

[2017]
*Annual
Report*



CENTRAL
HEALTH

Vision

Central Texas is a model healthy community.

Mission

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

Values

Central Health will achieve excellence through:

Stewardship: We maintain public trust through fiscal discipline and open 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.



CENTRAL HEALTH

www.centralhealth.net

@CentralHealthTX



We at Central Health are pleased to submit this annual report for Fiscal Year 2017, highlighting our work in improving the lives of those we serve. Through stewardship of public funds and a focus on better health and health care for Travis County residents with low income, Central Health is making a difference.

STEWARDSHIP

Central Health ended Fiscal Year 2017 with solid financial results, which are outlined in the audit statements included in this report. Further, our independent audit firm conveyed a clean audit opinion of Central Health's financial reporting and internal controls. As stewards of taxpayer funds, we continue to position Central Health to responsibly address the changing landscape that is, and always will be, health care.

FOCUS ON HEALTH AND PEOPLE

There are many projects that have been underway for several months, all of which directly benefit the individuals and families we serve. We have established temporary service expansion sites in eastern Travis County, while we work with local communities to develop more permanent solutions in areas of increasing need. Our work with the Dell Medical School continues to produce results as the school's residents, students, and faculty care for our patients,

and we work together to change the way care is delivered. Crucial work of the past year includes major improvements in information technology, public education initiatives, and a recent independent performance review of Central Health and its partnerships.

Still, the question remains:

WHAT WILL CENTRAL HEALTH DO TO MAKE REAL, MEASURABLE DIFFERENCES IN THE EVERYDAY LIVES OF PEOPLE?

By redefining our health care delivery strategy to be more focused on the geography of health – where people live and the best way to deliver health and health care – we become a stronger part of the community and people's lives. We will continue to work through our partners on delivering the best coordinated, patient-centric care and addressing vital issues including wait times, patient-reported outcomes, women's health, brain health, and cancer. And to ensure that we are maintaining the system of care, we will build financial models that prepare us for the ups and downs of the uncertain economic times in which we live.

Smart delivery strategies, quality of care, and sustainability: These are the guideposts that map our course as we make Travis County the home of good health and prosperous lives for all.

Respectfully Submitted,

Mike Geeslin

Central Health President and CEO

2017 CENTRAL HEALTH *by the numbers*

Central Health is the public healthcare district serving the residents of Travis County. Central Health's core function is to ensure low-income and uninsured residents receive proper access to quality health care services. In 2017, as a direct result of Central Health funding:

150,800¹
people received health care services
+7,800 year-over-year

75,737
people received screening and assistance obtaining health coverage
+5,061 year-over-year



1,524
people received health insurance premium assistance
+682 year-over-year



¹Based on preliminary fiscal year 2017 data

The Community Care Collaborative

The Community Care Collaborative (CCC) is a non-profit partnership formed in 2013 between Central Health and Seton Healthcare Family to better manage the care of their shared low-income and uninsured populations. In 2017 the CCC provided health care benefits and care management for:

44,397
people enrolled in the Medical Access Program (MAP)
+2,743 year-over-year

CommUnityCare Health Centers

CommUnityCare Health Centers is a separate but affiliated 501(c)(3) organization of Central Health that provides medical, dental, behavioral health and prescription services through Travis County's largest network of Federally Qualified Health Centers (FQHCs). In 2017 CommUnityCare provided:

279,738
medical encounters
+13,872 year-over-year

Sendero Health Plans

Founded in 2011, Sendero Health Plans is the local nonprofit, community-based health maintenance organization (HMO) of Central Health designed to serve the unique needs of Central Texas residents. In 2017 Sendero enrolled:

54,383
people in Medicaid, CHIP and IdealCare insurance plans
+19,000 year-over-year



2017 Milestones and Highlights

REFINE HEALTH CARE DELIVERY STRATEGY BASED ON PEOPLE AND PLACES

Central Health's **outreach team** is dedicated to connecting residents to health care, promoting awareness of Central Health, and maximizing use of the resources of Central Health and its partner organizations. In 2017, activities included:

- Participating in 415 community events;
- Leading ACA outreach efforts, including assisting more than 21,600 applicants.

Under the guidance of the Board of Managers, **communications** efforts in 2017 focused on increasing public awareness of Central Health and its mission. This work featured:

- Developing a public education initiative to build community awareness and increase understanding of Central Health's role in our health care safety net;
- Launched in November 2017, the campaign received more than 36.4 million views.

Central Health's **service expansion** team began early planning for establishing health care locations in previously underserved areas. This work included:

- Near-term planning for temporary locations to meet the health care and social service needs of East Travis County communities including Del Valle and Colony Park;
- Ramping up efforts with key government, transportation and health care partners to identify and develop new permanent locations.

In 2017, Central Health updated its **community engagement** plan, adopting proven public participation methods that ensure community members are heard and considered. 2017 highlights included:

- Stakeholder check-in meetings and patient interviews to guide Central Health's operational priorities for 2018;
- Welcoming the second class of Community Health Champions—65 community volunteers dedicated to learning about, and collaborating with Central Health.

Health promotions support Central Health's health care delivery strategy and the health of the population we serve through health policy, wellness programs, and addressing social determinants of health. In 2017 this included:

- Securing funding for free community programs at the Central Health Southeast Health & Wellness Center, including Zumba and healthy cooking classes;
- Convening the Central Health Equity Policy Council—a group of local health care thought leaders—which successfully advocated for local regulation of the use of electronic cigarettes in public places.

Central **Health's Enrollment and Eligibility Team** provides Travis County residents with assistance enrolling in MAP and other health care financial assistance programs. 2017 highlights included:

- Increasing MAP eligibility for non-citizens and non-legal residents, resulting in 1,906 new enrollees;
- Providing screening and Medicaid/CHIP enrollment assistance for 877 people.



CENTRAL
HEALTH



In 2017, Central Health worked closely with community members to identify and refine its strategic objectives for the years ahead. Already, tangible results are being achieved in these areas.

IMPLEMENT A COORDINATED AND PATIENT-FOCUSED HEALTH CARE SYSTEM

CommUnityCare is a partner of Central Health, and the largest primary care provider for its patient population. Through its network of over 20 locations, CommUnityCare provides medical, dental, behavioral health and prescription services. In 2017, highlights include:

- Creating additional capacity and faster treatment for patients by increasing non-physician interactions with nurses (105,000 visits), clinical pharmacists (almost 12,000 visits), and dieticians (almost 6,000 visits);
- Implementing a complex care management program at five locations to provide additional support for the most medically fragile and at-risk patients.

Central Health and Seton Healthcare Family created the **Community Care Collaborative** to offer patients coordinated health care services across a spectrum of primary care, specialty care, behavioral health, hospital and social service providers. Its work in 2017 included:

- Increasing available capacity for hospice care through a contract with Austin Hospice, providing end-of-life care for 114 MAP patients;
- Expanding the MAP provider network for urgent care and convenient care services by adding 20 new locations throughout Central Texas;

- In coordination with Integral Care, launching a medication-assisted treatment pilot to provided wraparound services for patients with opioid use disorders;
- Treating and curing 258 patients of Hepatitis-C, continuing a program that has treated more than 1,000 patients with a 90 percent cure rate since its 2014 launch;
- Reducing wait times for specialty care services including orthopedics from over one year to less than three weeks.

Sendero Health Plans is designed to serve the unique needs of Central Texans, including Central Health's patient population, with 83 percent of its members estimated to be at or below 200 percent of the Federal Poverty Level. In 2017, Sendero:

- Added 1,435 providers to its network, offering additional services in primary care, specialty and telemedicine;
- Conducted 127 community health worker visits to schools and members' homes to provide nutrition counseling, depression screenings and more;
- Provided free pregnancy testing to 658 women at the Central Health Southeast Health & Wellness Center;
- Served 4,067 free meals to children and adults through its Summer Nutrition Program.

IMPLEMENT A SUSTAINABLE FINANCIAL MODEL FOR HEALTH CARE DELIVERY AND SYSTEM STRATEGIES

As a steward of public funds, **Central Health** must balance fiscal responsibility with the growing need for health care services among Travis County's low-income and uninsured population. In 2017, budget, finance and capital asset highlights included:

- Lowest tax rate among Travis County taxing entities (city, county, school district, community college);
- Lowest tax rate of any major urban Texas hospital district;
- New budget priorities such as expansion of insurance subsidies, improvement of specialty care services and increasing MAP eligibility;
- Increased revenue by 4.5 percent to maintain sufficient reserves
- Investment in 33 Delivery System Reform Incentive Payment (DSRIP) projects, which achieved a 94 percent success rate and earned more than \$117 in local and federal matching funds;
- Utilizing intergovernmental transfers to draw down more than \$80 million in federal funding to support uncompensated care for uninsured and uninsured patients in Travis County hospitals;
- Continuing to plan for the redevelopment of the Central Health Brackenridge Campus.



TRAVIS COUNTY HEALTHCARE DISTRICT dba CENTRAL HEALTH

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION SEPTEMBER 30, 2017

	Primary		Component Units	
	Government		Sendero	
	Business-type Activities	CommUnityCare	(December 31, 2016)	Community Care Collaborative
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,939,230	\$ 19,751,093	\$ 52,175,240	\$ 40,624,361
Short-term investments	93,560,920	-	2,442,587	-
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$2,257,722	634,781	-	-	-
Accounts receivable, net of allowance for doubtful amounts of \$7,821,690	-	10,614,810	-	-
Accounts receivable, net of allowance for doubtful amounts of \$418,574	-	-	1,059,206	-
Settlement receivable	-	-	1,662,811	-
Premium receivable	-	-	152,632	-
Reinsurance recoverables	-	-	1,255,248	-
Grants receivable	-	1,400,733	-	-
Other receivables	1,922,611	-	-	83,428
Inventory	-	237,336	-	-
Prepaid expenses and other assets	243,484	596,633	145,870	222,412
Total current assets	99,301,026	32,600,605	58,893,594	40,930,201
Noncurrent assets:				
Investments restricted for capital acquisition	6,923,962	-	-	-
Long-term receivables	4,000,000	-	-	-
Investment in Sendero	35,000,000	-	-	-
Sendero surplus debenture	17,083,000	-	-	-
Capital assets:				
Land	11,770,184	-	-	-
Construction in progress	2,111,110	4,735	-	-
Buildings and improvements	132,374,053	858,322	-	-
Equipment and furniture	8,900,240	1,145,140	38,215	-
Less accumulated depreciation	(35,916,186)	(1,531,142)	(37,446)	-
Total capital assets, net	119,239,401	477,055	769	-
Total noncurrent assets	182,246,363	477,055	769	-
Total assets	281,547,389	33,077,660	58,894,363	40,930,201
LIABILITIES				
Current liabilities:				
Accounts payable	2,049,902	2,833,598	711,291	8,803,360
Unpaid losses and loss adjustment expenses and risk adjustment payable	-	-	37,732,268	-
Claims payable	-	-	520,101	-
Premium tax payable	-	-	869,248	-
Salaries and benefits payable	1,177,298	4,775,164	-	-
Accrued interest	32,200	-	-	-
Deferred rent	-	343,147	-	-
Other accrued liabilities	14,535,842	1,042,315	6,686,839	10,555,779
Certificates of obligation	1,000,000	-	-	-
Capital lease obligation	82,673	-	-	-
Deferred revenue	-	1,452,062	3,371,294	2,801,052
Surplus debenture	-	-	17,083,000	-
Due to Central Health	-	507,988	348,296	704,664
Total current liabilities	18,877,915	10,954,274	67,322,337	22,864,855
Noncurrent liabilities:				
Certificates of obligation	9,380,000	-	-	-
Capital lease obligation, net of current portion	192,228	-	-	-
Due to Central Health	-	4,000,000	-	-
Total noncurrent liabilities	9,572,228	4,000,000	-	-
Total liabilities	28,450,143	14,954,274	67,322,337	22,864,855
NET POSITION				
Net investment in capital assets	108,859,401	-	-	-
Restricted for capital acquisition	6,923,962	-	-	-
Restricted for HMO	-	-	35,000,000	-
Unrestricted	137,313,883	18,123,386	(43,427,974)	18,065,346
Total net position	\$ 253,097,246	\$ 18,123,386	\$ (8,427,974)	\$ 18,065,346

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, 2017

	Primary Government Business-type Activities	Component Units CommUnityCare (December 31, 2015)	Sendero	Community Care Collaborative
Operating revenues:				
UMCB lease revenue	\$ 28,406,069	\$ -	\$ -	\$ -
Ground sublease revenue	895,335	- -	- -	- -
Net patient service revenue	- -	35,209,949	- -	- -
Premium revenue, net	- -	- -	77,672,634	- -
ASO revenue	- -	- -	192,167	- -
Grant revenue	- -	10,456,083	- -	- -
Foundation grant revenue	- -	180,720	- -	- -
Revenue received from Central Health	- -	- -	- -	24,615,508
Revenue received from CCC	- -	36,327,166	- -	- -
Revenue received from				
Delivery System Reform Incentive Payment	- -	14,389,809	- -	62,692,721
Revenue received from Seton Affiliation	- -	- -	- -	26,000,000
Personnel services received from an affiliate	- -	- -	- -	810,305
Total operating revenues	29,301,404	96,563,727	77,864,801	114,118,534
Operating expenses:				
Health care delivery	159,216,338	29,617,013	74,474,780	74,371,580
Payment per University of Texas affiliation agreement	- -	- -	- -	35,000,000
Delivery System Reform Incentive Payment program expense	- -	- -	- -	18,272,743
Salaries and benefits	3,601,810	60,923,392	3,579,540	- -
Other purchased goods and services	3,042,673	2,832,862	7,912,761	- -
Depreciation and amortization	4,628,098	312,124	7,250	- -
Total operating expenses	170,488,919	93,685,391	85,974,331	127,644,323
Operating income (loss)	(141,187,515)	2,878,336	(8,109,530)	(13,525,789)
Nonoperating revenues (expenses):				
Ad valorem tax revenue	170,889,155	- -	- -	- -
Tax assessment and collection expense	(1,444,514)	- -	- -	- -
Tobacco settlement revenue, net	3,510,614	- -	- -	- -
Investment income	1,082,506	- -	6,534	- -
Interest expense	(402,344)	- -	- -	- -
Other revenue (loss)	49,400	- -	- -	274,137
Total nonoperating revenues, net	173,684,817	- -	6,534	274,137
Change in net position prior to capital contribution	32,497,302	2,878,336	(8,102,996)	(13,251,652)
Capital contribution received from Central Health	- -	- -	6,000,000	- -
Change in net position after capital contribution	32,497,302	2,878,336	(2,102,996)	(13,251,652)
Total net position - beginning of year	220,599,944	15,245,050	(6,324,978)	31,316,998
Total net position - end of year	\$ 253,097,246	\$ 18,123,386	\$ (8,427,974)	\$ 18,065,346

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

FISCAL YEAR 2017 CENTRAL HEALTH

Board of Managers



Katrina Daniel
Chairperson



Dr. Guadalupe Zamora
Vice-Chairperson



Rosie Mendoza
Treasurer
(October-December 2016)



Richard Yuen
Treasurer
(December 2016-May 2017)



Dr. Charles Bell
Treasurer
(June-September 2017)



William "Kirk" Kuykendall
Secretary
(October-December 2016)



Sherri Greenberg
Secretary
(December 2016-September 2017)



Dr. Abigail Aiken
Manager



Clarke Heidrick
Manager



Maram Museitif
Manager



Julie Oliver
Manager



Cynthia Valadez, Sr.
Manager



CENTRAL HEALTH

1111 East Cesar Chavez Street
Austin, Texas 78702

www.centralhealth.net
@CentralHealthTX