



HEALTH *that cares.*

2015 ANNUAL REPORT



CENTRAL HEALTH

OUR SHARED VISION

Central Texas is a model healthy community.

OUR MISSION

Central Health creates access to health care for those who need it most.

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 health care access.

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

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

OUR GOALS

Access: Increase access to health care for residents of Travis County.

Technology: Maximize the use of technology communitywide to inform health care decisions and delivery.

Quality: Strategically invest in practices designed to improve health care outcomes.

Leadership: Assume a leadership role in convening and planning for the health care needs of our community.

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2015 represented another year of milestones and accomplishments for Central Health as it continued its mission of building a health care safety net for Travis County's low-income and uninsured residents.

In 2015, Central Health funded health care services for nearly one out of every 10 Travis County residents. Central Health also continued to fill the gaps in health coverage, enrolling a monthly average of more than 24,000 residents in the Medical Access Program (MAP), our local health coverage program for qualified low-income residents. Even better, we saw a reduction in emergency room visits from MAP enrollees, signifying further progress in treating patients early and in the most appropriate setting.

All of these statistics represent important achievements in bettering the health of our community. However, we know achieving our mission requires examining not only how much health care is delivered, but also how it is delivered. We cannot do this alone, which is why Central Health has enlisted the assistance of local hospitals, nonprofits and educational institutions.

These partnerships are paying immediate dividends. By teaming with Seton Healthcare Family, we are rebuilding the fragmented health care system, which serves our patients; our financial support for the Dell Medical School is offering us the chance to reinvent how health care is delivered and taught; and a new state-of-the-art teaching hospital and Level 1 trauma center will open in 2017 to serve all of Central Texas.

All of this work and much more represent the beginning of an exciting new era for Central Health, and most importantly, the health of all Travis County residents.

Sincerely,

PATRICIA A. YOUNG BROWN
Central Health President & CEO

2015 MILESTONES

Central Health brought home **\$319.8 million in federal funds to support local health care.**

Phase Two Construction of the Central Health Southeast Health & Wellness Center neared completion.

The Community Care Collaborative (CCC) developed an Integrated Delivery System (IDS) work plan to reach new levels of coordination and communication between patients, providers and social service agencies.

The Central Health Equity Policy Council empowered 60 community partners to work toward closing the gap in health disparities in Travis County.

CommUnityCare experienced a 6.8 percent increase in patient visits compared to fiscal year 2014 (8,000 additional visits).

CommUnityCare increased specialty care access for patients, resulting in **1,224 additional gastroenterology visits and 1,529 additional pulmonology visits.**



CENTRAL HEALTH

MEASURING OUR COMMUNITY

A look at where we've been and where we're going

1.13

There were 1.13 million residents in Travis County in 2014.



18.2%

of the Travis County population was uninsured (2013), equaling 202,261 residents.



42.4%

of the Travis County population aged 18 to 64 with incomes below 200 percent of the poverty level was uninsured in 2013.

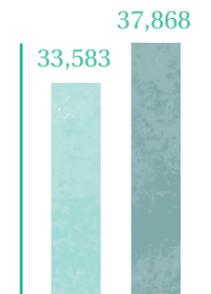


25%

Travis County's population is expected to grow by 25 percent from 2010 to 2019.

33,583

Travis County families earned below the federal poverty line in 2014.



12.8%

The number of Travis County families below the poverty level is projected to increase by 12.8 percent, or 4,285 families, by 2019.

In the 10-plus years since voters created Central Health, residents have continued to support the organization's mission. In 2012, this support was further demonstrated by the approval of a proposition to increase property taxes to support new initiatives in health care delivery for the safety-net population and community at large.

The rapid population growth Travis County experienced during the past decade has had far-reaching effects on the people Central Health serves. Skyrocketing housing prices, particularly in central Austin, have created affordability issues that have forced low-income populations away from the city's core. Areas, such as east-central Austin, are experiencing demographic shifts as long-term residents are priced out of the housing market.

To ensure Central Health continues its mission to provide health care access for the county's underserved population, it is important to monitor demographic

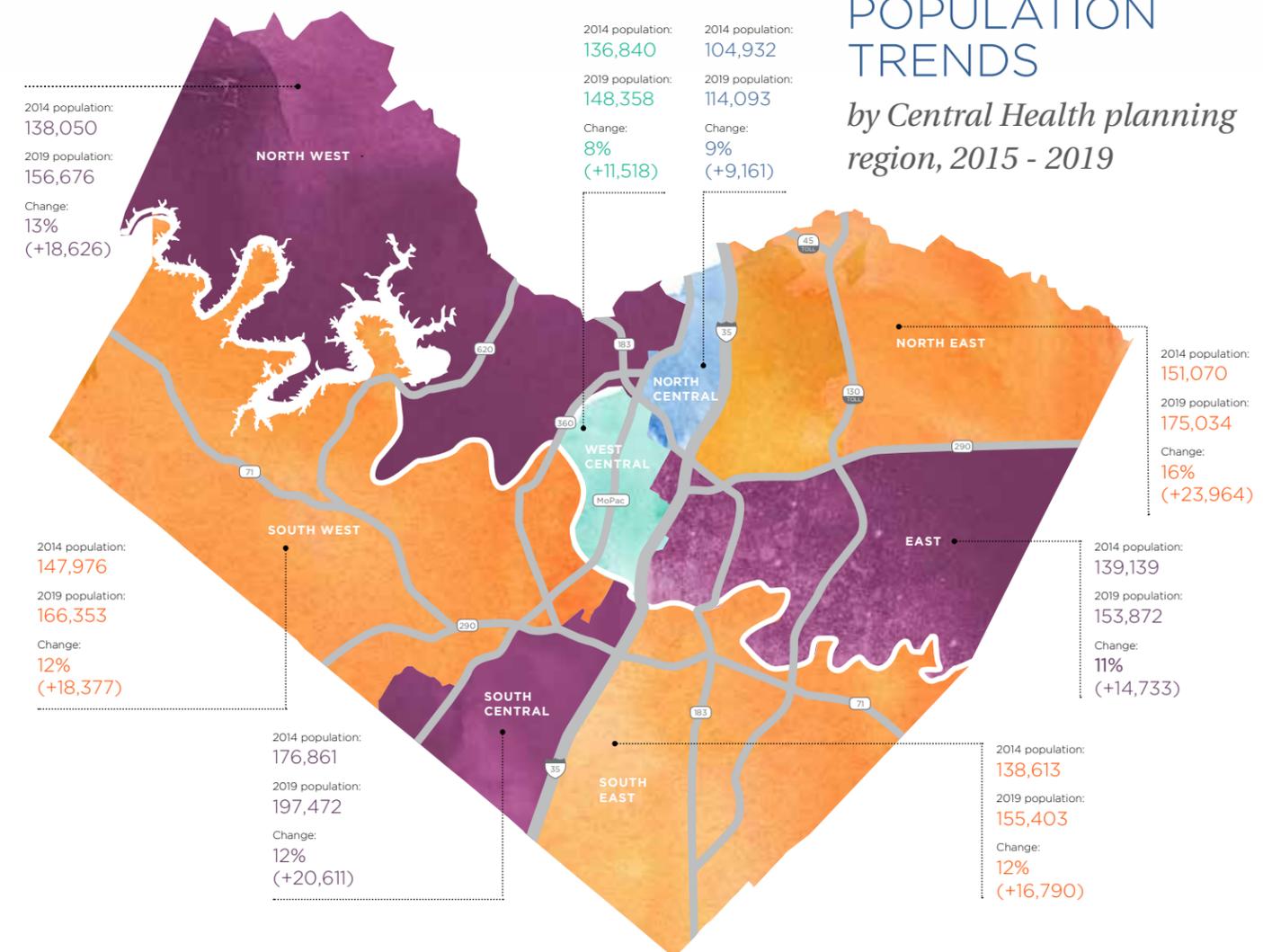
trends. Tracking the movement and growth of the county's racial/ethnic groups, age 65-plus population, and lower-income families ensures Central Health can effectively respond to future challenges and opportunities.

Central Health conducts regular analyses to track and understand overall population trends, with a focus on uninsured Travis County residents with incomes below 200 percent of the federal poverty level. Our October 2015 report covers the latest geographic analysis of Travis County and includes current and projected trends relative to age, poverty, and race/ethnicity.

For additional information or to receive a copy of this report, please contact info@centralhealth.net.

POPULATION TRENDS

by Central Health planning region, 2015 - 2019



CENTRAL HEALTH BY THE NUMBERS

A 2015 summary of people served

376,949

total primary care visits

304,974

medical visits

47,332

dental visits

24,643

behavioral health visits

24,257

average monthly enrollees in the Medical Access Program (MAP)

109,428

total unique individuals who received care paid by Central Health

9%

total decline in MAP enrollee emergency room visits as compared to fiscal year 2014



OUR PURPOSE

Central Health was created by the voters of Travis County to ensure the availability of quality health care to our most vulnerable residents.

In order for us to accomplish this goal, we support several affiliated organizations – CommUnityCare, Sendero Health Plans, Inc. and the Community Care Collaborative – to help us build and maintain the fabric of our publicly accountable safety-net health system. As partners, we all operate with a common objective to create access to care for those in our community who need it most.



PARTNERING FOR GOOD

Central Health affiliates



The Community Care Collaborative (CCC) is a non-profit partnership between Central Health and Seton Healthcare Family to better manage the care of our shared population. The partnership is further enhanced through a close relationship with the Dell Medical School at The University of Texas at Austin and Austin Travis County Integral Care, the region's largest provider of behavioral health services.

The CCC is taking a multipronged approach to transforming health care delivery:

Focus on health - The new system shifts the focus of care from treating symptoms to emphasizing the prevention of illness, management of chronic diseases, and the promotion of health.

Whole-person care - To be effective, the system requires collaboration among providers, care managers and navigators who work in partnership with the patient.

Service integration - Formerly disconnected health care services are being integrated into a single system of care that is dedicated to supporting the patient.

Care navigation - Patients will be aided and encouraged through the system according to a care plan they help develop.

Improved care management - A comprehensive patient database and analysis tools that support improved clinical care, patient management, and navigation will be implemented to link services and people in multiple locations.

Financial alignment with care goals - Financial incentives will be built into the system to reward providers for optimum patient health maintenance based on agreed-upon measures rather than payment only for the number of services rendered.

www.ccc-ids.org



Created in 2011, Sendero Health Plans is Central Health's local nonprofit corporation that serves as the Central Texas community's health maintenance organization (HMO). Through Sendero, Central Health coordinates and manages health care services and enhances the provider network in our community. Sendero currently offers the Travis Service Delivery Area STAR and CHIP programs. As a Qualified Health Plan under the Affordable Care Act, Sendero provides its IdealCare health insurance plan through the Health Insurance Marketplace.

In 2015, Sendero Health Plans increased new patient enrollment with 19,778 enrollees in the STAR (Medicaid) program and 3,490 enrollees in the CHIP program. To help manage high demand during open enrollment of the Health Insurance Marketplace, Sendero created a call-response program with outreach and enrollment specialists available throughout the week to aid enrollees. Through this program, Sendero received more than 18,000 calls and enrolled more than 6,000 members in IdealCare, more than double the target. Recognizing the unique needs of Central Texas communities, Central Health funds health plan benefits for Travis County musicians enrolled with Health Alliance for Austin Musicians (HAAM) and SIMS Foundation in Sendero's IdealCare Plan.

As a community-based health plan, Sendero has continued to evolve with the changing health care landscape to become the health plan provider of choice for a growing number of central Texans.

www.senderohealth.com



CommUnityCare is Central Health's affiliated Federally Qualified Health Center (FQHC) system. CommUnityCare provides primary care, pediatrics, women's services, HIV care, behavioral health services, dental care, nutrition counseling, and clinical pharmacy services to those who need them.

In 2015, CommUnityCare served 88,340 patients with 321,020 total visits, including 260,566 medical visits, 14,091 behavioral health visits, and 46,363 dental visits. The same year, the health centers began offering expanded hours at select locations, supporting more than 8,000 additional visits for a 6.8 percent increase from the previous year. Three mobile health teams provided 4,406 patient encounters and a new street medicine team served 302 homeless patients. CommUnityCare also increased access to specialty care, resulting in 1,224 additional gastroenterology visits and 1,529 additional pulmonology visits. Finally, it was able to expand its behavioral health services by providing 2,045 telepsychiatry visits (nearly double the total of the previous year).

As the largest community health center system in Travis County and one of the largest FQHC systems in the nation, CommUnityCare continues to be an essential component of Central Health.

www.communitycaretx.org

CENTRAL HEALTH AND THE 1115 MEDICAID WAIVER

The 1115 Medicaid Waiver represents one of the most significant transformations of health care ever undertaken in Central Texas and, particularly, in Travis County. Since its inception in 2011, the waiver has provided more than \$521 million to Travis County hospitals to care for uninsured and Medicaid patients and more than \$336 million to support local health care transformation projects through the Delivery System Reform Incentive Payment (DSRIP) program. The waiver utilizes funding from local entities, such as Central Health, to draw down larger federal matches to support DSRIP projects and hospital-based care. In 2015, Central Health provided \$132 million in local funds to earn a total return of \$319.8 million—equal to \$2.42 of return for every \$1 of local funds committed.

In 2015 funding from the 1115 Waiver supported dozens of local health care projects, including:

INCREASING ACCESS TO PRIMARY CARE

The opening of the Central Health Southeast Health & Wellness Center, combined with new night and weekend hours at select CommUnityCare health centers, provided thousands of new patient visits.

CURING HEPATITIS C

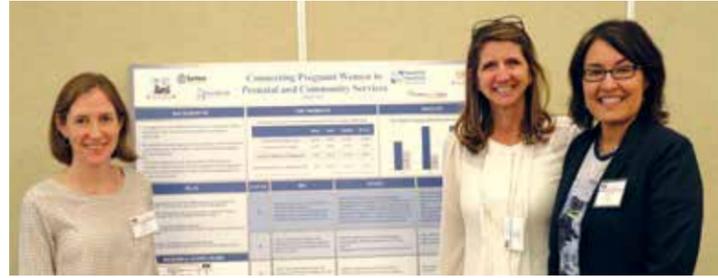
A dedicated specialty care clinic cured 215 patients of Hepatitis C, significantly improving their quality of life and reducing the costs of long-term treatments.

MOBILE HEALTH CARE TEAMS

Mobile units staffed by CommUnityCare physicians and nurses offered walk-up services to patients in underserved areas of Travis County, providing 4,406 primary care encounters in 2015.

WHY THE 1115 WAIVER MATTERS

For every \$1 of local funding, the 1115 Waiver provides an additional \$1.42 of federal matching support, earning a total of \$2.42 for innovative health care services.



Central Health is committed to three primary responsibilities involving the 1115 Medicaid Waiver:

ANCHOR

Central Health is the designated anchor entity for 76 health care transformation DSRIP projects underway in the six-county Central Texas region. As the anchor entity, Central Health guides hospitals, mental health authorities, and a public health department in achieving project benchmarks that must be met to draw down federal funds. In 2015, 90 percent of the benchmarks were met, bringing more than \$170 million to Central Texas to support local health care.

LOCAL FUNDER

Central Health provides direct funding for 33 hospital- and community-based DSRIP projects throughout Travis County. In 2015, these projects achieved a 96 percent success rate, providing more than \$113 million in local and federal support to the CCC, Seton Healthcare Family, and St. David's HealthCare.

PERFORMING PROVIDER

Central Health utilizes the CCC as a performing provider of 15 DSRIP projects. These projects achieved a 93 percent success rate in 2015, earning \$59.1 million in local and federal incentives. These innovative programs included curing Hepatitis C in 215 low-income patients, successfully improving blood pressure control in patients with diabetes, and improving primary care access through the opening of the Central Health Southeast Health & Wellness Center.

HEALTH CARE INNOVATION: DELIVERY SYSTEM REFORM INCENTIVE PAYMENT PROJECTS

Central Health's role as a leader, funder and provider across Central Texas in 2015

**Central Health anchor role:
Six-county region**

76 PROJECTS

\$75 million local investment
90 percent success rate
\$170.6 million incentives earned

Central Health funder role:

33 PROJECTS

\$48.7 million Central Health investment
96 percent success rate
\$113.7 million incentives earned

**Central Health anchor role:
Travis County**

56 PROJECTS

\$65.5 million local investment
96 percent success rate
\$152.7 million incentives earned

**Central Health performing provider role:
The Community Care Collaborative**

15 PROJECTS

\$25.4 million investment
93 percent success rate
\$59.1 million incentives earned

For more information about the 1115 Medicaid Waiver, visit www.texasrhp7.org.



INVESTING IN THE FUTURE

Transforming Travis County's health care landscape

THE DELL MEDICAL SCHOOL



In 2012, Travis County voters approved a property tax rate increase to support Central Health's work to transform safety-net health care. The additional funding is beginning to show tangible results. Partnerships between Central Health, Seton Healthcare Family, and the Dell Medical School at The University of Texas at Austin are developing systems and infrastructure to provide more and better health care for the vulnerable population Central Health serves.

There is a critical shortage of doctors in Austin and Travis County, a shortfall that impacts those with low incomes and no insurance the hardest. Addressing this long-term problem is key to Central Health's mission. In 2015, the Dell Medical School prepared for its first class of students, and the Dell Seton Medical Center at The University of Texas will open the next year. These facilities will offer a

direct return on investment to taxpayers by providing a state-of-the-art hospital and Level 1 trauma center, new faculty and students to treat Travis County residents and needed clinical care services that make Austin and Travis County a healthier community.

The Dell Medical School is also dedicated to finding and using new care methods and business models that will improve care across the safety net and bring needed medical advances in care to the patients served by Central Health. Women's health is one of the first areas in which this transformation is taking shape. Central Health and the CCC are working with the recently hired Chair of the department of women's health, Dr. Amy Young, to redesign and transform the delivery of women's health in Travis County. Young is working closely with providers within the CCC to evaluate ways to leverage resources from the Dell Medical School in clinics that serve low-income residents in order to improve women's health outcomes in Travis County.

Thanks to the support of the residents of Travis County, Central Health is working to improve how low-income residents access high-quality, cost-effective health care. Through efforts with partners such as the Dell Medical School, Central Health continued to work toward eliminating health disparities and to build on its vision of Travis County as a model healthy community.



DELL SETON MEDICAL CENTER AT THE UNIVERSITY OF TEXAS

For nearly 100 years, the city of Austin owned, operated and funded Brackenridge Hospital, the safety-net hospital in Travis County that treated patients regardless of ability to pay. As the community grew, so did the financial burden of care, and by the early 1990s, hospital operations were running at a \$38 million annual deficit.

In 1995, the city entered into a lease agreement with the nonprofit Seton Healthcare Family, whose mission "to care for and improve the health of those we serve with a special concern for the poor and vulnerable" aligned with Brackenridge's public purpose. In 2004, upon the creation of Central Health as the health care district for Travis County, the property and lease of Brackenridge Hospital transferred to the district.

In the intervening years, health care has advanced to include technology that treats illness and injury in ways that could not have been imagined in the 1970s when the current facility was built. A report was commissioned in 2012 to analyze Brackenridge's future potential in light of the area's booming population and health care needs. The report concluded that the existing facilities, no matter how renovated, could not meet the needs of the current programs nor those in the future.

Recognizing the need for improved facilities, and the opportunity presented by the creation of the Dell Medical School, Seton, a part of Ascension, is building and will operate a new teaching hospital adjacent to the Brackenridge Campus. Scheduled to open in May 2017, Dell Seton Medical Center at The University of Texas represents the best in local public/private partnership – this new hospital brings greater value to the safety-net health care system.

The teaching hospital will provide the community a state-of-the-art, new Level 1 trauma center, a teaching hub for doctors and medical students, new bedside treatments stemming from increased local medical research, and the clinical care services necessary to make Austin and Travis County healthier.

Brackenridge hospital operations will relocate across the street upon the opening of the new hospital. In 2015, Central Health developed a master plan planning document for the future of the Brackenridge Campus after seeking significant community input through workshops, open houses, events, online surveys, canvassing, in-clinic surveys, and neighborhood association and interest group meetings. Central Health has spoken to more than 8,400 people so far, and the gathering of community input will continue to guide the redevelopment of the campus.

TRAVIS COUNTY HEALTHCARE DISTRICT dba CENTRAL HEALTH

STATEMENTS OF NET POSITION SEPTEMBER 30, 2015

	Primary Government	Component Units		
	Governmental Activities	CommUnityCare	Sendero	Community Care Collaborative
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,004,450	\$ 18,618,949	\$ 20,412,713	\$ 41,556,275
Short-term investments	107,001,952	-	1,777,782	-
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$2,485,582	644,095	-	-	-
Accounts receivable, net of allowance for doubtful amounts of \$9,340,507	-	2,925,892	-	-
Accounts receivable, net	-	-	1,033,840	-
Premiums receivable	-	-	229,200	-
Reinsurance recoverables	-	-	911,743	-
Grants receivable	-	1,146,696	-	-
Other receivables	2,334,940	-	-	-
Inventory	-	483,802	-	-
Funds held by others	-	-	61,225	-
Prepaid expenses and other assets	263,968	316,724	118,929	-
Total current assets	115,249,405	23,492,063	24,545,432	41,556,275
Noncurrent assets:				
Investments restricted for capital acquisition	7,642,674	-	-	-
Investments restricted for Sendero	4,083,000	-	-	-
Long-term receivables	4,000,000	-	1,221,223	-
Investment in Sendero	29,000,000	-	-	-
Sendero surplus debenture	8,000,000	-	-	-
Capital assets:				
Land	11,770,184	-	-	-
Construction in progress	14,692,570	-	-	-
Buildings and improvements	117,789,671	-	-	-
Equipment and furniture	7,103,605	2,574,491	38,214	-
Less accumulated depreciation	(28,481,596)	(1,594,801)	(27,461)	-
Total capital assets, net	122,874,434	979,690	10,753	-
Total noncurrent assets	175,600,108	979,690	1,231,976	-
Total assets	290,849,513	24,471,753	25,777,408	41,556,275
LIABILITIES				
Current liabilities:				
Accounts payable	5,579,467	1,964,050	514,183	712,779
Unpaid losses and loss adjustment expenses	-	-	12,778,691	-
Claims payable	-	-	398,323	-
Premium tax payable	-	-	228,177	-
Salaries and benefits payable	722,170	4,096,406	-	-
Accrued interest	35,700	-	-	-
Salaries and benefits payable	-	-	-	5,297,323
Deferred rent	-	327,215	-	-
Other accrued liabilities	11,456,461	941,883	3,788,379	-
Certificates of obligation	950,000	-	-	-
Capital lease obligation	-	133,839	-	-
Deferred revenue	2,864,332	539,450	427,675	-
Due to Central Health	-	1,185,497	306,014	762,997
Total current liabilities	21,608,130	9,188,340	18,441,442	6,773,099
Noncurrent liabilities:				
Certificates of obligation	11,355,000	-	-	-
Capital lease obligation, net of current portion	-	5,749	-	-
Due to Central Health	-	4,000,000	-	-
Total noncurrent liabilities	11,355,000	4,005,749	-	-
Total liabilities	32,963,130	13,194,089	18,441,442	6,773,099
NET POSITION				
Net investment in capital assets	110,569,434	-	-	-
Restricted for capital acquisition	7,642,674	-	-	-
Restricted for Sendero	4,083,000	-	-	-
Restricted for surplus debenture	-	-	8,000,000	-
Restricted for HMO	-	-	29,000,000	-
Unrestricted	135,591,275	11,277,664	(29,664,034)	34,783,176
Total net position	\$ 257,886,383	\$ 11,277,664	\$ 7,335,966	\$ 34,783,176

The notes to the financial statements are an integral part of these statements.

TRAVIS COUNTY HEALTHCARE DISTRICT dba CENTRAL HEALTH

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED SEPTEMBER 30, 2015

	Primary Government	Component Units		
	Governmental Activities	CommUnityCare	Sendero	Community Care Collaborative
Operating revenues:				
UMCB lease revenue	\$ 31,637,376	\$ -	\$ -	\$ -
Ground sublease revenue	839,874	-	-	-
Net patient service revenue	-	33,849,822	-	-
Premium revenue, net	-	-	55,536,512	-
ASO revenue	-	-	3,500,000	-
Grant revenue	-	8,541,019	-	-
Foundation grant revenue	-	507,836	-	-
Revenue received from Central Health	-	-	-	13,903,320
Revenue received from CCC	-	34,108,913	-	-
Revenue received from Delivery System Reform Incentive Payment	-	10,855,546	-	60,775,973
Revenue received from Seton Affiliation	-	553,467	-	51,700,000
Personnel services received from an affiliate	-	-	-	899,367
Total operating revenues	32,477,250	88,416,603	59,036,512	127,278,660
Operating expenses:				
Health care delivery	166,932,149	27,203,064	57,245,217	58,067,816
Payment per University of Texas affiliation agreement	-	-	-	35,000,000
Delivery System Reform Incentive Payment program expense	-	-	-	14,853,324
Salaries and benefits	3,668,535	55,535,167	3,140,041	-
Other purchased goods and services	3,234,326	3,760,155	5,763,588	-
Depreciation and amortization	4,034,844	454,094	11,389	-
Total operating expenses	177,869,854	86,952,480	66,160,235	107,921,140
Operating income (loss)	(145,392,604)	1,464,123	(7,123,723)	19,357,520
Nonoperating revenues (expenses):				
Ad valorem tax revenue	150,657,511	-	-	-
Tax assessment and collection expense	(1,337,185)	-	-	-
Tobacco settlement revenue, net	2,753,050	-	-	-
Investment income (loss)	442,232	-	(7,925)	-
Interest expense	(434,906)	-	-	-
Other revenue	4,937	-	-	10,693
Total nonoperating revenues, net	152,085,639	-	(7,925)	10,693
Change in net position prior to capital contribution	6,693,035	1,464,123	(7,131,648)	19,368,213
Surplus debenture from Central Health	-	-	8,000,000	-
Capital contribution received from Central Health	-	-	4,800,000	-
Change in net position after surplus debenture and capital contribution	6,693,035	1,464,123	5,668,352	19,368,213
Total net position - beginning of year	\$ 251,193,348	\$ 9,813,541	\$ 1,667,614	\$ 15,414,963
Total net position - end of year	\$ 257,886,383	\$ 11,277,664	\$ 7,335,966	\$ 34,783,176

The notes to the financial statements are an integral part of these statements.

These notes can be found at www.centralhealth.net.

2015 Central Health Board of Managers



Katrina Daniel, R.N.
Chairperson



Lynne Hudson, R.N.-C, M.P.H.
Vice-Chairperson



Rosie Mendoza, C.P.A.
Treasurer



William "Kirk" Kuykendall, J.D.
Secretary



Thomas Coopwood, M.D.
Board Member



Sherri Greenberg, M. Sc.
Board Member



Clarke Heidrick, J.D.
Board Member



Cynthia Valadez, Sr.
Board Member



Guadalupe Zamora, M.D.
Board Member



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