



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.

Right by All - By being open, anti-racist, equity-minded, and respectful in discourse, we honor those around us and do right by all people.

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

BUDGET AND FINANCE COMMITTEE MEETING

Wednesday, March 29, 2023, 4:00 p.m.

Videoconference meeting¹

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

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

Members of the public may attend the meeting at the address above, or observe and participate in the meeting by using the Zoom meeting link below (copy and paste into your web browser):

<https://us06web.zoom.us/j/82363369892?pwd=WWRRC05SVzFleEhQWdZ3Q0VMWE1lZz09>

Meeting ID: 823 6336 9892

Passcode: 445137

Or to participate by telephone only:

Dial: (346) 248 7799

Meeting ID: 823 6336 9892

Passcode: 445137

The Committee 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 Committee will be physically present at the location posted in this 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 this 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 this meeting notice. Resources related to COVID-19 can be found at the following link:

<https://www.centralhealth.net/covid-info/>.

A member of the public who wishes to make comments virtually during the Public Communication portion of the meeting must properly register with Central Health **no later than 2:30 p.m. on March 29, 2023**. Registration can be completed in one of three ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-up/>;
- Call 512-978-9190 and leave a voice message with your full name, your request to comment via telephone, videoconference, or in-person at the meeting; or
- Sign-in at the front desk on the day of the meeting, prior to the start of the meeting.

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 COMMUNICATION

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

COMMITTEE AGENDA²

1. Review and approve the minutes of the February 22, 2023 meeting of the Budget and Finance Committee. (*Action Item*)
2. Receive updates on the preliminary January 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative. (*Informational Item*)
3. Discuss and take appropriate action on a notice of intent to issue certificates of obligation to finance acquisition and construction or renovation of real property and related reimbursement resolution.³ (*Action Item*)
4. Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)

¹ This meeting may include one or more members of the Budget and Finance Committee participating by videoconference. It is the intent of the presiding officer to be physically present and preside over the meeting at Central Health Headquarters, 1111 Cesar Chavez, Austin, Texas 78702. 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 members in attendance 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 Budget and Finance Committee 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 Committee announces that the item will be considered during a closed session. A quorum of Central Health's Board of Managers may convene or participate via videoconference to discuss matters on the Committee agenda, and any Committee actions will be in conformance with the Central Health Bylaws.
- ³ Possible closed session discussion under Texas Government Code §551.072 (Deliberation Regarding Real Property) and/or Texas Government Code §551.071 (Consultation with Attorney).

Any individual with a disability who plans to attend or view this meeting and requires auxiliary aids or services should notify Central Health as far in advance of the meeting day as possible, but no less than 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 planee 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.

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?



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

March 29, 2023

AGENDA ITEM 1

Review and approve the minutes of the February 22, 2023 meeting of the Budget and Finance Committee. (*Action Item*)

MINUTES OF MEETING – FEBRUARY 22, 2023
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, February 22, 2023, a meeting of the Central Health Budget and Finance Committee convened in open session at 4:05 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Jackie Aguillon. Manager Bell convened the meeting as acting Chairperson and presided until Chair Museitif's arrival.

Committee members present in person: Chair Museitif (arrived at 4:11 p.m.), Manager Kitchen (arrived at 4:25 p.m.), Manager Martin, and Manager Motwani

Board members present via audio and video or in person: Manager Jones, Manager Valadez,, and Manager Bell

PUBLIC COMMUNICATION

Clerk's Notes: Public Communication began at 4:06 p.m. Yesenia Ramos announced that no speakers signed up for Public Communication.

COMMITTEE AGENDA

- 1. Review and approve the minutes of the January 18, 2023 meeting of the Budget and Finance Committee.**

Clerk's Notes: Discussion on this item began at 4:07 p.m.

Manager Valadez moved that the Committee approve the minutes of the January 18, 2023 meeting of the Budget and Finance Committee.

Manager Brinson seconded the motion.

Chairperson Museitif	Absent
Chairperson Bell	For
Manager Kitchen	Absent
Manager Martin	For
Manager Motwani	For
Manager Brinson	For
Manager Jones	For
Manager Valadez	For

- 2. Receive updates on the preliminary December 2022 financial statements and pertinent information regarding financial results for January 2023 for Central Health and the Community Care Collaborative.**

Clerk's Notes: Discussion on this item began at 4:07 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, and Ms. Patti Bethke, Controller, presented on the Fiscal Year 2022 Year-to-Date Central Health and Community Care Collaborative financials. The Central Health December 2022 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. Ms. Bethke also presented the December 2022 financial statements for the Community Care Collaborative, which included a balance sheet, a sources and uses report, and a healthcare delivery costs summary.

3. **Discuss Central Health owned or occupied real property and potential property for acquisition, lease, or development in Travis County, including next steps in the redevelopment of the Central Health Downtown Campus, administrative offices of Central Health Enterprise partners, and new developments in Eastern Travis County.**

Clerk's Notes: Discussion on this item began at 4:15 p.m.

At 4:15 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 4 under Texas Government Code §551.072 Deliberation Regarding Real Property and Texas Government Code §551.071 Consultation with Attorney.

At 4:52 p.m. the Board returned to open session.

4. **Confirm the next Budget and Finance Committee meeting date, time, and location.**

Manager Valadez moved that the Committee adjourn.

Manager Brinson seconded the motion.

Chairperson Museitif	For
Manager Kitchen	For
Manager Martin	For
Manager Motwani	For
Manager Bell	For
Manager Brinson	For
Manager Jones	For
Manager Valadez	For

The meeting was adjourned at 4:53 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Cynthia Valadez, Secretary
Central Health Board of Managers



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

March 29, 2023

AGENDA ITEM 2

Receive updates on the preliminary January 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative. (*Informational Item*)



Central Health

Financial Statement Presentation

FY 2023 – as of January 31, 2023 (Preliminary)

Central Health Board of Managers

March 29, 2022

Lisa Owens, Deputy CFO

Patti Bethke, Controller

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- Slide 5 Balance Sheet - Liabilities & Net Assets
- Slide 6 Sources & Uses
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- Slide 10 HCD - Primary Care
- Slide 11 HCD - Specialty Care

Note: HCD = Health Care Delivery

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- Year-to-date through January collected net property tax revenue is \$236 million compared to \$231 million as of January 2022 representing 82.4% of the adjusted tax levy compared to 87% as of January 2022.
- Healthcare Delivery is \$65 million for the year as of 1/31/2023.
- GAAP reporting Net Assets increased \$125 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 1/31/2023 is \$47 million.
- Governmental Accounting Standards Board statement 87, Leases (GASB87) the new lease accounting standard requires entities to report future long term lease obligations, previously reported as operating activity, on the balance sheet to convey control of the right to use the non-financial asset. This will significantly increase long term governmental balance sheets as a result of this requirement. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements.

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Assets	Preliminary as	
	of 1/31/2023	as of 1/31/2022
Current Assets		
Cash and cash equivalents	3,374,399	1,254,330
Short-term investments	532,132,428	449,847,609
Ad valorem taxes receivable	72,592,756	63,408,572
Other receivables	7,467,289	2,230,295
Prepaid expenses	877,834	730,113
Total Current Assets	<u>616,444,706</u>	<u>517,470,919</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	111,140,786	79,093,651
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	46,544,273	22,298,833
Total Restricted Cash and Investments or Noncurrent	<u>269,768,059</u>	<u>213,475,484</u>
Lease Receivables		
Lease Receivables Short-Term*	9,552,425	-
Lease Receivables Long-Term *	238,640,113	-
Total Lease Receivables	<u>248,192,538</u>	<u>0</u>
Capital Assets		
Land	26,372,222	26,372,222
Buildings and improvements	61,959,062	56,589,949
Equipment and furniture	17,954,906	17,761,542
Capital Projects in progress	12,178,799	11,181,570
Leased Assets*	43,445,561	0
Less accumulated depreciation	(32,820,565)	(26,525,158)
Total Capital Assets	<u>129,089,984</u>	<u>85,380,126</u>
Total Assets	<u><u>1,263,495,287</u></u>	<u><u>816,326,529</u></u>

* New GASB87 reporting requirement for leases.



Liabilities	Preliminary as of 1/31/2023	as of 1/31/2022
Current Liabilities		
Accounts payable	10,628,166	7,610,895
Salaries and benefits payable	4,857,935	2,013,277
Other Payables	323,477	1,216,226
Debt service payable, short-term	5,208,583	4,988,640
Deferred tax revenue	49,413,523	34,301,038
Other deferred revenue	89,389	-
Total Current Liabilities	70,521,073	50,130,076
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	46,544,272	22,298,833
Debt service payable, long-term	75,773,702	80,228,130
Total Restricted or Noncurrent Liabilities	122,317,974	102,526,963
Noncurrent Liabilities Leases*		
Lease Payable Long Term *	43,097,980	0
Deferred Revenue Long Term*	238,990,841	0
Total Noncurrent Liabilities Leases*	282,088,821	-
Total Liabilities	474,927,868	152,657,039
Net Assets		
Unrestricted	632,632,046	522,233,370
Restricted	55,703,236	56,055,994
Investment in Capital Assets	100,232,138	85,380,126
Total Net Assets	788,567,419	663,669,490
Liabilities and Net Assets	1,263,495,287	816,326,529

* New GASB87 reporting requirement for leases.

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Sources / Uses	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Sources					
Property Tax Revenue	121,575,087	236,313,546	281,605,053	84%	230,978,341
Lease Revenue	1,555,933	6,234,148	13,145,328	47%	3,528,309
Other Revenue	1,473,225	4,152,375	1,500,000	277%	356,614
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
Total Sources	124,604,245	246,700,069	300,750,381	82%	234,863,264
Uses of Funds					
Healthcare Delivery	14,432,822	65,142,072	283,208,878	23%	33,494,059
Administrative Program					
Salaries and benefits	526,209	2,163,170	9,131,752	24%	1,767,785
Consulting Fees	750	16,405	1,626,520	1%	5,073
Legal Fees	150,721	620,514	2,756,636	23%	221,453
Other Purchase Goods and Services	329,030	739,539	4,486,802	16%	646,637
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
Total Administrative Program	1,006,710	5,539,628	20,001,710	28%	2,640,948
Tax Collection Expenses	561,520	1,252,889	2,147,650	58%	1,106,297
Total Uses	16,001,052	71,934,589	305,358,238	24%	37,241,304
Excess Sources / (Uses)	108,603,193	174,765,480	(4,607,857)		197,621,960



Healthcare Delivery Summary	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Purchased Healthcare Services					
Primary Care - (see detail on Slide 10)	5,925,056	17,836,367	66,236,822	27%	15,792,112
Specialty Care, incld Dental - (see detail on Slide 11)	1,192,560	3,585,261	27,163,000	13%	1,999,451
Specialty Behavioral Health and Substance Use	372,235	507,719	12,040,000	4%	243,951
Pharmacy	1,903,671	3,547,662	17,000,000	21%	3,132,651
Post Acute Care	709,363	1,078,167	5,650,000	19%	-
Community Healthcare Initiatives Fund	-	9,360	1,750,000	1%	-
Subtotal Purchased Healthcare Services	10,102,885	26,564,536	129,839,822	20%	21,168,165
Direct Healthcare Services	31,479	57,186	5,673,261	1%	-
Map Eligibility - Increase in period	-	-	2,000,000	0%	-
Subtotal Healthcare Services	10,134,364	26,621,722	137,513,083	19%	21,168,165
ACA Premium Assist, Education, Enrollment	1,154,283	4,302,805	15,236,261	28%	4,146,083
Healthcare Facilities and Campus Redevelopment	289,886	829,787	4,721,027	18%	1,414,535
Healthcare Delivery Operating Costs	2,721,945	9,858,380	48,241,763	20%	6,220,457
SubTotal	14,300,478	41,612,694	205,712,134	20%	32,949,240
Debt, Reserves and Transfers	132,344	23,529,377	55,496,744	42%	544,819
UT Affiliation Agreement	-	-	22,000,000	0%	-
Total Healthcare Delivery	14,432,822	65,142,072	283,208,878	23%	33,494,059

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Details for Health Care Delivery on the following slides.

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Healthcare Delivery Detail	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
ACA Healthcare Premium Assistance Programs	1,154,283	4,289,760	14,648,261	29%	3,679,485
ACA Education and Enrollment Services	-	13,045	588,000	2%	466,598
Subtotal ACA & Premium Assist Program	1,154,283	4,302,805	15,236,261	28%	4,146,083
Real Estate and Campus Redevelopment					
Salaries and benefits	53,152	201,965	892,250	23%	108,175
Consulting Services	2,206	13,018	200,000	7%	5,096
Legal Fees	3,782	9,871	175,000	6%	14,312
Other Goods & Svc incl. UT Ground Lease	230,746	604,933	3,453,777	18%	1,286,953
Subtotal Healthcare Facilities and Campus	289,886	829,787	4,721,027	18%	1,414,535
Healthcare Delivery Operating Costs					
Salaries and benefits	1,767,313	6,461,895	25,545,451	25%	4,432,912
Consulting Services	3,518	14,493	1,740,000	1%	258,675
Legal Fees	-	884	433,000	0%	6,264
Other Services and Purchased Goods	951,114	3,381,108	20,523,312	16%	1,522,606
Subtotal HCD Operating Cost	2,721,945	9,858,380	48,241,763	20%	6,220,457
Debt Service, Reserves and Transfers					
Debt Service	132,344	529,377	5,996,744	9%	544,819
Healthcare Capital Line of Credit	-	-	500,000		
FY2022 Capital reserve	-	23,000,000	49,000,000	47%	-
Subtotal Debt, Reserves and Transfers	132,344	23,529,377	55,496,744	42%	544,819
UT Affiliation Agreement	-	-	22,000,000		
Total Healthcare Delivery	14,432,822	65,142,072	283,208,878	23%	33,494,059

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Healthcare Delivery - Primary Care	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Primary Care					
CommUnity Care	5,195,502	15,232,258	49,835,000	31%	13,416,079
Lone Star Circle of Care	520,367	1,828,048	6,955,000	26%	1,671,072
People's Community Clinic	101,377	590,001	3,100,000	19%	655,979
Other Primary Care	107,810	186,060	6,346,822	3%	48,982
Subtotal Primary Care Services	5,925,056	17,836,367	66,236,822	27%	15,792,112

(continued on next page)

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Healthcare Delivery - Specialty Care	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services & DME	115,873	201,824	2,408,000	8%	35,027	476%	
Cardiology	3,870	87,271	1,215,000	7%	88,436	-1%	
Dental Specialty	41,880	312,503	1,500,000	21%	326,930	-4%	
Dermatology	82,999	255,933	1,125,000	23%	168,397	52%	
Dialysis	244,661	370,590	2,600,000	14%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	60,168	87,439	500,000	17%	61,503	42%	Provider Vacancy
Endocrinology	16,574	198,684	925,000	21%	135,625	46%	Service Expansion
Gastroenterology	221,000	429,823	2,100,000	20%	255,141	68%	Service Expansion
General Surgery	31,126	75,059	200,000	38%	10,252	632%	
Gynecology	57,420	99,800	1,050,000	10%	0	0%	Transition from CCC
Musculoskeletal	52,706	262,350	1,700,000	15%	0	0%	Transition from CCC
Nephrology	0	0	350,000	0%	12,486	-100%	
Neurology	12,550	16,000	300,000	5%	0	0%	New CUC Service
Oncology	41,191	108,273	1,800,000	6%	103,777	4%	
Ophthalmology	111,656	465,732	3,300,000	14%	344,961	35%	
Palliative Care	6,433	16,580	0	0%	0	0%	
Physical Med & Rehab	13,790	86,600	350,000	25%	0	0%	
Project Access	0	0	330,000	0%	0	0%	Future transition from CCC
Podiatry	20,969	200,997	1,350,000	15%	108,475	85%	
Pulmonology	27,000	110,000	475,000	23%	74,338	48%	
Referral Services	12,261	81,492	875,000	9%	100,000	-19%	
Reproductive and Sexual Health	25,258	82,311	2,110,000	4%	122,873	-33%	
Rheumatology	(6,825)	36,000	350,000	10%	51,230	-30%	
Urology	0	0	250,000	0%	0	0%	
Total Specialty Care	1,192,560	3,585,261	27,163,000	13%	1,999,451	79%	

* Changes greater than \$90,000 and +/- 33%

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Questions ? Comments ?

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$3.4M compared to \$1.3M January 2022

Short-term Investments – Short-term investments were \$532M at month-end, net of restricted investments totaling \$111M.

Ad Valorem Taxes Receivable – \$73M balance is composed of:

Gross Tax Receivables	\$ 77M
Taxable Assessed Valuation Adjustment	(1.4)M
Est. Allowance for Doubtful collections	(2.9)M
Total Taxes Receivable	<u>\$ 72.7M</u>

Other Receivables – Other receivables total \$7.5M and includes intercompany balances:

- Miscellaneous Receivables – \$1.7M for CEC Alternate Utility Project
- CUC - \$3M
- Sendero - \$709K
- Community Care Collaborative - 71K
- Accrued Interest - \$959K
- AR Enterprise Health Claims (self-funding) - \$1.1M

Prepaid Expenses – \$877K balance composed of:

- Software - \$272K
- Travis Central Appraisal District – \$204K
- JTT Equipment - \$136K
- Tax Collection Fees - \$111K
- Deposits - \$82K
- Memberships/Subscriptions - \$51K
- Insurance - \$21K

Total Current Assets – \$616M



Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$111M in securities and reserves 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 - \$46.5M

Lease Receivables GASB87* - \$248M

- Lease Receivable Short-Term \$9M
- Lease Receivable Long-Term \$239M

Capital Assets – \$129M, net of accumulated depreciation

Total Assets – \$1.3B



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$10.6M balance are:

- \$7.2M estimated IBNR for healthcare services.
- \$2.5M invoices payable.
- \$925K lease interest

Salaries and Benefits Payable – \$4.9M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Other Payables – \$323K Contract Liability.

Debt Service Payable, Short-Term – \$5M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$49M

Other Deferred Revenue - \$89K Episcopal Health Foundation Grant

Total Current Liabilities – \$71M

Restricted or Noncurrent Liabilities

Funds held for TCHD LPPF - \$46.5M receipts from participants in the LPPF.



Debt Service Payable, Long-Term – \$75.8M balance (unchanged):

	Series 2020	Series 2021	
	General Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	3.7 M	12.7 M	
Taxable LT		57.4 M	
Premium		2.0 M	
Totals	3.7 M	72.2 M	75.8 M

\$7.285M was originally issued in 2011 for the North Central clinic and refunded May 2020. \$72.9M was issued in 2021 for two clinics and an administration building. Annual payments are due on 3/1 for all Series.

Total Restricted of Noncurrent Liabilities – \$122M

Lease Payable Long-Term GASB87* - \$43M

Deferred Revenue Long-Term GASB87* - \$239M

Total Noncurrent Liabilities Leases* – \$282M

Total Liabilities – \$475M

Net Assets

Unrestricted Net Assets – \$633M

Restricted Net Assets – \$56M

Investment in Capital Assets – \$100M



Total Net Assets – \$789M

Total Liabilities and Net Assets – \$1.3B

*Governmental Accounting Standards Board statement 87, Leases (GASB87) the new lease accounting standard requires entities to report future long term lease obligations, previously reported as operating activity, on the balance sheet to convey control of the right to use the non-financial asset. This will significantly increase long term governmental balance sheets as a result of this requirement. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements.



Sources and Uses Report – Slide 6

January financials → four months, 33% of the fiscal year.

Sources – Total \$125M for the month

Property Tax Revenue – Net property tax revenue for the month was \$121.6M. Net revenue includes \$121.7M current month's collections; \$67K Penalties and Interest; and \$(162)K in adjustments for prior year delinquent taxes.

Lease Revenue – \$1.6M for Downtown Campus, Hancock Clinic, and land leases

Other Revenue/Expense – \$1.5M which includes:

- Monthly investment income – \$1.4M
- Grant revenue – \$100K

Uses of Funds – Total \$16M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$14M for the month and \$65M YTD compared to \$33M FY22 YTD.

Administration Program – \$1M in expense for the month, which includes:

- Personnel costs – \$526K
- Legal fees – \$151K
- Consulting fees - \$750
- Other general and administrative – \$329K

Tax Collection Expenses – \$562K for the month.

Excess Sources/(Uses) – \$109M in January. Current YTD is \$175M compared to \$198M FY22 YTD.



Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$14M current month; \$65M YTD compared to \$33M FY22 YTD.

Purchased Healthcare Services – Healthcare delivery providers' expense for January totaled \$10M, which includes:

- Primary care – \$5.9M
- Specialty Care including Dental – \$1.2M
- Specialty Care - Behavioral Health – \$372K
- Pharmacy - \$1.9M
- All Other - \$709K

Direct Healthcare Services – \$31K

ACA Premium Assist, Education, Enrollment – \$1.2M in expenses for the month; \$4.3M YTD compared to \$4.1M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$290K in expense for the month and \$830K YTD.

Healthcare Delivery Operating Cost – \$2.7M in expenses for the month and includes:

- Personnel costs – \$1.8M
- Consulting Services – \$4K
- Legal Fees - \$0
- Other services and purchased goods – \$951K

Debt, Reserves and Transfer – \$132K in Debt Service

Total Healthcare Delivery - for the month of January was \$14M.

Community Care Collaborative

Financial Statement Presentation

FY 2023 – as of January 31, 2023 (Preliminary)

**Central Health Board of Managers
Board of Managers Meeting
March 29, 2023**

Lisa Owens, Deputy Chief Financial Officer



**Community Care
COLLABORATIVE**

a partnership of Central Health and Seton Healthcare Family

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Preliminary



Highlights

Community Care Collaborative
January 31, 2023

- * Cash is at \$12.9M compared to \$21.0M last year.
- * Total Liabilities are at \$9.4M at the end of January.
- * Net Assets at the end of January are \$3.7M.

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Preliminary

Balance Sheet

Community Care Collaborative
January 31, 2023



	<u>1/31/2023</u>	<u>1/31/2022</u>
Assets		
Cash and Cash Equivalents	12,894,238	21,015,697
Other Receivables	23,984	39,717
Prepaid and Other	116,598	68,286
Total Assets	<u>13,034,820</u>	<u>21,123,699</u>
Liabilities		
AP and Accrued Liabilities	304,068	6,271,395
Deferred Revenue	9,045,686	7,455,418
Other Liabilities	10,210	118,153
Accrued Payroll	0	620
Total Liabilities	<u>9,359,964</u>	<u>13,845,585</u>
Net Assets	<u>3,674,855</u>	<u>7,278,114</u>
Liabilities and Net Assets	<u>13,034,820</u>	<u>21,123,699</u>

DRAFT

Preliminary

Sources and Uses Report

Community Care Collaborative

Fiscal Year-to-Date through January 31, 2023



Sources of Funds	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
DSRIP Revenue	61,168,472	0	0%	0
Operations Contingency Carryforward	5,362,495	3,938,408	73%	9,123,145
Other Sources	100,000	112,183	112%	3,954
Total Sources of Funds	66,630,967	4,050,591	6%	9,127,099
Uses - Programs				
Healthcare Delivery	19,630,967	375,736	2%	4,193,158
UT Affiliation Agreement	35,000,000	0	0%	0
DSRIP Project Costs	12,000,000	0	0%	2,655,827
Total Uses	66,630,967	375,736	1%	6,848,985
Net Sources (Uses)	-	3,674,855		2,278,114
Net Assets		3,674,855		2,278,114

* Operating under FY20 approved budget.

DRAFT

Preliminary

Healthcare Delivery Costs

Community Care Collaborative

Fiscal Year-to-Date through January 31, 2023



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	280,448
Specialty Care	3,908,000	0	0%	665,617
Specialty Behavioral Health	8,000,000	0	0%	2,072,325
Post-Acute Care	2,675,000	0	0%	621,481
Urgent and Convenient Care	475,000	0	0%	24,515
Healthcare Delivery - Operations	2,849,742	375,736	13%	528,772
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	375,736	2%	4,193,158

* Operating under FY20 approved budget.

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Preliminary

Thank You

www.ccc-ids.org



Community Care
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Preliminary



January 2023 FYTD Financial Statements (unaudited)
Page 1 of 2

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$12.9M

Other Receivables – \$24K Atrium lease receivable

Prepaid and Other – \$117K – \$80K prepaid rent and \$37K Atrium security deposit

Total Assets – \$13.0M

Liabilities

Accounts Payable and Accrued Liabilities – \$304K, which includes:

- \$233K estimated IBNR (Incurred But Not Received) for healthcare provider services
- \$71K due to Central Health

Deferred Revenue – \$9.0M deferred revenue related to DSRIP projects

Other Liabilities – \$10K includes leasehold improvement allowance liability of \$3K and deferred rent of \$7K

Total Liabilities – \$9.4M

Net Assets

Unrestricted Net Assets – \$3.7M

Total Net Assets – \$3.7M

Total Liabilities and Net Assets – \$13.0M

Sources and Uses Report

January financials > 4 months > 33% of fiscal year

Sources of Funds, FYTD - \$4.1M

Operations Contingency - \$3.9M from FY2022

Other Sources – \$112K interest income

Uses of Funds, FYTD

Healthcare Delivery (Excludes DSRIP) – \$375K

Net Sources(Uses) - \$3.7M



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	280,448
Specialty Care	3,908,000	0	0%	665,617
Specialty Behavioral Health	8,000,000	0	0%	2,072,325
Post-Acute Care	2,675,000	0	0%	621,481
Urgent and Convenient Care	475,000	0	0%	24,515
Healthcare Delivery - Operations	2,849,742	375,736	13%	528,772
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	375,736	2%	4,193,158

UT Affiliation Agreement – \$0

DSRIP Project Costs – \$0



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

March 29, 2023

AGENDA ITEM 3

Discuss and take appropriate action on a notice of intent to issue certificates of obligation to finance acquisition and construction or renovation of real property and related reimbursement resolution.³
(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 March 29th, 2023

Who will present the agenda item? (Name, Title) Jeff Knodel, CFO and Lisa Owens, DCFO

General Item Description Discuss and take appropriate action on a notice of intent to issue certificates of obligation to finance acquisition and construction or renovation of real property and related reimbursement resolution.

Is this an informational or action item? Action

Fiscal Impact None

Recommended Motion (if needed – action item) N/A

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

- 1) Central Health can debt finance significant healthcare real estate transactions through issuance of certificates of obligation.
- 2) A reimbursement resolution allows expenditures paid for healthcare real estate transactions to be paid in advance of the certificates of obligation being issued and then reimbursed when the financing transaction is complete.
- 3) _____

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) PowerPoint presentation and draft Reimbursement Resolution

Estimated time needed for presentation & questions? 15 minutes

Is closed session recommended? (Consult with attorneys.) N/A

Form Prepared By/Date Submitted: Lisa Owens, March 23, 2023

FUTURE CAPITAL PROJECTS AND EXPANSIONS



CENTRAL HEALTH

REQUESTED ACTIONS

- Approve a resolution of intent to issue Certificates of Obligation in the amount not to exceed \$100M for the acquisition and renovation of facilities to be used for clinical space, medical respite, call center and clinical activities.
 - New Medical Real Estate \$90,575,000
 - Rosewood Zaragoza \$9,085,000
- Approve a Reimbursement Resolution to enable Central Health to reimburse itself from debt issuance proceeds for eligible expenditures for acquisition and renovation of a new property and renovation of Rosewood Zaragoza.



Impact on Reserve Levels over Time

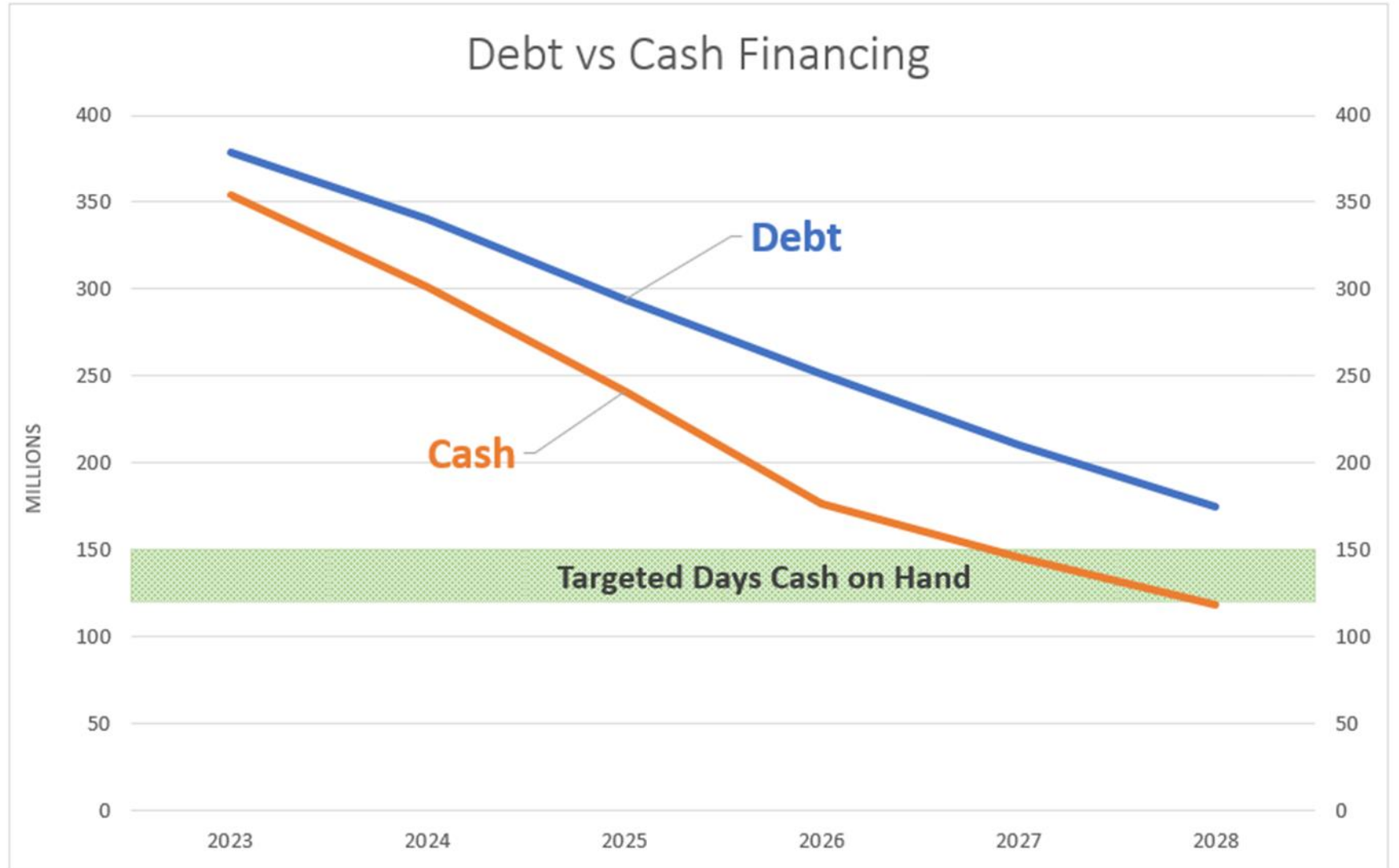
RESERVES: DEBT VS. CASH FINANCING

NORTHEAST
AUSTIN/ROSEWOOD
ZARAGOZA

INCLUDES PRELIMINARY
COST ESTIMATES OF
CENTRAL HEALTH
HEALTHCARE EQUITY PLAN
AND OFSP



CENTRAL HEALTH



TAXPAYER IMPACT

Taxpayer Impact

	FY23 Approved	FY23 - New Debt	Difference
M&O Rate	9.6604	9.6604	0.0000
Current Debt Service	0.2080	0.2080	0.0000
Real estate purchase/renovation		0.2596	\$11.11
Rosewood Zaragosa improvements		0.0405	\$1.73
Total Tax Rate	9.8684	10.1685	0.3001
Average Homestead Tax Bill	\$422.29	\$435.13	\$12.84
M&O	\$413.39	\$413.39	\$0.00
Debt Service	\$8.90	\$21.74	\$12.84

The proposed debt issuance would increase the annual tax payment by \$12.84 to the average homestead with a value of \$427,918 using FY23 Property tax data.

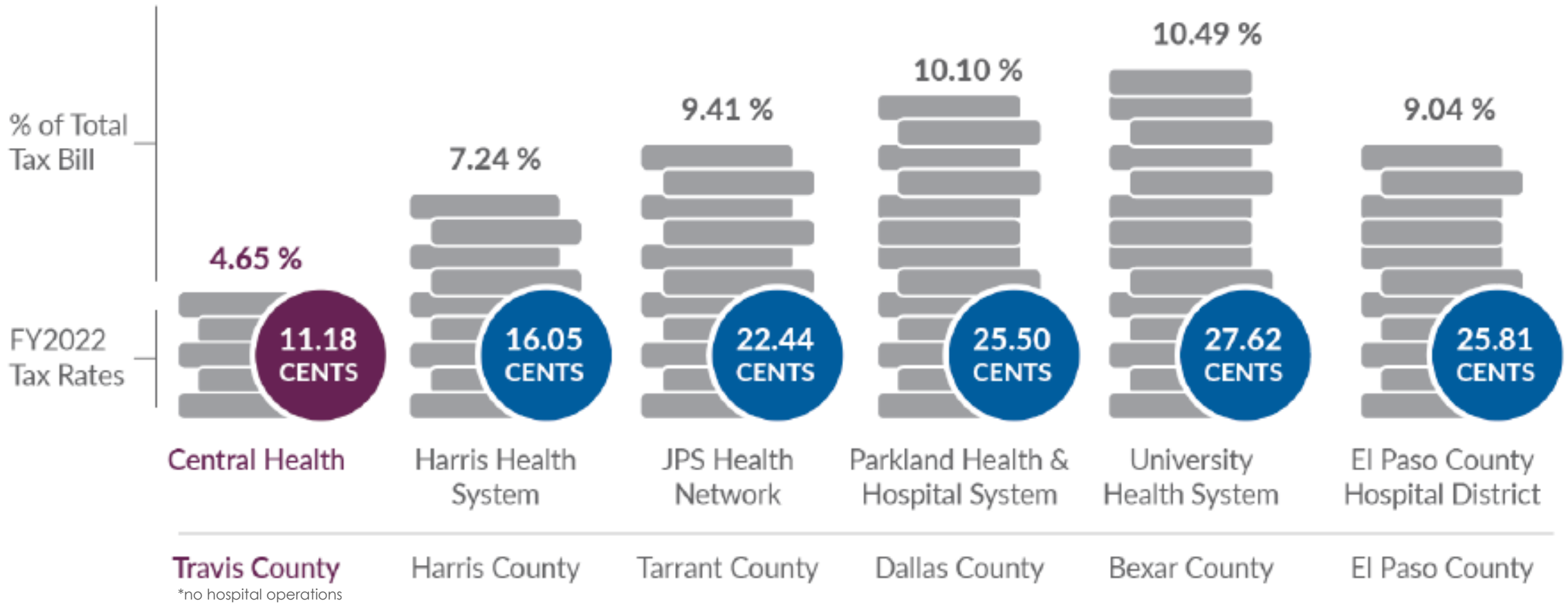
Texas Hospital District Per Capita Long-term Debt 2023

Harris	Dallas	Tarrant	Bexar	El Paso	Travis
\$263	\$545	\$112	\$758	\$701	\$75



CENTRAL HEALTH

FY2022 Tax Burden Comparisons: Major Texas Hospital Districts



TRAVIS COUNTY HEALTHCARE dba CENTRAL HEALTH - Property List 3/23/2023

		Location Name	Address 1	City	State	County	ZIP	Occupancy
Sites Owned by Central Health								
	CH	Central Health Administrative Headquarters	1111 East Cesar Chavez Street	Austin	Texas	Travis	78702	OFFICE BUILDINGS
	CH	David Powell P.H.C.	4614 North I-35 Frontage Road	Austin	Texas	Travis	78751	MEDICAL OFFICE BUILDINGS
	CH	Southeast Health & Wellness Center	2901 Montopolis Boulevard	Austin	Texas	Travis	78741	MEDICAL OFFICE BUILDINGS
	CH	Hancock Building	1000 East 41st Street	Austin	Texas	Travis	78751	IN DEVELOPMENT
	CH	North Central Clinic	1210 West Braker Lane	Austin	Texas	Travis	78758	MEDICAL OFFICE BUILDINGS
	CH	Hornsby Bend Health and Wellnes Center	3700 Gilbert Road	Austin	Texas	Travis	78725	UNDER CONSTRUCTION
	CH	Del Valle Health and Wellness Center	7050 Elroy Road	Del Valle	Texas	Travis	78617	UNDER CONSTRUCTION
	CH	Colony Park Health and Wellness Center	Central Health Drive	Austin	Texas	Travis	78724	LAND
Sites Leased for Administrative Functions								
Leased	CH	Central Health Administration/Atrium	8701 North Mopac Expressway	Austin	Texas	Travis	78759	OFFICE BUILDINGS
Sites Leased by Central Health - Interlocal								
Leased	CH-AISD	Overton Elementary - NEHRC Annex	7201 Colony Loop Drive	Austin	Texas	Travis	78724	MEDICAL OFFICE BUILDINGS
Leased	CH-AISD	Northeast Health Resource Center – BJ (MAP Eligibility)	6711 Johnny Morris Road	Austin	Texas	Travis	78724	OFFICE BUILDINGS
Leased Land	CH-ESD	Travis Co Emergency Services District #4 (Hornsby Bend)	14312 Hunters Bend Road	Austin	Texas	Travis	78725	OFFICE BUILDINGS (RELOCATABLE)
Leased	CH - COA	Rosewood/Zaragoza Health	2802 Webberville Road	Austin	Texas	Travis	78702	MEDICAL OFFICE BUILDINGS
Leased	CUC - COA	Austin Resource Center for the Homeless (ARCH)	500 East 7th Street	Austin	Texas	Travis	78701	MEDICAL OFFICE BUILDINGS
Leased	CUC- COA	East Austin Health Center	211 Comal Street	Austin	Texas	Travis	78702	MEDICAL OFFICE BUILDINGS
Leased	CUC - TRCO	Oak Hill Clinic - Travis County	8656 West Highway 71	Austin	Texas	Travis	78735	MEDICAL OFFICE BUILDINGS
Leased	CUC - TRCO	CommUnityCare Del Valle - Travis County Employee Clinic	3518 South FM 973	Del Valle	Texas	Travis	78617	MEDICAL OFFICE BUILDINGS
Leased	CUC - TRCO	Pflugerville Health Center - Travis County	15822 Foothill Farms Loop	Pflugervil	Texas	Travis	78660	MEDICAL OFFICE BUILDINGS
CUC operated sites leased/owned by Central Health								
Leased	CUC-CH lease	Rundberg Health Center	825 East Rundberg Lane - Private Owner	Austin	Texas	Travis	78753	MEDICAL OFFICE BUILDINGS
Leased	CUC-CH owned	CUC Hancock Center Convenient Care and Warehouse	1000 East 41st Street - CH Owned	Austin	Texas	Travis	78751	MEDICAL OFFICE BUILDINGS
Leased	CUC-CH lease	Sandra Joy Anderson Community Health and Wellness Center	1705 East 11th Street - Huston-Tillotson	Austin	Texas	Travis	78702	MEDICAL OFFICE BUILDINGS

AISD: Austin Independent School District

COA - City of Austin

TRCO: Travis County



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

March 29, 2023

AGENDA ITEM 4

Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)