



# 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, October 25, 2023, 3:00 p.m.**

**Or immediately following the ad hoc Policy and Bylaws Committee**

**Videoconference meeting<sup>1</sup>**

**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 connecting to the Zoom meeting link listed below (copy and paste into your web browser):

<https://us06web.zoom.us/j/82564473245?pwd=mcbgHDHYDc55osYLL7BZWnKj04oHhR.1>

Meeting ID: 825 6447 3245

Passcode: 867861

Links to livestream video are available at the URL below (copy and paste into your web browser):

<https://www.youtube.com/watch?v=K6GRRre1EA7k>

Or to participate by telephone only:

Dial: (346) 248 7799

Meeting ID: 825 6447 3245

Passcode: 867861

The Committee may meet via videoconference with a quorum present in person and will 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 1:30 p.m. on October 25, 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 AGENDA<sup>2</sup>**

1. Approve the minutes of the September 6, 2023 Budget and Finance Committee meeting. (*Action Item*)
2. Receive and discuss a presentation on CommUnityCare Health Centers' Fiscal Year 2024 budget. (*Informational Item*)
3. Receive updates on the preliminary September 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative. (*Informational Item*)
4. Discuss and take appropriate action on an update on Sendero Health Plans financials and proposed FY 2024 Central Health funding plan of certain Sendero Health Plans claims and administrative costs.<sup>3</sup> (*Action Item*)
5. Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)

- <sup>1</sup> 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.**
- <sup>2</sup> 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.
- <sup>3</sup> Possible closed session discussion under Texas Government Code §551.071 (Consultation with Attorney) and Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).

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

## **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.

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Board Manager Signature

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Date

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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  
October 25, 2023**

**AGENDA ITEM 1**

Approve the minutes of the September 6, 2023 Budget and Finance Committee meeting. (*Action Item*)

MINUTES OF MEETING – SEPTEMBER 6, 2023  
CENTRAL HEALTH  
BUDGET AND FINANCE COMMITTEE

On Wednesday, September 6, 2023, a meeting of the Central Health Budget and Finance Committee convened in open session at 6:16 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

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**Committee members present in person:** Chair Museitif, Manager Kitchen, Manager Martin, and Manager Motwani

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

**PUBLIC COMMUNICATION**

**Clerk’s Notes:** Public Communication began at 6:17 p.m. Chair Museitif announced that no speakers signed up for Public Communication.

**COMMITTEE AGENDA**

**1. Approve the minutes of the August 23, 2023 Budget and Finance Committee meeting.**

**Clerk’s Notes:** Discussion on this item began at 6:17 p.m.

Manager Brinson moved that the Committee approve the minutes of the August 23, 2023 Budget and Finance Committee meeting.

Manager Valadez seconded the motion.

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

**2. Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2024 budget and tax rate, including the impact of potential changes to the proposed 2024 budget, tax rate, and future delivery of health care.**

**Clerk’s Notes:** Discussion on this item began at 6:18 p.m. Mr. Jeff Knodel, Chief Financial Officer and Ms. Kim Johnson, Budget Director, presented on the proposed FY 2024 budget and associated tax rate. The presentation reviewed attachments A and B of the budget. Next, they presented a look at the reserves on the seven-year forecast, reviewed taxpayer impacts of the proposed FY 2024 tax rate, and shared the budget calendar.

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

Manager Motwani moved that the Committee adjourn.

Manager Jones seconded the motion.

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

The meeting was adjourned at 6:59 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**

**October 25, 2023**

**AGENDA ITEM 2**

Receive and discuss a presentation on CommUnityCare Health Centers' Fiscal Year 2024 budget.  
*(Informational Item)*

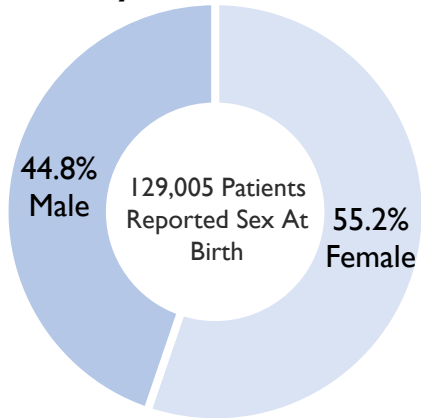
# **OCTOBER 1, 2023 – SEPTEMBER 30, 2024**

## **BUDGET OVERVIEW**

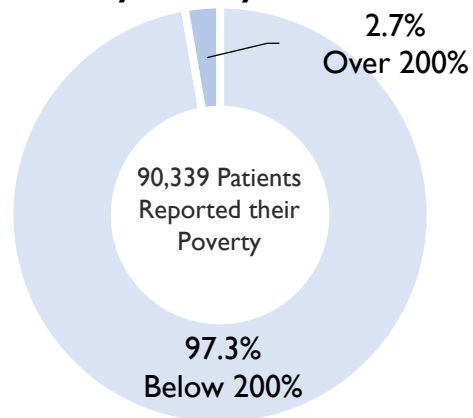
**DR. JAESON T. FOURNIER, PRESIDENT AND CEO**  
**JOY SLOAN, CHIEF FINANCIAL OFFICER**

# 129,005 UNIQUE PATIENTS SERVED IN 2022

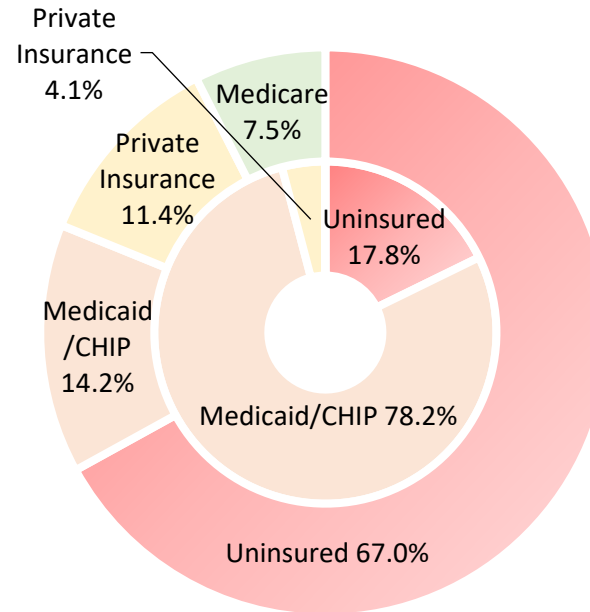
**By Sex at Birth**



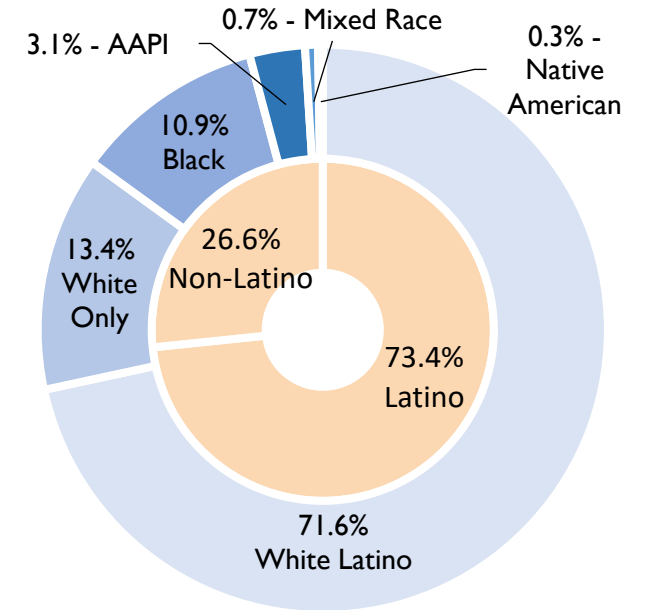
**By Poverty Level**



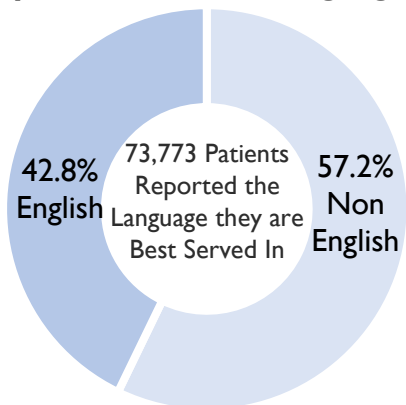
**By Insurance Status  
Adults (Outer) vs. Pediatrics (Inner)**



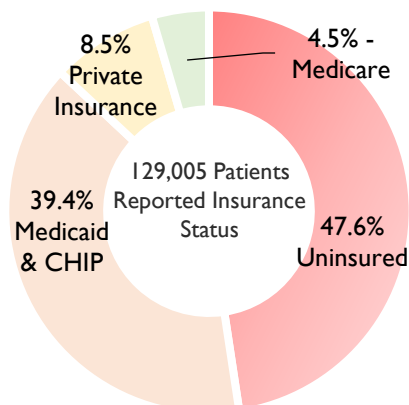
**By Race with Ethnicity (Outer Circle)  
By Ethnicity Alone (Inner Circle)**



**By Best Served in Language**



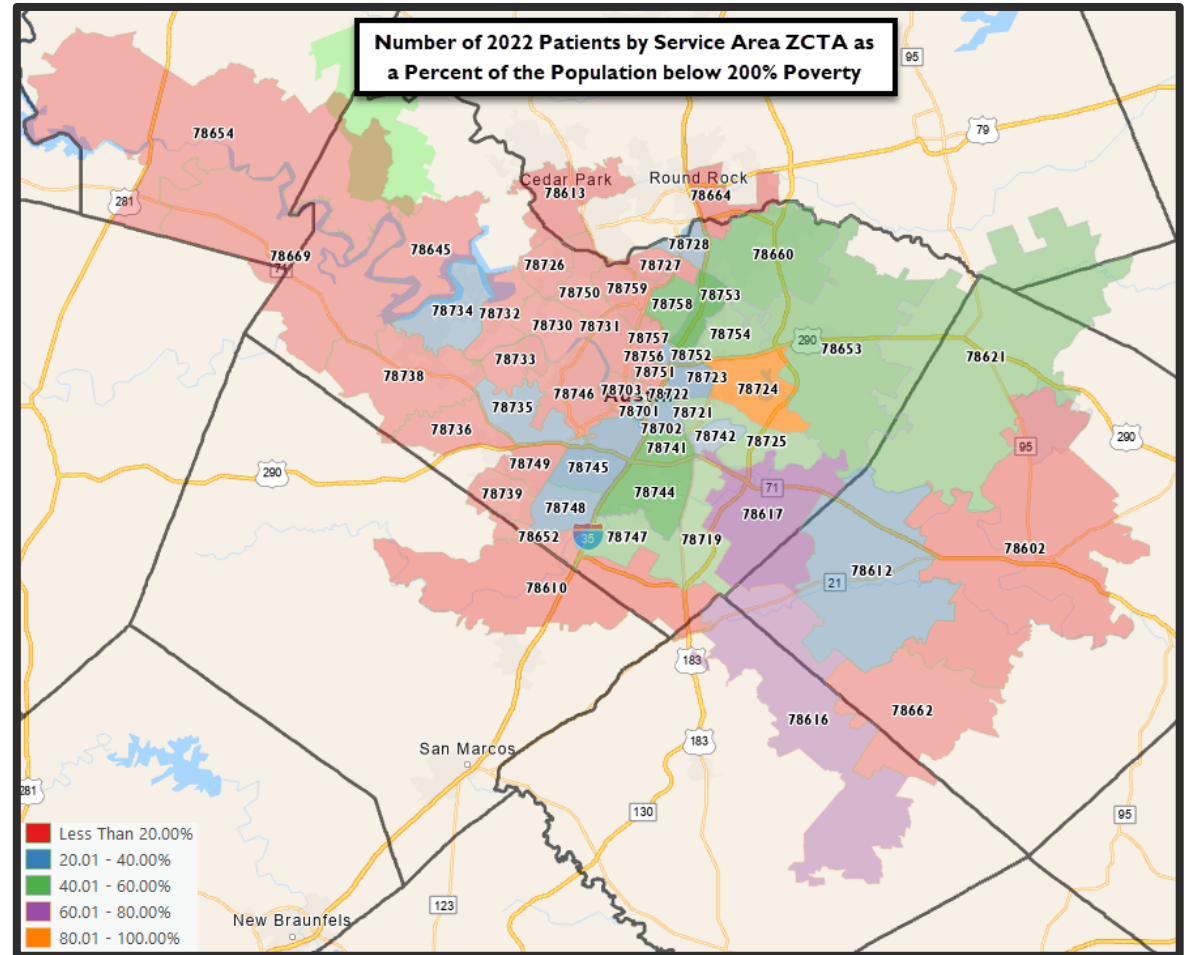
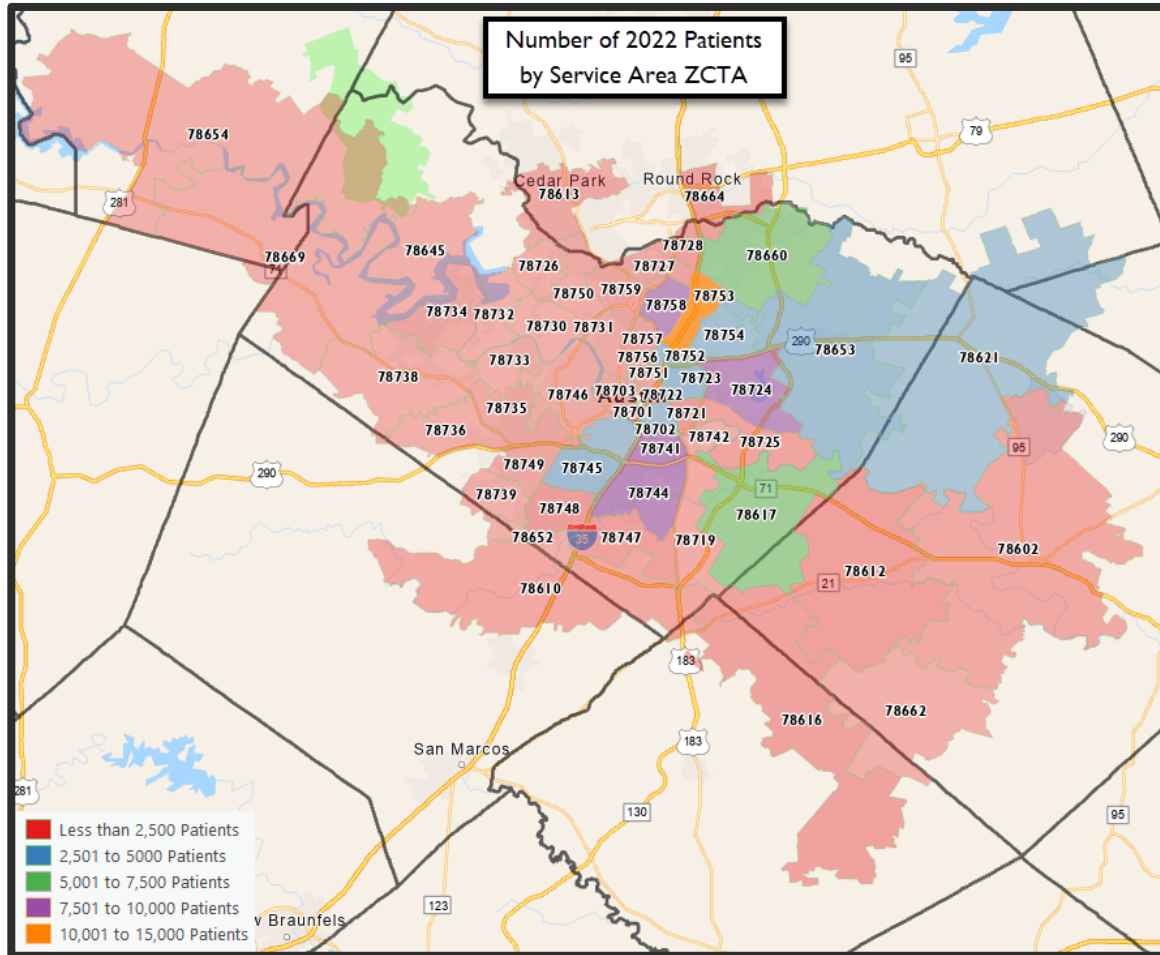
**By Insurance Status**



78,216 Patients were Adults and 50,789 were under 18 years of age

110,649 Patients Reported Race + Ethnicity  
121,355 Reported Ethnicity Alone

# 129,005 UNIQUE PATIENTS SERVED IN 2022



## FY2024 – FINANCIAL PRESSURES

- 340B (Federal Drug Pricing) contracted pharmacy limitations unilaterally imposed by some pharmaceutical manufacturers and escalating pharmaceutical costs.
- Medicaid redetermination and loss of continuous Medicaid enrollment.
  - Since May 2023 (end of COVID-19 public health emergency) 1,000s of patients have been determined ineligible for Medicaid and are again uninsured with many MAP / MAP Basic coverable.
  - Competition for Talent
  - Loss of Coronavirus Community Health Center funding on March 31, 2024
  - Congressional (re)authorization of federal health center program funding.



## FY2024 – ORGANIZATIONAL PRIORITIES

### Employer of Choice

Focus:  
Supporting you so we can best care for our patients

### Access Improvement

Focus:  
Travis County Low-Income

 **Equity**

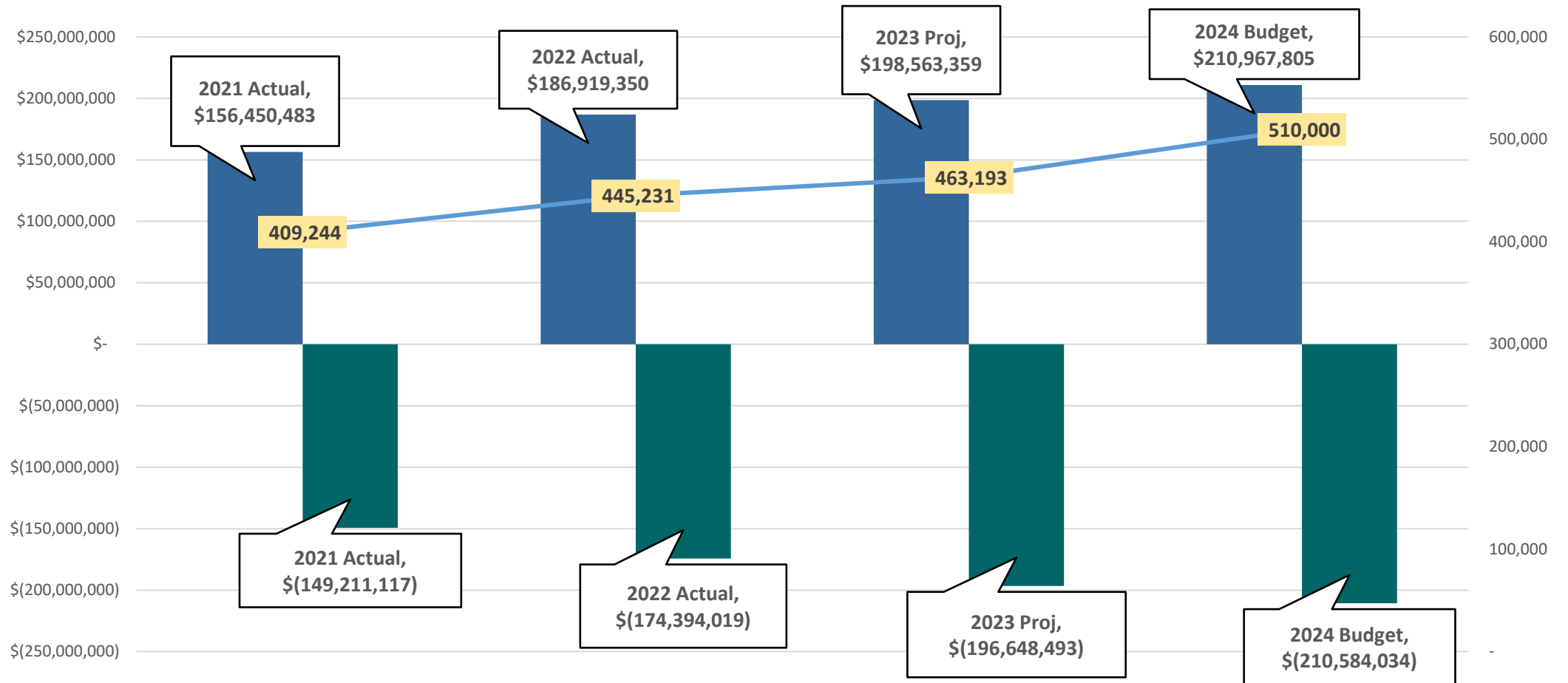
### Informed Resource Use

Focus:  
Limited Resources Deployed Responsively  
and Responsibly

### High Quality

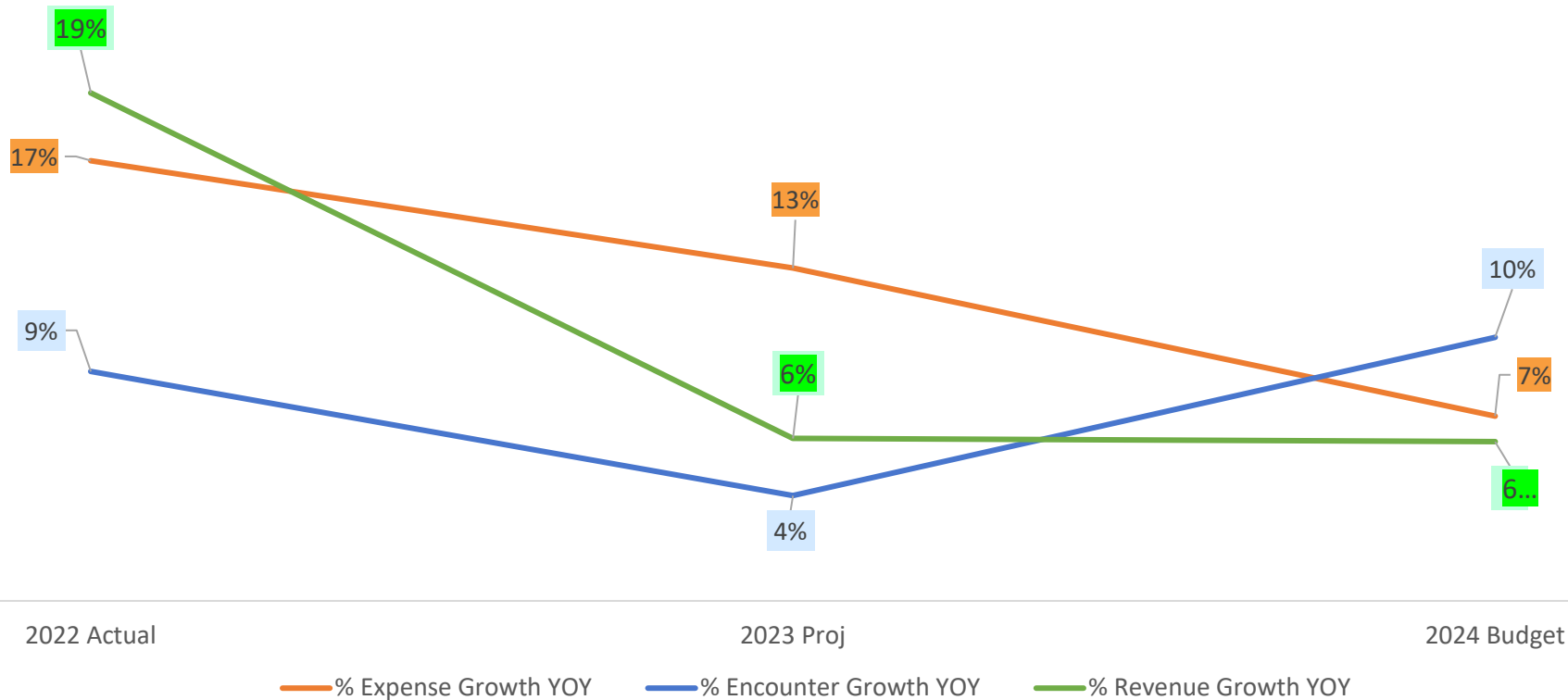
Focus:  
Population Health Infrastructure

REVENUE IS PROJECTED TO GROW BY 25%, EXPENSE BY 35% AND ENCOUNTERS BY 41% FROM 2021 TO 2024 BUDGET, WITH NARROWING OPERATING MARGINS AS EXPENSE GROWTH OUTPACES REVENUE



EXPENSE GROWTH RATES OF 17% AND 13% ARE FROM STAFF WAGE INCREASES AND PHARMACY GROWTH; WITH HIGHER PROVIDER VACANCIES, REVENUE GROWTH HAS STAGNATED

Between 2021 and 2022, Expenses increased 17%; Revenues increased 19% and encounters increased 9% - We are seeing these % increases decline between 2023 and 2024 budget



## FY2024 (10/01/2023– 09/30/2024) BUDGETED REVENUE

Patient Service Revenue	FY 2023 Projected	FY 2024 Budget	FY24 Budget vs FY23 Projected	% Variance
Central Health Indigent Care FFS	\$42,610,098	\$52,231,000	\$9,620,902	23%
Family Planning / Other Public	\$2,669,722	\$3,400,000	\$730,278	27%
Insurance	\$5,037,905	\$3,942,816	-\$1,095,089	-22%
Medicaid/CHIP	\$48,394,247	\$53,942,015	\$5,547,768	11%
Medicare	\$3,507,886	\$3,002,594	-\$505,292	-14%
Pharmacy Services	\$54,840,798	\$56,947,098	\$2,106,300	4%
Self Pay / SFS	\$2,444,628	\$2,657,374	\$212,746	9%
Allowance for Bad Debt	-\$4,250,352	-\$2,500,000	-\$1,750,352	-41%
Other Revenue	FY 2023 Projected	FY 2024 Budget	FY24 vs FY23 Projected	% Variance
Central Health Indigent - Non-FFS	\$16,125,695	\$13,613,000	-\$2,512,695	-16%
Grant Revenue	\$27,182,732	\$23,731,571	-\$3,451,161	-13%
Patient Service Revenue	FY 2023 Projected	FY 2024 Budget	FY24 vs FY23 Projected	% Variance
Total Patient Service Revenue	\$155,254,932	\$173,622,897	\$18,367,965	12%
Total Other Revenue	\$43,308,427	\$37,344,571	-\$5,963,856	-14%
<b>Total All Revenue</b>	<b>\$198,563,359</b>	<b>\$210,967,468</b>	<b>\$12,404,109</b>	<b>6%</b>

### Key Takeaways:

- ❖ Significant increased investment by Central Health in FFS countered by a smaller reduction non-FFS Central Health reimbursement.
- ❖ Total Central Health Investment of \$65,844,000 budgeted for FY 2024 compared to \$58,735,793 Projected for FY 2023 representing a 12.1% increased investment.
- ❖ Substantial reduction in grant revenue as a result of Community Health Center COVID American Rescue Plan Act ending

## FY2024 BUDGETED EXPENSES & PROJECTED OPERATING POSITION

Expenses	FY 2023 Projected	FY 2024 Budget	FY24 Budget vs FY23 Projected	% Variance
Employee Salaries	\$96,613,083	\$107,201,206	\$10,588,123	11%
Employee Benefits	\$25,460,686	\$25,338,794	-\$121,892	-0.5%
Contract Labor	\$8,757,114	\$7,990,000	-\$767,114	-9%
Total Direct Care Expenses	\$43,803,092	\$47,333,646	\$3,530,553	8%
Indirect Expenses	\$12,279,698	\$12,307,346	-\$27,648	-0.2%
Total Occupancy Expenses	\$9,395,650	\$10,413,042	\$1,017,392	11%
<b>Total All Expenses</b>	<b>\$196,309,323</b>	<b>\$210,584,034</b>	<b>\$14,274,711</b>	<b>7%</b>

### Key Takeaways:

- ❖ 62.9% of total expenses are for employee salaries plus benefits. Including contracted labor, 66.7% of total expenses in FY2024 are staffing related.
- ❖ A significant portion of direct care expenses is pharmaceutical related.

Operating Position at FY End	FY 2023 Projected	FY 2024 Budget	FY24 Budget vs FY23 Projected	% Variance
Total All Revenue	\$198,563,359	\$210,967,468	\$12,404,109	6%
Total All Expense	\$196,309,323	\$210,584,034	\$14,274,711	7%
<b>Excess (Deficit) From Operations</b>	<b>\$2,254,036</b>	<b>\$383,434</b>	<b>-\$1,870,602</b>	<b>-83%</b>

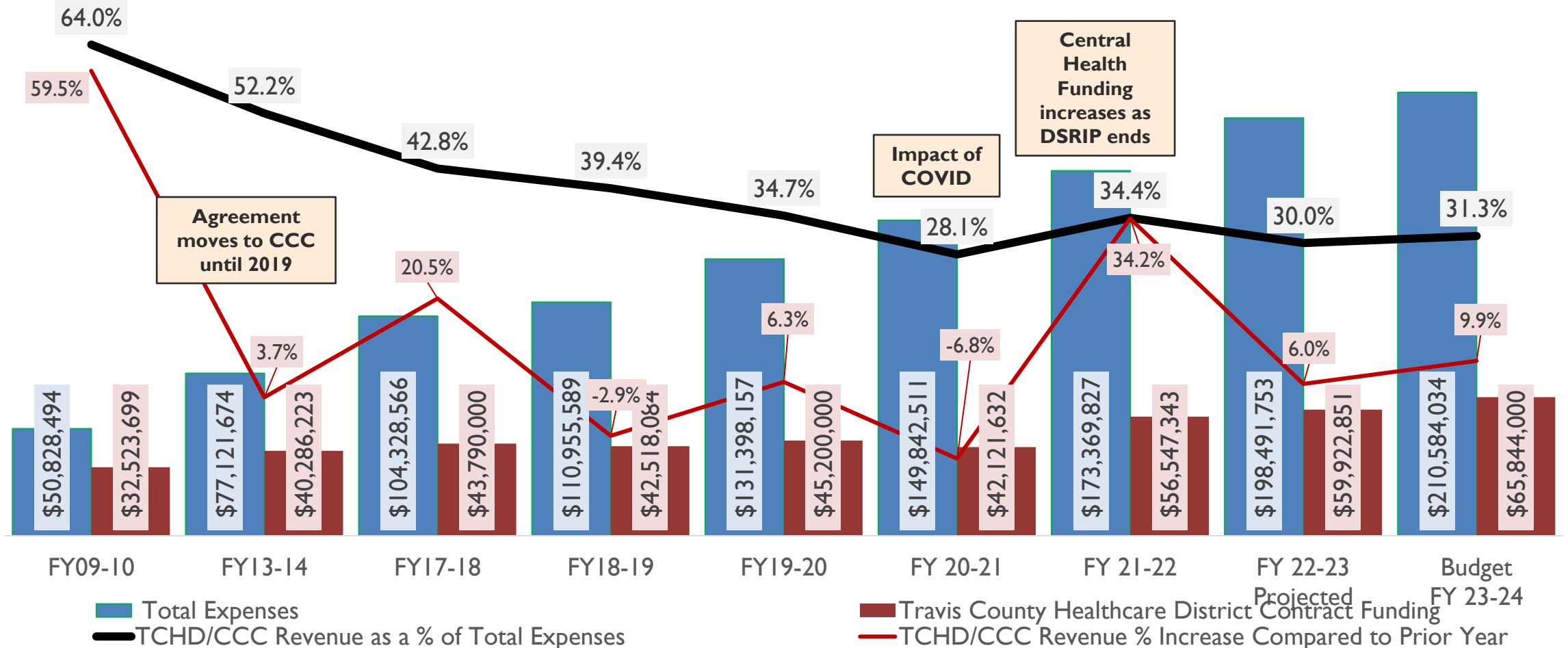
## FY2024 (10/01/2023– 09/30/2024) CENTRAL HEALTH INVESTMENT BY SERVICE

Service	FY2023 Budget	FY2024 Budget	% Variance
Alternative Visits Fee For Service (FFS)	\$1,700,000	\$2,400,000	41.2%
Community Benefit	\$7,916,000	\$3,116,000	-60.6%
Care Management – PMPM	\$6,912,000	\$6,912,000	0%
Medical, Dental, Behavioral Health FFS	\$34,735,739	\$43,431,000	25.0%
Other	\$590,000	\$800,000	35.6%
Pay for Outcomes	\$2,000,000	\$2,605,000	30.3%
Pay for Reporting	\$180,000	\$180,000	0%
<b>Total All Central Health Revenue</b>	<b>\$59,073,629</b>	<b>\$65,844,000</b>	<b>11.5%</b>
<b>Total Countable Visits to MAP / MAP Basic Patients</b>	<b>223,667</b>	<b>271,337</b>	<b>21.3%</b>

### Key Takeaways:

- ❖ 21.3% increase in countable visits to Medical Access Program (MAP) covered individuals including those covered by MAP Basic.
- ❖ Significant changes to Community Benefit to services to low-income uninsured Travis County residents not yet enrolled in MAP / MAP Basic.
- ❖ Central Health funding reduced by 8.1% per countable visit in FY2024 compared to FY2023
  - \$264.11 per FY2023 countable visit vs. \$242.67 per FY2024 countable visit).

FUNDING DIVERSIFICATION OVER THE YEARS HAS LOWERED CENTRAL HEALTH'S OVERALL PERCENT CONTRIBUTION TO COMMUNITYCARE'S BUDGET WHILE THE TOTAL INVESTMENT BY CENTRAL HEALTH HAS INCREASED SIGNIFICANTLY



## QUESTIONS?

### CommUnityCare Mission:

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

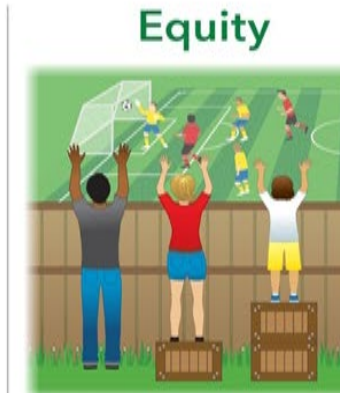
### CommUnityCare Vision:

Striving to achieve health equity for all by:

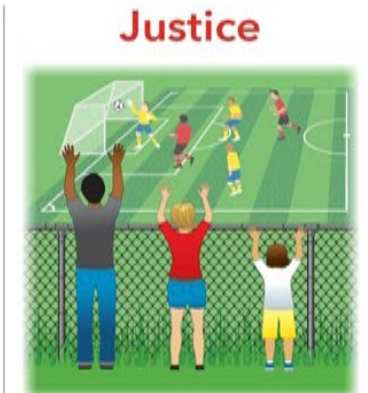
- (1) being the health care home of choice;
- (2) being a teaching center of excellence; and,
- (3) providing the right care, at the right time, at the right place.



The assumption is that **everyone benefits from the same supports**. This is equal treatment.



**Everyone gets the supports they need** (this is the concept of "affirmative action"), thus producing equity.



All 3 can see the game without supports or accommodations because **the cause(s) of the inequity was addressed**. The systemic barrier has been removed.



## FY2023-24 (10/01/2023– 09/30/2024) BUDGETED REVENUE

Patient Service Revenue	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget	FY24 vs FY23 Budget	% Variance	FY24 vs FY23 Projected	% Variance
Central Health Indigent Care FFS	\$40,646,301	\$42,610,098	\$52,231,000	\$11,584,699	29%	\$9,620,902	23%
Family Planning / Other Public	\$1,785,085	\$2,669,722	\$3,400,000	\$1,614,915	90%	\$730,278	27%
Insurance	\$4,052,059	\$5,037,905	\$3,942,816	-\$109,243	-3%	-\$1,095,089	-22%
Medicaid/CHIP	\$59,049,606	\$48,394,247	\$53,942,015	-\$5,107,591	-9%	\$5,547,768	11%
Medicare	\$3,105,391	\$3,507,886	\$3,002,594	-\$102,797	-3%	-\$505,292	-14%
Pharmacy Services	\$45,100,740	\$54,840,798	\$56,947,098	\$11,846,358	26%	\$2,106,300	4%
Self Pay / SFS	\$3,575,615	\$2,444,628	\$2,657,374	-\$918,241	-26%	\$212,746	9%
Allowance for Bad Debt	-\$3,150,043	-\$4,250,352	-\$2,500,000	\$650,043	-21%	-\$1,750,352	-41%
Other Revenue	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget	FY24 vs FY23 Budget	% Variance	FY24 vs FY23 Projected	% Variance
CH Indigent - Non-FFS	\$18,678,001	\$16,125,695	\$13,613,000	-\$5,065,001	-27.1%	-\$2,512,695	-16%
Grant Revenue	\$33,179,531	\$27,182,732	\$23,731,571	-\$9,447,960	-28.5%	-\$3,451,161	-13%
Patient Service Revenue	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget	FY24 vs FY23 Budget	% Variance	FY24 vs FY23 Projected	% Variance
Total Patient Service Revenue	\$154,164,754	\$155,254,932	\$173,622,897	\$19,458,144	13%	\$18,367,965	12%
Total Other Revenue	\$51,857,531	\$43,308,427	\$37,344,571	-\$14,512,960	-28%	-\$5,963,856	-14%
<b>Total All Revenues</b>	<b>\$206,022,285</b>	<b>\$198,563,359</b>	<b>\$210,967,468</b>	<b>\$4,945,183</b>	<b>2%</b>	<b>\$12,404,109</b>	<b>6%</b>

## FY2024 BUDGETED EXPENSES & PROJECTED OPERATING POSITION

Expenses	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget	FY23 vs FY24 Budget	% Variance	FY24 Budget vs FY23 Projected	% Variance
Employee Salaries	\$108,421,139	\$96,613,083	\$107,201,206	-\$1,219,934	-1%	\$10,588,123	11%
Employee Benefits	\$27,437,452	\$25,460,686	\$25,338,794	-\$2,098,658	-8%	-\$121,892	-0.5%
Contract Labor	\$6,719,510	\$8,757,114	\$7,990,000	\$1,270,490	19%	-\$767,114	-9%
Total Direct Care Expenses	\$39,659,852	\$43,803,092	\$47,333,646	\$7,673,794	19%	\$3,530,553	8%
Indirect Expenses	\$12,825,790	\$12,279,698	\$12,307,346	-\$518,445	-4%	-\$27,648	-0.2%
Total Occupancy Expenses	\$9,377,909	\$9,395,650	\$10,413,042	\$1,035,133	11%	\$1,017,392	11%
<b>Total All Expenses</b>	<b>\$204,441,653</b>	<b>\$196,309,323</b>	<b>\$210,584,034</b>	<b>\$6,142,381</b>	<b>3%</b>	<b>\$14,274,711</b>	<b>7%</b>

Operating Position at FY End	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget	FY23 vs FY24 Budget	% Variance	FY24 Budget vs FY23 Projected	% Variance
Total All Revenues	\$206,022,285	\$198,563,359	\$210,967,468	\$4,945,183	2%	\$12,404,109	6%
Total All Expenses	\$204,441,653	\$196,309,323	\$210,584,034	\$6,142,381	3%	\$14,274,711	7%
<b>Excess (Deficit) From Operations</b>	<b>\$1,580,632</b>	<b>\$2,254,036</b>	<b>\$383,434</b>	<b>-\$1,197,198</b>	<b>-76%</b>	<b>-\$1,870,602</b>	<b>-83%</b>



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**October 25, 2023**

**AGENDA ITEM 3**

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



CENTRAL HEALTH

# Central Health

Financial Statement Presentation

FY 2023 – as of September 30, 2023

(Preliminary)

Central Health Board of Managers

October 25, 2023

Jeff Knodel CFO

Patti Bethke, Controller

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Slide 3 Highlights

Slide 4 Balance Sheet

Slide 5 Sources & Uses

Slide 6 HCD - Summary

Slide 7 HCD - Specialty

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- Year-to-date through September collected net property tax revenue is \$280 million compared to \$261 million as of September 2022 representing 97.6% of the adjusted tax levy compared to 98.4% as of September 2022.
- Healthcare Delivery is \$181 million for the year as of 9/30/2023.
- GAAP reporting Net Assets increased \$150 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 9/30/2023 is \$3.4 million.
- Governmental Accounting Standards Board statements 87 & 96, Leases (GASB87) and Subscription-Based Information Technology Arrangements (GASB96 SBITAs), new accounting standards require entities to report future long term 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 these requirements. The new rules require recognition of a lease or SBITA 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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# CENTRAL HEALTH

	<b>Preliminary as</b>	
	<b>of 9/30/2023</b>	<b>as of 9/30/2022</b>
<b>ASSETS</b>		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	5,195,935	3,446,183
SHORT TERM INVESTMENTS	502,636,019	382,075,278
RESTRICTED TCHD LPPF CASH & INVESTMENT	3,425,476	22,788,588
RESTRICTED FOR CAPITAL ACQUISITION	188,876,425	89,420,658
RESTRICTED CASH & INVESTMENTS OR NONCURRENT	192,301,901	112,209,245
ACCOUNTS RECEIVABLE TAX	2,268,845	1,885,295
OTHER RECEIVABLES	6,065,130	3,314,643
TOTAL CURRENT ASSETS	708,467,831	502,930,646
LONG TERM ASSETS		
LEASE RECEIVABLE		
LEASE RECEIVABLE SHORT TERM*	12,795,216	9,560,913
LEASE RECEIVABLE LONG TERM*	237,834,083	239,035,868
TOTAL LEASE RECEIVABLES	250,629,299	248,596,781
CAPITAL ASSETS	198,342,612	161,493,207
ACCUMULATED DEPRECIATION	(38,541,741)	(30,927,866)
TOTAL CAPITAL ASSETS	159,800,871	130,565,341
<b>TOTAL ASSETS</b>	<b>1,230,981,000</b>	<b>994,175,767</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	16,655,415	10,677,600
SALARIES & BENEFITS PAYABLE	5,071,223	3,114,806
DEBT SERVICE SHORT TERM	7,818,109	4,345,000
DEFERRED TAX REVENUE	-	-
TOTAL CURRENT LIABILITIES	29,544,747	18,137,406
RESTRICTED OR NONCURRENT LIABILITIES		
FUNDS HELD FOR TCHD LPPF	3,451,359	22,814,275
DEBT SERVICE PAYABLE LONG TERM	167,726,498	75,988,167
TOTAL RESTRICTED OR NONCURRENT LIABILITIES	171,177,857	98,802,443
NONCURRENT LIABILITIES		
LEASE & SUBSCRIPTION LIABILITIES*	52,500,263	43,972,182
DEFERRED REVENUE*	237,291,717	242,569,098
TOTAL NONCURRENT LIABILITES AND LEASES	289,791,980	286,541,280
<b>TOTAL LIABILITIES</b>	<b>490,514,584</b>	<b>403,481,129</b>
<b>NET ASSETS</b>		
INVESTMENT IN CAPITAL ASSETS	118,037,390	61,405,114
RESTRICTED	135,115,569	55,385,798
UNRESTRICTED	487,313,458	473,903,727
<b>TOTAL NET ASSETS</b>	<b>740,466,416</b>	<b>590,694,639</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>1,230,981,000</b>	<b>994,175,767</b>

\* New GASB87 & GASB96 reporting requirement for leases and Subscription-Based Information Technology Arrangements.



# CENTRAL HEALTH

<b>SOURCES / USES</b>	<b>SEP 2023</b>	<b>FY23 YTD</b>	<b>FY23 Budget</b>	<b>Percent of Budget Used</b>	<b>FY22 YTD</b>
<b>SOURCES</b>					
PROPERTY TAX REVENUE	1,909,798	280,066,533	281,605,053	99%	261,531,264
LEASE REVENUE*	1,709,209	19,262,343	13,145,328	147%	18,783,540
OTHER REVENUE	26,710,109	46,604,143	1,500,000	3107%	(14,554,903)
TOBACCO SETTLEMENT REVENUE	-	4,828,924	4,500,000	107%	4,676,730
<b>TOTAL SOURCES</b>	<b>30,329,116</b>	<b>350,761,944</b>	<b>300,750,381</b>	<b>117%</b>	<b>270,436,630</b>
<b>USES OF FUNDS</b>					
<b>HEALTHCARE DELIVERY PROGRAM</b>	<b>15,379,130</b>	<b>180,866,363</b>	<b>260,181,600</b>	<b>70%</b>	<b>155,658,090</b>
(SEE NEXT PAGE)					
<b>UT AFFILIATION AGREEMENT</b>	-	22,430,000	22,000,000	102%	-
<b>ADMINISTRATIVE PROGRAM</b>					
SALARIES AND BENEFITS	722,478	7,763,550	9,641,743	81%	6,058,784
OTHER GOODS AND SERVICES	468,849	10,497,352	12,507,617	84%	5,421,769
<b>TOTAL ADMINISTRATIVE PROGRAM</b>	<b>1,191,327</b>	<b>18,260,903</b>	<b>22,149,360</b>	<b>82%</b>	<b>11,480,554</b>
<b>TOTAL USES</b>	<b>16,570,457</b>	<b>221,557,266</b>	<b>304,330,960</b>	<b>73%</b>	<b>167,138,644</b>
<b>EXCESS SOURCES / (USES)</b>	<b>13,758,659</b>	<b>129,204,678</b>	<b>(3,580,579)</b>		<b>103,297,987</b>

\* New GASB87 & GASB96 reporting requirement for leases and Subscription-Based Information Technology Arrangements.





HEALTHCARE DELIVERY SUMMARY	SEP 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
PURCHASED HEALTHCARE SERVICES					
PRIMARY CARE	5,178,484	59,976,323	66,236,822	91%	52,504,250
SPECIALTY CARE, INCLD DENTAL	1,593,333	14,799,810	27,163,000	54%	8,367,474
SPECIALTY BEHAVIORAL HEALTH AND SUBSTANCE USE	307,683	8,972,178	12,040,000	75%	623,553
PHARMACY	816,207	10,621,719	17,000,000	62%	10,639,996
POST ACUTE CARE	700,875	3,886,746	5,650,000	69%	259,251
COMMUNITY HEALTHCARE INITIATIVES FUND	-	256,802	1,750,000	15%	-
ALL OTHER HEALTHCARE SERVICES	-	373,800	687,035		687,035
SUBTOTAL PURCHASED HEALTHCARE SERVICES	8,596,582	98,513,579	130,526,857	75%	73,081,561
DIRECT HEALTHCARE SERVICES	289,158	913,869	5,673,261	16%	128,535
MAP ELIGIBILITY - INCREASE IN PERIOD	-	-	2,000,000		-
SUBTOTAL HEALTHCARE SERVICES	8,885,740	99,427,448	138,200,118	72%	73,210,096
ACA PREMIUM ASSIST	3,112,750	15,282,770	14,648,261	104%	13,550,459
HEALTHCARE FACILITIES AND CAMPUS REDEVELOPMENT	561,536	3,366,023	3,726,750	90%	11,631,432
HEALTHCARE DELIVERY OPERATION COSTS	2,695,891	33,217,923	48,109,728	70%	37,083,678
DEBT, RESERVES AND TRANSFERS	123,212	29,198,400	55,496,744	53%	19,698,640
TOTAL HEALTHCARE DELIVERY	15,379,130	180,492,563	260,181,600	70%	155,174,305



# CENTRAL HEALTH

HEALTHCARE DELIVERY - SPECIALTY CARE	SEP 2023	FY23 YTD	FY2023 BUDGET	Percent of Budget Used	FY2022 YTD	Comments
HCD-Ancillary Services	62,344	663,106	2,408,000	28%	273,212	Includes additional services: Anesthesia, Mammography, DME
HCD-Cardiology	97,515	477,487	1,215,000	39%	355,356	
HCD-Dental	68,123	1,602,561	1,500,000	107%	1,036,169	
HCD-Dermatology	121,450	970,040	1,125,000	86%	795,798	
HCD-Dialysis	124,115	873,108	2,600,000	34%	172,800	New Service late FY22
HCD-Endocrinology	110,017	717,421	925,000	78%	739,935	
HCD-Ear, Nose & Throat ENT	(4,431)	139,044	500,000	28%	111,393	Provider Vacancy
HCD-Gastroenterology	378,974	1,600,556	2,100,000	76%	1,190,341	Service Expansion
HCD-General Surgery	(155,816)	179,944	200,000	90%	177,847	
HCD-Gynecology	130,160	1,355,352	1,050,000	129%	-	Transition from CCC
HCD-Musculoskeletal	123,182	1,691,172	1,700,000	99%	38,940	Transition from CCC
HCD-Nephrology	11,050	112,125	350,000	32%	51,675	
HCD-Neurology	5,525	47,269	300,000	16%	13,867	New CUC Service
HCD-Oncology	11,142	583,081	1,800,000	32%	377,873	
HCD-Ophthalmology	163,767	1,388,056	3,300,000	42%	1,190,814	
HCD-Pain Management	18,000	18,000	350,000	5%	-	New Services FY23
HCD-Podiatry	90,650	873,042	1,350,000	65%	757,681	
HCD-Project Access	-	-	330,000	0%	-	
HCD-Pulmonology	72,208	436,461	475,000	92%	354,551	
HCD-Referral Management	95,805	268,025	875,000	31%	300,000	
HCD-Rheumatology	29,033	289,069	350,000	83%	178,691	
HCD-Sexual & Reproductive Svc	40,521	514,893	2,110,000	24%	250,530	
HCD-Urology	-	-	250,000	0%	-	New agreement for vasectomies
<b>Total Healthcare Delivery - Specialty Care</b>	<b>1,593,333</b>	<b>14,799,810</b>	<b>27,163,000</b>	<b>54%</b>	<b>8,367,474</b>	



# Questions ? Comments ?



## Balance Sheet

### Current Assets

Cash and Cash Equivalents – \$5.2M compared to \$3.4M September 2022

Short-term Investments – Short-term investments were \$503M at month-end, net of restricted investments totaling \$192M.

Ad Valorem Taxes Receivable – \$2.2M balance is composed of:

Gross Tax Receivables	\$ 5.5M
Taxable Assessed Valuation Adjustment	(415)K
Est. Allowance for Doubtful collections	(2.8)M
Total Taxes Receivable	\$ 2.2M

Other Receivables – Other receivables total \$6M and includes intercompany balances:

- Accrued Interest - \$2.5M
- CUC – \$2.2M
- Prepaid Expenses – \$778K
- Sendero - \$694k

### Total Current Assets – \$708M

### Long Term Assets

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 - \$3.4M

Lease Receivables GASB87\* - \$250M

- Lease Receivable Short-Term \$12M
- Lease Receivable Long-Term \$238M

Capital Assets – \$160M, net of accumulated depreciation, include purchase of Cameron Road Buildings

**Total Assets – \$1.2B**

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**Current Liabilities**

Accounts Payable – Major components of the \$16M balance are:

- \$12.2M estimated IBNR for healthcare services.
- \$4M invoices payable

Salaries and Benefits Payable – \$5.1M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Debt Service Payable, Short-Term – \$7.8M in Certificates of Obligation and Interest Payable for Series 2020, 2021 and 2023 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$0

**Total Current Liabilities – \$29M**

**Restricted or Noncurrent Liabilities**

Funds held for TCHD LPPF - \$3.4M receipts from participants in the LPPF.



Debt Service Payable, Long-Term – \$167.7M balance (changed):

	Series 2020	Series 2021	Series 2023	
	General Obligation Bonds	Certificates of Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT		12.2 M	7.7 M	
Taxable LT	2.5 M	54.6 M	88.6 M	
Premium		1.9 M	0.2 M	
Totals	<b>2.5 M</b>	<b>68.7 M</b>	<b>96.5 M</b>	<b>167.7 M</b>

\$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. \$99.4M was issued in 2023 for two clinics. Annual payments are due on 3/1 for all Series.

**Total Restricted or Noncurrent Liabilities – \$171M**

Lease/SBITA Payable GASB87 and GASB96\* - \$52M

- Lease Payable Short-Term \$1.2M
- Lease Payable Long-Term \$45.1M
- Subscription Payable Short-Term 1.7M
- Subscription Payable Long-Term 3M
- Interest Payable Long-Term 1.4M

Deferred Revenue Long-Term GASB87\* - \$237M

**Total Noncurrent Liabilities Leases\* – \$290M**

**Total Liabilities – \$490M**



**Net Assets**

Unrestricted Net Assets – \$487M

Restricted Net Assets – \$135M

Investment in Capital Assets – \$118M

**Total Net Assets – \$740M**

**Total Liabilities and Net Assets – \$1.2B**

\* Governmental Accounting Standards Board statements 87 & 96, Leases (GASB87) and Subscription-Based Information Technology Arrangements (GASB96 SBITAs), new accounting standards require entities to report future long term 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 these requirements. The new rules require recognition of a lease or SBITA 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**

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

#### **Sources – Total \$30M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$1.9M. Net revenue includes \$102K current month's collections; \$57K Penalties and Interest; and \$1.8M in adjustments for Uncollectible Property tax; \$(97)K in adjustment for prior year delinquent taxes.

Lease Revenue – \$1.7M for Downtown Campus, Careron, Hancock Clinic, and land leases

Other Revenue/Expense – \$26.7M primarily for investment income - mark to market adjustment

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

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$15M for the month and \$180M YTD compared to \$155M FY22 YTD.

Administration Program – \$1.2M in expense for the month, which includes:

- Salaries and Benefits – \$722K
- Other Goods and Services - \$468K

**Excess Sources/(Uses)** – \$13.7M current month. Current YTD is \$129M compared to \$103M FY22 YTD.

# Community Care Collaborative

## Financial Statement Presentation

### FY 2023 – as of September 30, 2023 (Preliminary)

**Central Health Board of Managers**  
**Board of Managers Meeting**  
**October 25, 2023**

**Jeff Knodel, Chief Financial Officer**



**Community Care**  
**COLLABORATIVE**

a partnership of Central Health and Seton Healthcare Family

*Preliminary*

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# Highlights

Community Care Collaborative  
September 30, 2023



- \* Cash is \$104K compared to \$17.0M last year.
- \* Total Liabilities are \$107K at the end of September.
- \* Net Assets are (\$2.5K) at the end of September.

*Preliminary*

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# Balance Sheet

Community Care Collaborative  
September 30, 2023



	<u>9/30/2023</u>	<u>9/30/2022</u>
<b>Assets</b>		
Cash and Cash Equivalents	104,038	17,033,373
Other Receivables	0	505
Prepaid and Other	0	102,929
Total Assets	<u>104,038</u>	<u>17,136,806</u>
<b>Liabilities</b>		
AP and Accrued Liabilities	106,500	4,101,659
Deferred Revenue	0	9,045,686
Other Liabilities	0	51,053
Accrued Payroll	0	0
Total Liabilities	<u>106,500</u>	<u>13,198,398</u>
Net Assets	<u>(2,462)</u>	<u>3,938,408</u>
Liabilities and Net Assets	<u>104,038</u>	<u>17,136,806</u>

*Preliminary*

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# Sources and Uses Report

Community Care Collaborative

Fiscal Year-to-Date through September 30, 2023



<b>Sources of Funds</b>	<b>Budget*</b>	<b>YTD Actual</b>	<b>YTD % of Budget</b>	<b>Prior YTD Actual</b>
DSRIP Revenue	61,168,472	9,045,686	15%	45,033,178
Operations Contingency Carryforward	5,362,495	3,938,408	73%	9,123,145
Other Sources	100,000	333,385	333%	307,803
<b>Total Sources of Funds</b>	<b>66,630,967</b>	<b>13,317,480</b>	<b>20%</b>	<b>54,464,126</b>
<b>Uses - Programs</b>				
Healthcare Delivery	19,630,967	749,941	4%	15,279,621
UT Affiliation Agreement	35,000,000	12,570,000	36%	35,000,000
DSRIP Project Costs	12,000,000	0	0%	5,246,097
<b>Total Uses</b>	<b>66,630,967</b>	<b>13,319,941</b>	<b>20%</b>	<b>55,525,718</b>
<b>Net Sources (Uses)</b>	<b>-</b>	<b>(2,462)</b>		<b>(1,061,592)</b>
<b>Net Assets</b>		<b>(2,462)</b>		<b>(1,061,592)</b>

\* Operating under FY20 approved budget.

*Preliminary*

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# Healthcare Delivery Costs

Community Care Collaborative

Fiscal Year-to-Date through September 30, 2023



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Healthcare Delivery</b>				
Primary Care & Emergency Transport	921,822	0	0%	849,008
Specialty Care	3,908,000	412,500	11%	2,635,202
Specialty Behavioral Health	8,000,000	(225,551)	-3%	7,944,131
Post-Acute Care	2,675,000	0	0%	2,061,711
Urgent and Convenient Care	475,000	0	0%	71,164
Healthcare Delivery - Operations	2,849,742	562,992	20%	1,718,405
Operations Contingency Reserve	801,403	0	0%	0
<b>Total Healthcare Delivery</b>	<b>19,630,967</b>	<b>749,941</b>	<b>4%</b>	<b>15,279,621</b>

\* Operating under FY20 approved budget.

*Preliminary*

DRAFT

# Thank You

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



a partnership of Central Health and Seton Healthcare Family

*Preliminary*

DRAFT



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

## **Balance Sheet**

### **Current Assets**

Cash and Cash Equivalents – \$104K

**Total Assets – \$104K**

### **Liabilities**

Accounts Payable and Accrued Liabilities – \$107K:

- \$165K Project Access and \$23K audit fees accruals
- Less Intercompany Due To/From Central Health \$82K for furniture purchase

**Total Liabilities – \$107K**

### **Net Assets**

Unrestricted Net Assets – (\$2.5K)

**Total Net Assets – (\$2.5K)**

**Total Liabilities and Net Assets – \$104K**





September 2023 FYTD Financial Statements (unaudited)  
Page 2 of 2

**Sources and Uses Report**

September financials - 12 months - 100% of fiscal year

**Sources of Funds, FYTD - \$13.3M**

DSRIP Revenue - \$9.0M

Operations Contingency - \$3.9M from FY2022

Other Sources – \$333K interest income

**Uses of Funds, FYTD**

Healthcare Delivery (Excludes DSRIP) – \$13.3M

**Net Sources (Uses) – (\$2.5K)**

	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Healthcare Delivery</b>				
Primary Care & Emergency Transport	921,822	0	0%	849,008
Specialty Care	3,908,000	412,500	11%	2,635,202
Specialty Behavioral Health	8,000,000	(225,551)	-3%	7,944,131
Post-Acute Care	2,675,000	0	0%	2,061,711
Urgent and Convenient Care	475,000	0	0%	71,164
Healthcare Delivery - Operations	2,849,742	562,992	20%	1,718,405
Operations Contingency Reserve	801,403	0	0%	0
<b>Total Healthcare Delivery</b>	<b>19,630,967</b>	<b>749,941</b>	<b>4%</b>	<b>15,279,621</b>

UT Affiliation Agreement – \$12,570,000

DSRIP Project Costs – \$0



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**BUDGET & FINANCE COMMITTEE MEETING**

**October 25, 2023**

**AGENDA ITEM 4**

Discuss and take appropriate action on an update on Sendero Health Plans financials and proposed FY 2024 Central Health funding plan of certain Sendero Health Plans claims and administrative costs.<sup>3</sup> (*Action Item*)



**AGENDA ITEM SUBMISSION FORM**

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

Agenda Item Meeting Date October 25, 2023 (B&F Committee and BOM)

Who will present the agenda item? (Name, Title) Jeff Knodel, CFO; and Sharon Alvis, Sendero President & CEO; Eli Barreneche

General Item Description Updates: Sendero for Fiscal Year 2024 and Marketing for Open Enrollment Plan Year 2024

Is this an informational or action item? Action

Fiscal Impact TBD

Recommended Motion (if needed – action item) Approve action on an update on Sendero Health Plans financials and proposed FY 2024 Central Health funding plan of certain Sendero Health Plans claims and administrative costs as recommend by the Budget and Finance Committee.

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

- As a follow-up to the August 30th board meeting update, Sendero requires financial capacity to self-fund the claims costs for the CHAP high-risk program. Staff will provide an update and
- 1) request board action. Background is provided below.
- 2) Insolvencies of 2 new large health carriers caused disruptions to the Texas market related to 2022 risk adjustment program.
- 3) Currently, a reinsurer provides the majority of Sendero claims financing and assumes majority of risk for CHAP high risk program – accomplished by leveraging risk adjustment program. As part of a broader strategy, the current reinsurer gave notice of exit from Sendero agreement after 2023.
- 4) Sendero considered several third-party financing options and after discussions with Central Health leadership it was jointly-decided that internal financing is the best option.
- 5) Additionally, Sendero will provide an update on the upcoming Open Enrollment Marketing for Plan Year 2024.

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

Estimated time needed for presentation & questions? 20 minutes



Is closed session  
recommended? (Consult  
with attorneys.)

Possible closed session

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Form Prepared By/Date  
Submitted:

Jeff Knodel 10/18/2023

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**BUDGET & FINANCE COMMITTEE MEETING**

**October 25, 2023**

**AGENDA ITEM 5**

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