Investments

The Travis County Investment Officers may liquidate an investment to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or to adjust the portfolios for other reasons.

(23.0073 - 23.080 Reserved for expansion)

Subchapter G. Investment Return Achievement

23.081 Priority of Investment Goals

The Investment Officers must consider legality, safety, liquidity, diversification, risk, and rate of return in investment selection for all portfolios. Investments are made in securities with maturities corresponding to anticipated cash requirements. Investments are to take advantage of yield curves and earn additional returns. The Investment Officers must actively manage all District portfolios to enhance total income in compliance with the “prudent investor rule” described by Section 23.013. The Investment Officers may use bond swaps to achieve these management goals.

23.082 Bond Swaps

If the demand for a bond from a particular agency creates a situation where the yields in that agency’s bonds are the same or less than an equivalent treasury security, swapping the agency’s bond for a treasury security can improve the quality of the District’s portfolios. If bonds in a particular maturity range are limited in the market,

swapping a bond in demand for a similar bond in a different maturity range may be advantageous.

- (1) The Investment Officers may swap a bond held in any District portfolio for a comparable bond in the market to improve portfolio yield even if the transaction results in an accounting loss.
- (2) The Investment Officers may swap a bond held in any District portfolio if the overall yield of the portfolio will not decrease after the swap and the date of maturity of the new security is less than 181 days after the maturity date of the old security.
- (3) The Investment Officers must solicit competitive bids for bond swaps. All bids received are documented and filed for auditing purposes.

(23.0083 - 23.090 Reserved for expansion)

Subchapter H. Investment Responsibilities by Office

23.091 Training

- (a) The Treasurer, the Investment Officers, the Chief Financial Officer and the Controller of the District shall attend at least one 10 hour training session from an independent source within twelve months after taking office. These persons shall also attend an 8 hour investment training session not less than once every two years, which two-year period shall begin on the first day of the District's fiscal year and shall end on the last day of the second consecutive fiscal year. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.
- (b) The independent sources approved by Commissioners Court are:
 - Government Finance Officers Association
 - Government Finance Officers Association of Texas
 - Government Treasurers Organization of Texas
 - Texas Association of Counties
 - Austin Treasury Management Association
 - Alliance of Texas Treasury Associations
 - Texas Municipal League
 - Texas Society of CPAs
 - Association of Government Accountants
 - University of North Texas
 - University of Texas
 - Texas A&M University
 - County Treasurers Association of Texas

23.092 Treasurer's Office

In the investment function, the Treasurer has the following responsibilities:

- (1) Notifying of Controlled Disbursement Requirements. The Treasurer notifies the Investment Officers if additional funds are required for the daily controlled disbursement to ensure that investments are liquidated in time to meet the controlled disbursement requirements.
- (2) Processing Investments. The Treasurer may transact wire transfers for District investment purposes. The Investment Officers notify the Treasurer of the amount to be transferred. The Treasurer transfers funds to the safekeeping account to purchase the investment. In addition, the Treasurer and the Investment Officers approve the wire transfer form.
- (3) Depositing Investment Principal and Interest. The Treasurer deposits principal and interest at maturity to the funds bank account indicated by the Investment Officers.
- (4) Ensuring Security of Investments. The Treasurer accesses the depository's files daily to verify the District's account balances. The Treasurer adds the certificates of deposit purchased by the Investment Officers to the total District's cash balances to obtain the total district balance. The Treasurer compares the total District balance to the total collateral purchased by the depository banks.
 - (a) The collateral must be 105% of the District's total balances held with the depository;
 - (b) If the collateral is less than 105% of the District's total balances, the Treasurer must contact the depository bank to verify that the depository bank has increased the collateral to the required level.

23.093 Investment Management Office

- (a) The Travis County Chief Investment Officer is the primary manager of the District's investment portfolios.
- (b) The Travis County Chief Investment Officer, the Travis County Investment Manager, and the Senior Financial Analyst make investment decisions and keep proper records of District investments. In the investment function, the Investment Officers have the following responsibilities:
 - (1) Developing Investment Strategies. The Investment Officers develop an investment strategy to administer investments of the District. The

Investment Officers use the following procedures in the investment strategy:

- (A) summarize the economic and market analysis;
 - (B) forecast available cash for investment;
 - (C) formulate strategies for asset mix, investment instruments, maturities, and target yields;
 - (D) monitor performance against the current investment strategy and evaluating reasons for variances;
 - (E) report portfolio performance for the previous quarter to the Board of Managers; and
- (2) Selecting and Processing Investments
- (A) The Investment Officers review the composition of the current portfolio and determine whether the securities under consideration maintain the portfolio within policy guidelines.
 - (B) The Investment Officers and the Treasurer approve the wire transfer form authorizing the transfer of funds for a specific investment transaction.
- (3) Documenting Investments and Providing Details. The Investment Officers retain documentation of all investment transactions, including bond swaps. The Investment Officers provide information and supporting documentation for all investment transactions to the President and CEO or Chief Financial Officer of the District for appropriate accounting and recording. The Investment Officers provide information and back-up documentation of all investment transactions to the Treasurer to ensure accurate calculation of cash position and accurate posting to appropriate fund bank accounts.
- (4) Developing Cash Flow Projections for All Portfolios. The Investment Officers analyze prior period data and meet with the President and CEO or Chief Financial Officer of the District to develop and amend cash flow projections to meet the District's cash requirements. The Travis County Investment Officers use cash flow projections to match assets and liabilities in addition to maximizing the return on investments.
- (5) Determining Cash Available for Investment. The Investment Officers determine the amount of District and Paying Provider funds available for investment each business day. All funds that can be legally invested and that are not required for that day's controlled disbursement are considered funds available for investment.
- (6) Monitoring Investment Performance
- (A) The Travis County Chief Investment Officer must routinely perform market and economic analyses to forecast probable market conditions for the investment period. Analysis is done by

assembling and analyzing current and trend data to develop and plan investment strategy. This analysis uses information obtained from investment advisors, brokers, investment industry publications, and investment industry information systems.

- (B) The Travis County Chief Investment Officer monitors the current and expected yield curves for interest rate movements. When interest rates are expected to decline, maturity ranges are extended within portfolio constraints and the limits set forth in this Chapter. When interest rates are expected to increase, maturity ranges are shortened. The Travis County Chief Investment Officer monitors yield spreads between various government agency issues and United States notes and bonds to determine the best value. The Travis County Chief Investment Officer summarizes economic and market trend information. The Travis County Chief Investment Officer also presents recommendations for investment strategy based on economic and market conditions.
- (7) Reconciling Investment Records and General Ledger. The Investment Officers provide the President and CEO of the District with a monthly report that states investments at par value, the identifying cusip number, the premium or discount, and the interest purchased. The report includes monthly and year-to-date interest accruals and amortization/accretion of premium/discount. The District's Chief Financial Officer reconciles this report to the investment accounts in the general ledger.
- (8) Providing Revenue Estimates for All Portfolios. The Travis County Chief Investment Officer provides an estimate of the investment revenue for the District's annual budget.

23.094 Auditor's Office

The Auditor, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to this Chapter and the Texas Public Funds Investment Act.

23.095 District Finance Department

The Chief Financial Officer of the District is the primary monitor of District transactions. The District's Finance Department staff, on the Chief Financial Officer's direction, prepares the general ledger and makes all entries in it. In the investment function, the Finance Department has the following responsibilities:

- (1) Posting Investments and Reconciling to the General Ledger. The Finance Department posts investment transactions, investment interest revenue received, and accrued interest income to the general ledger.

- (A) The Chief Financial Officer reviews and approves the monthly reconciliation of investments, investment interest revenue received, and accrued interest income to the general ledger.
 - (B) The Chief Financial Officer notifies the Investment Officers if there are any discrepancies between the monthly investment report described in Section 23.042(7) and the general ledger so that these two entities can work together to reconcile the differences.
- (2) Reconciling Safekeeping Reports with Investments. On a quarterly basis, the Finance Department reconciles the investment securities safekeeping report, which is provided to the Treasurer by the Depository Bank, to the report of currently owned investment securities as of that date, which is provided by the Investment Officers.
 - (3) Monitoring Arbitrage. The Finance Department monitors the District's arbitrage responsibilities, if necessary, and provides the bond fund transaction information required by the District's arbitrage advisors.
 - (4) Allocating Budget from Interest Revenue. The Finance Department allocates the interest revenue earned from investments proportionately to all funds that participate in the investment function.

23.096 District President and CEO

The President and CEO of the District is the chief custodian of District funds. The President and CEO receives funds due to the District, makes disbursements authorized by the Board of Managers after the checks are co-signed by one other authorized signatory for the District, and keeps proper records of District finances. The duties of the President and CEO under this section may be carried out on a daily basis by District Finance Department staff.

(23.097 - 23.100 Reserved for expansion)

Subchapter I. Investment Purchasing Procedures

23.101 Competitive Bidding

- (a) The District requires competitive bidding for all individual security purchases except for those transactions with MMMFs, LGIPs, treasuries purchased through the Federal Reserve Treasury Direct Accounts, and for government securities purchased at issue through an approved broker/dealer at the auction price. The Investment Officers may rely not only on yield in selecting MMMFs and LGIPs but also on adherence to applicable Securities and Exchange Commission (SEC) guidelines for MMMFs and other criteria determined by the Travis County Chief Investment Officer.

- (b) At least three bids or offers must be solicited in all transactions involving individual securities. For those situations where it may be impractical or unreasonable to receive three bids for a District transaction due to secondary market availability, bids may be considered comparable for agencies with comparable structures and having maturities within 15 calendar days before and after the requested security. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law. All bids received must be documented and filed for auditing purposes.
- (c) At least three bids or offers must be solicited in transactions involving domestic commercial paper. These bids shall be obtained from approved broker/dealers or from a financial information source, such as Bloomberg. When bids are obtained from a financial information source, the commercial paper selected may be purchased directly from the issuer. Different issuers may be compared to select the highest yielding, domestic commercial paper. The Investment Officers may rely not only on yield in selecting commercial paper but also on other criteria determined by the Travis County Chief Investment Officer. The criteria to follow when soliciting bids are as follows:
 - (1) The maturity dates must be the same, and
 - (2) The method of settlement must be the same whether regular settlement next day or cash settlement same day.

23.102 Preliminary Requirements for Repurchase Agreements

Before the District enters into a repurchase agreement with any issuer, that issuer must sign a Master Repurchase Agreement and return it to the Investment Officers for filing. All Repurchase Agreements are recommended by the Investment Officers, reviewed by Travis County Attorney's Office, and approved by the Board of Managers.

23.103 Wire Transfer Procedures

- (a) In executing investment transactions, the Treasurer must use pre-formatted repetitive wire transfers, whenever possible, to restrict transfers of funds to pre-authorized accounts.
- (b) For transfer of investment funds via wire to non-district accounts, the agreement with the depository bank must require the depository bank to call the Investment Officer for confirmation that this transfer is authorized prior to the transfer.

(23.104 - 23.110 Reserved for expansion)

Subchapter J. Performance Evaluation and Reporting

23.111 Levels of Evaluation

Evaluation is conducted at several levels. The Investment Officers continually monitor and evaluate the investment performance. The Board of Managers evaluates the Travis County Investment Officers entire performance.

23.112 Performance Analysis and Reporting

The Travis County Chief Investment Officer determines the level and content of daily and weekly performance analysis and reporting. The Travis County Chief Investment Officer and the Board of Managers jointly decide the level and content of monthly performance analysis and reporting.

23.113 Quarterly Performance Analysis and Reporting

- (a) The Investment Officers must prepare, provide, and sign a quarterly summary report for each fund group that describes in detail the investment position of the District and evaluates investment performance based on this Chapter's investment objectives. The quarterly report will identify the method and source used to monitor the market price of investments and will also indicate whether the method and source changed from the previous quarterly report. This report must be submitted to the Board of Managers. A comparison of the performance of the District's portfolio to appropriate benchmarks selected by the Travis County Chief Investment Officer is presented. The report addresses compliance with this Chapter's diversification requirements by type and maturity. The report also includes the following information:
- (1) Cash availability,
 - (2) Market review,
 - (3) Investment strategy – next quarter,
 - (4) Performance measurement: the standard used by the District to measure its investment return is based on the yield to maturity of all investments in the portfolio, using the stated final maturity date of each security,
 - (5) Portfolio statistics,
 - (6) Collateral adequacy for repurchase agreements,
 - (7) Collateral adequacy for bank deposits and certificates of deposit,
 - (8) Investment activity,
 - (9) Market valuation:

- (A) at beginning of quarter, and
 - (B) at end of the quarter, for each portfolio,
 - (10) Distribution of investments by broker/dealer/financial institution,
 - (11) Distribution of investments by type of investment,
 - (12) Fully accrued interest for the reporting period,
 - (13) For each separately invested asset,
 - (A) state book value and market value at the beginning and end of the quarter by the type of asset and fund type,
 - (B) state maturity date, and
 - (C) state the fund for which it was acquired, and
 - (14) Signatures of the Travis County Chief Investment Officer and the Travis County Investment Manager certifying compliance with this Chapter and the Public Funds Investment Act.
- (b) The reference to Generally Accepted Accounting Principles in Section 23.113(a) relates only to internal reporting of investments by the Travis County Chief Investment Officer as required under Texas Government Code Section 2256.023, and does not apply to annual financial statements and other external reports of the District as a whole.

23.115 Annual Performance Analysis and Reporting

- (a) The Travis County Chief Investment Officer compiles the quarterly reports into an annual report at the end of each District fiscal year.
- (b) An independent auditor chosen to audit the District's annual financial statements must formally review the quarterly investment reports that are prepared in compliance with the Public Funds Investment Act. In conjunction with this audit, the District shall perform a compliance audit of management controls on investments and adherence to this Chapter. This review should be performed at least annually and the results reported to the Board of Managers.

(23.116 - 23.120 Reserved for expansion)

Subchapter K. Investment Policy Review And Amendment

23.121 Review Procedures

The Travis County Chief Investment Officer must review this Chapter annually to make revisions due to legislative actions and changing market conditions. This review must be done by the third quarter of the calendar year after each legislative session. The Travis County Chief Investment Officer must present a summary report of the review

with changes recommended to the Board of Managers. The Board of Managers must review this Chapter and investment strategies at least annually.

23.122 Changes to the Investment Policy

After adoption of this Chapter, the Board of Managers must approve any revisions to the Chapter before they become effective, by adopting a written instrument stating it has reviewed the Investment Policy and investment strategies. This written instrument must record any changes made to either the policy or strategies.

(23.123 - 23.130 Reserved for expansion)

Travis County Healthcare District Investment & Collateral Policies and Procedures¹

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¹ Chapter 23 was replaced by Travis County Healthcare District Board of Managers, October 27, 2021.

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Subchapter A. General Provisions of Chapter

23.001 Authority

- (a) The Public Funds Investment Act and the Public Funds Collateral Act authorize the Board of Managers to promulgate this chapter on investment policy and procedures.
- (b) Texas Local Government Code Section 116.112(a) (Vernon 1994) authorizes the Board of Managers to invest the District funds in compliance with Texas Government Code Chapter 2256.

23.002 Application

This chapter governs the investment of the operating account portfolio, the pooled bond funds portfolio, the debt service portfolio, and the Local Provider Participation Funds (LPPF) portfolio. The pooled bond funds portfolio is managed in compliance with its governing ordinances and federal laws, including the Tax Reform Act of 1986, as amended, in addition to compliance with this chapter.

23.003 Effective Date

This chapter is effective upon adoption by the Board of Managers.

23.004 Definitions

- (a) In this manual, the following words and phrases have the following meanings:
 - (1) “Auditor” means the Travis County Auditor or her designees.
 - (2) “District” means the Travis County Healthcare District d/b/a Central Health
 - (3) “Investment Officer(s)” means the Travis County Chief Investment Officer and/or the Investment Manager or her designees.
 - (4) “Board of Managers” means the Central Health Board of Managers.
 - (5) “Treasurer” means the Travis County Treasurer or her designees.
- (b) In this chapter, the words “bond proceeds”, “book value”, “funds”, “investing entity”, “entity”, “investment pool”, “local government”, “market value”, “separately invested asset”, “qualified representative”, and “state agency” are used as defined in Texas Government Code Section 2256.002.
- (c) Whenever applicable, definitions in Chapter 2256 of the Texas Government Code and Chapter 298E of the Texas Health & Safety Code shall be used to interpret this chapter.

23.005 Construction and Interpretation

Despite any other provision to the contrary, this chapter must be construed to meet the following provisions:

- (1) This chapter must be construed liberally, so as to give the relevant parties the full authorization intended for the investment of all portfolios.
- (2) Throughout the chapter, words that begin with an initial capital are defined terms whose meaning may be found in Section 23.004, Chapter 2256 of the Texas Government Code, Chapter 298E of the Texas Health and Safety Code, or other statutes or regulations that this Chapter cites.
- (3) All hours stated in this chapter are stated in Central Standard Time or Central Daylight Saving Time, whichever is applicable in Austin, Texas at that time of year.

23.006 The Public Funds Investment Act

When this chapter is provided to broker/dealer/financial institutions, the Investment Management Office shall also include a copy of Texas Government Code Chapter 2256, which is titled the Public Funds Investment Act.

(23.007 - 23.010 Reserved for expansion)

Subchapter B. Investment Authority and Scope of Policy

23.011 Delegation of Investment Authority

- (a) Board of Managers delegates the authority to select investment instruments in which District or Paying Provider funds may be placed and to prepare any documentation necessary to evidence the investment of District and Paying Provider funds to the Chief Investment Officer, Investment Manager, and Senior Financial Analyst. Occasionally, the Board of Managers may designate in writing other Travis County personnel authorized to invest District or Paying Provider funds as back-ups.
 - (1) The Board of Managers approves or ratifies the investments, and the Board of Managers retains ultimate responsibility as fiduciaries of the assets of the District.
 - (2) The Chief Investment Officer, Investment Manager, and Senior Financial Analyst advise the Travis County Treasurer of the investment instruments purchased. The Travis County Treasurer's office, with the verification of the District's President and CEO or his or her authorized designee, wires the funds for the investment instruments purchased.
 - (3) No other person may invest, withdraw, transfer or manage District funds without the express written authority of the Board of Managers.

- (4) Authority granted under this section is effective until rescinded by Board of Managers or until termination of employment by Travis County of all of the persons in the designated positions or until elimination by Travis County of the designated positions.
- (b) These designated Investment Officers must perform their duties in compliance with Chapter 23 and Chapter 32, subchapter C, of the Travis County Code and with the Texas Public Funds Investment Act. When these Investment Officers act in good faith and in compliance with these chapters, they have no personal liability for their actions.
- (c) Officers and employees of any regional planning commission created under Texas Local Government Code Annotated Chapter 391 are not eligible to be designated any authority under this section.

23.012 District Investment Portfolio Structure

The funds that are entrusted to the Board of Managers for investment are divided into the following portfolios based on the source of funds:

- (1) The operating account portfolio means funds from the general fund account, the risk management fund account, the employee benefit fund account, the general county reserve account, and all other Travis County Healthcare District funds except capital projects, and debt service.
- (2) The pooled bond funds portfolio means bond funds from all capital projects except road district funds.
- (3) The debt service portfolio means all interest and sinking funds.
- (4) The LPPF portfolio means all funds received by the District from Paying Providers in connection with the Program described in Chapter 298E of the Texas Health & Safety Code and authorized by the Board of Managers.

23.013 Prudence and Ethical Standards

These standards apply to Travis County Investment Officers and anyone acting on their behalf.

- (1) Prudence
 - (A) Travis County Investment Officers serve as fiduciaries of the District and are responsible for prudently investing the District's assets. The Investment Officers shall comply with the provisions of this section, the Public Funds Investment Act, and all other applicable laws.
 - (B) The Investment Officers shall observe the "prudent investor rule" when performing the duties of an investment officer within the applicable legal and policy constraints.

The prudent investor rule is restated as follows: The Investment Officers shall invest and manage District assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the portfolio. In satisfying this standard, the Travis County Investment Officers shall exercise professional care, skill, and judgment. Among the circumstances that an Investment Officer shall consider in investing and managing District assets include, but are not limited to the following:

- (i) general economic conditions;
- (ii) the yield curve;
- (iii) the role that each investment plays within the overall portfolio; and
- (iv) the risk/reward relationship of investments considered.

(C) In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made as follows:

- (i) the Investment Officer's investment and portfolio management decisions must be evaluated not in isolation of an individual purchase or sale but in the context of the District's portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the portfolio; and
- (ii) whether the investment decision was consistent with this chapter.

(D) Investment Officers must be honest in the exercise of their duties and must not take actions that will discredit the District.

(E) Travis County Investment Officers must comply with the Travis County Healthcare District Ethics Policy.

(2) Avoidance of Conflicts of Interest

(A) Travis County Investment Officers shall be loyal to the interests of the District, the Board of Managers, and to Travis County residents, to the extent that such loyalty is not in conflict with other duties or legal requirements. Investment Officers shall avoid personal, employment, or business relationships that create conflicts of interest. Should the Investment Officers become aware of any conflict of interest, they have an affirmative duty to disclose and remedy the conflict promptly.

(B) A conflict of interest exists whenever Investment Officers have personal or private commercial or business relationships that could reasonably be expected to diminish their independence of judgment in the performance of their duties.

(C) Serving on the board of a local government investment pool shall not be prohibited. However, the Investment Officer who is a board member should not be allowed to invest funds in such local

government investment pool without additional approval from another authorized signer, who does not serve on the board of the proposed investment pool and is not a subordinate of the board member.

- (3) Acceptance of Gifts
 - (A) Investment Officers may not personally accept gifts or entertainment from vendors or consultants doing or seeking to do investment or banking related business with the District, except as noted below:
 - (B) Gifts, which may be accepted under these guidelines, from a single vendor or consultant should not exceed \$50.00 per person in a given fiscal year. If gifts over \$50.00 are provided by a vendor or consultant, they must be returned, donated to a charitable cause, or shared with other District employees and disclosed to the President and CEO of the District. However, entertainment, food, or goods provided to all persons attending a conference or a continuing education activity and goods or services provided during meetings convened to conduct business necessary to manage a contract generally do not violate this prohibition.
 - (C) In addition to the disclosure required to be made to the District President and CEO, disclosure shall be made to the Travis County Director of Economic Development and Strategic Investments of the acceptance of all gifts, entertainment, food, goods, or services no later than 30 days following the calendar quarter in which received.

23.014 Quality and Capability of Investment Management

The District shall pay for the following persons to receive investment training at courses and seminars offered by professional organizations and associations: the Chief Investment Officers, the President and CEO, and the Chief Financial Officer.

23.015 Disclosure of Personal Business

- (a) Investment Officers who have a personal business relationship, as described in Texas Government Code Section 2256.005(i), with any qualified representative offering to engage in an investment transaction with the District, shall file a statement disclosing that personal business interest with the Texas Ethics Commission and the Board of Managers.
- (b) Investment Officers who are related within the second degree by affinity or consanguinity, as determined under Texas Government Code Chapter 573, to an individual seeking to engage in an investment transaction with the District shall file a statement disclosing that relationship with the Texas Ethics Commission and the Board of Managers.

(23.016 - 23.020 Reserved for expansion)

Subchapter C. Investment Objectives

23.021 Safety of Principal

The primary investment objective of the District is to ensure the safety of principal placed in all portfolios. (See Subchapter E, Safety of Principal.)

23.022 Maintenance of Adequate Liquidity

The secondary investment objective of the District for all portfolios is to provide the liquidity necessary to pay obligations as they become due. (See Subchapter F, Liquidity.)

23.023 Return on Investments

- (a) The District must invest all its portfolios in eligible investments (see Section 23.043(b)) that yield the highest possible rate of return while providing the necessary protection of the principal. The District seeks to optimize return on investments in all portfolios. The goal of the Investment Officers is to match or outperform the twelve-month rolling average pf of the 1 Year Treasury. This rate is published by the U.S. Treasury Department and is comparable to the average maturity timeframe that is typical of the District Investment Portfolio. As with any benchmark, there could be economic situations, such as a period of rapidly changing interest rates that could prevent the portfolio from exceeding the benchmark. In addition, if funds are subject to yield restrictions due to federal arbitrage regulations, those funds are excluded from the yield calculation.
- (b) The District may only invest in a particular eligible investment if its yields are equal to or greater than the Treasury Convention or Street Convention yield provided by the Bloomberg Financial Information System or the Interactive Data Corporation yield on United States Treasury obligations of comparable maturity. The Chief Investment Officer and the Investment Advisory Committee may establish additional appropriate criteria for investment performance measures.

23.024 Additional Objectives for Pooled Bond Funds Portfolio

The major objectives for the pooled bond funds portfolio governed by federal arbitrage regulations are to maximize permitted market yield and to minimize investment costs.

(23.025 - 23.030 Reserved for expansion)

Subchapter D. Investment Strategies

23.031 Operating Account Portfolio

- (a) The primary objective of the investment strategy for the operating account portfolio is to create a diversified structure (see 23.048 through 23.051) which will experience minimal volatility during economic cycles, thus providing for preservation and safety of principal.
- (b) The secondary objective is to assure that anticipated cash expenditures are matched with adequate liquidity.
- (c) The tertiary objective is to ensure that the portfolio is invested in eligible short-to medium term securities that are high quality, marketable, complement each other in a laddered maturity structure, and that yield the highest possible rate of return while providing the necessary protection of principal. The dollar weighted average maturity of two and one-half years or less will be calculated using the stated final maturity dates of each security.

23.032 Debt Service Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the debt service portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-term securities that mature on or before the debt service payment dates. The securities suitable for this fund are described in Section 23.042.

23.033 Pooled Bond Funds Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the pooled bond funds portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-to-medium term securities that match forecasted project expenditures to investment maturities. In addition, a three month historical cash expenditure balance is maintained in highly liquid securities to cover unexpected project outlays. All eligible securities described by this Chapter 23 are suitable for this fund.

23.034 LPPF Portfolio

The primary, secondary, and tertiary objectives of the investment strategy for the LPPF portfolio are the same as the operating account portfolio. The suitable securities to accomplish these objectives are high quality, marketable, short-term securities that mature on or before the dates that the money in the LPPF must be transferred to accomplish the purposes for which such funds can be spent pursuant to Chapter 298E

of the Texas Health & Safety Code. The securities suitable for this fund are described in Section 23.042.

(23.0035 - 23.040 Reserved for expansion)

Subchapter E. Safety of Principal

23.041 Protection of Principal

- (a) The District seeks to control the risk of loss due to the failure of a security issuer or grantor.
 - (1) To control that risk, the District purchases only eligible investments, requires prior approval of qualified representatives/business organizations with which it transacts business, diversifies investments in all portfolios based on maturity and type, monitors the market price of investments by way of independent sources such as market telecommunication services and financial publications, when possible, or through an approved Broker/Dealer other than the one that sold the District the security, and collateralizes deposits.
 - (2) The quarterly report will identify the method and source used to monitor the market price of investments. The quarterly report will also indicate whether the method and source changed from the previous quarterly report.
- (b) The ratings of all investments held by the District are monitored on a regular basis to ensure that the investments remain eligible. If an investment is downgraded to a level lower than the minimum rating required by this chapter, the Investment Officers will take prudent action as described in Section 23.013(1).
- (c) In addition, the District must execute the purchase of individual eligible investments only on the “delivery versus payment” (DVP) method with the exception of investment pools and money market mutual funds to ensure that District funds are not released until the District has received the securities purchased.
- (d) Investment securities must be held in either the District’s name or the name of the Travis County Healthcare District LPPF by a third party custodian, as evidenced by safekeeping receipts from the institution with which the securities are deposited.
- (e) All investments made by the District must comply with all federal, state, and local statutes, rules, and regulations.

23.042 Purchasing Only Eligible Investments

- (a) Ineligible Investments: The following investments, which are legal investments under the Public Funds Investment Act, are ineligible investments for the District's funds, but not the funds placed in the LPPF Portfolio, which are sometimes referred to as the Paying Provider funds:
- (1) Collateralized mortgage obligations
 - (2) Any security the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
- (b) Eligible Investments: The following investments, which do not include all of the securities allowed by the Public Funds Investment Act, are the only eligible investments for all of the District's portfolios, except the LPPF Portfolio:
- (1) Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 - (2) Direct obligations of the State of Texas or its agencies and instrumentalities;
 - (3) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
 - (4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state, so long as they are rated not less than A or its equivalent by a nationally recognized investment rating firm.
 - (5) Domestic commercial paper, including commercial paper issued in the United States by corporations doing business and having a significant market presence in the United States, which are wholly owned by foreign entities, and with a stated maturity of 270 days or less from the date of its issuance and that is rated not less than A-1 by Standard and Poor's and P-1 by Moody's, two nationally recognized credit rating agencies.
 - (6) Fully collateralized repurchase agreements including direct security repurchase agreements and reverse security repurchase agreements that:
 - (A) have a defined termination date that does not exceed 90 days after delivery;
 - (B) are placed either through a primary government securities dealer as defined by the Federal Reserve, or a financial institution doing business in this state;

- (C) are secured by a combination of cash and obligations described by Section 23.042(b)(1), its agencies or instrumentalities to include commercial paper that are pledged to the District, held in the District's name, and deposited with a third party selected and approved by the District; and
 - (D) have a market value at the time funds are disbursed of not less than the principal amount of the funds disbursed. (See Section 23.056, Collateral Requirements for Repurchase Agreements.)
- (7) Certificates of deposit issued by a depository institution that has its main office or a branch office in this state that are:
- (A) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
 - (B) secured by obligations that are described by Section 23.042(b)(1), 23.042(b)(2), 23.042(b)(3) or 23.042(b)(4) that have a market value of not less than 102% of the principal amount plus accrued interest of the certificates; and (See 23.052 Collateral Requirements for All Deposits.)
 - (C) secured in accordance with Government Code Chapter 2257 or in any other manner and amount provided by law for deposits of the investing entity.
- (8) Certificates of deposit when:
- (A) the funds are invested through a broker that has its main office or a branch office in this state and is selected from a list adopted by the District as required by Sections 23.043 through 23.047 or
 - (B) the broker or the District depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District;
 - (C) the full amount of principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
 - (D) The District appoints one of the following as its custodian for these certificates of deposit
 - (i) the District depository,
 - (ii) the Texas Treasury Safekeeping Trust Company;
 - (iii) a Federal Reserve Bank or a branch of a Federal Reserve Bank; or
 - (iv) a Federal Home Loan Bank.
- (9) A no-load money market mutual fund ("MMMMF") that is registered with and regulated by the Securities and Exchange Commission and:

- (A) complies with the Securities and Exchange Commission Rule 2a-7 (17 C.F.R. sect 270.2a-7), promulgated under the Investment Company Act of 1940 (15 United States Code § 80a-1 et seq.); and
 - (B) provides the District with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 United States Code. § 78a et seq.) or the Investment Company Act of 1940 (15 United States Code. § 80a-1 et seq.)
- (10) Public funds and local government investment pools (“LGIP”) if the following conditions are met:
- (A) the LGIP is organized under the Interlocal Cooperation Act, as amended;
 - (B) the Board of Managers has authorized investment in that particular LGIP;
 - (C) the assets of the LGIP consist exclusively of obligations that are authorized investments under Texas Government Code Chapter 2256, known as the Texas Public Funds Investment Act;
 - (D) the LGIP meets all eligibility acts including disclosure and reporting;
 - (E) the LGIP meets all management requirements of the Public Funds Investment Act, including existence and reliance on maintenance of advisory board, net asset value, maintenance ratings, and disclosing its policy regarding holding deposits in cash; and
 - (F) the LGIP maintaining a \$1.00 net asset value must calculate and report yield to investors in the pool in accordance with federal regulations applicable to money market funds. An LGIP using amortized cost accounting, to the extent reasonably possible, must stabilize at a \$1.00 net asset value, when rounded and expressed to two decimal places. The governing body of an investment pool using amortized cost account must also take action to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing pool participants, including a sale of portfolio holdings, to attempt to maintain the ratio of market value of the portfolio divided by the book value of the portfolio between 0.995 and 1.005.(G) the LGIP must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- (11) A securities lending program in which the loan meets the following conditions:
- (A) The loan may be terminated at any time;
 - (B) The loan is placed through

- (i) a primary government securities dealer, as defined by 5 Code of Federal Regulation section 6801.102(f), as that regulation existed on September 1, 2003, or
 - (ii) a financial institution doing business in this state that is rated no less than A or its equivalent by two nationally recognized rating services;
- (C) The loan agreement has a term of one year or less and complies with the provisions of section 1058 of the Internal Revenue Code;
- (D) The loan is secured by
 - (i) cash invested in accordance with subsections (1), (2), (3), (4), (5), (8), or (9) of Section 23.042 for a term that ends no later than the expiration date of the loan agreement;
 - (ii) pledged irrevocable letters of credit issued by a bank that is organized and exists under the laws of the United States or any of its states and is continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
 - (iii) pledged securities issued by the United States government or its agencies and instrumentalities as described in Section 23.042(1) through (4) inclusive;
- (E) The loan agreement requires securities being held as collateral to be pledged to the District, held in the District's name, and deposited at the time the investment is made with a third party approved by Travis County Healthcare District;
- (F) The amount of the collateral is not be less than 102% of the market value of securities loaned, including accrued income with the market value of securities determined daily.

(c) Purchasing Eligible Investments

- (1) The Travis County Chief Investment Officer and the Travis County Investment Manager may invest all portfolios in the eligible investments described by Section 23.042. When contemplating a new type of investment instrument, the Chief Investment Officer will submit a description to the Travis County Attorney's Office to ensure that the proposed investment instruments are eligible investments described by Section 23.042.
- (2) If an investment that was eligible at the time of purchase becomes ineligible during the holding period, consistent with the Public Funds Investment Act, Section 2256.017, the Travis County Investment Officer is not required to liquidate the investment. The Travis County Investment Officer shall take all prudent measures that are consistent

with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential loss.

Requiring Approval of Broker/Dealer/Financial Institutions

23.043 Applications for Approval as Broker/Dealer/Financial Institutions

- (a) When a primary broker/dealer/financial institution applies for the Board of Managers' approval, the Travis County Investment Management Office provides a copy of the District's Investment and Collateral Policies and Procedures to the qualified representative of that institution. To qualify for approval, the qualified representative of the primary broker/dealer/financial institution must comply with the following requirements:
 - (1) Provide the most recent audited financial statements of the institution;
 - (2) Acknowledge receipt, thorough review, and understanding of the District's Investment and Collateral Policies and Procedures, and
- (b) When a non-primary broker/dealer/financial institution doing business that is regulated by the Comptroller of Currency or registered with the Securities and Exchange Commission applies for the Board of Managers' approval, the Travis County Investment Management Office provides a copy of the District's Investment and Collateral Policies and Procedures to the qualified representative of that institution. To qualify for approval, the qualified representative of the broker/dealer/financial institution must submit a written application that complies with the following requirements:
 - (1) Provides references who are public fund investment officers, preferably in Texas;
 - (2) Gives evidence of capital adequacy (See Section 23.044(b)(3));
 - (3) Acknowledges receipt, thorough review, and understanding of the District's Investment and Collateral Policies and Procedures;
 - (4) Includes a completed Broker/Dealer Questionnaire available on the Travis County Investment Management website.
- (c) The District strives to include in the application process broker/dealers located in Travis County who are currently serving institutional clients.

23.044 Qualifications for Approval as Broker/Dealer/Financial Institutions

The Travis County Investment Management Office reviews the applications of the broker/dealer/financial institutions for compliance with this policy and recommends broker/dealer/financial institutions for approval. Although having an office in Texas is not a required criteria, the District prefers working with broker/dealer/financial institutions with offices located in Texas.

- (a) To be recommended for approval, the qualified representative of the primary broker/dealer/financial institution must provide the information and comply with the requirements set forth in Section 23.043(a).
- (b) To be recommended for approval, a non-primary broker/dealer/financial institution and/or its qualified representative(s) must demonstrate possession of the following criteria:
 - (1) Institutional investment experience;
 - (2) Good references from public fund investment officers, preferably in Texas, with the exception of incumbents;
 - (3) For financial institutions, adequate capitalization in compliance with the Capital Adequacy Guidelines for Government Securities Dealers published by the New York Federal Reserve Bank;
 - (4) For brokers/dealers, adequate capitalization in compliance with the Securities and Exchange Commission;
 - (5) Acknowledgement of a thorough review and understanding of this Investment Policy and Procedures Chapter;
 - (6) Membership in good standing in the Financial Industry Regulatory Authority (FINRA) by broker/dealers and subsidiaries of national banks;
 - (7) Valid licensure from the State of Texas, except for national banks.
- (c) To be recommended for approval, broker/dealer/financial institutions previously approved by the Board of Managers will also be evaluated based on the following criteria:
 - (1) Performance since the last review based on participation in competitive bids documented on bid sheets; and
 - (2) Activity level based on proposals presented since the last review.

23.045 Approval of Broker/Dealer/Financial Institutions

The Board of Managers reviews the recommendations of the Travis County Chief Investment Officer and may approve any number of broker/dealer/financial institutions. The District and Investment Officers may only purchase securities, except for commercial paper, from qualified broker/dealer/financial institutions. Commercial paper shall be purchased in compliance with Section 23.101, captioned Competitive Bidding. The Travis County Chief Investment Officer may limit the number of institutions with which the District does business.

23.046 Annual Review of Approved Broker/Dealer/Financial Institutions

Each year ~~new applicants and Travis County Investment Management performs due diligence reviews on all~~ broker/dealer/financial institutions currently on the approved list ~~in compliance with the Texas Public Funds Investment Act. If any broker/dealer financial institution does not meet the financial requirements, they will be removed from the list. New applications will only be considered every 2 years effective FY 2022, must comply with Sections 23.043 and 23.044 and submit applications to the Travis County Investment Office. All changes to the approved list recommended by the~~ ~~The~~ Travis County Chief Investment Officer's ~~recommended changes to the approved list~~ must be submitted to the Board of Managers for approval on an annual basis.

23.047 Removal from Approved List

When the Travis County Investment Management Office reviews and reevaluates the broker/dealer/financial institutions currently on the approved list, which review may occur any time that the Travis County Chief Investment Officer discovers good cause, the Travis County Chief Investment Officer may recommend that a broker/dealer/financial institution be removed from the approved list for any of the following reasons:

- (1) Placing the District's funds at risk;
- (2) Inactivity of the broker/dealer/financial institution;
- (3) Failure to satisfy one or more of the criteria in Section 23.044;
- (4) Offering to sell investments other than eligible investments described by Section 23.042(b);
- (5) Consistently causing an administrative burden by inaccurate documentation or late verification of trade;
- (6) Consistently offering/bidding securities at non-competitive prices; or
- (7) Undergoing material change through divestiture, merger, purchase, or other similar corporate transformations.

Diversifying Portfolios

23.048 Diversifying Operating Account Portfolio by Type

The Investment Officer must minimize loss of principal in the operating account portfolio by diversifying investments by type and maturity. The Investment Officer must maintain diversity in the types of eligible investments purchased for all District portfolios (see Section 23.042(b) for a full description of eligible investments) by limiting the percentage for each type of eligible investment to the percentage listed in this section. These percentages will be applied to all District portfolios in aggregate. The limits will be tested each Friday and the Investment Officer will have 30 days following the test to bring the percentage back within the limits described below:

Investment Type **Percentage Limit for Combined Portfolios**

Obligations of the U.S. – Treasury Notes/Bonds/Bills	100%
Obligations of U.S. Agencies – U.S. Agencies	75%
Direct obligations of the State of Texas or its agencies and instrumentalities	60%
Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States	
	60%
Obligations of states, agencies, counties, cities, and other political subdivisions of any state. The Investment Officers must not invest more than 5% of the portfolio in municipal securities of a single entity (see Section 23.042(b) for full description)	
	20%
Domestic commercial paper. The Investment Officer must not invest more than 5% of the portfolio in the commercial paper of a single entity. If the amount held exceeds 5% during the life of the investment, the Investment Officer shall take all prudent measures that are consistent with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential economic loss. (See Section 23.042(b) for full description.).....	
	20%
Fully collateralized repurchase agreements are limited to 15% of the portfolio when purchased from an individual broker. (See Section 23.042(b) for full description.)	
	50%
Certificates of Deposit (See Section 23.042(b) for full description.)	
	50%
MMMF. The Investment Officers must not make an investment in any MMMF that exceeds 10% of the total assets of that MMMF. (See Section 23.042(b) for full description.)	
	20%
TexPool if the following conditions are met:	
(a)	TexPool is organized under the Interlocal Cooperation Act, as amended;
(b)	the Board of Managers has authorized investment in TexPool;
(c)	the assets of TexPool consist exclusively of obligations that are authorized investments under Texas Government Code Chapter 2256, known as the Texas Public Funds Investment Act;
(e)	TexPool meets all eligibility requirements of the Public Funds Investment Act including disclosure and reporting; and
(e)	TexPool meets all management requirements of the Public Funds Investment Act, including existence and reliance on maintenance of advisory board, net asset value and maintenance ratings
	50%
LGIPs. (See 23.042(b) for full description.)	
	30%

All LGIPs in total..... 80%

23.049 Diversifying All Other Portfolios by Type

- (a) Within the pooled bond funds portfolio and the debt service portfolio the proceeds of a single bond issue may be segregated and invested in a single eligible investment or group of eligible investments designed to facilitate compliance with arbitrage regulations if the Investment Officers or the District’s arbitrage advisors determine that this type of strategy is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage recordkeeping and calculation.
- (b) In all other cases, the Investment Officers must apply the diversification and measurement requirements to the pooled bond funds portfolio combined with all the District Operating Account portfolio in accordance with Section 23.048, with the exception of the LPPF portfolio.
- (c) Due to the short-term nature of the funds in the LPPF portfolio, the diversification calculation for these funds will be calculated separately from the other District funds. All efforts will be made to diversify the LPPF portfolio when possible, but the primary objective of the investment strategy will be safety and liquidity in order to meet the cash flow needs of the fund.

23.050 Diversifying Operating Account Portfolio by Maturity

- (a) The Investment Officers must monitor the maturity dates of all investments in the operating account portfolio to minimize risk of loss from interest rate fluctuations and to ensure that the maturities do not exceed the anticipated cash flow requirements of the operating account portfolio. The Investment Officer must also monitor the maturity dates of all investments in the operating account portfolio to ensure that the dollar-weighted average maturity are less than 547 days. The weighted average maturity is calculated as of the end of each month using the stated final maturity dates for each security.
- (b) If these levels are exceeded, the Investment Officer shall take all prudent measures that are consistent with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential economic loss.
- (c) The maximum allowable stated maturity of any individual investment owned by the operating account portfolio is as follows (see Section 23.042(b) for full description of eligible investments):

Investment Type	Maturity Limit
Obligations of the U.S. – Treasury Notes/Bonds/Bills	4 years
Obligations of U.S. Agencies.....	4 years
Direct obligations of the State of Texas or its agencies and instrumentalities	4 years

Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.....	4 years
Obligations of states, agencies, counties, cities, and other political subdivisions of any state (See Section 23.042(b) for full description).....	4 years
Domestic commercial paper (See Section 23.042(b) for full description.)	270 days
Fully collateralized repurchase agreements (See Section 23.042(b) for full description.)	90 days
Certificates of Deposit (See Section 23.042(b) for full description)	18 months
MMMF (See Section 23.042(b) for full description)	1 day
LGIPs (See Section 23.042(b) for full description)	1 day
TexasTERM local government investment pool	365 days

23.051 Diversifying All Other Portfolios by Maturity

- (a) The Investment Officers may limit the maturity of the pooled bond funds portfolio, the debt service portfolio, the LPPF portfolio, and the agency funds portfolio to the “temporary period”, as such term is defined by the Internal Revenue Code, Section 148, during which period bond proceeds may be segregated and invested at an unrestricted yield. After the temporary period ends, the Investment Officers must consider the anticipated cash flow requirements of the funds and invest the portions of the pooled bond funds portfolio, the debt service portfolio, agency funds portfolio, and the LPPF portfolio, subject to yield restriction within limits permitted by Federal arbitrage regulations.
- (b) The Investment Officers must monitor the maturity dates of all investments in the pooled bond funds portfolio, the debt service portfolio, and the LPPF portfolio to ensure that the dollar-weighted average maturity for each portfolio does not exceed one year. The weighted average maturity is calculated as of the end of each month using the stated final maturity dates for each security.
- (c) If these levels are exceeded, the Travis County Investment Officers shall take all prudent measures that are consistent with this Chapter to analyze the investment and determine the most prudent course of action to minimize any potential economic loss.
- (d) The maximum allowable stated maturity of any individual investment owned by the pooled bonds fund portfolio and the debt service portfolio, that is not subject to the temporary period, is the same as the operating portfolio (See

Section 23.050); provided, however, that the maximum allowable stated maturity for the below investment types shall be as follows:

Investment Type	Maturity Limit
Obligations of the U.S. – Treasury Notes/Bonds/Bills	3 years
Obligations of U.S. Agencies.....	3 years

Collateralizing Deposits

23.052 Collateral Requirements for All Deposits

- (a) Certificates of deposit and bank deposits in financial institutions must be either federally insured or collateralized only with the following securities:
 - (1) Direct obligations of the United States or its agencies and instrumentalities;
 - (2) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
 - (3) Letters of credit issued to the District by the Federal Home Loan Banks, if approved in advance by Travis County Healthcare District.
- (b) If an event causes an increase in collateral of more than \$50 million to be needed after noon on any business day, the market value of collateral must be equal to or greater than 100% of the par value of the certificates of deposit, plus accrued interest, and equal to or greater than 100% of the bank deposits plus accrued interest, less the amount insured by the Federal Deposit Insurance Corporation and may remain at that level until the next business day when additional collateral can be obtained. At all other times, the market value of collateral must be equal to or greater than 105% of the par value of the certificate of deposits plus accrued interest and equal to or greater than 105% of the bank deposits plus accrued interest, less the amount insured by the Federal Deposit Insurance Corporation.

23.053 Monitoring Collateral Adequacy for All Deposits

Financial institutions with which the District has certificates of deposit or bank deposits must provide the District with monthly reports that state the market values of collateral. The Investment Officers monitor the adequacy of collateral at least weekly. If the value of the collateral falls below the required level, the financial institution must pledge additional collateral no later than the end of the next business day after the value falls below the required level.

23.054 Substituting Collateral for All Deposits

- (a) If the financial institution collateralizing certificates of deposit and bank deposits wants to substitute new collateral, the financial institution must contact the Treasurer for approval;
- (b) The Investment Officer must calculate the value of the substituted collateral and determine that the substituted collateral is within the requirements of this Chapter and the depository bank contract;
- (c) The value of the new collateral must equal at least the value of the original collateral. If the collateral has sufficient value, the Treasurer may approve the substitution;
- (d) The Treasurer must notify the financial institution or the safekeeping agent holding the collateral when any substitution is approved. Although substitution is allowable, it should be limited to minimize a potential administrative burden. The Treasurer may limit substitutions and assess reasonable fees if requests for substitution become excessive or abusive.

23.055 Agreements and Safekeeping for All Deposits

Financial institutions serving as District depositories must enter into agreements for the safekeeping of collateral with both the District and its safekeeping agent, or agree to cooperate with the Federal Reserve Bank under the terms of its Pledgee Agreement Form, to define the District's rights to the collateral in case of default, bankruptcy, or bank closing. All collateral securing deposits is held by the safekeeping agent.

23.056 Collateral Requirements for Repurchase Agreements

Issuers of repurchase agreements must collateralize them with a combination of cash and obligations of the United States or its agencies or instrumentalities to include commercial paper. These issuers must wire transfer the collateral to the safekeeping agent designated by the District through the Federal Reserve System. If the collateral matures in one year or less, the value of the collateral must be at least 101% of the par value of the repurchase agreement plus accrued interest. If the collateral matures in one to two years, the value of the collateral must be at least 102% of the par value of the repurchase agreement plus accrued interest. Collateral maturity is limited to two years.

23.057 Monitoring Collateral Adequacy for Repurchase Agreements

The Investment Officer must monitor all collateral underlying repurchase agreements weekly. More frequent monitoring may be necessary during periods of market volatility. If the value of the collateral for a repurchase agreement falls below the required level, the Investment Officer must make a margin call unless the repurchase agreement matures within five business days and the difference between the value of the collateral and the required level is immaterial.

23.058 Substituting Collateral for Repurchase Agreements

Seller shall obtain written consent of the Healthcare District prior to substitution. The duration (or maturity) of securities offered as substitutes may not exceed the duration or maturity of the originally purchased securities.

23.059 Safekeeping of Repurchase Agreement Collateral

Issuers of repurchase agreements must transfer collateral for repurchase agreements to the safekeeping agent with whom the District has established a safekeeping agreement.

(23.060 - 23.070 Reserved for expansion)

Subchapter F. Liquidity

23.071 Achieving Liquidity

Investments are selected to meet anticipated cash needs. The Investment Officers must achieve liquidity by purchasing eligible investments described by Section 23.042(b) with active secondary markets, eligible MMMFs, and LGIPs.

23.072 Liquidating Investments

The Travis County Investment Officers may liquidate an investment to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or to adjust the portfolios for other reasons.

(23.0073 - 23.080 Reserved for expansion)

Subchapter G. Investment Return Achievement

23.081 Priority of Investment Goals

The Investment Officers must consider legality, safety, liquidity, diversification, risk, and rate of return in investment selection for all portfolios. Investments are made in securities with maturities corresponding to anticipated cash requirements. Investments are to take advantage of yield curves and earn additional returns. The Investment Officers must actively manage all District portfolios to enhance total income in compliance with the “prudent investor rule” described by Section 23.013. The Investment Officers may use bond swaps to achieve these management goals.

23.082 Bond Swaps

If the demand for a bond from a particular agency creates a situation where the yields in that agency’s bonds are the same or less than an equivalent treasury security, swapping the agency’s bond for a treasury security can improve the quality of the District’s portfolios. If bonds in a particular maturity range are limited in the market,

swapping a bond in demand for a similar bond in a different maturity range may be advantageous.

- (1) The Investment Officers may swap a bond held in any District portfolio for a comparable bond in the market to improve portfolio yield even if the transaction results in an accounting loss.
- (2) The Investment Officers may swap a bond held in any District portfolio if the overall yield of the portfolio will not decrease after the swap and the date of maturity of the new security is less than 181 days after the maturity date of the old security.
- (3) The Investment Officers must solicit competitive bids for bond swaps. All bids received are documented and filed for auditing purposes.

(23.0083 - 23.090 Reserved for expansion)

Subchapter H. Investment Responsibilities by Office

23.091 Training

- (a) The Treasurer, the Investment Officers, the Chief Financial Officer and the Controller of the District shall attend at least one 10 hour training session from an independent source within twelve months after taking office. These persons shall also attend an 8 hour investment training session not less than once every two years, which two-year period shall begin on the first day of the District's fiscal year and shall end on the last day of the second consecutive fiscal year. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.
- (b) The independent sources approved by Commissioners Court are:
 - Government Finance Officers Association
 - Government Finance Officers Association of Texas
 - Government Treasurers Organization of Texas
 - Texas Association of Counties
 - Austin Treasury Management Association
 - Alliance of Texas Treasury Associations
 - Texas Municipal League
 - Texas Society of CPAs
 - Association of Government Accountants
 - University of North Texas
 - University of Texas
 - Texas A&M University
 - County Treasurers Association of Texas

23.092 Treasurer's Office

In the investment function, the Treasurer has the following responsibilities:

- (1) Notifying of Controlled Disbursement Requirements. The Treasurer notifies the Investment Officers if additional funds are required for the daily controlled disbursement to ensure that investments are liquidated in time to meet the controlled disbursement requirements.
- (2) Processing Investments. The Treasurer may transact wire transfers for District investment purposes. The Investment Officers notify the Treasurer of the amount to be transferred. The Treasurer transfers funds to the safekeeping account to purchase the investment. In addition, the Treasurer and the Investment Officers approve the wire transfer form.
- (3) Depositing Investment Principal and Interest. The Treasurer deposits principal and interest at maturity to the funds bank account indicated by the Investment Officers.
- (4) Ensuring Security of Investments. The Treasurer accesses the depository's files daily to verify the District's account balances. The Treasurer adds the certificates of deposit purchased by the Investment Officers to the total District's cash balances to obtain the total district balance. The Treasurer compares the total District balance to the total collateral purchased by the depository banks.
 - (a) The collateral must be 105% of the District's total balances held with the depository;
 - (b) If the collateral is less than 105% of the District's total balances, the Treasurer must contact the depository bank to verify that the depository bank has increased the collateral to the required level.

23.093 Investment Management Office

- (a) The Travis County Chief Investment Officer is the primary manager of the District's investment portfolios.
- (b) The Travis County Chief Investment Officer, the Travis County Investment Manager, and the Senior Financial Analyst make investment decisions and keep proper records of District investments. In the investment function, the Investment Officers have the following responsibilities:
 - (1) Developing Investment Strategies. The Investment Officers develop an investment strategy to administer investments of the District. The

Investment Officers use the following procedures in the investment strategy:

- (A) summarize the economic and market analysis;
 - (B) forecast available cash for investment;
 - (C) formulate strategies for asset mix, investment instruments, maturities, and target yields;
 - (D) monitor performance against the current investment strategy and evaluating reasons for variances;
 - (E) report portfolio performance for the previous quarter to the Board of Managers; and
- (2) Selecting and Processing Investments
- (A) The Investment Officers review the composition of the current portfolio and determine whether the securities under consideration maintain the portfolio within policy guidelines.
 - (B) The Investment Officers and the Treasurer approve the wire transfer form authorizing the transfer of funds for a specific investment transaction.
- (3) Documenting Investments and Providing Details. The Investment Officers retain documentation of all investment transactions, including bond swaps. The Investment Officers provide information and supporting documentation for all investment transactions to the President and CEO or Chief Financial Officer of the District for appropriate accounting and recording. The Investment Officers provide information and back-up documentation of all investment transactions to the Treasurer to ensure accurate calculation of cash position and accurate posting to appropriate fund bank accounts.
- (4) Developing Cash Flow Projections for All Portfolios. The Investment Officers analyze prior period data and meet with the President and CEO or Chief Financial Officer of the District to develop and amend cash flow projections to meet the District's cash requirements. The Travis County Investment Officers use cash flow projections to match assets and liabilities in addition to maximizing the return on investments.
- (5) Determining Cash Available for Investment. The Investment Officers determine the amount of District and Paying Provider funds available for investment each business day. All funds that can be legally invested and that are not required for that day's controlled disbursement are considered funds available for investment.
- (6) Monitoring Investment Performance
- (A) The Travis County Chief Investment Officer must routinely perform market and economic analyses to forecast probable market conditions for the investment period. Analysis is done by

assembling and analyzing current and trend data to develop and plan investment strategy. This analysis uses information obtained from investment advisors, brokers, investment industry publications, and investment industry information systems.

- (B) The Travis County Chief Investment Officer monitors the current and expected yield curves for interest rate movements. When interest rates are expected to decline, maturity ranges are extended within portfolio constraints and the limits set forth in this Chapter. When interest rates are expected to increase, maturity ranges are shortened. The Travis County Chief Investment Officer monitors yield spreads between various government agency issues and United States notes and bonds to determine the best value. The Travis County Chief Investment Officer summarizes economic and market trend information. The Travis County Chief Investment Officer also presents recommendations for investment strategy based on economic and market conditions.
- (7) Reconciling Investment Records and General Ledger. The Investment Officers provide the President and CEO of the District with a monthly report that states investments at par value, the identifying cusip number, the premium or discount, and the interest purchased. The report includes monthly and year-to-date interest accruals and amortization/accretion of premium/discount. The District's Chief Financial Officer reconciles this report to the investment accounts in the general ledger.
- (8) Providing Revenue Estimates for All Portfolios. The Travis County Chief Investment Officer provides an estimate of the investment revenue for the District's annual budget.

23.094 Auditor's Office

The Auditor, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to this Chapter and the Texas Public Funds Investment Act.

23.095 District Finance Department

The Chief Financial Officer of the District is the primary monitor of District transactions. The District's Finance Department staff, on the Chief Financial Officer's direction, prepares the general ledger and makes all entries in it. In the investment function, the Finance Department has the following responsibilities:

- (1) Posting Investments and Reconciling to the General Ledger. The Finance Department posts investment transactions, investment interest revenue received, and accrued interest income to the general ledger.

- (A) The Chief Financial Officer reviews and approves the monthly reconciliation of investments, investment interest revenue received, and accrued interest income to the general ledger.
 - (B) The Chief Financial Officer notifies the Investment Officers if there are any discrepancies between the monthly investment report described in Section 23.042(7) and the general ledger so that these two entities can work together to reconcile the differences.
- (2) Reconciling Safekeeping Reports with Investments. On a quarterly basis, the Finance Department reconciles the investment securities safekeeping report, which is provided to the Treasurer by the Depository Bank, to the report of currently owned investment securities as of that date, which is provided by the Investment Officers.
 - (3) Monitoring Arbitrage. The Finance Department monitors the District's arbitrage responsibilities, if necessary, and provides the bond fund transaction information required by the District's arbitrage advisors.
 - (4) Allocating Budget from Interest Revenue. The Finance Department allocates the interest revenue earned from investments proportionately to all funds that participate in the investment function.

23.096 District President and CEO

The President and CEO of the District is the chief custodian of District funds. The President and CEO receives funds due to the District, makes disbursements authorized by the Board of Managers after the checks are co-signed by one other authorized signatory for the District, and keeps proper records of District finances. The duties of the President and CEO under this section may be carried out on a daily basis by District Finance Department staff.

(23.097 - 23.100 Reserved for expansion)

Subchapter I. Investment Purchasing Procedures

23.101 Competitive Bidding

- (a) The District requires competitive bidding for all individual security purchases except for those transactions with MMMFs, LGIPs, treasuries purchased through the Federal Reserve Treasury Direct Accounts, and for government securities purchased at issue through an approved broker/dealer at the auction price. The Investment Officers may rely not only on yield in selecting MMMFs and LGIPs but also on adherence to applicable Securities and Exchange Commission (SEC) guidelines for MMMFs and other criteria determined by the Travis County Chief Investment Officer.

- (b) At least three bids or offers must be solicited in all transactions involving individual securities. For those situations where it may be impractical or unreasonable to receive three bids for a District transaction due to secondary market availability, bids may be considered comparable for agencies with comparable structures and having maturities within 15 calendar days before and after the requested security. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law. All bids received must be documented and filed for auditing purposes.
- (c) At least three bids or offers must be solicited in transactions involving domestic commercial paper. These bids shall be obtained from approved broker/dealers or from a financial information source, such as Bloomberg. When bids are obtained from a financial information source, the commercial paper selected may be purchased directly from the issuer. Different issuers may be compared to select the highest yielding, domestic commercial paper. The Investment Officers may rely not only on yield in selecting commercial paper but also on other criteria determined by the Travis County Chief Investment Officer. The criteria to follow when soliciting bids are as follows:
 - (1) The maturity dates must be the same, and
 - (2) The method of settlement must be the same whether regular settlement next day or cash settlement same day.

23.102 Preliminary Requirements for Repurchase Agreements

Before the District enters into a repurchase agreement with any issuer, that issuer must sign a Master Repurchase Agreement and return it to the Investment Officers for filing. All Repurchase Agreements are recommended by the Investment Officers, reviewed by Travis County Attorney's Office, and approved by the Board of Managers.

23.103 Wire Transfer Procedures

- (a) In executing investment transactions, the Treasurer must use pre-formatted repetitive wire transfers, whenever possible, to restrict transfers of funds to pre-authorized accounts.
- (b) For transfer of investment funds via wire to non-district accounts, the agreement with the depository bank must require the depository bank to call the Investment Officer for confirmation that this transfer is authorized prior to the transfer.

(23.104 - 23.110 Reserved for expansion)

Subchapter J. Performance Evaluation and Reporting

23.111 Levels of Evaluation

Evaluation is conducted at several levels. The Investment Officers continually monitor and evaluate the investment performance. The Board of Managers evaluates the Travis County Investment Officers entire performance.

23.112 Performance Analysis and Reporting

The Travis County Chief Investment Officer determines the level and content of daily and weekly performance analysis and reporting. The Travis County Chief Investment Officer and the Board of Managers jointly decide the level and content of monthly performance analysis and reporting.

23.113 Quarterly Performance Analysis and Reporting

- (a) The Investment Officers must prepare, provide, and sign a quarterly summary report for each fund group that describes in detail the investment position of the District and evaluates investment performance based on this Chapter's investment objectives. The quarterly report will identify the method and source used to monitor the market price of investments and will also indicate whether the method and source changed from the previous quarterly report. This report must be submitted to the Board of Managers. A comparison of the performance of the District's portfolio to appropriate benchmarks selected by the Travis County Chief Investment Officer is presented. The report addresses compliance with this Chapter's diversification requirements by type and maturity. The report also includes the following information:
- (1) Cash availability,
 - (2) Market review,
 - (3) Investment strategy – next quarter,
 - (4) Performance measurement: the standard used by the District to measure its investment return is based on the yield to maturity of all investments in the portfolio, using the stated final maturity date of each security,
 - (5) Portfolio statistics,
 - (6) Collateral adequacy for repurchase agreements,
 - (7) Collateral adequacy for bank deposits and certificates of deposit,
 - (8) Investment activity,
 - (9) Market valuation:

- (A) at beginning of quarter, and
 - (B) at end of the quarter, for each portfolio,
 - (10) Distribution of investments by broker/dealer/financial institution,
 - (11) Distribution of investments by type of investment,
 - (12) Fully accrued interest for the reporting period,
 - (13) For each separately invested asset,
 - (A) state book value and market value at the beginning and end of the quarter by the type of asset and fund type,
 - (B) state maturity date, and
 - (C) state the fund for which it was acquired, and
 - (14) Signatures of the Travis County Chief Investment Officer and the Travis County Investment Manager certifying compliance with this Chapter and the Public Funds Investment Act.
- (b) The reference to Generally Accepted Accounting Principles in Section 23.113(a) relates only to internal reporting of investments by the Travis County Chief Investment Officer as required under Texas Government Code Section 2256.023, and does not apply to annual financial statements and other external reports of the District as a whole.

23.115 Annual Performance Analysis and Reporting

- (a) The Travis County Chief Investment Officer compiles the quarterly reports into an annual report at the end of each District fiscal year.
- (b) An independent auditor chosen to audit the District's annual financial statements must formally review the quarterly investment reports that are prepared in compliance with the Public Funds Investment Act. In conjunction with this audit, the District shall perform a compliance audit of management controls on investments and adherence to this Chapter. This review should be performed at least annually and the results reported to the Board of Managers.

(23.116 - 23.120 Reserved for expansion)

Subchapter K. Investment Policy Review And Amendment

23.121 Review Procedures

The Travis County Chief Investment Officer must review this Chapter annually to make revisions due to legislative actions and changing market conditions. This review must be done by the third quarter of the calendar year after each legislative session. The Travis County Chief Investment Officer must present a summary report of the review

with changes recommended to the Board of Managers. The Board of Managers must review this Chapter and investment strategies at least annually.

23.122 Changes to the Investment Policy

After adoption of this Chapter, the Board of Managers must approve any revisions to the Chapter before they become effective, by adopting a written instrument stating it has reviewed the Investment Policy and investment strategies. This written instrument must record any changes made to either the policy or strategies.

(23.123 - 23.130 Reserved for expansion)



CENTRAL HEALTH

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BOARD MEETING

October 27, 2021

AGENDA ITEM C4

Authorize the President and CEO to execute an Interlocal Agreement with Texas Municipal League Health Partners Benefits Pool.



AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date October 27, 2021

Who will present the agenda item? (Name, Title) Balena Bunch, Procurement Manager

General Item Description Request authority to join TML Health Benefit Pool

Is this an informational or action item? ACTION – Consent Agenda

Fiscal Impact No Impact

Recommended Motion (if needed – action item) Authorize the CEO to join the TML Health Partners Benefits Pool Interlocal Agreement so Central Health can continue receiving discount pricing for the Employee Assistance Program benefits.

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) Deer Oaks, our Employee Assistance program administrator has agreed to the assignment of the PEBA group over to TML Health Partners effective January 1, 2022
- 2) Central Health and Deer Oaks have an active contract for Employee Assistance Program administrator.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Copy of the TML Health Partners Agreement

Estimated time needed for presentation & questions? N/A

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: Balena Bunch



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BOARD MEETING

October 27, 2021

AGENDA ITEM C5

Approve the reappointment of Dr. Charles Bell, Mr. Jeff Knodel, Mr. Amit Motwani, and Mr. Eddie Southard to the Sendero Health Plans Board of Directors as recommended by the Executive Committee.



AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date October 27, 2021

Who will present the agenda item? (Name, Title) Briana Yanes

General Item Description Discuss and take appropriate action on the reappointment of Dr. Charles Bell, Mr. Jeff Knodel, Mr. Amit Motwani and Mr. Eddie Southard to the Sendero Health Plans Board of Directors.

Is this an informational or action item? Action

Fiscal Impact N/A

Recommended Motion (if needed – action item) Approve the reappointment of Dr. Charles Bell, Mr. Jeff Knodel, Mr. Amit Motwani and Mr. Eddie Southard to the Sendero Health Plans Board of Directors.

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) Dr. Charles Bell served as a Sendero Health Plans Board Member from 2012-2015 and as the Board Chair from 2017-2020.
- 2) Mr. Jeff Knodel has served as a Sendero Health Plans Board Member since 2013.
- 3) Mr. Amit Motwani has served as a Sendero Health Plans Board Member since April 2021.
- 4) Mr. Eddie Southard has served as a Sendero Health Plans Board Member since July of 2017.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Resume or bio will be provided

Estimated time needed for presentation & questions? 5 minutes

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: October 14, 2021, Briana Yanes



Curriculum Vitae
of
Charles E. Bell, M.D., M.S.

Mailing:

3005 South Lamar Blvd
Suite: D109-348
Austin, TX 78704-4785
Fax: (512) 777-5016

Home:

2615 Kinney Oaks Court
Austin, TX 78704-4975
Hm: (512) 442-6195
Cell: (512) 923-3053

Email: cebellmd@me.com

Objective

Provision of consultation, facilitation and project management services utilizing my skills and experience in public health, health policy development, healthcare delivery systems, health information technology, organizational management and communication using a goal-oriented approach that will maximize the efficiency of an organization.

Qualifications

Medical, Master's and Bachelor's degrees; executive administrative and management experience in public health, health policy development specifically in the Texas Medicaid program, the Texas Children's Health Insurance Program (CHIP), health information technology, and managed healthcare delivery systems; knowledge and experience managing the legislative process in state government; experience teaching and making professional presentations on public health, management issues, and ethics; clinical medical experience in management of sexually transmitted diseases; excellent communication and organizational skills; and extensive knowledge in the clinical health and public health sciences.

Education

B.A., Biology, University of Dallas, Irving, Texas, 1979
M.D., Southwestern Medical School, Dallas, Texas, 1983
Clinical Internship, Internal Medicine, Saint Francis Hospital, Hartford, CT, 1984
M.S., Health Care Administration, Trinity University, San Antonio, Texas, 1987
Graduate Epidemiology Summer Course, University of Michigan, Ann Arbor, Michigan, 1991

Experience

Consultant

Avēsis Dental and Vision Health Plan

Phoenix, AZ

Develop and plan strategy for the coordination of medical and dental care for the plan. Assist in providing knowledge about State of Texas compliance policies and procurement procedures for business proposals. Establish a relationship with the Texas Health and Human Services Commission to discuss policy issues regarding providing dental care to Medicaid clients.

January 2018 - Present

Medical Consultant

KSTAR Program

Rural and Community Health Institute

College of Medicine

Texas A&M Health Science Center, College Station, Texas

Participates in a panel of physicians with varying expertise in performing an assessment of physicians who after a greater than 2 year hiatus from direct patient care desires to re-enter clinical practice. Duties include coordination; review of reports; development of reports; managing communications with the expert physicians as well as with the candidates being assessed.

June 2012 to present

Medical Consultant

LeFleur Medicaid Transportation Program

Edinburg, Texas

Reviews requests regarding the medical necessity of client travel out of their county for medical services and requests for more than one care attendant to accompany the client to a medical appointment. Also works with the executive management to establish policies that will provide more cost-effective transportation services that ensures the safety of the client.

July 2014 to August 2017

President

Diabetes Health and Wellness Institute (DHWI)
Baylor Health Care System, Dallas, Texas

Responsible for the day-to-day administration and management of the Institute which is located in the Southern Sector of the City of Dallas. The Institute provides primary prevention strategies (wellness and nutritional education to those at risk for diabetes); secondary prevention strategies (diabetes education and diabetes self-management education to those diagnosed with diabetes) and a patient-centered medical home for individuals within the community who lack access to appropriate primary health care. The leadership team, lead by the President, is made up of a Vice-President of Educational Strategies, a Vice-President of Finance and Administrative Services and the Institute's Medical Director.

January 2013 to March 2016

Deputy Executive Commissioner for Health Services

Texas Health & Human Services Commission (HHSC), Austin, Texas

Coordination and oversight of health service policy across 5 health and human service agencies in the State of Texas. Supervised the policy coordination and policy liaisons for the Texas Department of Aging and Disability Services and the Texas Department of State Health Services. Executive administrative and operational oversight and supervisory responsibilities for the Texas Medicaid program, the Children's Health Insurance Program (CHIP), the Office of e-Health Coordination (Health Information Technology), the Medicaid Medical Transportation Program, the Office of Acquired Brain Injury, the Frew Lawsuit Coordination Office and the Office of Program Coordination for Children and Youth.

March 2003 to August 2011 (retired)

Interim Commissioner of Health

Texas Department of State Health Services

Interim position with duties that included management and oversight of health related regulatory programs; disease control, prevention and preparedness programs; mental health services programs; and family health services programs. Liaison with the regional offices, the local health departments, the state hospitals, the Department of State Health Services Council, and the Texas legislative offices. Direct supervision of 8 executive managers in an organization with over 10,000 employees statewide. Lead and administered the selection process for the Deputy Commissioner and the Commissioner of Health.

September 2006 to December 2006

Executive Deputy Commissioner

Texas Department of Health, Austin, Texas

Liaison between the administrative, policy and programmatic aspects of TDH working closely with the Texas Board of Health. Supervised the coordination of public health programs statewide in the areas of Disease Control and Prevention, Family Health, and Consumer Health. Liaison between TDH-Austin and the various TDH public health regions. Supervised the creation of the Office of State Epidemiologist after September 11, 2001 to address bio-terrorism response. Created the Office of Public Health Practice to improve our relationships with local health departments and TDH-regional activities geared toward the provision of local public health.

November 2001 to March 2003

Interim Commissioner of Health

Texas Department of Health, Austin, Texas

Interim position with duties that included overseeing acute care Medicaid, licensing and certification of health professionals and medical facilities, statewide disease control and prevention, epidemiology, environmental health, and the TDH laboratory, one of the largest in the world. Responsible for guiding the administration of the Texas Department of Health and the management of a budget of over 7 billion dollars. Direct supervision of approximately 8 executive managers in an organization with over 4900 employees in statewide.

November 2000 to October 2001

Executive Deputy Commissioner

Texas Department of Health, Austin, Texas

Recruited by the Commissioner of Health to act as his liaison between the administrative and programmatic aspects of TDH. Supervised the coordination of public health programs statewide in the areas of Disease Control and Prevention, Family Health, and Consumer Health. Liaison between TDH-Austin and the various TDH public health regions and local health departments.

February 2000 to October 2000

Public Health Regional Director

Public Health Region 1

Texas Department of Health, Lubbock, Texas

Responsible for the practice of public health in a northwestern region of Texas which encompasses 41 rural counties. Responsibilities include: acting as the health authority for counties without local public health services; administrative responsibilities including human resources, budget, purchasing, computer network management, contract management and warehouse management; liaison between the state department of health and local health departments in the region; coordinate and manage media and public relations for the regional operations; supervises the coordination of public health investigations involving communicable diseases, environmental hazards, health facilities, social work services; responsible for the quality of services and expenditures to provide services to women and children, medical transportation to clients qualifying for Medicaid, and Medicaid Managed Care.

May 1998 to January 2000

Bureau Chief

Bureau of HIV and STD Prevention

Texas Department of Health, Austin, Texas

Administrative duties dealing with statewide programs for the control and prevention of Human Immunodeficiency Virus(HIV) infection and sexually transmitted diseases. Responsibilities include clinical liaison with local health departments, regional offices of the state health department, the private medical community, and community-based

organizations; educational presentations to health professionals statewide; fiscal management of state general revenue funds and federal grant funds totaling over 40 million dollars; administrative responsibilities including budget, personnel, and fiscal resource management; legislative liaison regarding issues involving HIV and sexually transmitted diseases; coordination and management of advisory committees; liaison and communication with members of the Texas Board of Health.

July 1990 to May 1998

Clinical Consultant (Part-time)

Sexually Transmitted Disease Clinic

Austin Travis County Health Department, Austin, Texas

Clinical care and prevention counseling to individuals presenting for treatment and information regarding sexually transmitted diseases including HIV.

July 1990 to September 1996

Medical Director

Sexually Transmitted Disease Clinic

San Antonio Metropolitan Health District, San Antonio, Texas

Administrative and clinical duties dealing with the care and treatment of patients with sexually transmitted diseases. Responsibilities include: training and supervision of all professional and support personnel in the clinic; liaison with other city departments and county agencies regarding the prevention and treatment of sexually transmitted diseases; provided medical consultation to the private medical community regarding the management of sexually transmitted diseases, teaching and research activities in partnership with medical device manufacturers and the University Health Science Center of San Antonio medical school; fiscal management of the clinic resources; and clinical consultant to the HIV program.

January 1987 to July 1990

Supporting Data

Board, Committee and TaskForce Memberships

Board Chair, Sendero Health Plan, 2017 - 2020

Manager, Central Health Board of Managers, 2017 - present

Treasurer - 2017 -2019

Vice-Chair - 2020 - 2022

Board Member, People's Community Clinic, 2016 - present

Board Member, Sendero Health Plan, 2012-2015

Board Member, Zach Scott Theatre, 2005 - 2007

Chair, Regional Medicaid Managed Care Advisory Committee, Lubbock, Texas, 1998

AIDS Fraud TaskForce, Austin, Texas, 1996-1997

Texas Department of Health Quality Council, 1993

Advisory Committee Member, Texas Commission on Alcohol and Drug Abuse, 1991-1993

Advisory Committee Member, AIDS Consortium of Texas, 1990-1992

Awards

Children's Advocacy Award, Texas Pediatric Society, 2011

Fratris L. Duff, M.D. Award for Public Health Excellence, Texas Health Institute, 2011

Patient Advocacy Award, Texas Academy of Family Physicians, 2007

Presentations and Adjunct Appointments

Adjunct Professor, Texas Tech University Health Sciences Center, Lubbock, Texas, 1999

Adjunct Professor, Trinity University, San Antonio, Texas, 1996

Presentation, Ethical Issues and the Management of HIV, Southwestern Medical Center, 1998

Presentation, History and the Public Health Perspective of HIV, Texas Tech Health Sciences Center, School of Medicine, 1998

Presentation, Public Health Policy-HIV Medical and Social Services, University of Texas Health Science Center at San Antonio, Graduate School in Public Health, 1997

Public Health Prevention and Clinical Presentations on HIV and sexually transmitted diseases, 1990-1998

Grants and Training

Project Officer, HIV Prevention and Surveillance Grant, Centers for Disease Control, 1990-1996

Project Officer, STD Control and Prevention Grant, Centers for Disease Control, 1990-1996

Graduate, Governor's Executive Development Program, University of Texas, LBJ School of Public Policy, 1999

STD Training Program, Dallas County Health Department and Southwestern Medical School, 1987

Graduate Research Assistantship, Trinity University, 1985

Cum Laude Graduate, University of Dallas, 1979

John B. O' Hara Scholar, University of Dallas, 1975

JEFF KNODEL, VICE PRESIDENT & CHIEF FINANCIAL OFFICER



Jeff Knodel originally came to Central Health as the Regional Healthcare Partnership Director, directing Central Health's role as the anchor entity for Regional Health Partnership 7 of the 1115 Medicaid Waiver in Texas.

Previously, Mr. Knodel worked as Deputy Chief Financial Officer for the City of Austin where he held various positions over 25 years, including Deputy Controller and Controller for the City. Among other projects, he headed the wind-down of operations at the then city-owned and operated Brackenridge Hospital prior to its transition to Central Health in 2004.

Jeff graduated from Southwest Texas State with a Bachelor's Degree in Management and has been a Certified Public Accountant for more than 22 years.

AMIT MOTWANI



Amit Motwani's executive leadership spans the arenas of strategy, operations, technology, and analytics. He came to Austin 25 years ago to attend The University of Texas at Austin, and later joined the software startup team of CTK (now Social Solutions Global), where he served as chief technology officer. Motwani led the launch of CTK's United Kingdom branch in London and later returned to Austin, where he began his journey in nonprofit direct services with an early focus on adult literacy. In Austin he launched a 15-year professional trajectory bridging hands-on understanding of human service programming with a commercially, data-driven executive mindset.

Amit currently serves as chief executive officer for the Rupani Foundation, an organization improving children's school readiness and empowering marginalized communities in South Asia, Central Asia and the United States. Prior to this role, Amit was the chief operating officer at El Buen Samaritano, an outreach ministry of the Episcopal Diocese of Texas. Earlier in his career he was the chief information officer at United Way for Greater Austin where he helped transform the organization's approach to data and analytics. There, he also led the creation of Austin's "2-Gen" Coalition, uniting public and private funders and service providers around the same table to improve economic and social mobility. Motwani served as lead adviser to the United Way and Dr. Chris King's Policy Research Project cohort on related anti-poverty strategies at the Lyndon B. Johnson School of Public Affairs.

Motwani is passionate about civil rights and universal equitable access to basic needs for all, and his commitment is reflected in his extensive service on nonprofit, commercial, and municipal boards and commissions. Motwani is a proud graduate of Central Health's Community Health Champions Program (class of 2017), which reinforced his belief that individual, family, and community outcomes health outcomes are inextricable.

Eddie Southard

Eddie Southard was appointed to the Sendero Board in July of 2017.

He spent over 37 years at State Farm Insurance, having served in numerous leadership roles in corporate and at five operations centers across the country. During his time at State Farm he assembled and developed effective teams and participated in multiple process improvement efforts resulting in companywide impact. As an avid supporter of diversity in the workplace he assisted in recruiting qualified and diverse candidates for career opportunities during his tenure at State Farm. He also established a mentoring program for high potential African American men that became a company-wide approved affinity program. He retired in May of 2017.

Eddie is active in the community. He is a member of the 100 Black Men of Austin. He is also an active member of Kappa Alpha Psi Fraternity, Inc. where he has serves on the leadership team and various committees.



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BOARD MEETING

October 27, 2021

REGULAR AGENDA ITEM 1

Discuss and take appropriate action on the proposed mandatory payment rate to be assessed on institutional healthcare providers during Fiscal Year 2022 under the local healthcare provider participation program (LPPF) in Travis County and how the revenue derived from those payments is to be spent, as required by Texas Health & Safety Code §298E.151. (*Action Item*)



AGENDA ITEM SUBMISSION FORM

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Agenda Item Meeting Date October 27, 2021

Who will present the agenda item? (Name, Title) Katie Coburn, RHP Director

General Item Description FY 22 LPPF Rate Setting

Is this an informational or action item? Action Item

Fiscal Impact None

Recommended Motion (if needed – action item) Approve the FY 22 rate as proposed by Central Health staff

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) FY 22 rate is 1.31% of Net Patient Revenue and will generate \$46 million in mandatory payments for Travis County hospitals.
- 2) HHSC and CMS are still negotiating approval of new Medicaid directed payments. We do not have final information about how much will be needed in IGT for FY 22.
- 3) Given this uncertainty, the FY 22 rate will likely need to be amended as more information becomes available.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) PPT, memo

Estimated time needed for presentation & questions? 10 minutes (maybe less)

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: Katie Coburn



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BOARD MEETING

October 27, 2021

REGULAR AGENDA ITEM 2

Receive and discuss a report on fiscal year-to-date healthcare service expenditures made by, and accept the preliminary August and September 2021 financial statements for, Central Health and the Community Care Collaborative. (*Informational Item*)



Central Health

Financial Statement Presentation

FY 2021 – as of September 30, 2021
(Preliminary)

Central Health Board of Managers

October 27, 2021

Lisa Owens, Deputy CFO

Patti Bethke, Controller



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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 September collected net property tax revenue is \$239 million compared to \$215 million as of September 2021 representing 98.4% of the adjusted tax levy compared to 98.2% as of September 2020.
- Healthcare Delivery is \$140 million for the twelve months ending 9/30/2021.
- GAAP reporting Net Assets increased \$72 million year-over-year, this is net of hospital impairment totaling \$51 million due to redevelopment.
- TCHD LPPF total restricted balance of LPPF as of 9/30/2021 is \$37 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.



Preliminary as
of 9/30/2021 as of 9/30/2020

Assets

Current Assets

Cash and cash equivalents	1,072,336	887,856
Short-term investments	337,570,499	180,226,613
Ad valorem taxes receivable	1,615,518	1,840,933
Other receivables	5,526,980	1,989,590
Prepaid expenses	586,239	513,876
Total Current Assets	346,371,572	185,458,867

Restricted Cash and Investments or Noncurrent

Restricted for capital acquisition	25,528,792	6,837,999
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	36,851,079	6,249,368
Total Restricted Cash and Investments or Noncurrent	174,462,871	125,170,367

Capital Assets

Land	26,302,222	13,425,967
Buildings and improvements	60,809,513	132,674,528
Equipment and furniture	17,485,032	9,976,852
Capital Projects in progress	6,761,130	2,779,287
Less accumulated depreciation	(25,273,052)	(47,458,776)
Total Capital Assets	86,084,846	111,397,858
Total Assets	606,919,288	422,027,092



Liabilities	Preliminary	
	as of 9/30/2021	as of 9/30/2020
Current Liabilities		
Accounts payable	12,662,380	8,259,707
Salaries and benefits payable	1,551,374	1,668,267
Other Payables	1,297,385	21,792
Debt service payable, short-term	4,356,410	1,187,649
Deferred tax revenue	-	-
Other deferred revenue	-	610,000
Total Current Liabilities	19,867,549	11,747,415
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	36,851,079	6,249,368
Debt service payable, long-term	80,264,606	6,105,000
Total Restricted or Noncurrent Liabilities	117,115,685	12,354,368
Total Liabilities	136,983,235	24,101,783
Net Assets		
Unrestricted	383,851,208	286,527,451
Investment in Capital Assets	86,084,846	111,397,858
Total Net Assets	469,936,053	397,925,309
Liabilities and Net Assets	606,919,288	422,027,092



Sources / Uses	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Sources					
Property Tax Revenue	1,564,388	238,919,147	234,057,519	102%	215,109,261
Lease Revenue	883,546	11,957,434	12,909,866	93%	11,887,787
Other Revenue	(1,400,859)	134,025	1,720,000	8%	2,816,104
Tobacco Settlement Revenue	-	3,872,274	2,800,000	138%	3,819,376
Contingency Reserve (Carryforward)	-	136,179,266	115,856,728	118%	64,898,396
Total Sources	1,047,075	391,062,146	367,344,113	106%	298,530,924
Uses of Funds					
Healthcare Delivery	13,138,329	139,974,847	353,858,894	40%	149,143,017
Administrative Program					
Salaries and benefits	474,703	4,995,865	5,561,651	90%	4,743,886
Consulting Fees	329,801	579,630	1,259,570	46%	640,101
Legal Fees	58,107	537,367	1,497,136	36%	1,121,413
Other Purchase Goods and Services	64,808	1,852,159	3,081,046	60%	1,207,203
Total Administrative Program	927,419	7,965,021	11,399,403	70%	7,712,603
Tax Collection Expenses	80,013	1,804,635	2,085,816	87%	1,764,790
Total Uses	14,145,761	149,744,503	367,344,113	41%	158,620,410
Excess Sources / (Uses)	(13,098,686)	241,317,643			139,910,514



Healthcare Delivery Summary	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Inter-Governmental Transfers (IGTs)	-	19,983,752	23,528,575	85%	49,769,893
Healthcare Services					
Primary Care - (see detail on Slide 11)	7,705,976	46,557,888	56,935,000	82%	45,370,376
Specialty Care, incld Dental & Behavioral Health	499,931	6,106,227	14,448,856	42%	5,665,415
Pharmacy	846,890	9,345,204	13,250,000	71%	8,774,829
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	92,110	1,095,643	4,469,990	25%	1,078,223
Community Healthcare Initiatives Fund	-	-	875,000	0%	-
Hospital and Specialty Services & Incentives	-	-	59,700,000	0%	-
Subtotal Healthcare Services	9,144,907	63,104,962	155,078,846	41%	60,888,843
ACA Premium Assist, Education, Enrollment	1,940,779	12,707,953	12,160,674	105%	9,564,506
Healthcare Facilities and Campus Redevelopment	267,331	2,983,181	6,097,472	49%	3,783,843
Healthcare Delivery Operating Costs	1,778,902	17,288,295	29,473,028	59%	14,489,015
Debt, Reserves and Transfers	6,410	23,906,704	127,520,299	19%	10,646,917
Total Healthcare Delivery	13,138,329	139,974,847	353,858,894	40%	149,143,017



Details for Health Care Delivery on the following slides.

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Healthcare Delivery - Detail	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Intergovernmental Transfers (IGTs)					
DSH - Disproportionate Share	-	-	-	0%	28,941,040
DSRIP - CCC	-	19,983,752	23,528,575	85%	20,828,853
Subtotal Intergovernmental Transfers (IGTs)	-	19,983,752	23,528,575	85%	49,769,893
Healthcare Services					
Primary Care - (see detail on Slide 11)	7,705,976	46,557,888	56,935,000	82%	45,370,376
Specialty Care, incld Dental - (see detail on Slide 12)	422,618	5,371,063	12,565,000	43%	5,119,074
Specialty Care, Behavioral Health	77,313	735,164	1,883,856	39%	546,341
Pharmacy	846,890	9,345,204	13,250,000	71%	8,774,829
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	34,857	408,608	1,150,000	36%	408,448
Healthcare services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	57,253	687,035	719,990	95%	617,275
Primary & Specialty Care Reserves	-	-	2,000,000	0%	52,500
Community Health Care Initiatives	-	-	875,000	0%	-
Hospital and Specialty Services	-	-	57,000,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
Subtotal Healthcare Services	9,144,907	63,104,962	155,078,846	41%	60,888,843
Service Expansion Funds					

(continued on next page)



Healthcare Delivery Detail (continued)	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	698,588	8,443,077	8,600,000	98%	6,820,914
CHAP Program	1,233,152	3,686,894	2,959,354	125%	2,159,543
ACA Enrollment and Education Services	9,039	577,982	601,320	96%	584,049
Subtotal ACA & Premium Assist Program	1,940,779	12,707,953	12,160,674	105%	9,564,506
Healthcare Facilities and Campus					
Salaries and benefits	25,163	124,825	368,579	34%	330,453
Consulting Services	(4,611)	322,088	1,730,000	19%	77,281
Legal Fees	13,556	183,930	174,500	105%	
Other Goods & Svc incl. UT Ground Lease	233,223	2,352,338	3,824,393	62%	3,376,109
Subtotal Healthcare Facilities and Campus	267,331	2,983,181	6,097,472	49%	3,783,843
Healthcare Delivery Operating Costs					
Salaries and benefits	1,041,228	11,783,893	15,021,176	78%	9,671,668
Consulting Services	13,759	74,992	1,085,500	7%	78,899
Legal Fees	(1,235)	82,586	332,000	25%	107,841
Other Services and Purchased Goods	725,150	5,346,824	13,034,352	41%	4,630,607
Subtotal HCD Operating Cost	1,778,902	17,288,295	29,473,028	59%	14,489,015
Debt Service, Reserves and Transfers					
Debt Service	6,410	1,263,118	1,264,357	100%	1,290,627
Healthcare Capital Line of Credit	-	-	1,091,773		-
FY2021 Capital reserve	-	22,643,586	34,100,000	66%	2,950,000
FY2021 Hospital Services Reserve	-	-	4,000,000		6,406,290
FY2021 Contingency reserve appropriation	-	-	87,064,169		-
Subtotal Debt, Reserves and Transfers	6,410	23,906,704	127,520,299	19%	10,646,917
Total Healthcare Delivery	13,138,329	139,974,847	353,858,894	40%	149,143,017



Healthcare Delivery - Primary Care	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Primary Care					
CommUnity Care	6,973,332	39,164,245	44,885,000	87%	38,578,555
Lone Star Circle of Care	477,418	5,043,609	6,555,000	77%	5,205,452
People's Community Clinic	213,474	2,153,173	2,600,000	83%	1,952,035
Other Primary Care	41,752	196,862	2,895,000	7%	(365,666)
Subtotal Primary Care Services	7,705,976	46,557,889	56,935,000	82%	45,370,376

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Healthcare Delivery - Specialty Care	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD	YOY Percent Change	Comments
Specialty Care							
Ancillary Services	(12,072)	39,089	610,000	6%	20,133	94%	
Cardiology	43,039	130,087	265,000	49%	136,425	-5%	
Consultation Services	0	300,000	500,000	60%	0	0%	Addition of services with CUC
Dental Specialty	(14,255)	688,431	1,000,000	69%	801,437	-14%	
Dermatology	11,967	441,198	550,000	80%	492,909	-10%	Lower volume
Durable Medical Equipmer	272	22,519	115,000	20%	17,992	25%	
Ear, Nose & Throat ENT	29,076	261,544	350,000	75%	354,389	-26%	Lower volume
Endocrinology	89,327	382,081	575,000	66%	286,782	33%	Increased utilization of e-consults
Gastroenterology	39,683	808,416	2,100,000	38%	837,066	-3%	
General Surgery	(50)	33,192	300,000	11%	137,443	-76%	Lower volume
Gynecology IPU	0	0	600,000	0%	19,251	-100%	Services currently contracted in CCC
Nephrology	1,774	17,361	200,000	9%	1,308	1227%	New service in FY21 with lower volume
Oncology	23,634	329,525	700,000	47%	402,643	-18%	Lower volume
Ophthalmology	94,203	1,147,655	1,575,000	73%	885,646	30%	Increased volume
Orthotics & Prosthetics	7,462	127,341	200,000	64%	136,912	-7%	
Podiatry	35,697	244,057	350,000	70%	73,627	231%	New service in FY20
Pulmonology	54,288	207,281	375,000	55%	325,665	-36%	Lower volume
Rheumatology	14,921	136,805	250,000	55%	159,386	-14%	
Musculoskeletal	0	0	1,700,000	0%	0	0%	Services currently contracted in CCC
Neurology	0	0	100,000	0%	0	0%	
Wound Care	3,649	54,480	150,000	36%	30,060	81%	
Total Specialty Care	422,615	5,371,062	12,565,000	43%	5,119,074	5%	



Questions ? Comments ?

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September 2021 Preliminary Monthly Financial Statements (unaudited)

Page 1 of 7

Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.1M compared to \$888K September 2020

Short-term Investments – Short-term investments were \$338M at month-end and restricted investments were increased to \$26M for capital designated for Colony Park.

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

Gross Tax Receivables	\$	4.5M
Taxable Assessed Valuation Adjustment		0M
Est. Allowance for Doubtful collections		(2.9)M
Total Taxes Receivable	\$	1.6M

Other Receivables – Other receivables total \$5.5M and includes intercompany balances:

- CommUnityCare - \$2.7M
- Sendero - \$2.2M
- Community Care Collaborative - \$119K
- Accrued Interest - \$388K
- Miscellaneous Receivables – \$26K

Prepaid Expenses – \$586K balance composed of:

- TCAD Appraisal Fees - \$239K
- Prepaid Insurance - \$100K
- Software - \$96K
- Memberships - \$69K
- Deposits - \$82K

Total Current Assets – \$346M



Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$26M 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 - \$37M

Capital Assets – \$86M, net of accumulated depreciation

Total Assets – \$607M



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$12.7M balance are:

- \$9.4M estimated IBNR for healthcare services.
- \$3.3M vendor invoices due.

Other Payables – \$1.3M Contract Liability

Salaries and Benefits Payable – \$1.6M 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.

Debt Service Payable, Short-Term – \$4.4M in Certificates of Obligation Payable for 2011 and 2021 Taxable and non-Taxable Series, interest paid 09/01/21

Deferred Tax Revenue - \$0.0M pending collection

Total Current Liabilities – **\$19.9M**



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$37M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$4.9M balance of the \$7.285M in General Obligation Bonds, Series 2020. This debt was originally issued in 2011 for the North Central clinic and refunded May 2020. \$75M balance of the \$77M in General Obligation Bonds, Series 2021. Due annually on 3/1.

Total Restricted of Noncurrent Liabilities – \$117M

Total Liabilities – \$137M

Net Assets

Unrestricted Net Assets – \$384M

Investment in Capital Assets – \$86M

Total Net Assets – \$470M

Total Liabilities and Net Assets – \$607M



Sources and Uses Report – Slide 6

September financials → twelve months, 100% of the fiscal year.

Sources – Total \$1.0M for the month

Property Tax Revenue – Net property tax revenue for the month was \$1.6M. Net revenue includes \$1.6M current month's collections; \$54K Penalties and Interest; (\$81K) in adjustments for prior year delinquent taxes.

Lease Revenue – \$884K recorded for Seton lease payment and \$21K for the new Hancock Clinic Lease.

Other Revenue – \$(1.4)M which includes:

- Investments - Unrealized Losses \$(1.4)M
- Monthly investment income – \$78K

Uses of Funds – Total \$14.1M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$13.1M for the month and \$140M YTD compared to \$149M YTD thru September 2020.

Healthcare Delivery Budget includes funds for service expansion in Post-Acute Care \$5.4M, Primary & Specialty Care \$3.8M (Musculoskeletal \$1.7M, Neurology \$100k, and Reserves \$2M), Community Health Care Initiatives Fund \$875k, and Hospital and Specialty Services \$59.7M.

Administration Program – \$927K in expense for the month, which includes:

- Personnel costs – \$475K
- Consulting services – \$330K
- Legal fees – \$58K
- Other general and administrative – \$65K



September 2021 Preliminary Monthly Financial Statements (unaudited)

Page 6 of 7

Sources and Uses Report – Slide 6 (continued)

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

Excess Sources/(Uses) – (\$13.1M) in September. Current YTD is \$241M compared to prior year FY20 YTD of \$140M.

Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$13.1M September; \$140M YTD compared to \$149M September FY20 YTD.

Intergovernmental Transfers (“IGT’s”) – YTD \$20M for DSRIP IGT compared to \$49.8M YTD last year for DSRIP IGT and DSH.

Healthcare Services – Healthcare delivery providers’ expense for September totaled \$9.1M, which includes:

- Primary care – \$7.7M
- Specialty Care (including Dental and Behavioral Health) – \$500K
- Pharmacy - \$847K
- All Other Healthcare Services - \$92K

ACA Premium Assist, Education, Enrollment – \$1.9M in expenses for the month; \$12.7M YTD compared to \$9.6M FY20 YTD

Healthcare Facilities and Campus Redevelopment - \$267K in expense for the month and \$3M YTD.



September 2021 Preliminary Monthly Financial Statements (unaudited)

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Healthcare Delivery Expense – Slide 7 (continued)

Healthcare Delivery Operating Cost – \$1.8M in expenses for the month and includes:

- Personnel costs – \$1.0M
- Consulting Services – \$14K
- Legal Fees - \$(1)K
- Other services and purchased goods – \$725K

Debt, Reserves and Transfer – \$6K in Debt Service and Capital Reserve for the month

Total Healthcare Delivery - for the month of September was \$13.1M.

Community Care Collaborative

Financial Statement Presentation

FY 2021 – as of September 30, 2021 (Preliminary)

Central Health Board of Managers
Board of Managers Meeting
October 27, 2021

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



Community Care
COLLABORATIVE

a partnership of Central Health and Seton Healthcare Family

Preliminary

Highlights Community Care Collaborative

September 2021



- * Cash is at \$26.5 million compared to \$27.1 million last year.
- * Total Liabilities are at \$12.5 million as of the end of September 2021.
- * Net Assets at the end of September are \$14M.

Preliminary

Balance Sheet Community Care Collaborative

As of September 2021



Community Care Collaborative

	as of 9/30/2021	as of 9/30/2020
Assets		
Cash and Cash Equivalents	26,463,648	27,137,951
Other Receivables	9,129	(0)
Prepaid and Other	93,712	216,320
Total Assets	<u>26,566,489</u>	<u>27,354,271</u>
Liabilities		
AP and Accrued Liabilities	4,874,008	6,359,572
Deferred Revenue	7,455,418	4,350,228
Other Liabilities	150,661	215,983
Accrued Payroll	46,911	112,360
Total Liabilities	<u>12,526,998</u>	<u>11,038,142</u>
Net Assets	<u>14,039,491</u>	<u>16,316,128</u>
Liabilities and Net Assets	<u>26,566,489</u>	<u>27,354,271</u>

Preliminary

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through September 2021



Sources of Funds	Budget	YTD Actual	YTD %	Prior YTD
			of Budget	Actual
DSRIP Revenue	61,168,472	59,363,558	97%	60,414,314
Operations Contingency Carryforward	5,362,495	11,316,128	211%	10,731,787
Other Sources	100,000	15,285	15%	467,621
Total Sources of Funds	66,630,967	70,694,971	106%	71,613,722
Uses - Programs				
Healthcare Delivery	19,630,967	15,064,254	77%	16,486,625
UT Services Agreement	35,000,000	35,000,000	100%	35,000,000
DSRIP Project Costs	12,000,000	11,591,227	97%	8,810,969
Total Uses	66,630,967	61,655,480	93%	60,297,594
Net Sources (Uses)	-	9,039,491		11,316,128
Net Assets		14,039,491		16,316,128

(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.

Preliminary



Healthcare Delivery Costs - Summary

Fiscal Year-to-Date through September 2021

	Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	978,864	106%	650,759
Specialty Care	3,908,000	2,163,566	55%	2,189,531
Specialty Behavioral Health	8,000,000	7,896,024	99%	7,963,874
Post-Acute Care	2,675,000	2,058,010	77%	2,491,540
Urgent and Convenient Care	475,000	123,589	26%	166,062
Healthcare Delivery - Operations	2,849,742	1,844,200	65%	3,024,859
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	15,064,254	77%	16,486,625

Preliminary

Thank You

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Community Care
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a partnership of Central Health and Seton Healthcare Family

Preliminary



September 2021 FYTD Financial Statements (unaudited)
Page 1 of 4

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$26.5M

Other Receivables – \$9K - Transportation assistance

Prepaid and Other – \$94K – Atrium security deposit and software license

Total Assets – \$26.6M

Liabilities

Accounts Payable and Accrued Liabilities – \$4.8M, which includes:

- \$4.8M estimated IBNR (Incurred But Not Received) for healthcare provider services
- \$119K due to Central Health (for July 2021 - September 2021)

Deferred Revenue – \$7.5M deferred revenue related to DSRIP projects, increased for CY20 payment

Other Liabilities – \$151K; includes leasehold improvement allowance liability of \$49K and deferred rent of \$102K

Payroll Liabilities – \$47K; includes PTO liability

Total Liabilities – \$12.5M



September 2021 FYTD Financial Statements (unaudited)
Page 2 of 4

Net Assets

Unrestricted Net Assets – \$14.0M

Total Net Assets – \$14.0M

Total Liabilities and Net Assets – \$26.6M

Sources and Uses Report

September financials → 12 months, 100% of fiscal year

Sources of Funds, Year-to-Date

DSRIP Revenue - \$59.4M, receipt for calendar year 2020 metrics

Operations Contingency - \$11.3M from FY2020 (This excludes emergency reserves of \$5M)

Other Sources – \$15K interest income

Uses of Funds, Year-to-Date

Operating Expenses

Healthcare Delivery (Excludes DSRIP) – \$15M

	Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	978,864	106%	650,759
Specialty Care	3,908,000	2,163,566	55%	2,189,531
Specialty Behavioral Health	8,000,000	7,896,024	99%	7,963,874
Post-Acute Care	2,675,000	2,058,010	77%	2,491,540
Urgent and Convenient Care	475,000	123,589	26%	166,062
Healthcare Delivery - Operations	2,849,742	1,844,200	65%	3,024,859
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	15,064,254	77%	16,486,625

UT Services Agreement – \$35M

DSRIP Project Costs – \$11.6M, primarily made up of provider earnings of:



September 2021 FYTD Financial Statements (unaudited)

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- CommUnity Care - \$10.0M
- Lone Star Circle of Care – \$1.3M
- Hospice Austin – \$67K
- DSRIP Operating Expenses - \$203K

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Central Health

Financial Statement Presentation

FY 2021 – as of August 31, 2021 (Preliminary)

Central Health Board of Managers

October 27, 2021

Lisa Owens, Deputy CFO

Patti Bethke, Controller



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- 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 August collected net property tax revenue is \$237 million compared to \$213 million as of August 2021 representing 98.4% of the adjusted tax levy compared to 98.2% as of August 2020.
- Purchased property at Hancock Center on August 6, 2021 for \$18.7M.
- Healthcare Delivery is \$111 million for the eleven months ending 8/31/2021.
- GAAP reporting Net Assets increased \$78 million year-over-year this is net of hospital impairment totaling \$51 million due to redevelopment.
- TCHD LPPF total restricted balance of LPPF as of 8/31/2021 is \$36 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 8/31/2021	as of 8/31/2020
Current Assets		
Cash and cash equivalents	1,269,383	1,259,890
Short-term investments	272,004,079	192,072,883
Ad valorem taxes receivable	2,261,228	2,323,133
Other receivables	5,626,744	3,121,482
Prepaid expenses	448,227	390,551
Total Current Assets	<u>281,609,661</u>	<u>199,167,939</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	26,061,511	7,901,549
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	36,174,368	6,208,615
Total Restricted Cash and Investments or Noncurrent	<u>174,318,879</u>	<u>126,193,164</u>
Capital Assets		
Land	23,037,767	12,598,612
Buildings and improvements	60,006,360	130,702,304
Equipment and furniture	18,794,441	9,612,935
Capital Projects in progress	9,984,958	3,826,290
Less accumulated depreciation	(25,914,121)	(47,057,317)
Total Capital Assets	<u>85,909,404</u>	<u>109,682,824</u>
Total Assets	<u><u>541,837,944</u></u>	<u><u>435,043,927</u></u>



Liabilities	Preliminary	
	as of 8/31/2021	as of 8/31/2020
Current Liabilities		
Accounts payable	9,161,913	10,477,421
Salaries and benefits payable	2,390,577	2,185,125
Other Payables	1,297,385	36,320
Debt service payable, short-term	1,228,461	1,180,000
Deferred tax revenue	2,051,957	2,013,680
Other deferred revenue	-	610,000
Total Current Liabilities	16,130,294	16,502,546
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	36,174,368	6,208,615
Debt service payable, long-term	4,915,000	6,105,000
Total Restricted or Noncurrent Liabilities	41,089,368	12,313,615
Total Liabilities	57,219,662	28,816,160
Net Assets		
Unrestricted	415,564,174	296,544,942
Investment in Capital Assets	69,054,108	109,682,824
Total Net Assets	484,618,282	406,227,767
Liabilities and Net Assets	541,837,944	435,043,927



Sources / Uses	Aug 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Sources					
Property Tax Revenue	202,557	237,354,760	234,057,519	101%	213,403,940
Lease Revenue	880,193	11,073,888	12,909,866	86%	10,984,679
Other Revenue	683,635	1,534,884	1,720,000	89%	2,304,977
Tobacco Settlement Revenue	-	3,872,274	2,800,000	138%	3,819,376
Contingency Reserve (Carryforward)	-	136,179,266	115,856,728	118%	64,898,396
Total Sources	1,766,385	390,015,072	367,344,113	106%	295,411,368
Uses of Funds					
Healthcare Delivery	9,927,273	110,691,056	353,858,894	31%	139,098,074
Administrative Program					
Salaries and benefits	422,876	4,521,162	5,561,651	81%	4,323,439
Consulting Fees	(5,850)	249,829	1,259,570	20%	485,605
Legal Fees	26,521	479,260	1,497,136	32%	1,004,819
Other Purchase Goods and Services	438,554	1,787,351	3,081,046	58%	1,039,327
Total Administrative Program	882,101	7,037,602	11,399,403	62%	6,853,190
Tax Collection Expenses	80,158	1,724,622	2,085,816	83%	1,686,062
Total Uses	10,889,532	119,453,280	367,344,113	33%	147,637,326
Excess Sources / (Uses)	(9,123,147)	270,561,792			147,774,042



Healthcare Delivery Summary	Aug 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Inter-Governmental Transfers (IGTs)	-	19,983,752	23,528,575	85%	47,787,968
Healthcare Services					
Primary Care - (see detail on Slide 11)	5,731,449	38,851,912	56,935,000	68%	40,735,785
Specialty Care, incld Dental & Behavioral Health	701,655	5,606,296	14,448,856	39%	5,226,419
Pharmacy	747,318	8,496,439	13,250,000	64%	8,845,757
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	90,282	1,003,532	4,469,990	22%	1,030,274
Community Healthcare Initiatives Fund	24,125	-	875,000	0%	-
Hospital and Specialty Services & Incentives	-	-	59,700,000	0%	-
Subtotal Healthcare Services	7,294,829	53,958,179	155,078,846	35%	55,838,235
ACA Premium Assist, Education, Enrollment	888,984	10,767,174	12,160,674	89%	8,720,496
Healthcare Facilities and Campus Redevelopment	260,447	2,715,850	6,097,472	45%	3,304,603
Healthcare Delivery Operating Costs	1,476,603	15,509,393	29,473,028	53%	12,807,504
Debt, Reserves and Transfers	6,410	7,756,708	127,520,299	6%	10,639,268
Total Healthcare Delivery	9,927,273	110,691,056	353,858,894	31%	139,098,074



Details for Health Care Delivery on the following slides.

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Healthcare Delivery - Detail	Aug 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Intergovernmental Transfers (IGTs)					
DSH - Disproportionate Share	-	-	-	0%	26,959,115
DSRIP - CCC	-	19,983,752	23,528,575	85%	20,828,853
Subtotal Intergovernmental Transfers (IGTs)	-	19,983,752	23,528,575	85%	47,787,968
Healthcare Services					
Primary Care - (see detail on Slide 11)	5,731,449	38,851,912	56,935,000	68%	40,735,785
Specialty Care, incld Dental - (see detail on Slide 12)	563,503	4,948,445	12,565,000	39%	4,720,843
Specialty Care, Behavioral Health	138,152	657,851	1,883,856	35%	505,576
Pharmacy	747,318	8,496,439	13,250,000	64%	8,845,757
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	33,029	373,750	1,150,000	33%	411,939
Healthcare services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	57,253	629,782	719,990	87%	565,835
Primary & Specialty Care Reserves	-	-	2,000,000	0%	52,500
Community Health Care Initiatives	24,125	-	875,000	0%	-
Hospital and Specialty Services	-	-	57,000,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
Subtotal Healthcare Services	7,294,829	53,958,179	155,078,846	35%	55,838,235
Service Expansion Funds					

(continued on next page)



Healthcare Delivery Detail (continued)	Aug 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	711,648	7,744,490	8,600,000	90%	6,169,603
CHAP Program	164,366	2,453,741	2,959,354	83%	1,979,883
ACA Enrollment and Education Services	12,970	568,943	601,320	95%	571,010
Subtotal ACA & Premium Assist Program	888,984	10,767,174	12,160,674	89%	8,720,496
Healthcare Facilities and Campus					
Salaries and benefits	16,486	99,662	368,579	27%	321,701
Consulting Services	90,097	326,699	1,730,000	19%	-
Legal Fees	793	170,374	174,500	98%	-
Other Goods & Svc incl. UT Ground Lease	153,071	2,119,115	3,824,393	55%	2,982,902
Subtotal Healthcare Facilities and Campus	260,447	2,715,850	6,097,472	45%	3,304,603
Healthcare Delivery Operating Costs					
Salaries and benefits	1,060,418	10,742,665	15,021,176	72%	8,763,303
Consulting Services	2,095	61,233	1,085,500	6%	57,218
Legal Fees	4,627	83,821	332,000	25%	105,580
Other Services and Purchased Goods	409,463	4,621,674	13,034,352	35%	3,881,403
Subtotal HCD Operating Cost	1,476,603	15,509,393	29,473,028	53%	12,807,504
Debt Service, Reserves and Transfers					
Debt Service	6,410	1,256,708	1,264,357	99%	1,282,978
Healthcare Capital Line of Credit	-	-	1,091,773	-	-
FY2021 Capital reserve	-	6,500,000	34,100,000	19%	2,950,000
FY2021 Hospital Services Reserve	-	-	4,000,000	-	6,406,290
FY2021 Contingency reserve appropriation	-	-	87,064,169	-	-
Subtotal Debt, Reserves and Transfers	6,410	7,756,708	127,520,299	6%	10,639,268
Total Healthcare Delivery	9,927,273	110,691,056	353,858,894	31%	139,098,074



Healthcare Delivery - Primary Care	Aug 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Primary Care					
CommUnity Care	5,099,173	32,190,913	44,885,000	72%	34,567,423
Lone Star Circle of Care	412,169	4,566,191	6,555,000	70%	4,838,603
People's Community Clinic	194,313	1,939,699	2,600,000	75%	1,674,444
Other Primary Care	25,793	155,109	2,895,000	5%	(344,685)
Subtotal Primary Care Services	5,731,448	38,851,912	56,935,000	68%	40,735,785

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Healthcare Delivery - Specialty Care	Aug 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD	YOY Percent Change	Comments
Specialty Care							
Ancillary Services	3,756	51,161	610,000	8%	21,340	140%	
Cardiology	5,661	87,047	265,000	33%	99,820	-13%	
Consultation Services	50,000	300,000	500,000	60%	0	0%	Addition of services with CUC
Dental Specialty	80,449	702,686	1,000,000	70%	792,937	-11%	
Dermatology	51,858	429,231	550,000	78%	718,813	-40%	Lower volume
Durable Medical Equipmen	3,881	22,247	115,000	19%	17,050	30%	
Ear, Nose & Throat ENT	27,475	232,468	350,000	66%	304,088	-24%	
Endocrinology	33,324	292,755	575,000	51%	199,255	47%	Increased utilization of e-consults
Gastroenterology	105,053	768,733	2,100,000	37%	722,559	6%	
General Surgery	1,254	33,241	300,000	11%	132,979	-75%	Lower volume
Gynecology IPU	0	0	600,000	0%	11,890	-100%	Services currently contracted in CCC
Nephrology	3,234	15,587	200,000	8%	0	0%	New service in FY21 with lower volume
Oncology	30,546	305,891	700,000	44%	375,206	-18%	Lower volume
Ophthalmology	104,232	1,053,450	1,575,000	67%	741,982	42%	Increased volume
Orthotics & Prosthetics	4,967	119,878	200,000	60%	113,014	6%	
Podiatry	26,285	208,360	350,000	60%	59,725	249%	New service in FY20
Pulmonology	19,044	152,992	375,000	41%	267,998	-43%	Lower volume
Rheumatology	11,351	121,884	250,000	49%	113,429	7%	
Musculoskeletal	0	0	1,700,000	0%	0	0%	Services currently contracted in CCC
Neurology	0	0	100,000	0%	0	0%	
Wound Care	1,131	50,831	150,000	34%	28,757	77%	
Total Specialty Care	563,501	4,948,442	12,565,000	39%	4,720,842	5%	



Questions ? Comments ?

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.3M compared to \$1.3M August 2020

Short-term Investments – Short-term investments were \$272M at month-end and restricted investments were increased to \$26M for capital designated for Colony Park.

Ad Valorem Taxes Receivable – \$2.3M balance is composed of:

Gross Tax Receivables	\$ 7.2M
Taxable Assessed Valuation Adjustment	(2.2)M
Est. Allowance for Doubtful collections	(2.7)M
Total Taxes Receivable	\$ 2.3M

Other Receivables – Other receivables total \$5.6M and includes intercompany balances:

- CommUnityCare - \$2.9M
- Sendero - \$2.2M
- Community Care Collaborative - \$48K
- Accrued Interest - \$412K
- Miscellaneous Receivables – \$11K

Prepaid Expenses – \$448K balance composed of:

- TCAD Appraisal Fees - \$80K
- Prepaid Insurance - \$119K
- ICC Dues \$57K
- Software - \$58K
- Memberships - \$52K
- Deposits - \$82K
- Prepaid Tax Collection Fees - \$366

Total Current Assets – \$282M



August 2021 Preliminary Monthly Financial Statements (unaudited)

Page 2 of 7

Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$26M 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 - \$36M

Capital Assets – \$86M, net of accumulated depreciation

Total Assets – \$542M



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$9.2M balance are:

- \$7.6M estimated IBNR for healthcare services.
- \$1.6M vendor invoices due.

Other Payables – \$1.3M Contract Liability

Salaries and Benefits Payable – \$2.4M 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.

Debt Service Payable, Short-Term – \$1.2M in Certificates of Obligation Payable, interest due 09/01/21.

Deferred Tax Revenue - \$2.1M pending collection

Total Current Liabilities – \$16M



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$36M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$4.9M balance of the \$7.285M in General Obligation Bonds, Series 2020. This debt was originally issued in 2011 for the North Central clinic and refunded May 2020. Due annually on 3/1.

Total Restricted of Noncurrent Liabilities – \$41M

Total Liabilities – \$57M

Net Assets

Unrestricted Net Assets – \$416M

Investment in Capital Assets – \$69M

Total Net Assets – \$485M

Total Liabilities and Net Assets – \$542M



Sources and Uses Report – Slide 6

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

Sources – Total \$1.8M for the month

Property Tax Revenue – Net property tax revenue for the month was \$203K. Net revenue includes \$160K current month's collections; \$64K Penalties and Interest; (\$21K) in adjustments for prior year delinquent taxes.

Lease Revenue – \$880K recorded for Seton lease payment.

Other Revenue – \$684K which includes:

- Grant - Episcopal Health Foundation (EHF) – \$600K
- Monthly investment income – \$83K

Uses of Funds – Total \$10.9M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$9.9M for the month and \$111M YTD compared to \$139M YTD thru August 2020.

Healthcare Delivery Budget includes funds for service expansion in Post-Acute Care \$5.4M, Primary & Specialty Care \$3.8M (Musculoskeletal \$1.7M, Neurology \$100k, and Reserves \$2M), Community Health Care Initiatives Fund \$875k, and Hospital and Specialty Services \$59.7M.

Administration Program – \$882K in expense for the month, which includes:

- Personnel costs – \$423K
- Consulting services – \$(6)K
- Legal fees – \$26K
- Other general and administrative – \$439K

Sources and Uses Report – Slide 6 (continued)**Tax Collection Expenses** – \$80K for the month.**Excess Sources/(Uses)** – (\$9M) in August. Current YTD is \$271M compared to prior year FY20 YTD of \$148M.**Healthcare Delivery Expense** – Slide 7**Healthcare Delivery Expense** – Total \$9.9M August; \$111M YTD compared to \$139M August FY20 YTD.**Intergovernmental Transfers (“IGT’s”)** – YTD \$20M for DSRIP IGT compared to \$48M YTD last year for DSRIP IGT and DSH.**Healthcare Services** – Healthcare delivery providers’ expense for August totaled \$7.2M, which includes:

- Primary care – \$5.7M
- Specialty Care (including Dental and Behavioral Health) – \$702K
- Pharmacy - \$747K
- All Other Healthcare Services - \$114

ACA Premium Assist, Education, Enrollment – \$889K in expenses for the month; \$10.7M YTD compared to \$8.7M FY20 YTD**Healthcare Facilities and Campus Redevelopment** - \$260K in expense for the month and \$2.7M YTD.



Healthcare Delivery Expense – Slide 7 (continued)

Healthcare Delivery Operating Cost – \$1.5M in expenses for the month and includes:

- Personnel costs – \$1.1M
- Consulting Services – \$(14)K
- Legal Fees - \$5K
- Other services and purchased goods – \$409K

Debt, Reserves and Transfer – \$6K in Debt Service and Capital Reserve for the month

Total Healthcare Delivery - for the month of August was \$9.9M.

Community Care Collaborative

Financial Statement Presentation

FY 2021 – as of August 31, 2021 (Preliminary)

**Central Health Board of Managers
Board of Managers Meeting
October 27, 2021**

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



**Community Care
COLLABORATIVE**

a partnership of Central Health and Seton Healthcare Family

Preliminary

Highlights Community Care Collaborative

August 2021



- * Cash is at \$31.5 million compared to \$35 million last year.
- * Total Liabilities are at \$15.6 million as of the end of August 2021.
- * Net Assets at the end of July are \$16.0M.

Preliminary

Balance Sheet Community Care Collaborative

As of August 2021



Community Care Collaborative

	as of 8/31/2021	as of 8/31/2020
Assets		
Cash and Cash Equivalents	31,477,199	34,994,841
Other Receivables	27,954	86,855
Prepaid and Other	100,068	140,231
Total Assets	<u>31,605,221</u>	<u>35,221,927</u>
Liabilities		
AP and Accrued Liabilities	7,864,091	10,711,335
Deferred Revenue	7,455,418	1,961,042
Other Liabilities	158,788	220,479
Accrued Payroll	100,704	110,414
Total Liabilities	<u>15,579,001</u>	<u>13,003,270</u>
Net Assets	<u>16,026,220</u>	<u>22,218,657</u>
Liabilities and Net Assets	<u>31,605,221</u>	<u>35,221,927</u>

Preliminary

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through August 2021



Sources of Funds	Budget	YTD Actual	YTD %	Prior YTD
			of Budget	Actual
DSRIP Revenue	61,168,472	59,363,558	97%	63,290,350
Operations Contingency Carryforward	5,362,495	11,316,128	211%	10,731,787
Other Sources	100,000	14,039	14%	120,752
Total Sources of Funds	66,630,967	70,693,724	106%	74,142,890
Uses - Programs				
Healthcare Delivery	19,630,967	13,089,719	67%	15,054,160
UT Services Agreement	35,000,000	35,000,000	100%	35,000,000
DSRIP Project Costs	12,000,000	11,577,786	96%	6,870,073
Total Uses	66,630,967	59,667,505	90%	56,924,233
Net Sources (Uses)	-	11,026,220		17,218,657
Net Assets		16,026,220		22,218,657

⁽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.

Preliminary



Healthcare Delivery Costs - Summary

Fiscal Year-to-Date through August 2021

	Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	904,646	98%	610,953
Specialty Care	3,908,000	1,965,827	50%	2,032,515
Specialty Behavioral Health	8,000,000	6,506,424	81%	7,410,792
Post-Acute Care	2,675,000	1,825,474	68%	2,341,766
Urgent and Convenient Care	475,000	113,817	24%	155,575
Healthcare Delivery - Operations	2,849,742	1,773,531	62%	2,502,560
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	13,089,719	67%	15,054,160

Preliminary

Thank You

www.ccc-ids.org



a partnership of Central Health and Seton Healthcare Family

Preliminary



August 2021 FYTD Financial Statements (unaudited)
Page 1 of 4

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$31.5M

Other Receivables – \$28K - Atrium rent and transportation assistance

Prepaid and Other – \$100K – Atrium security deposit and software license

Total Assets – \$31.6M

Liabilities

Accounts Payable and Accrued Liabilities – \$7.8M, which includes:

- \$7.8M estimated IBNR (Incurred But Not Received) for healthcare provider services
- \$49K due to Central Health (for July 2021 - August 2021)

Deferred Revenue – \$7.5M deferred revenue related to DSRIP projects, increased for CY20 payment

Other Liabilities – \$159K; includes leasehold improvement allowance liability of \$52K and deferred rent of \$107K

Payroll Liabilities – \$101K; includes PTO liability

Total Liabilities – \$15.6M



August 2021 FYTD Financial Statements (unaudited)
Page 2 of 4

Net Assets

Unrestricted Net Assets – \$16.0M

Total Net Assets – \$16.0M

Total Liabilities and Net Assets – \$31.6M

Sources and Uses Report

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

Sources of Funds, Year-to-Date

DSRIP Revenue - \$59.4, receipt for calendar year 2020 metrics

Operations Contingency - \$11.3M from FY2020 (This excludes emergency reserves of \$5M)

Other Sources – \$14K interest income

Uses of Funds, Year-to-Date

Operating Expenses

Healthcare Delivery (Excludes DSRIP) – \$13M



	Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	904,646	98%	610,953
Specialty Care	3,908,000	1,965,827	50%	2,032,515
Specialty Behavioral Health	8,000,000	6,506,424	81%	7,410,792
Post-Acute Care	2,675,000	1,825,474	68%	2,341,766
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Healthcare Delivery - Operations	2,849,742	1,773,531	62%	2,502,560
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	13,089,719	67%	15,054,160

UT Services Agreement – \$35M



DSRIP Project Costs – \$11.6M, primarily made up of provider earnings of:

- CommUnity Care - \$10.0M
- Lone Star Circle of Care – \$1.3M
- Hospice Austin – \$67K
- DSRIP Operating Expenses - \$190K

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CENTRAL HEALTH

Our Vision

Central Texas is a model healthy community.

Our Mission

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

Our Values

Central Health will achieve excellence through:

Stewardship - We maintain public trust through fiscal discipline and open and transparent communication.

Innovation - We create solutions to improve healthcare access.

Respect - We honor our relationship with those we serve and those with whom we work.

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

BOARD MEETING

October 27, 2021

REGULAR AGENDA ITEM 3

Receive and discuss a presentation on CommUnityCare Health Centers' Fiscal Year 2022 budget.
(*Informational Item*)

OCTOBER 1, 2021 – SEPTEMBER 30, 2022

BUDGET OVERVIEW

DR. JAESON T. FOURNIER, PRESIDENT AND CEO
JOY SLOAN, CHIEF FINANCIAL OFFICER

HOW COVID-19 IMPACTED COMMUNITY HEALTH CENTERS

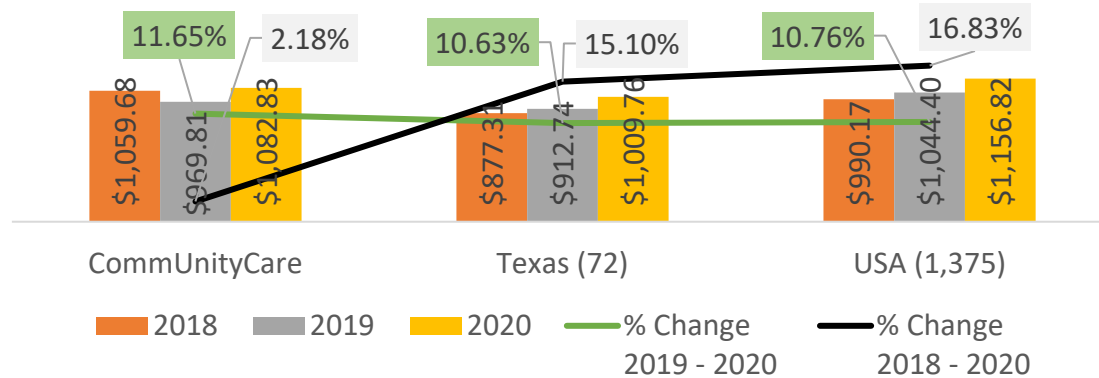
- For medical visits:
 - Nationally, health centers experienced a staggering **26.4%** decrease in clinic visits with this buffered by virtual visits for an overall reduction of **3.3%** in medical visits compared to 2019.
 - Statewide, health centers have experienced a **19.4%** decrease clinic visits with this buffered by virtual visits for an overall reduction of **2.5%** in medical visits compared to 2019.
 - CommUnityCare experienced a **25.9%** decrease clinic visits with this buffered by virtual visits for an overall increase of 4.2% in medical visits compared to 2019. The latter increase compared to 2019 is a result of a higher rate of virtual visits compared to peers but mostly due to the impact of a full year of Carousel as part of CommUnityCare's operations.

HOW COVID-19 IMPACTED COMMUNITY HEALTH CENTERS

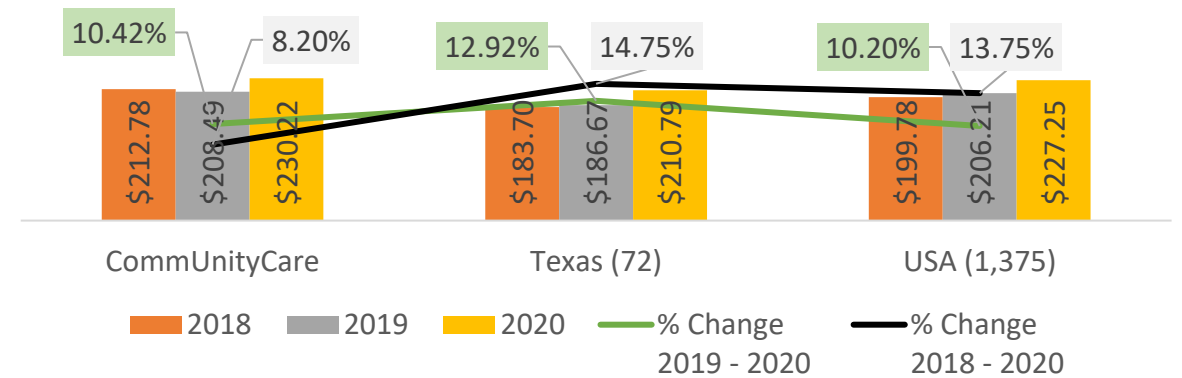
- For dental visits:
 - Nationally, health centers experienced a staggering **36.0%** decrease in clinic visits with this slightly buffered by virtual visits for an overall reduction of **34.4%** in dental visits compared to 2019.
 - Statewide, health centers experienced a **32.9%** decrease clinic visits with essentially no virtual visits occurring in Texas for an overall reduction of **32.9%** in dental visits compared to 2019.
 - CommUnityCare has experienced a **17.8%** decrease clinic visits with no virtual visits for an overall reduction of **17.8%** in dental visits compared to 2019. Of note, CommUnityCare fared better on the dental front because of the inclusion of a full year of Carousel operations.

COMMUNITYCARE COSTS PER PATIENT/MEDICAL VISIT AND FEDERAL FUNDING COMPARED TO STATE AND NATIONAL HEALTH CENTERS

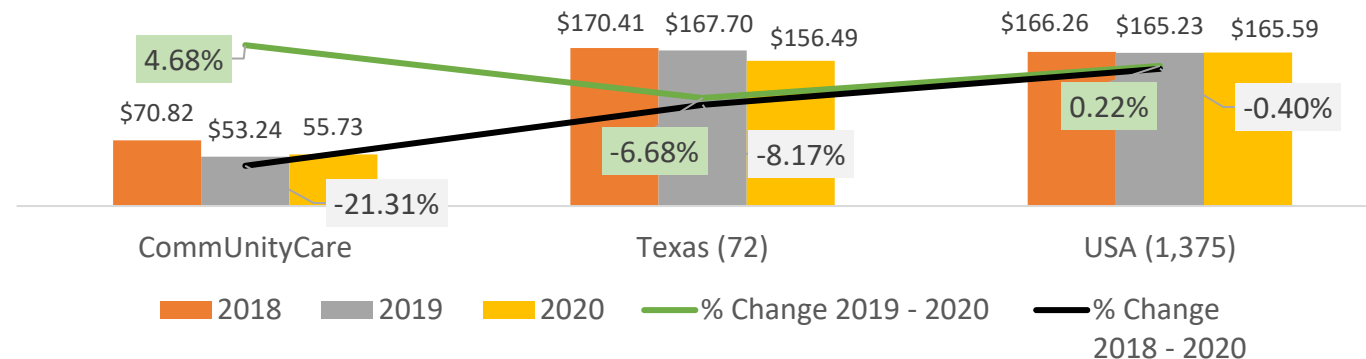
3 Year Trend - Total Accrued Costs Per Patient



3 Year Trend - Medical Costs Per Medical Visit



3 Year Trend - Federal Health Center Base Grant Funds per Patient



FY 2021-2022 – FINANCIAL PRESSURES

1. Continued impact of COVID-19.
2. Sustainability of Delivery System Reform Incentive Payments (DSRIP) funding.
 - \$8.5M was budgeted for FY 2020-21. Unclear what the FY 2021-2022 opportunity will be but budgeting \$4M at this time.
3. Increasing pharmacy costs and erosion of pharmaceutical patient assistance program rebates.
4. Increasing technology costs (over 30%).
 - Partly Epic, partly cybersecurity, and needed investments that were unexpected.
5. Increasing labor costs and competition for talent.
 - 10% increase in employer provided health insurance projected.

FY 2021-2022 – OPERATIONAL PRIORITIES

1. Stabilize Workforce - Recruit and Retain Staff.
 - Projecting about 1,400 plus care team members. Of which, 87 new positions are funded through the American Recovery Plan Act – Health Centers.
2. Stabilize and optimize Epic and deploy additional features.
3. Enhance Quality Infrastructure.
4. COVID-19 Response and Recovery.
5. Optimize Access and patient experience.
6. Increase Value Based Contracting and enhance population health management capabilities.

FY2022 (10/01/2021 – 09/30/2022) BUDGETED REVENUE

Patient Service Revenue	FY 2021 Budget	FY 2021 Projected	FY 2022 BOD Approved	FY22 vs FY21 Budget	% Variance	FY22 vs FY21 Projected	% Variance
CH Indigent Care FFS	\$30,458,758	\$26,573,528	\$35,868,223	\$5,409,465	17.8%	\$9,294,695	35.0%
Family Planning/Other	\$1,331,562	\$2,304,671	\$1,031,282	-\$300,280	-22.6%	-\$1,273,389	-55.3%
Insurance	\$2,227,375	\$3,133,590	\$2,352,639	\$125,264	5.6%	-\$780,951	-24.9%
Medicaid/CHIP	\$43,592,820	\$39,692,905	\$49,149,924	\$5,557,104	12.7%	\$9,457,019	23.8%
Medicare	\$2,722,622	\$2,343,864	\$2,490,839	-\$231,783	-8.5%	\$146,975	6.3%
Pharmacy Services	\$25,000,000	\$32,704,358	\$31,873,070	\$6,873,070	27.5%	-\$831,288	-2.5%
Self Pay / SFS	\$2,759,079	\$5,844,688	\$4,925,985	\$2,166,906	78.5%	-\$918,703	-15.7%
Allowance for Bad Debt	-\$4,066,324	-\$5,139,591	-\$4,755,356	-\$689,032	16.9%	\$384,235	-7.5%
Other Revenue	FY 2021 Budget	FY 2021 Projected	FY 2022 BOD Approved	FY22 vs FY21 Budget	% Variance	FY22 vs FY21 Projected	% Variance
CH Indigent - Non-FFS	\$18,839,609	\$17,707,546	\$19,047,913	\$208,304	1.1%	\$1,340,367	7.6%
DSRIP	\$8,893,471	\$10,123,906	\$4,000,000	-\$4,893,471	-55.0%	-\$6,123,906	-60.5%
Grant Revenue	\$23,962,777	\$19,967,292	\$28,365,798	\$4,403,021	18.4%	\$8,398,506	42.1%
Patient Service Revenue	FY 2021 Budget	FY 2021 Projected	FY 2022 BOD Approved	FY22 vs FY21 Budget	% Variance	FY22 vs FY21 Projected	% Variance
Total Patient Service Revenue	\$104,025,892	\$107,458,013	\$122,936,606	\$18,910,714	18.2%	\$15,478,593	14.4%
Total Other Revenue	\$51,695,857	\$47,798,744	\$51,413,711	-\$282,146	-0.5%	\$3,614,967	7.6%
Total All Revenue	\$155,721,749	\$155,256,757	\$174,350,317	\$18,628,568	12.0%	\$19,093,560	12.3%

FY2022 (10/01/2021 – 09/30/2022) BUDGETED EXPENSES & OPERATING POSITION

Expenses	FY 2021 Budget	FY 2021 Projected	FY 2022 BOD Approved	FY22 vs FY21 Budget	% Variance	FY22 vs FY21 Projected	% Variance
Employee Salaries	\$84,635,539	\$77,665,389	\$92,432,864	\$7,797,325	9.2%	\$14,767,475	19.0%
Employee Benefits	\$22,844,182	\$20,101,066	\$23,277,155	\$432,973	1.9%	\$3,176,089	15.8%
Contract Labor	\$4,604,004	\$6,008,087	\$5,048,900	\$444,896	9.7%	-\$959,187	-16.0%
Total Direct Care Expenses	\$21,849,043	\$25,044,011	\$27,849,811	\$6,000,768	27.5%	\$2,805,800	11.2%
Indirect Expenses	\$21,006,032	\$21,023,958	\$25,156,757	\$4,150,725	19.8%	\$4,132,799	19.7%
Total Expenses	\$154,938,800	\$149,842,511	\$173,765,487	\$18,826,687	12.2%	\$23,922,976	16.0%

Operating Position at FY End	FY 2021 Budget	FY 2021 Projected	FY 2022 BOD Approved	FY22 vs FY21 Budget	% Variance	FY22 vs FY21 Projected	% Variance
Excess (Deficit) From Operations	\$782,949	\$5,414,246	\$584,830	-\$198,119	-25.3%	-\$4,829,416	-616.8%
Non-Operating Revenue	\$0	\$219,919	\$44,080	\$44,080	n/a	-\$175,839	n/a
Excess (Deficit)	\$782,949	\$5,634,165	\$628,910	-\$154,039	-19.7%	-\$5,005,255	-639.3%

Other Cash Considerations	FY 2021 Budget	FY 2021 Projected	FY 2022 BOD Approved	FY22 vs FY21 Budget	% Variance	FY22 vs FY21 Projected	% Variance
Other Cash Obligations Due During FY	n/a	\$6,000,000	\$6,500,000	n/a	n/a	\$500,000	0.0%

Operating Position Following Cash Obligations	\$782,949	-\$365,835	-\$5,871,090	-\$5,088,141	-649.9%	-\$6,236,925	1704.8%
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FY2022 (10/01/2021 – 09/30/2022) SOURCES OF GRANT REVENUE

Federal Grants	FY2021 Budget	FY2022 Budget
COVID - FEMA Reimbursement	\$5,037,639	\$0
COVID Health Center - ARPA	\$0	\$13,644,786
COVID Health Center - CARES D	\$3,676,220	\$0
COVID Health Center - CARES E	\$720,477	\$0
Health Center - Integrated Behavioral Health	\$0	\$258,095
Health Center - PrEp	\$330,005	\$203,358
Health Center - Quality	\$140,690	\$37,813
Health Center Program - 330	\$5,913,611	\$6,002,776
SAMSHA	\$108,458	\$79,830
Total Federal Grants	\$15,927,100	\$20,226,658

State/Local Grants (including Federal Pass Throughs)	FY2021 Budget	FY2022 Budget
DHHS - Community Mental Health	\$373,927	\$373,927
DHHS - Family Planning	\$0	\$91,402
DHHS - Healthy Texas Women	\$59,608	\$59,608
DHHS - Primary Health Care	\$148,649	\$156,473
DHHS - Title V	\$231,850	\$144,053
Ryan White - City of Austin / BVCOG	\$3,523,451	\$3,547,039
Title X	\$127,726	\$241,452
UT Austin - CPRIT	\$518,161	\$353,269
UTMB - Area Health Education Center	\$82,665	\$79,380
Total State/Local Grants	\$5,066,037	\$5,046,603

Foundation Support	FY2021 Budget	FY2020 Budget
Ascension / Seton - Community Benefit/ Other	\$1,766,000	\$1,766,000
Covalent	\$0	\$75,942
Episcopal Health Foundation	\$1,153,640	\$1,251,046
Lola Wright	\$50,000	\$0
Total Foundation Support	\$2,969,640	\$3,092,988

Total All Grant Support
FY2021 Budget = \$23,962,777
FY2022 Budget = \$28,366,249

FY2022 (10/01/2021 – 09/30/2022) CENTRAL HEALTH REQUESTED FUNDING

Service	FY2021 Budget	FY2021 Projected	FY2022 Budget
Medical FFS	\$18,345,490	\$15,742,839	\$21,821,867
Dental FFS	\$8,159,130	\$6,261,759	\$8,914,596
Behavioral Health FFS	\$1,675,380	\$239,440	\$1,411,260
Specialty FFS	\$5,100,000	\$2,382,724	\$3,720,500
Alternative Visits FFS	\$1,500,000	\$886,952	\$1,475,913
Pay for Performance	\$180,000	\$180,000	\$180,000
Care Management - PMPM	\$6,912,000	\$6,912,000	\$6,912,000
Community Benefit			
Family Planning, HIV Care & Pharmacy Benefit Management	\$8,280,000	\$8,280,000	\$10,480,000
Epic Implementation Performance	\$1,000,000	\$1,000,000	\$0
Total All Central Health Revenue	\$51,152,000	\$41,885,714	\$54,916,136

Note: Contract with Central Health for FY2022 is pending finalization.

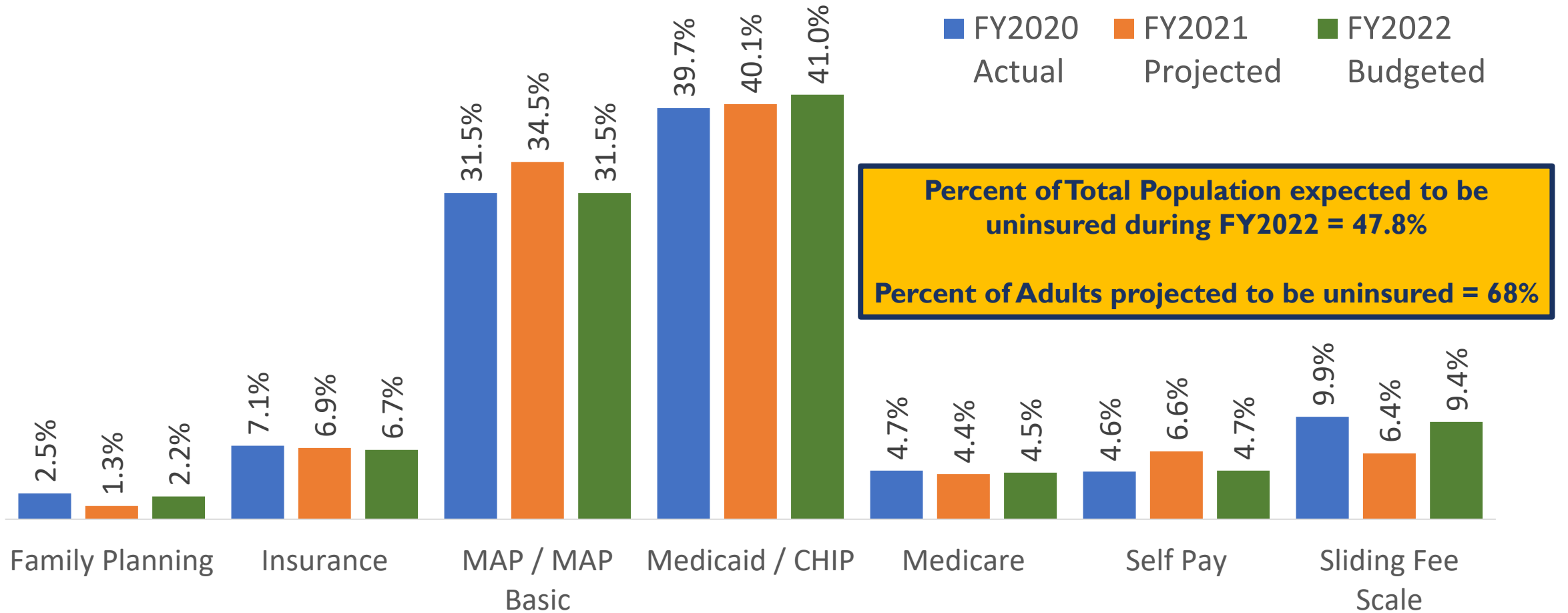
FY2022 (10/01/2021 – 09/30/2022) BUDGETED SERVICE DELIVERY & BUDGETED PROVIDERS

By Discipline	FY2022 Budgeted Encounters
Behavioral Health	23,179
Cardiology	455
Dental	50,465
Dermatology	2,264
Endocrinology	3,230
Family Practice	169,241
Gastroenterology	4,909
Internal Medicine	48,423
Medication Assisted Therapy (MAT)	1,336
Nephrology	223
Obstetrics / Gynecology	37,102
Pediatric Dentistry	21,829
Pediatrics	126,722
Podiatry	3,118
Pulmonology	3,173
Rheumatology	1,559
Therapy	15,207
Total All Encounters	512,435

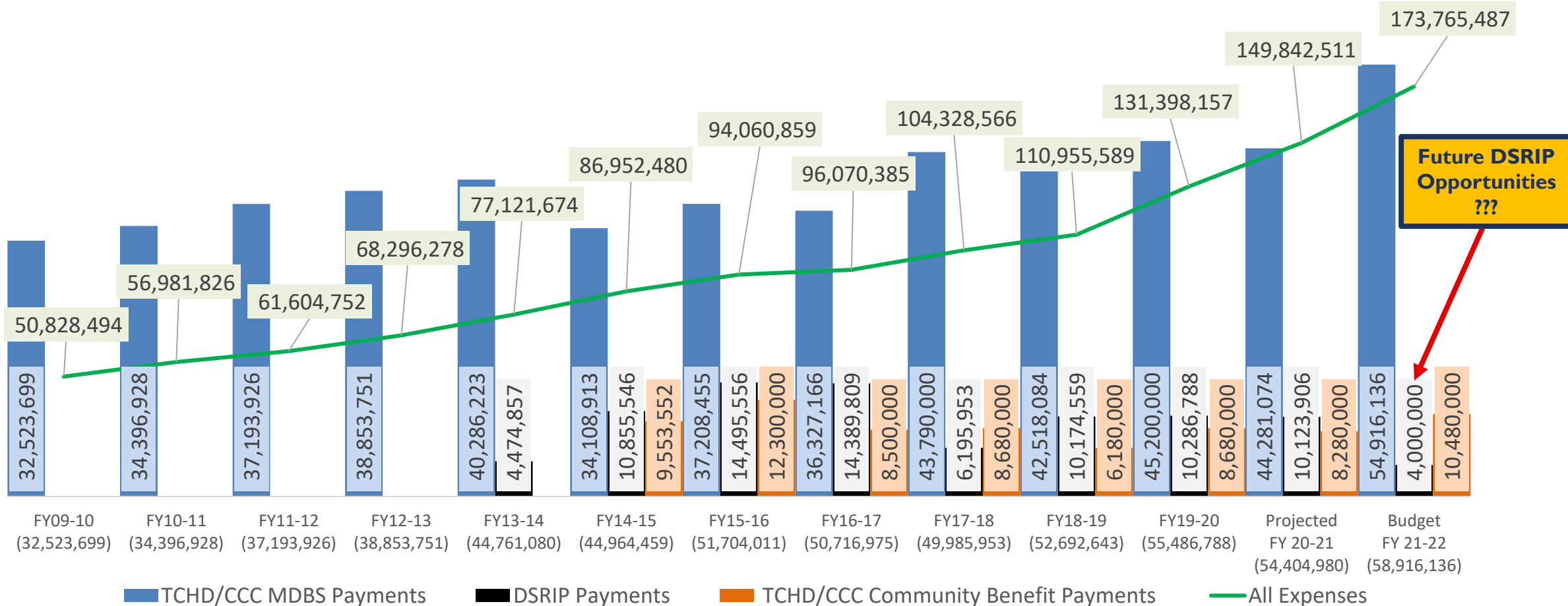
By Provider Type	FY2022 Budgeted Encounters
Dental Hygenists	14.70
Dentists	17.78
Mental Health Phycsians /APPs	3.40
Mental Health Therapists / Staff	22.75
Primary Care Advance Practice Providers	63.75
Primary Care Phycsains	49.88
Specialty Phycsains	7.20
Therapists & Therapy Assistants	15.53
Total All Providers	194.99

Excludes service expansion requested by Central Health with this pending MBDS (Medical, Behavioral Health, Dental, Specialty) agreement finalization.

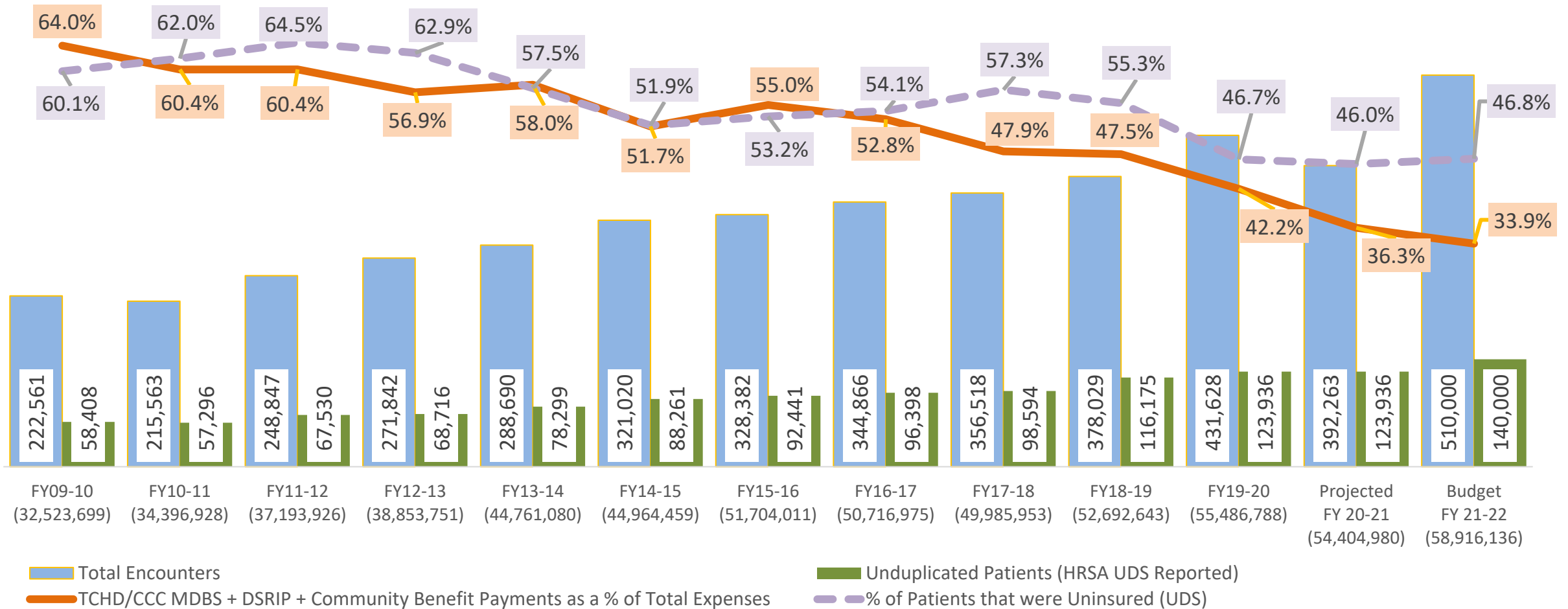
PERCENT PAYOR MIX BY SOURCE



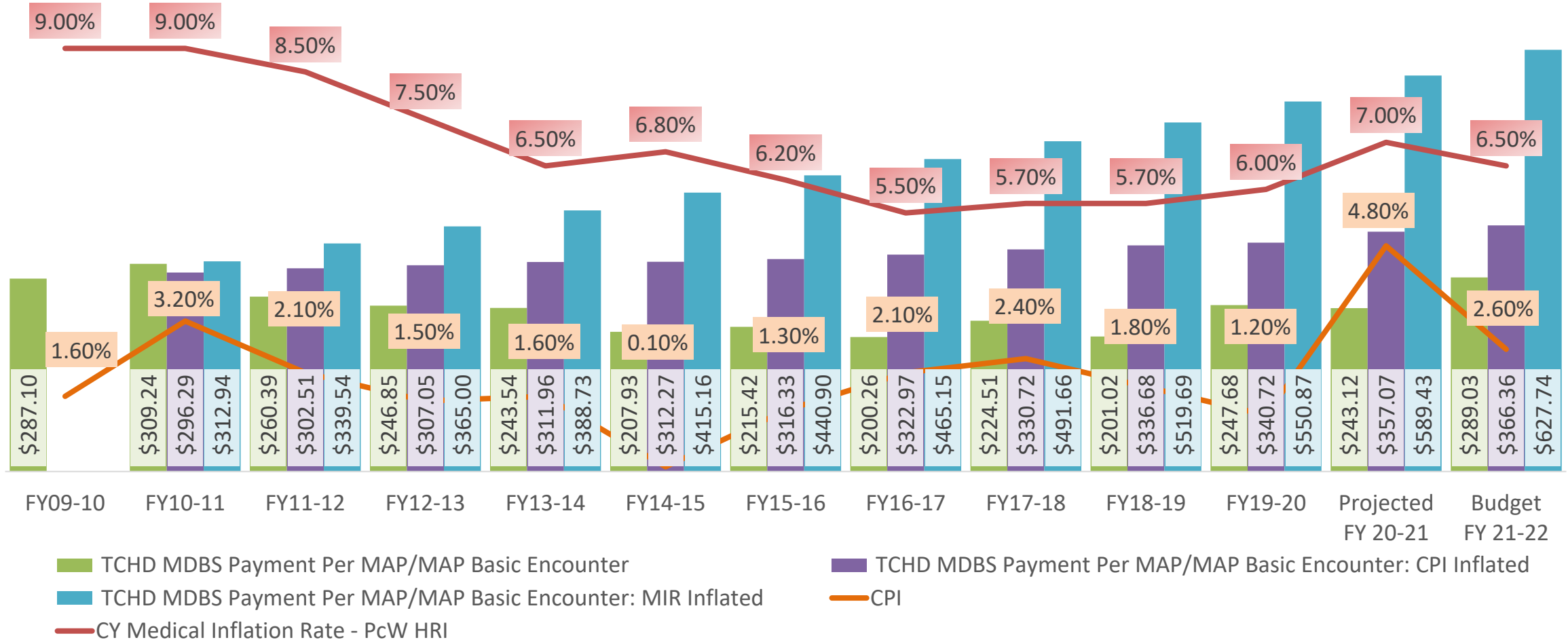
CENTRAL HEALTH FUNDING BY SOURCE COMPARED TO COMMUNITYCARE FISCAL YEAR OPERATING EXPENSES (TOTAL CENTRAL FUNDING)



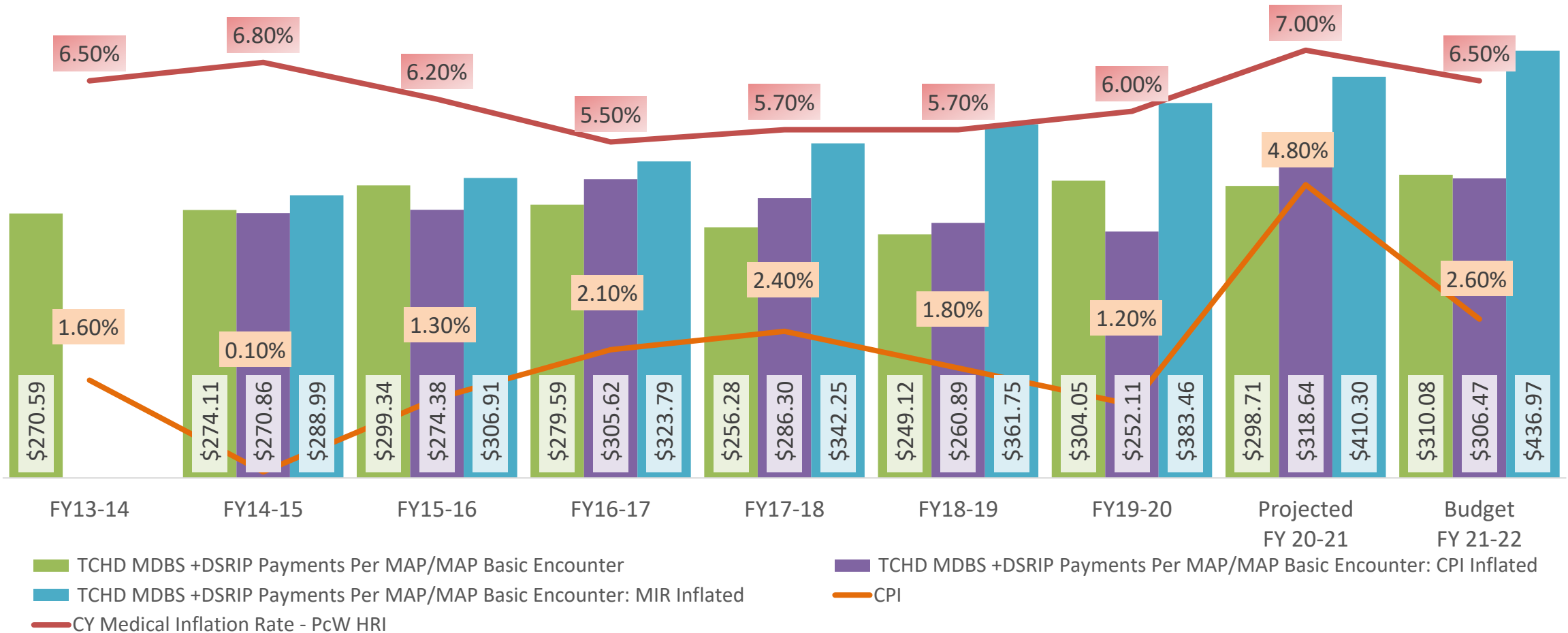
HISTORY OF CENTRAL HEALTH FUNDING OF COMMUNITYCARE OPERATIONS AS PERCENT OF FISCAL YEAR EXPENSES



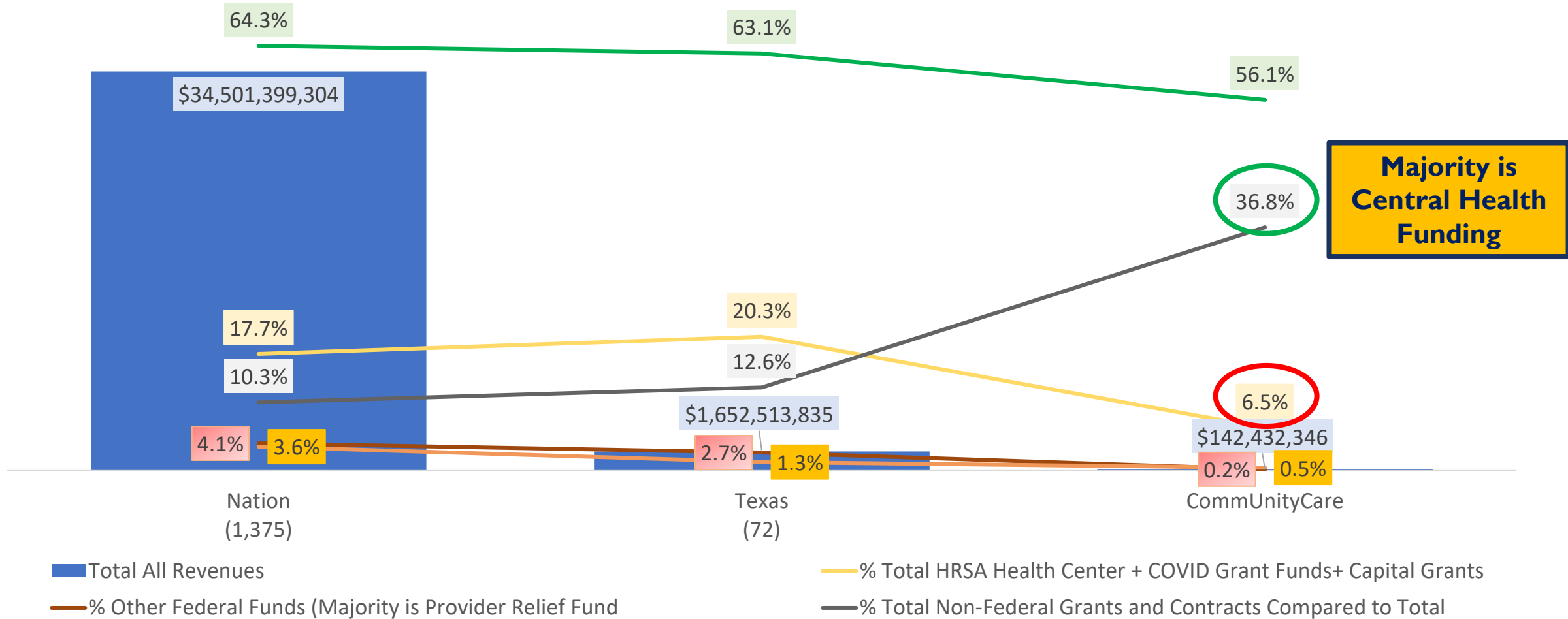
CENTRAL HEALTH MDBS PAYMENTS PER MAP/MAP BASIC ENCOUNTER BY FISCAL YEAR COMPARED TO FY2009-10 PAYMENTS INFLATED BY CPI AND MIR (MEDICAL INFLATION RATE)



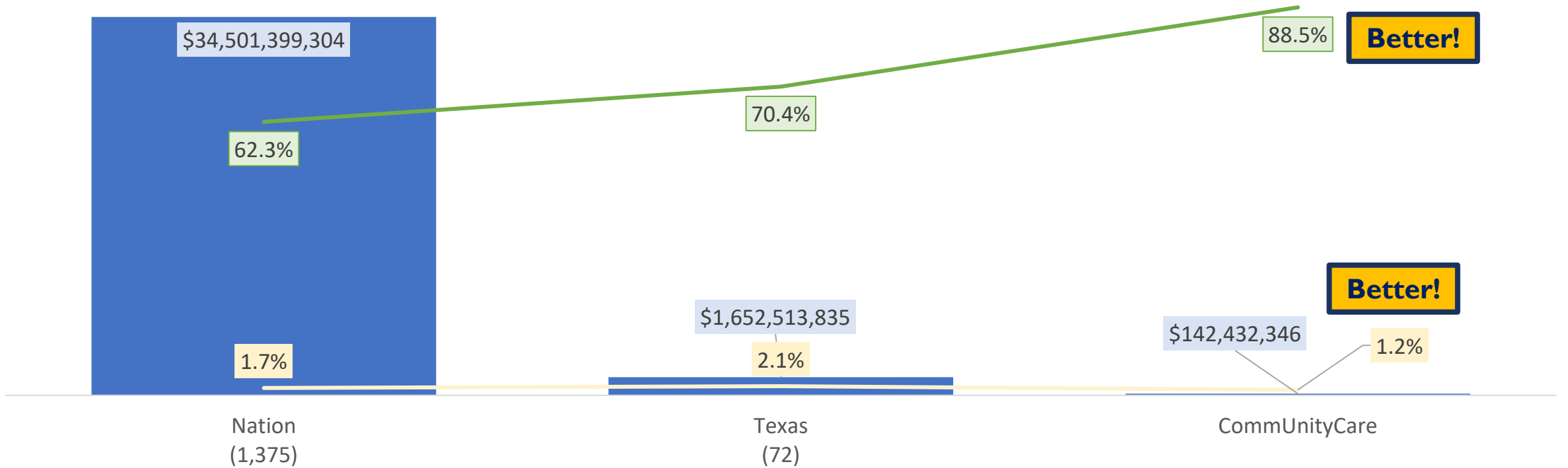
CENTRAL HEALTH MDBS + DSRIP PAYMENTS PER MAP/MAP BASIC ENCOUNTER BY FISCAL YEAR COMPARED TO FY2013-14 PAYMENTS INFLATED BY CPI AND MIR (MEDICAL INFLATION RATE)



COMMUNITYCARE PERCENT REVENUE SOURCE COMPARED TO TOTAL COLLECTED REVENUES WITH NATIONAL AND STATE BENCHMARKING



PERCENT SLIDING FEE SCALE DISCOUNTS & BAD DEBT WRITE OFFS COMPARED TO TOTAL COLLECTED REVENUES BENCHMARKING



■ Total All Revenues
 — % of Self Pay Charges provided as Sliding Fee Scale Discount
 — % of Charges Recognized as Bad Debt Write Off

KEY TAKEAWAYS

1. 140,000 patients with over 500,000 face-to-face clinician encounters. Imperative that CommUnityCare service delivery returns to pre-pandemic levels – which is what our budget assumes.
2. ARPA funding has provided opportunity to stabilize and enhance staff capacity over the next 2 to ensure long term viability of health centers and, more important, access to high quality health care for the nation’s medically vulnerable post coronavirus pandemic.
3. DSRIP extension is expected to reduce the requested Central Health funding needed although long term funding sustainability for DSRIP remains an issue.
4. Cost of Living escalation in Austin has 2 important consequences:
 - Increase competition for talent. In response, budget approved by CommUnityCare’s Board of Directors includes \$3.5 million for market adjustments in addition to funds that support a 3% market adjustment for all staff @ mid-year.
 - Displacement of low income, uninsured patients to outside of Travis County.
5. Compared to other Health Centers, and in particular, public government affiliated health centers, CommUnityCare demonstrates cost effectiveness especially considering we serve a much higher uninsured adults served and provided comprehensive services to multiple HRSA defined special populations.

SUMMARY

1. Small positive operating position projected although this is offset by an outstanding payable that is projected to reduce cash reserves by \$5,871,090.
2. Overall expenses increase 15% from FY21 budget and 21% from FY21 projections.
3. Encounters increase 15% from FY20 actual, 10% from FY21 budget and 26% from FY21 projections
 - These are challenging increases, particularly if covid persists
4. ARPA funds of \$13M allow us to:
 - Invest in much needed capital such as new dental equipment and infection control equipment; and to
 - build infrastructure, will have to work diligently to increase encounters and find other funding sources to sustain beyond the 2 years of funding

QUESTIONS?

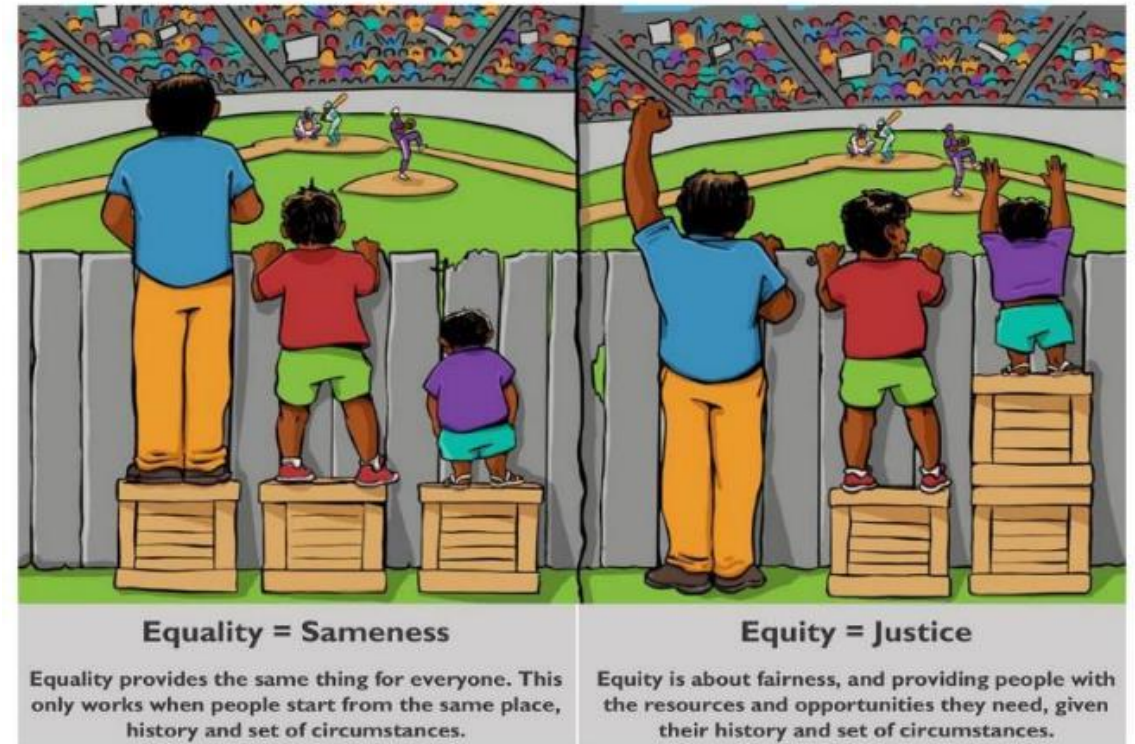
CommUnityCare Mission:

To strengthen the health and well-being of the communities we serve.

CommUnityCare Vision:

Striving to achieve health equity for all by:

- (1) being the health care home of choice;
- (2) being a teaching center of excellence; and,
- (3) providing the right care, at the right time, at the right place.





CENTRAL HEALTH

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BOARD MEETING

October 27, 2021

REGULAR AGENDA ITEM 4

Discuss and take appropriate action on a proposed business arrangement for Sendero Health Plans, Inc. and receive an update on 2021 enrollment numbers.^{3,4}(*Action Item*)



AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date October 27th, 2021

Who will present the agenda item? (Name, Title) Wesley Durkalski, CEO, Sendero Health Plans

General Item Description Seeking approval for Sendero Health Plan's proposed business arrangement for health insurance offering.

Is this an informational or action item? Action

Fiscal Impact N/A

Recommended Motion (if needed – action item) TBD

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) Will review prospective business arrangement discussions; details to be provided in executive session per non-disclosure agreement.
- 2) For certain changes in business plans and operations, the Central Health Board reserves approval authority of such changes per reserve powers under the Sendero By-laws.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Verbal update with presentation materials to be shared in executive session with attorney consultation in accordance in accordance with non-disclosure agreements.

Estimated time needed for presentation & questions? 30 minutes

Is closed session recommended? (Consult with attorneys.) Yes

Form Prepared By/Date Submitted: Wesley Durkalski October 20th 2021



MEMORANDUM

To: Mike Geeslin, Central Health President and CEO
From: Ted Burton, VP of Communications
Cc: Central Health Board of Managers; Isela Guerra, Outreach Supervisor
Date: August 25, 2021
Re: Outreach to ACA Members Regarding ACA Special Enrollment Period

Overview:

President Biden issued an executive order allowing for a Special Enrollment Period (SEP) due to the COVID-19 pandemic from February 15 through August 15, 2021. While Central Health's communications and outreach were focused on COVID-19 precautions and vaccinations, we saw an opportunity to connect MAP BASIC members to robust health insurance plans on the Health Insurance Marketplace (HIM). We used outreach and paid advertising to reach MAP BASIC members.

Synopsis: Outreach

Three thousand seven hundred and ninety-seven MAP BASIC members were identified as potentially eligible to enroll in a Marketplace plan; their household incomes fell between 150 – 200 percent of the Federal Poverty Line (FPL). We launched a calling campaign in June to inform and educate these members, reaching 831 members. Thanks to our longstanding partnership with Foundation Communities, Central Health outreach staff scheduled 89 members for ACA application assistance with Foundation Communities.

Synopsis: Paid Media

Working with our advertising/marketing consultant Belmont Icehouse, Central Health invested \$25,000 in a paid media campaign which ran from July 12 to August 12, 2021.

Campaign tactics included streaming audio, programmatic display and paid social. In addition to geographically targeting the 20 ZIP codes with the highest number of MAP and MAP BASIC members, our strategy included targeting musicians of color and those seeking private insurance. Ads were created in both English and Spanish.

Performance Highlights:

- Over the course of the campaign, nearly 3.3M impressions were delivered across the three tactics: streaming audio, programmatic display, and social.
- The campaign resulted in:
 - 8,342 clicks to the landing page
 - 0.28% click-through rate (CTR)

- 2,955 landing page views
- Added value totaling \$1,668.65
- Overall, social was the top performing tactic, driving CTRs between 0.57% and 0.67% – beating the 0.50% benchmark by an average of 22%.
- Spanish-speakers were more receptive in terms of CTR (0.31%) – 41% higher than English
- English had the lowest click-to-landing page dropoff at 59%, so although English yielded a lower CTR, 19% more users who clicked on the English ads engaged with the landing page at a higher rate than Spanish users
- Ads targeting musicians was the top performer across all tactics
- Comparing the two ads with messaging of uninsured vs. underinsured, English performed better with, "Want a better health plan?" – whereas Spanish yielded better results with, "Need health insurance?"
- Sendero has also been running paid media since February. It reports a significant increase (+237%) in new, organic visitors through direct search to its website since Feb. 2, 2021

Fiscal Impact:

\$25,000 (paid media)

Action Requested:

None, informational only.



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BOARD MEETING

October 27, 2021

REGULAR AGENDA ITEM 5

Discuss and take appropriate action on the Fiscal Year (FY) 2022 budget for Sendero Health Plans, Inc. ³(*Action Item*)



AGENDA ITEM SUBMISSION FORM

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Agenda Item Meeting Date October 27th, 2021

Who will present the agenda item? (Name, Title) Wesley Durkalski, CEO, Sendero Health Plans

General Item Description Seeking approval of Sendero Health Plan's 2022 Budget.

Is this an informational or action item? Action

Fiscal Impact N/A

Recommended Motion (if needed – action item) TBD

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) Review and approve Sendero’s 2022 budget as approved by Sendero Board of Directors
- 2) Total proposed budget for CY(FY) 2022 is \$95 million, up \$6 million (6.7%) from current year.
- 3) _____
- 4) _____
- 5) _____

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Materials will be finalized and shared at meeting, in accordance with legal counsel guidance on executive and open session.

Estimated time needed for presentation & questions? 15 minutes

Is closed session recommended? (Consult with attorneys.) Yes, when discussing underlying pricing or other information that is subject to executive session.

Form Prepared By/Date Submitted: Wesley Durkalski October 20th 2021



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BOARD MEETING

October 27, 2021

REGULAR AGENDA ITEM 6

Receive and discuss updates on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) program and associated projects, the Community Care Collaborative, and other healthcare delivery partners, programs, projects, and arrangements, including agreements with Ascension Texas.⁴ (*Informational Item*)



MEMORANDUM

To: Mike Geeslin, President and CEO, Central Health
From: Ted Burton, VP of Communications
Cc: Central Health Board of Managers
Date: 10.15.21
Re: MAP/ MAP BASIC Advertising Initiative (Fall 2021)

Overview:

Supported by local property taxes, Central Health provides access to care for one in nine Travis County residents. One of the ways Central Health offers access to affordable, quality care is through the Medical Access Program (MAP) and MAP BASIC. These programs provide access to doctors, dentists, and medications for residents with low income.

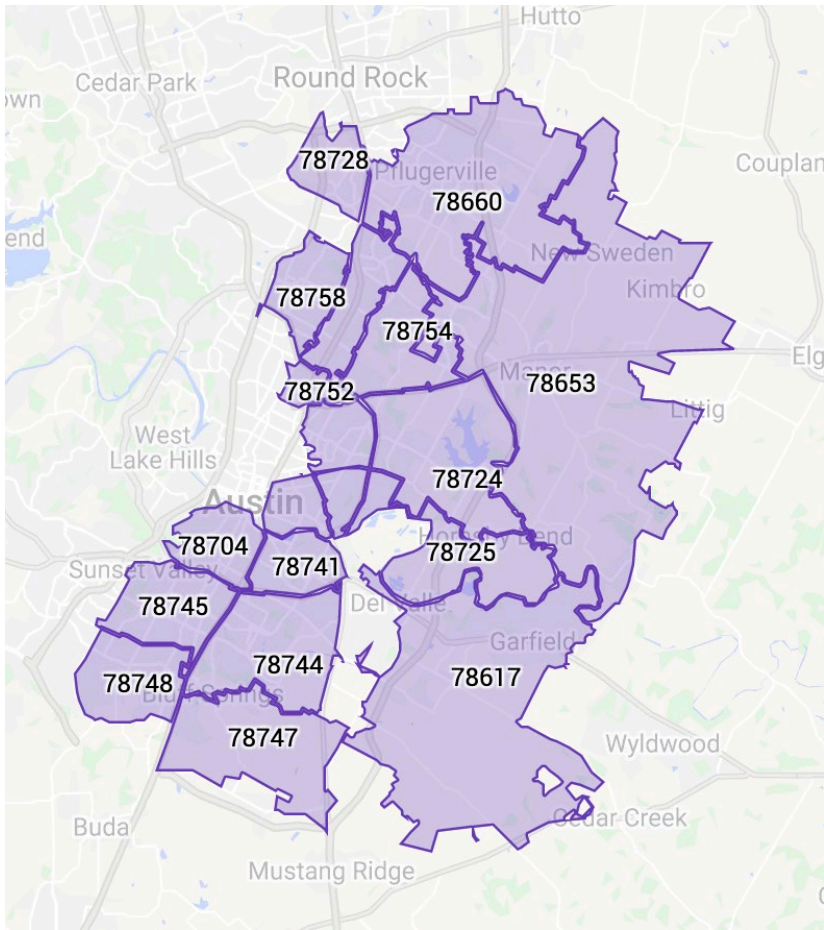
To increase MAP/MAP BASIC membership, Central Health staff, including our eligibility department, worked with agency partners to develop and launch focused advertising campaign beginning October 2021.

Synopsis:

Central Health promotes MAP/MAP BASIC year-round in a variety of ways, including grassroots outreach, partner engagement, earned media, and advertising. With our agency partners, Belmont Icehouse and Cultural Strategies, we activated an advertising campaign targeting those most in need of MAP/MAP BASIC services and coverage through a multi-channel approach. This allows people to get more information via the website at apply4map.net or the Central Health Call Center at 512.978.8130 – whichever best suits their situation – resulting in increased MAP awareness, enrollment, and retention.

Advertising Parameters

- Campaign dates: 10.25.21 – 12.5.21
- Budget: \$85,000
- Target audience: Travis County residents who are uninsured, underinsured, and/or underserved – specifically communities of color.
 - Adults 18+ with < \$50K Household Income (HHI) (200% FPL)
 - 1+ persons in HH | < \$15,000 HHI
 - 2+ persons in HH | < \$20,000 HHI
 - 4+ persons in HH | < \$30,000 HHI
 - 8+ persons in HH | < \$50,000 HHI
 - Skewing Latino and African American
- Geo-target: Hyper-focused on ZIP codes with concentrations of low income populations who do not utilize healthcare services.



Bilingual communications – English and Spanish - have been given equal weight. We prioritized the types of media most consumed by our audiences. These include online video, station-recorded radio (e.g. traditional broadcast), streaming audio, social media ads, and weekly newspaper publications.

Media	October					November				December			
	27	4	11	18	25	1	8	15	22	29	6	13	20
Online Video Platform: YouTube						████████████████							
Radio Stations: Univision, Waterloo, and Audacy stations						████████████████							
Streaming Audio Platform: 1,000+ pureplay streaming services, streamed terrestrials, and podcasts						████████████████							
Paid Social Platform: Facebook / Instagram						████████████████							
Print Publications: El Mundo & The Villager		██		██			██		██			██	

Fiscal Impact:

\$85,000

Action Requested:

None. Informational only.



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BOARD MEETING

October 27, 2020

REGULAR AGENDA ITEM 7

Receive and take appropriate action on the Central Health President and CEO's performance evaluation tool for May 2021 - April 2022 as recommended by the Executive Committee. ^{4,5} (*Action Item*)



AGENDA ITEM SUBMISSION FORM

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Agenda Item Meeting Date 10/27/2021

Who will present the agenda item? (Name, Title) Susan Lara Willars & Sherri Greenberg

General Item Description Performance Evaluation Tool for FY2022

Is this an informational or action item? Action

Fiscal Impact None

Recommended Motion (if needed – action item) Approve the performance evaluation tool for FY2022.

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) The Board will review and approve the FY2022 Performance Evaluation tool.
- 2) _____

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) No backup – Susan will share the tool with the Board during the meeting.

Estimated time needed for presentation & questions? 30 minutes to review and discuss the tool.

Is closed session recommended? (Consult with attorneys.) Closed session

Form Prepared By/Date Submitted: Susan Lara Willars / 10/20/2021



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BOARD MEETING

October 27, 2020

REGULAR AGENDA ITEM 8

Confirm the next regular Board meeting date, time, and location. (*Informational Item*)