



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, April 26, 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/84732405832?pwd=aGcxUWtNSEFqVFNheXY0azh4ZEJuUT09>

Meeting ID: 847 3240 5832

Passcode: 155132

Or to participate by telephone only:

Dial: (346) 248 7799

Meeting ID: 847 3240 5832

Passcode: 155132

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 April 26, 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. Approve the minutes of the March 29, 2023 Budget and Finance Committee meeting. (*Action Item*)
2. Receive updates on the preliminary February 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative. (*Informational Item*)
3. Receive and discuss a report of Historically Underutilized Business (HUB) spending performance for Fiscal Year (FY) 2022. (*Informational Item*)
4. Discuss and take appropriate action on an amendment to the contract with Maxwell Locke & Ritter for annual audit services. (*Action Item*)
5. Receive and discuss:
 - a. an update regarding Sendero Health Plans, Inc., financials and proposed business strategies; and
 - b. a content overview of the Quarterly financial and operational reports for CommUnityCare Health Centers and Sendero Health Plans.³ (*Informational Item*)
6. 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 §551.085 (Governing Board of Certain Providers of Health Care Services) 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

April 26, 2023

AGENDA ITEM 1

Approve the minutes of the March 29, 2023 Budget and Finance Committee meeting. (*Action Item*)

MINUTES OF MEETING – MARCH 29, 2023
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, March 29, 2023, a meeting of the Central Health Budget and Finance Committee convened in open session at 4:01 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee members present in person: Chair Museitif, Manager Kitchen (arrived at 4:07 p.m.), Manager Martin (arrived at 4:23), and Manager Motwani

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

PUBLIC COMMUNICATION

Clerk's Notes: Public Communication began at 4:01 p.m. Yesenia Ramos announced that no speakers signed up for Public Communication.

COMMITTEE AGENDA

- 1. Review and approve the minutes of the February 22, 2023 meeting of the Budget and Finance Committee.**

Clerk's Notes: Discussion on this item began at 4:02 p.m.

Manager Motwani moved that the Committee approve the minutes of the February 22, 2023 meeting of the Budget and Finance Committee.

Manager Valadez seconded the motion.

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

- 2. Receive updates on the preliminary January 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative.**

Clerk's Notes: Discussion on this item began at 4:02 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer, and Ms. Patti Bethke, Controller, presented on the Fiscal Year 2023 Year-to-Date Central Health and Community Care Collaborative financials. The Central Health January 2023 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. Next, they presented the FY23 major capital projects. Lastly, they presented the January 2023 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 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.

Clerk's Notes: Discussion on this item began at 4:18 p.m.

At 4:18 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 3 under Texas Government Code §551.072 Deliberation Regarding Real Property and Texas Government Code Texas Government Code §551.071 Consultation with Attorney.

At 4:45 p.m. the Board returned to open session.

Mr. Jeff Knodel, Chief Financial Officer; Ms. Lisa Owens, Deputy Chief Financial Officer; Mr. Jonathan Morgan, Chief Operating Officer; and Dr. Alan Schalsha, Chief Medical Officer, presented on this item in open session. They began the presentation by asking that the Board approve a resolution of intent to issue Certificates of Obligation and a reimbursement resolution. The presentation¹ included a look at the impact on reserve levels over time, the taxpayer impact, an FY22 tax burden comparisons of major Texas hospital districts, and a look at the 10-year US treasury note interest rates over the last 50 years.

Next, they shared the planned healthcare services at the proposed new property, which included:

- 50-bed medical respite
- SNFist-lite medical services
- Clinical pharmacy services
- Case management, peer support and social work services
- Mental and behavioral health services
- Physical and occupational therapy
- SDOH resources
- Specialty care via telemedicine/onsite rotation
- Opioid use disorder treatment
- Alcohol use disorder treatment
- Outpatient pharmacy
- PAP services
- Navigation and care coordination services
- Eligibility & enrollment services
- Connections to housing
- Disability application assistance
- Transportation assistance

Lastly, they shared key events for the planned sale of Certificates of Obligation. Manager Valadez requested that the minutes reflect the Board's focus on medical respite as a primary foundation of the planned uses of the new property.

At 5:06 p.m. Manager Valadez moved that the Committee recommend that the Board adopt the resolution provided to Board members:

- A. Requesting the Travis County Commissioners Court to publish notice of intent to issue Certificates of Obligation to be used for the purchase and renovation of medical clinics and patient support services in northeast and east central Travis County, and

¹ Please see attached backup materials.

- B. Authorizing the President and CEO to execute reimbursement statements on behalf of the District and any other documents necessary to carry out the purposes of the Resolution, including completion of the Resolution on behalf of the Board to add any omitted information.

Manager Bell seconded the motion.

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

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

Manager Bell moved that the Committee adjourn.

Manager Valadez seconded the motion.

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

The meeting was adjourned at 5:26 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Cynthia Valadez, Secretary
Central Health Board of Managers

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

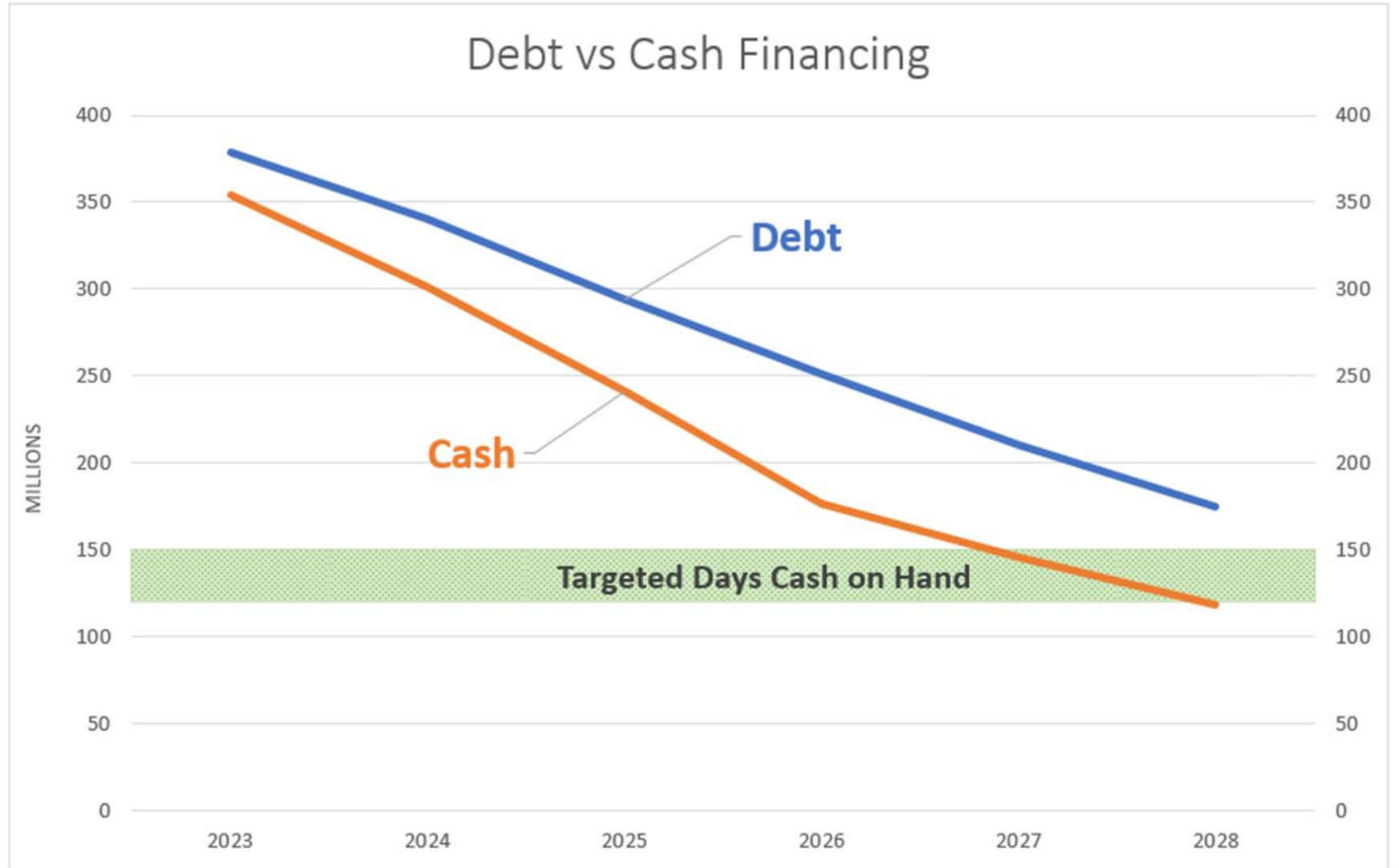
RESERVES: DEBT VS. CASH FINANCING

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.

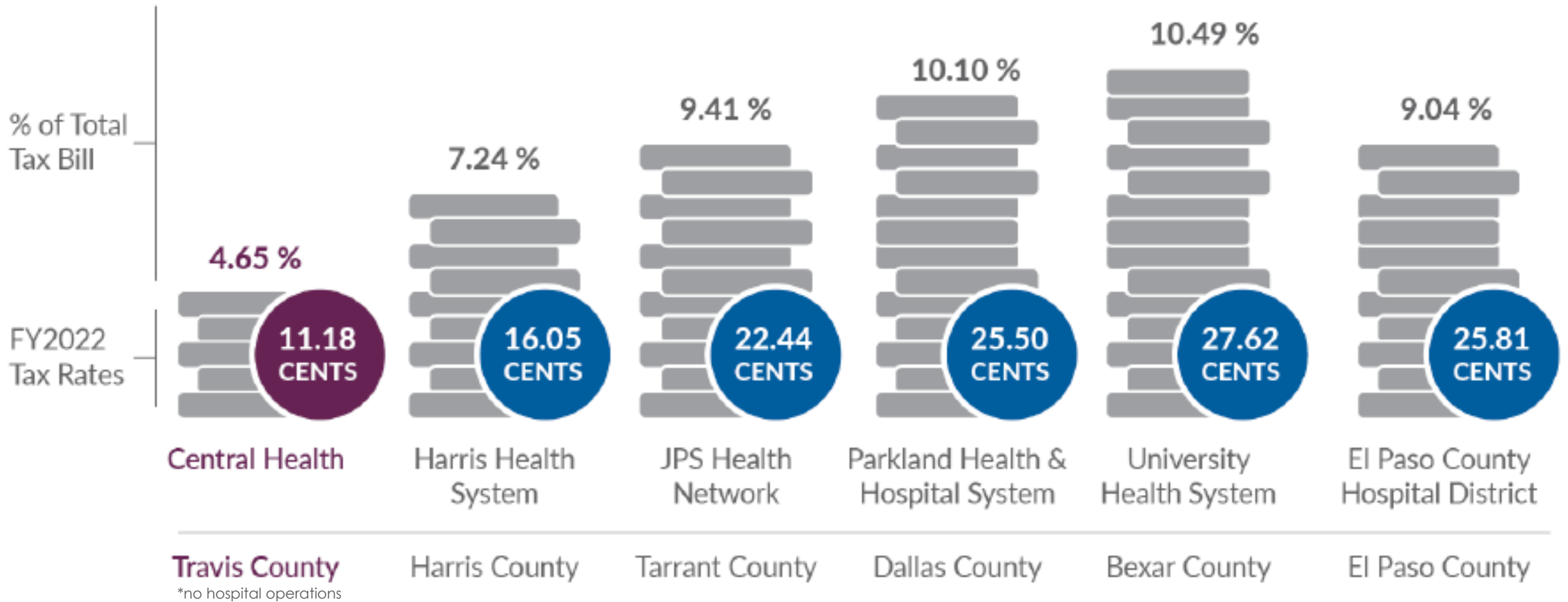
Texas Hospital District Per Capita Long-term Debt 2023

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



CENTRAL HEALTH

FY2022 Tax Burden Comparisons: Major Texas Hospital Districts



10 YR US Treasury Note – 50 Year History



PLANNED HEALTHCARE SERVICES

At Proposed New Property



CENTRAL HEALTH

- 50-bed medical respite
- SNFist-lite medical services
- Clinical pharmacy services
- Case management, peer support and social work services
- Mental and behavioral health services
- Physical and occupational therapy
- SDOH resources
- Specialty care via-telemedicine/onsite rotation
- Opioid use disorder treatment
- Alcohol use disorder treatment
- Outpatient pharmacy
- PAP services
- Navigation and care coordination services
- Eligibility & enrollment services
- Connections to housing
- Disability application assistance
- Transportation assistance

KEY EVENTS FOR BOND SALE

- Overall timeline from initial approval to closing of the Bond is generally 3-4 months
- Central Health Board & Travis County Commissioners Court each must adopt a Resolution to publish a Notice of Intent to issue Certificates of Obligation (Today and April 4 TCCC)
- Notice of Intent must be published on the Central Health and County website and in a local newspaper of record, twice in consecutive weeks (~April 11 and April 18)
- 45-Day Wait Period between date of first publication of the Notice of Intent and approval of the bond sale
- Obtain a Bond Rating
- Distribute a Preliminary Official Statement and Notice of Sale to potential Underwriters/Bidders
- Central Health Board & Travis County Commissioners Court – Adoption of Delegation of Authority Order to the Central Health CEO to approve the sale and issuance of Certificates of Obligation (June 14 and June 27)
- Bond Sale – Pricing and Sale of Bond to Underwriters
- Bond Counsel sends materials to Texas Attorney General for approving validity opinion
- Closing/Delivery of funds approximately 3-4 weeks after the sale of CO's
(estimated end of July)



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 Zaragosa \$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 Zaragosa.





CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

April 26, 2023

AGENDA ITEM 2

Receive updates on the preliminary February 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 February 28, 2023 (Preliminary)

Central Health Board of Managers

April 26, 2022

Lisa Owens, Deputy CFO

Patti Bethke, Controller

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- Slide 5 Balance Sheet - Liabilities & Net Assets
- Slide 6 Sources & Uses
- Slide 7 HCD - Summary
- Slide 8 HCD - Blank Page
- Slide 9 HCD - Operating Cost
- Slide 10 HCD - Primary Care
- Slide 11 HCD - Specialty Care

Note: HCD = Health Care Delivery

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- Year-to-date through February collected net property tax revenue is \$276 million compared to \$257 million as of February 2022 representing 96.3% of the adjusted tax levy compared to 97.0% as of February 2022.
- Healthcare Delivery is \$77 million for the year as of 2/28/2023.
- GAAP reporting Net Assets increased \$136 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 2/28/2023 is \$2 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.

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.

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Assets	Preliminary as	
	of 2/28/2023	as of 2/28/2022
Current Assets		
Cash and cash equivalents	4,464,810	1,216,889
Short-term investments	579,744,554	491,945,892
Ad valorem taxes receivable	10,767,959	9,831,383
Other receivables	5,093,176	3,710,406
Prepaid expenses	763,297	516,815
Total Current Assets	<u>600,833,797</u>	<u>507,221,384</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	111,999,025	78,868,248
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	1,889,199	1,015,250
Total Restricted Cash and Investments or Noncurrent	<u>225,971,224</u>	<u>191,966,498</u>
Lease Receivables		
Lease Receivables Short-Term*	10,033,224	-
Lease Receivables Long-Term *	241,375,130	-
Total Lease Receivables	<u>251,408,353</u>	<u>0</u>
Capital Assets		
Land	26,372,222	26,372,222
Buildings and improvements	61,959,062	56,594,949
Equipment and furniture	17,961,372	17,761,345
Capital Projects in progress	13,494,938	12,032,672
Leased Assets*	43,445,561	0
Less accumulated depreciation	(33,348,712)	(26,989,535)
Total Capital Assets	<u>129,884,443</u>	<u>85,771,652</u>
Total Assets	<u><u>1,208,097,817</u></u>	<u><u>784,959,534</u></u>

* New GASB87 reporting requirement for leases.



Liabilities	Preliminary as of 2/28/2023	as of 2/28/2022
Current Liabilities		
Accounts payable	10,529,866	10,153,535
Salaries and benefits payable	5,339,284	2,101,847
Other Payables	242,318	1,216,226
Debt service payable, short-term	1,393,014	0
Deferred tax revenue	8,682,057	7,970,011
Other deferred revenue	-	-
Total Current Liabilities	26,186,539	21,441,618
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	1,889,197	1,015,250
Debt service payable, long-term	75,764,583	80,219,011
Total Restricted of Noncurrent Liabilities	77,653,781	81,234,261
Noncurrent Liabilities Leases*		
Lease Payable Long Term *	43,087,558	0
Deferred Revenue Long Term*	242,837,912	0
Total Noncurrent Liabilities Leases*	285,925,469	-
Total Liabilities	389,765,789	102,675,879
Net Assets		
Unrestricted	662,351,035	540,456,009
Restricted	54,764,013	56,055,994
Investment in Capital Assets	101,216,981	85,771,652
Total Net Assets	818,332,029	682,283,655
Liabilities and Net Assets	1,208,097,817	784,959,534

* New GASB87 reporting requirement for leases.

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Sources / Uses	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Sources					
Property Tax Revenue	40,121,693	276,435,238	281,605,053	98%	257,127,145
Lease Revenue	1,889,899	8,124,048	13,145,328	62%	4,416,828
Other Revenue	1,724,582	5,876,957	1,500,000	392%	477,615
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
Total Sources	43,736,174	290,436,243	300,750,381	97%	262,021,588
Uses of Funds					
Healthcare Delivery	12,303,293	77,449,843	283,208,878	27%	40,951,462
Administrative Program					
Salaries and benefits	563,051	2,718,652	9,131,752	30%	2,271,121
Consulting Fees	1,600	18,005	1,626,520	1%	140,225
Legal Fees	108,141	728,655	2,756,636	26%	229,250
Other Purchase Goods and Services	274,088	1,013,628	4,486,802	23%	451,938
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
Total Administrative Program	946,880	6,478,940	20,001,710	32%	3,092,534
Tax Collection Expenses	196,335	1,449,224	2,147,650	67%	1,277,005
Total Uses	13,446,508	85,378,007	305,358,238	28%	45,321,001
Excess Sources / (Uses)	30,289,666	205,058,236	(4,607,857)		216,700,587



Healthcare Delivery Summary	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Purchased Healthcare Services					
Primary Care - (see detail on Slide 10)	6,147,812	22,941,975	66,236,822	35%	18,543,604
Specialty Care, incld Dental - (see detail on Slide 11)	1,379,603	4,948,284	27,163,000	18%	2,406,396
Specialty Behavioral Health and Substance Use	678,543	1,186,262	12,040,000	10%	300,663
Pharmacy	(307,165)	4,282,700	17,000,000	25%	4,079,359
Post Acute Care	219,093	1,313,841	5,650,000	23%	12,635
Community Healthcare Initiatives Fund	56,747	66,107	1,750,000	4%	-
Subtotal Purchased Healthcare Services	8,174,633	34,739,169	129,839,822	27%	25,342,657
Direct Healthcare Services	34,248	91,433	5,673,261	2%	-
Map Eligibility - Increase in period	-	-	2,000,000	0%	-
Subtotal Healthcare Services	8,208,881	34,830,602	137,513,083	25%	25,342,657
ACA Premium Assist, Education, Enrollment	1,214,914	5,517,720	15,236,261	36%	5,334,109
Healthcare Facilities and Campus Redevelopment	253,113	1,082,900	4,721,027	23%	1,534,131
Healthcare Delivery Operating Costs	2,494,041	12,356,899	48,241,763	26%	8,043,874
SubTotal	12,170,949	53,788,121	205,712,134	26%	40,254,771
Debt, Reserves and Transfers	132,344	23,661,722	55,496,744	43%	696,691
UT Affiliation Agreement	-	-	22,000,000	0%	-
Total Healthcare Delivery	12,303,293	77,449,843	283,208,878	27%	40,951,462

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Details for Health Care Delivery on the following slides.

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Healthcare Delivery Detail	FEB 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	1,155,284	5,445,044	14,648,261	37%	4,832,397
ACA Education and Enrollment Services	59,630	72,676	588,000	12%	501,712
Subtotal ACA & Premium Assist Program	1,214,914	5,517,720	15,236,261	36%	5,334,109
Real Estate and Campus Redevelopment					
Salaries and benefits	55,273	257,239	892,250	29%	136,726
Consulting Services	89	13,108	200,000	7%	5,096
Legal Fees	20,925	30,796	175,000	18%	19,274
Other Goods & Svc incl. UT Ground Lease	176,825	781,758	3,453,777	23%	1,373,035
Subtotal Healthcare Facilities and Campus	253,113	1,082,900	4,721,027	23%	1,534,131
Healthcare Delivery Operating Costs					
Salaries and benefits	1,576,394	8,042,767	25,545,451	31%	5,617,456
Consulting Services	3,030	17,523	1,740,000	1%	277,812
Legal Fees	6,507	7,391	433,000	2%	12,623
Other Services and Purchased Goods	908,110	4,289,218	20,523,312	21%	2,135,983
Subtotal HCD Operating Cost	2,494,041	12,356,899	48,241,763	26%	8,043,874
Debt Service, Reserves and Transfers					
Debt Service	132,344	661,722	5,996,744	11%	696,691
Healthcare Capital Line of Credit	-	-	500,000		
FY2022 Capital reserve	-	23,000,000	49,000,000	47%	-
Subtotal Debt, Reserves and Transfers	132,344	23,661,722	55,496,744	43%	696,691
UT Affiliation Agreement	-	-	22,000,000		
Total Healthcare Delivery	12,303,293	77,449,843	283,208,878	27%	40,951,462

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Healthcare Delivery - Primary Care	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Primary Care					
CommUnity Care	4,823,023	19,013,078	49,835,000	38%	15,590,712
Lone Star Circle of Care	341,981	2,170,029	6,955,000	31%	2,091,951
People's Community Clinic	479,582	1,069,583	3,100,000	35%	806,431
Other Primary Care	503,226	689,285	6,346,822	11%	54,510
Subtotal Primary Care Services	6,147,812	22,941,975	66,236,822	35%	18,543,604

(continued on next page)

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Healthcare Delivery - Specialty Care	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services	(28,671)	201,864	2,408,000	8%	41,844	382%	Includes additional services: Anesthesia, Mammography, DME
Cardiology	62,002	149,273	1,215,000	12%	96,066	55%	
Dental Specialty	84,104	396,607	1,500,000	26%	373,685	6%	
Dermatology	35,225	291,158	1,125,000	26%	202,564	44%	
Dialysis	108,918	479,507	2,600,000	18%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	(20,648)	66,791	500,000	13%	80,613	-17%	Provider Vacancy
Endocrinology	26,608	225,292	925,000	24%	164,789	37%	Service Expansion
Gastroenterology	120,317	550,140	2,100,000	26%	318,064	73%	Service Expansion
General Surgery	26,543	101,602	200,000	51%	23,990	324%	
Gynecology	233,181	332,981	1,050,000	32%	0	0%	Transition from CCC
Musculoskeletal	413,669	762,619	1,700,000	45%	0	0%	Transition from CCC
Nephrology	24,104	24,104	350,000	7%	14,230	69%	
Neurology	1,875	17,875	300,000	6%	0	0%	New CUC Service
Oncology	75,180	154,743	1,800,000	9%	126,577	22%	
Ophthalmology	30,741	496,473	3,300,000	15%	422,481	18%	
Pain Management	0	0	350,000	0%	0	0%	New Services FY23
Project Access	0	0	330,000	0%	0	0%	Future transition from CCC
Podiatry	48,205	249,202	1,350,000	18%	160,445	55%	
Pulmonology	49,250	159,250	475,000	34%	88,290	80%	
Referral Services	1,678	83,170	875,000	10%	125,000	-33%	
Reproductive and Sexual Health	45,864	128,175	2,110,000	6%	107,154	20%	
Rheumatology	41,458	77,458	350,000	22%	60,604	28%	
Urology	0	0	250,000	0%	0	0%	
Total Specialty Care	1,379,603	4,948,284	27,163,000	18%	2,406,396	106%	

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



Questions ? Comments ?

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$4.5M compared to \$1.2M February 2022

Short-term Investments – Short-term investments were \$580M at month-end, net of restricted investments totaling \$112M.

Ad Valorem Taxes Receivable – \$11M balance is composed of:

Gross Tax Receivables	\$ 16M
Taxable Assessed Valuation Adjustment	(2.1)M
Est. Allowance for Doubtful collections	(2.9)M
Total Taxes Receivable	<u>\$ 11M</u>

Other Receivables – Other receivables total \$5.1M and includes intercompany balances:

- Miscellaneous Receivables – \$1.4M for CEC Alternate Utility Project
- CUC - \$2M
- Accrued Interest - \$912K
- Sendero - \$640K
- AR Enterprise Health Claims (self-funding) - \$122K
- Community Care Collaborative - \$6K

Prepaid Expenses – \$763K balance composed of:

- Software - \$300K
- Travis Central Appraisal District – \$102K
- JTT Equipment - \$146K
- Tax Collection Fees - \$17K
- Deposits - \$179K
- Memberships/Subscriptions - \$17K
- Insurance - \$2K



Total Current Assets – \$601M

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$112M 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 - \$1.9M

Lease Receivables GASB87* - \$251M

- Lease Receivable Short-Term \$10M
- Lease Receivable Long-Term \$241M

Capital Assets – \$130M, net of accumulated depreciation

Total Assets – \$1.2B



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$10.5M balance are:

- \$7.9M estimated IBNR for healthcare services.
- \$1.6M invoices payable.
- \$978K lease interest

Salaries and Benefits Payable – \$5.3M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Other Payables – \$242K Contract Liability.

Debt Service Payable, Short-Term – \$1.4M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$8.7M

Total Current Liabilities – \$26M

Restricted or Noncurrent Liabilities

Funds held for TCHD LPPF - \$1.9M 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 – \$77.7M

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

Deferred Revenue Long-Term GASB87* - \$243M

Total Noncurrent Liabilities Leases* – \$286M

Total Liabilities – \$390M

Net Assets

Unrestricted Net Assets – \$662M

Restricted Net Assets – \$55M

Investment in Capital Assets – \$101M



Total Net Assets – \$818M

Total Liabilities and Net Assets – \$1.2B

*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

February financials → five months, 41.7% of the fiscal year.

Sources – Total \$43.7M for the month

Property Tax Revenue – Net property tax revenue for the month was \$40M. Net revenue includes \$40M current month's collections; \$215K Penalties and Interest; and \$(226)K in adjustments for prior year delinquent taxes.

Lease Revenue – \$1.9M for Downtown Campus, Hancock Clinic, and land leases

Other Revenue/Expense – \$1.7M which includes:

- Monthly investment income – \$1.6M
- Grant revenue – \$89K

Uses of Funds – Total \$13M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$12M for the month and \$77M YTD compared to \$41M FY22 YTD.

Administration Program – \$947K in expense for the month, which includes:

- Personnel costs – \$563K
- Consulting fees - \$2K
- Legal fees – \$108K
- Other general and administrative – \$274K

Tax Collection Expenses – \$196K for the month.

Excess Sources/(Uses) – \$30M in February. Current YTD is \$205M compared to \$217M FY22 YTD.



Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$12M current month; \$77M YTD compared to \$41M FY22 YTD.

Purchased Healthcare Services – Healthcare delivery providers' expense for February totaled \$8.1M, which includes:

- Primary care – \$6.1M
- Specialty Care including Dental – \$1.4M
- Specialty Care - Behavioral Health – \$679K
- Pharmacy - \$(307K)
- All Other - \$276K

Direct Healthcare Services – \$34K

ACA Premium Assist, Education, Enrollment – \$1.2M in expenses for the month; \$5.5M YTD compared to \$5.3M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$253K in expense for the month and \$1.1M YTD.

Healthcare Delivery Operating Cost – \$2.5M in expenses for the month and includes:

- Personnel costs – \$1.6M
- Consulting Services – \$3K
- Legal Fees - \$6K
- Other services and purchased goods – \$908K

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

Total Healthcare Delivery - for the month of February was \$12M.

Major Capital Project Summary

Project Name	Approval Date	Debt Financed	Approved Budget*	Project Expenses Through 02/28/2023 (including prior years)*	Available Funding*
Hornbsy Bend Health and Wellness Center	FY21	Yes	\$9.054	\$4.944	\$4.110
Del Valle Health and Wellness Center	FY21	Yes	\$15.133	\$4.195	\$10.938
Rosewood Zaragosa Specialty Clinic	FY22	Planned	\$9.012	\$0.579	\$8.433
Colony Park Health and Wellness Center	FY21	No	\$16.144	\$0.121	\$16.023
Hancock Clinical Services and Headquarters Consolidation	FY22	Yes	\$62.590	\$19.839	\$42.751
Cameron Center	FY23	Planned	\$90.575	\$0.000	\$90.575
Total Estimated Project Cost (in Millions)			\$202.507	\$29.678	\$172.830
Certificate of Obligation Funds (including planned issue in FY23)					\$147.770
Cash Reserve Funds					\$25.060
Available Funding					\$172.830

*In Millions



CENTRAL HEALTH

Community Care Collaborative

Financial Statement Presentation

FY 2023 – as of February 28, 2023 (Preliminary)

**Central Health Board of Managers
Board of Managers Meeting
April 26, 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
February 28, 2023

- * Cash is at \$12.9M compared to \$19.0M last year.
- * Total Liabilities are at \$9.3M at the end of February.
- * Net Assets at the end of February are \$3.6M.

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Preliminary

Balance Sheet

Community Care Collaborative
February 28, 2023



	<u>2/28/2023</u>	<u>2/28/2022</u>
Assets		
Cash and Cash Equivalents	12,858,379	18,962,622
Other Receivables	23	41,783
Prepaid and Other	36,503	61,929
Total Assets	<u>12,894,905</u>	<u>19,066,334</u>
Liabilities		
AP and Accrued Liabilities	227,591	5,326,095
Deferred Revenue	9,045,686	7,455,418
Other Liabilities	0	110,026
Accrued Payroll	0	620
Total Liabilities	<u>9,273,277</u>	<u>12,892,159</u>
Net Assets	<u>3,621,628</u>	<u>6,174,176</u>
Liabilities and Net Assets	<u>12,894,905</u>	<u>19,066,334</u>

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Preliminary

Sources and Uses Report

Community Care Collaborative

Fiscal Year-to-Date through February 28, 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	141,318	141%	4,719
Total Sources of Funds	66,630,967	4,079,726	6%	9,127,864
Uses - Programs				
Healthcare Delivery	19,630,967	458,098	2%	5,163,390
UT Affiliation Agreement	35,000,000	0	0%	0
DSRIP Project Costs	12,000,000	0	0%	2,790,299
Total Uses	66,630,967	458,098	1%	7,953,689
Net Sources (Uses)	-	3,621,628		1,174,176
Net Assets		3,621,628		1,174,176

* Operating under FY20 approved budget.

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Preliminary

Healthcare Delivery Costs

Community Care Collaborative

Fiscal Year-to-Date through February 28, 2023



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	339,512
Specialty Care	3,908,000	0	0%	859,330
Specialty Behavioral Health	8,000,000	0	0%	2,424,465
Post-Acute Care	2,675,000	0	0%	869,511
Urgent and Convenient Care	475,000	0	0%	30,630
Healthcare Delivery - Operations	2,849,742	458,098	16%	639,942
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	458,098	2%	5,163,390

* Operating under FY20 approved budget.

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Preliminary

Thank You

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Community Care
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Preliminary



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

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$12.9M

Prepaid and Other – \$37K – Atrium security deposit

Total Assets – \$12.9M

Liabilities

Accounts Payable and Accrued Liabilities – \$228K, which includes:

- \$222K estimated IBNR (Incurred But Not Received) for healthcare provider services
- \$5K due to Central Health

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

Total Liabilities – \$9.3M

Net Assets

Unrestricted Net Assets – \$3.6M

Total Net Assets – \$3.6M

Total Liabilities and Net Assets – \$12.9M



Sources and Uses Report

February financials > 5 months > 42% of fiscal year

Sources of Funds, FYTD - \$4.1M

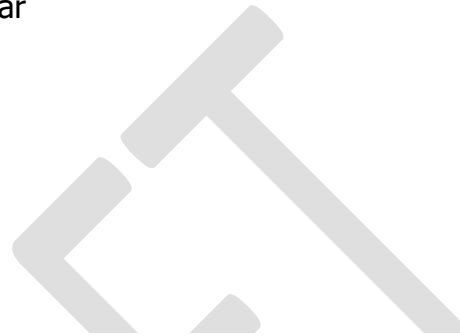
Operations Contingency - \$3.9M from FY2022

Other Sources – \$141K interest income

Uses of Funds, FYTD

Healthcare Delivery (Excludes DSRIP) – \$458K

Net Sources(Uses) - \$3.6M



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	339,512
Specialty Care	3,908,000	0	0%	859,330
Specialty Behavioral Health	8,000,000	0	0%	2,424,465
Post-Acute Care	2,675,000	0	0%	869,511
Urgent and Convenient Care	475,000	0	0%	30,630
Healthcare Delivery - Operations	2,849,742	458,098	16%	639,942
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	458,098	2%	5,163,390

UT Affiliation Agreement – \$0

DSRIP Project Costs – \$0



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

April 26, 2023

AGENDA ITEM 3

Receive and discuss a report of Historically Underutilized Business (HUB) spending performance for Fiscal Year (FY) 2022. (*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	<u>April 26th2023</u>
Who will present the agenda item? (Name, Title)	<u>Margaret Castillo, Senior HUB Analyst, Balena Bunch, Procurement Manager and Lisa Owens, Deputy CFO</u>
General Item Description	<u>Receive a report on the expenditures to Historically Underutilized Business in FY2022</u>
Is this an informational or action item?	<u>Informational</u>
Fiscal Impact	<u>None</u>
Recommended Motion (if needed – action item)	<u>N/A</u>

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

- 1) Central Health spent approximately 26.9% of its eligible expenditures with HUB vendors in FY2022 using long established good faith effort outreach and communication.
- 2) In FY2022 there was an increase in either percentage or dollars spent in all HUB categories in the eligible expenditures.
- 3) Central Health is in the process of developing the HUB subcontracting Program for construction projects that began in FY2023.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.)	<u>Presentation</u>
Estimated time needed for presentation & questions?	<u>15 minutes</u>
Is closed session recommended? (Consult with attorneys.)	<u>N/A</u>
Form Prepared By/Date Submitted:	<u>Lisa Owens, April 21, 2023</u>

FY2022 HISTORICALLY UNDERUTILIZED BUSINESS REPORT

Balena Bunch, Procurement Director

Margaret Castillo, Senior HUB Analyst

Lisa Owens, Deputy CFO



CENTRAL HEALTH

CENTRAL HEALTH'S PROCUREMENT POLICY FY2022



CENTRAL HEALTH

The Board of Managers approved Central Health's Procurement Policy, which states that a "good faith effort" must be made to assist certified Historically Underutilized Businesses (HUB) vendors and contractors in its award of contracts and subcontracts.

**FY2022 HUB expenditures were 26.88%
of eligible expenditures**

ELIGIBLE EXPENDITURES



CENTRAL HEALTH

Expense Categories Include: Heavy Construction, Building Construction, Special Trade, Commodities, Professional Services, and other Services.

Expenditure (Object) Code Categories Not Included: benefits, claims and judgments, interfund transfers, interagency payments, investments, payment of interest, payment of principal, public assistance payments, rental and leases, utilities, salaries, wages, travel grants, scholarships, real estate purchases, right-of way, emergency abatement response, healthcare services, and other expenses as determined by the State of Texas Disparity Study.

FY2022 FORMAL SOLICITATIONS SUMMARY



CENTRAL HEALTH

10 Formal Solicitations

- ~140,000 emails notified and 21% of notified were HUB or Small Business (SB)
- 548 reviewed the proposals and 46% viewers were HUB/SB
- 56 proposals submitted and 12.5% proposers were HUB or had Subcontractor HUB

Formal Solicitations included the following categories:

- Landscaping, Professional or Consulting Services (including CHIF services contracts)
- Equipment/Goods (medical and network equipment)

13 contracts awarded from Formal Solicitations

- 5 of 13 awards in FY2022 were to HUB prime vendors (38.5%)
- 2 contract awarded with a HUB subcontractor identified to participate in the work

FY2022 INFORMAL SOLICITATIONS



CENTRAL HEALTH

7 Informal Solicitations

- 213 Emails notified and 50% of notified were HUB or SB
- 23 proposals submitted and 6 proposers were HUB (26%)

Informal Solicitations included the following categories:

- 2 Professional or Consulting Services (Technology and training services)
- 5 Equipment/Goods (Hardware and network equipment)

All Solicitations were awarded in FY22

- 2 contracts (29%) awarded to HUB Vendor

FY22 HUB OPERATING AND CAPITAL IMPROVEMENT PROJECT EXPENDITURES

Total Eligible Operating Expenditure	\$11,607,680.00
Total HUB Operating Expenditure	\$4,569,482.07
Percentage of HUB Operating Expenditure	39.37%
Total Eligible CIP Expenditure	\$8,661,579.00
Total HUB CIP Expenditure	\$878,917.18
Percentage of HUB CIP Expenditure	10.15%
Grand Total Eligible Expenditure	\$20,269,259.00
Grand Total HUB Expenditure	\$5,448,399.25
HUB as a Percentage of Total Eligible Expenditure	26.88%



CENTRAL HEALTH

FY2022 ELIGIBLE HUB EXPENDITURES HISTORICAL COMPARISON



CENTRAL HEALTH



FY2022 HUB COMPARISON TO OTHER GOVERNMENT ENTITIES



CENTRAL HEALTH

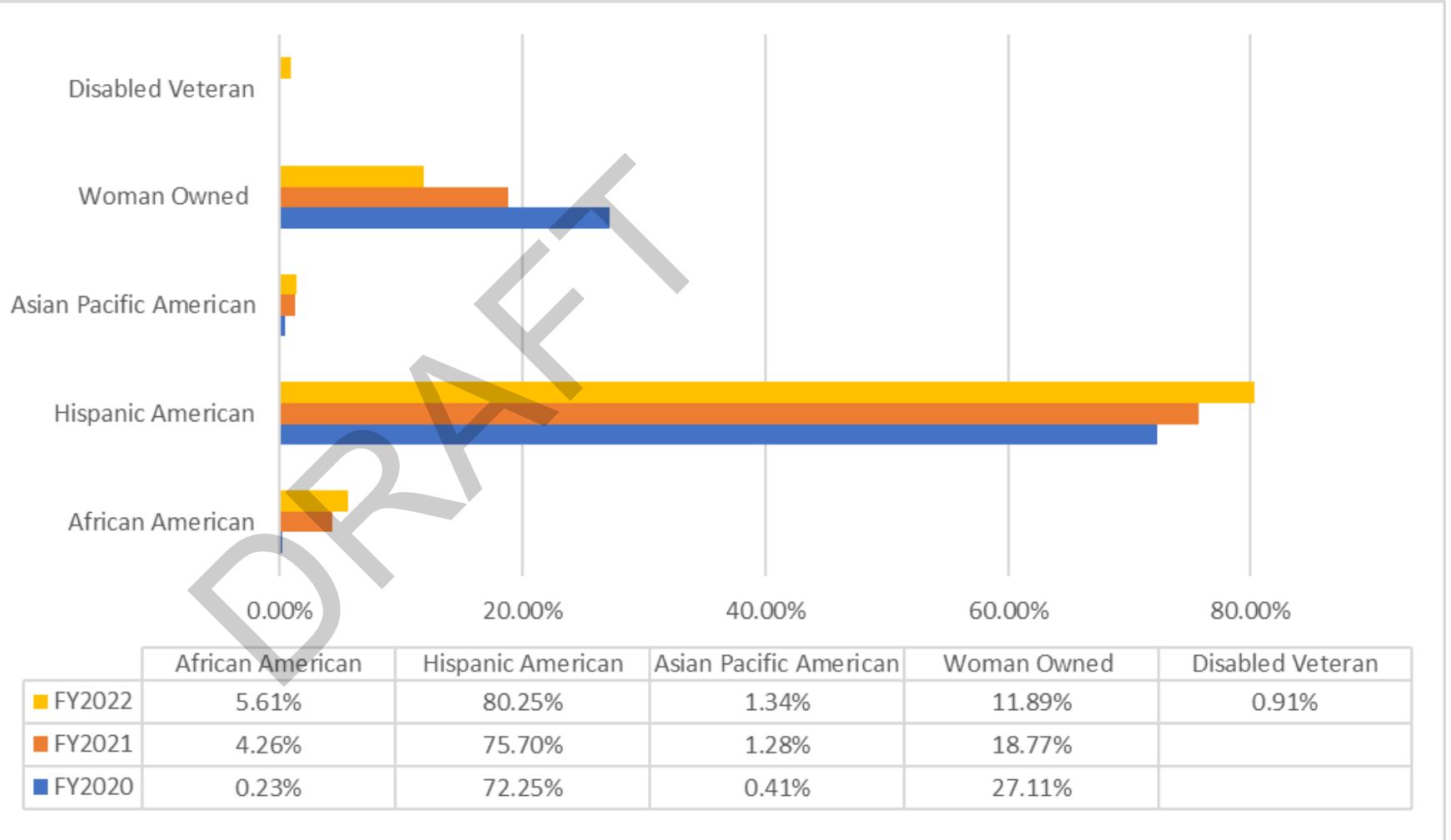
	Total Eligible Expenditures	Total HUB Expenditures	HUB Expenditures %
Central Health	\$ 20,269,259	\$ 5,448,399	26.88%
State of Texas	\$ 28,819,459,635	\$ 3,410,520,295	11.83%
Travis County	\$ 167,387,903	\$ 32,828,471	19.61%
City of Austin	\$ 2,709,857	\$ 270,582	9.99%

*Most recent data available
COA's numbers represent a small
portion of their procurements

THREE YEAR TREND: % OF HUB EXPENDITURES BY CLASSIFICATION



CENTRAL HEALTH



CENTRAL HEALTH PROCUREMENT POLICY FY2023 AND GOING FORWARD



CENTRAL HEALTH

In addition to the ongoing Good Faith Effort reported, in FY2023 year the Board of Managers approved a HUB subcontracting plan program that will establish narrowly tailored race- and gender-based goals be established for specific contract solicitations

HUB PROGRAM OVERVIEW:

HUB SUB- CONTRACTING PROGRAM UPDATE



CENTRAL HEALTH

Hire Senior HUB Analyst to lead and develop program structure and tools

Begin to set narrowly tailored contract specific goals for competitively solicited contracts >\$500,000 identified in the construction industry

HUB SUB- CONTRACTING PROGRAM UPDATE



CENTRAL HEALTH

- ✓ First formal solicitation posted and contract awarded with requirements of a HUB Subcontracting Plan
- ✓ Created forms, standard operating procedures and desktop procedures
- ✓ Begin alignment with City of Austin and Travis County teams
- ✓ Educate Vendors on the HUB Program

HUB VENDOR ENGAGEMENT AND OUTREACH EFFORTS



CENTRAL HEALTH

- Continue to use BidSync, Electronic State Business Daily (ESBD), advertising in multiple media outlets, direct messaging to statewide Chambers and trade associations and Central Health Website to promote open formal solicitations
- Create targeted communication plans to promote solicitations with HUB subcontracting requirements using email and social media
- Host “meet the prime vendor” events once contracts are executed for major projects that require a HUB subcontracting plan
- Attend HUB networking events as offered and participate actively in the Texas Association of Professional Purchasers (TAPP)

HUB VENDOR ENGAGEMENT AND OUTREACH EFFORTS



CENTRAL HEALTH



APRIL 12, 2023 at 3 P.M. CST

VIRTUAL PUBLIC OPENING

Request for Qualifications # 2303-003 Construction Manager-at-Risk (CMAR)
for the Hancock Center Development.

HUB Subcontractor event will be planned following selection of the CMAR

Want to attend? Have Questions?

Please contact:

HUB@centralhealth.net or Purchasing@centralhealth.net



Request for Qualifications #2303-003 Construction Manager-at-Risk (CMAR) for the Hancock Center Development.



VIRTUAL PUBLIC OPENING

APRIL 12, 2023 AT 3 P.M. CST

HUB Subcontractor event will be planned following selection of the CM

Want to attend? Have Questions?

Please contact:

HUB@centralhealth.net or Purchasing@centralhealth.net



REMINDER VIRTUAL PUB- LIC OPENING

Wednesday, April 12 at 3
p.m.



Request for Qualifications #2303-003 Construction Manager-at-Risk (CMAR) for the Hancock Center Development.

HUB Subcontractor event will be planned following selection of the CMAR

Want to attend? Have Questions?

Please contact:

HUB@centralhealth.net or Purchasing@centralhealth.net

LOOKING FORWARD



CENTRAL HEALTH

- Continue to refine and update policies and procedures
- Develop training for contract owners, executive owners, communications team and vendors
- Evaluate results of first contract with narrowly tailored HUB subcontracting goals
- Create training videos for vendors on how to complete required documents and pursue certification from other partners
- Host project specific community engagement activities for new construction activities
- Implement new HUB reporting software tool



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

April 26, 2023

AGENDA ITEM 4

Discuss and take appropriate action on an amendment to the contract with Maxwell Locke & Ritter for annual audit services. (*Action Item*)



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

April 26, 2023

AGENDA ITEM 5

Receive and discuss:

- a. an update regarding Sendero Health Plans, Inc., financials and proposed business strategies; and
- b. a content overview of the Quarterly financial and operational reports for CommUnityCare Health Centers and Sendero Health Plans.³ (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 April 26, 2023

Who will present the agenda item? (Name, Title) Perla Cavazos, Sendero Interim President & CEO and Eli Barreneche, Sendero CFO

General Item Description Receive and discuss an update regarding Sendero Health Plans, Inc., financials, and proposed business strategies.

Is this an informational or action item? Informational

Fiscal Impact N/A

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

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

- 1) Managers will receive an informational update on financial and regulatory matters and a brief overview of corresponding business strategies.
- 2) _____

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

Estimated time needed for presentation & questions? 20 minutes

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

Form Prepared By/Date Submitted: Briana Yanes/ April 20, 2023

Board Reporting Content Outline - Quarterly Reports for Sendero and CommUnityCare (CUC) and Sendero and CUC Proposed Revisions*

(*Original Central Health Board proposed items in regular font. Additional Sendero proposed revisions in *green italics*. CUC proposed revisions are in *blue italics*.)

- *Cover Memo – including narrative update about initiatives and activities as needed*
- CUC & Sendero - Include composition of their respective Boards
 - *Including demographics – race, ethnicity, gender*
 - *Including professional background/bio*
- CUC & Sendero - Unique Patient Counts and Visits w/ geo codes
 - *Annual enrollment by plan and geography*
- Templates (per CEO conversation with Board):
 - Basic Financials YTD & Budgeted/Projected, and note variances or emerging issues via brief narrative
 - *Will share public financial info in report*
 - *Emerging issues will need to be shared in closed session*
 - Service Levels disaggregated by demographic(s)
 - *Annual utilization by specialist/by program*
 - *NCQA Report – Rates/1000 in various categories including Acute/Total bed days/30 day readmits/ED visits /break out by PC*
 - *NCQA Population Assessment – annually – in closed session*
 - Major Operations & Activities brief summaries driven by significance, profile, etc.
 - (New) Alignment Commentary quantitative or qualitative discussion on how work and resources are aligned with Central Health’s mission and Health Equity Plan. Note upcoming resource challenges and any actions that would have future impact on Central Health resources.
 - *Closed session narrative update presentation if needed and where legally permitted to preserve attorney-client consultation or sensitive financial information*
 - *Initiatives and activities*
 - *Alignment with Central Health*
 - *Challenges impacting Central Health activities*

Pending receipt of CUC revisions.



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

April 26, 2023

AGENDA ITEM 6

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