

Fiscal Year 2022 Proposed Budget

Central Health Board of Managers

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Central Health FY 2022 Proposed Budget

Attachment A – Sources and Uses

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET	Variance
TAX RATE	0.110306	0.114226	0.003920
SOURCES			
Property Taxes	234,057,519	264,320,981	30,263,462
Lease Revenue	12,909,866	13,422,399	512,533
Tobacco Litigation Settlement	2,800,000	3,000,000	200,000
Other	1,720,000	3,000,000	1,280,000
Subtotal Revenue	251,487,385	283,743,380	32,255,995
Contingency Reserve Carryforward	115,856,728	226,521,399	110,664,671
Total Sources	367,344,113	510,264,779	142,920,666
USES			
Healthcare Delivery	353,858,895	494,843,857	140,984,963
Administration	11,399,403	13,250,069	1,850,666
Tax Collection	2,085,816	2,170,853	85,037
Total Uses	367,344,113	510,264,779	142,920,666
EMERGENCY RESERVE			
Emergency Reserve	38,719,836	38,719,836	-



FY2022 Proposed Tax Rate

6.0% over M&O No New Revenue Rate

	FY20	FY21	FY22 Proposed
Average Taxable Homestead Value	\$347,655	\$355,379	\$386,341
Homestead Appreciation		2.2%	8.7%
Tax Rate	10.5573	11.0306	11.4226
M&O	10.4906	10.9717	11.1449
Debt Service	0.0667	0.0589	0.2777
Tax Bill	\$367.03	\$392.00	\$441.30
M&O	\$364.71	\$389.91	\$430.57
Debt Service	\$2.32	\$2.09	\$10.73
Annual Increase = \$49.30 (12.58%) (M&O=\$40.66 & Debt Service = \$8.64)			

Homestead Exemption	Over 65 Homestead Exemption	Disability Homestead Exemption
FY22 Approved (A)	\$100,000	\$100,000
FY21 Approved (A)	\$85,500	\$85,500

(A) Includes 20% the maximum allowable by state law (\$5,000 minimum)



PROPOSED STRATEGIC PRIORITIES: FY 2022

Objective 1: Develop and execute health care delivery based on people and place

- **Eastern Travis County Site expansions**
 - Hornsby Bend
 - Del Valle
 - Colony Park

Objective 3: Sustainable financial model for health care delivery

- Ensure sustainable hospital service funding model that provides measurable timely access and high-quality care
- Ensure long term efficiency in land use
 - Brackenridge/Downtown Campus
 - Administration consolidation

Objective 2: Implement patient-focused and coordinated health care system

Systems-Based Planning & Health Equity - Phase III and IV

- Strategic services plan
- Operational implementation plan
- Operational financial plan

Systems-Based Planning & Health Equity - Immediate Service Delivery Focus Areas

- Specialty care access
- Health care for the homeless
- Behavioral health
- Substance use disorder
- Clinical and patient education
- Transitions of care



Objective 1: Develop and execute health care delivery based on people and place

Hornsby Bend Health & Wellness Center

- Comprehensive Primary Care
- Integrated Behavioral Health
- Limited Pharmacy (Class D)
- Telehealth for select specialty services



Del Valle Health & Wellness Center

- Comprehensive Primary Care
- Integrated Behavioral Health
- Dental: adult/pediatrics
- Retail Pharmacy (Class A)
- Telehealth for select specialty services



Colony Park: Project budget has been approved. Currently in ongoing negotiations for the land purchase.



Objective 1: Develop and execute health care delivery based on people and place

Long Term Capital Project Uses of Funds (All Financing Sources)

	FY22	FY23	FY24	FY25	FY26	FY27
Clinical Services/ETC	\$7.3	\$16.4	\$9.8	\$1.0	\$1.0	\$1.0
Campus Redevelopment	\$2.5	\$0.6	\$0.5	\$0.5	\$0.5	\$0.5
Technology and Equipment	\$0.8	\$0.8	\$1.5	\$1.5	\$1.5	\$1.5
Facilities and Operations	\$5.8	\$15.8	\$20.6	\$6.5	\$4.0	\$4.0
	\$16.3	\$33.5	\$32.3	\$9.5	\$7.0	\$7.0

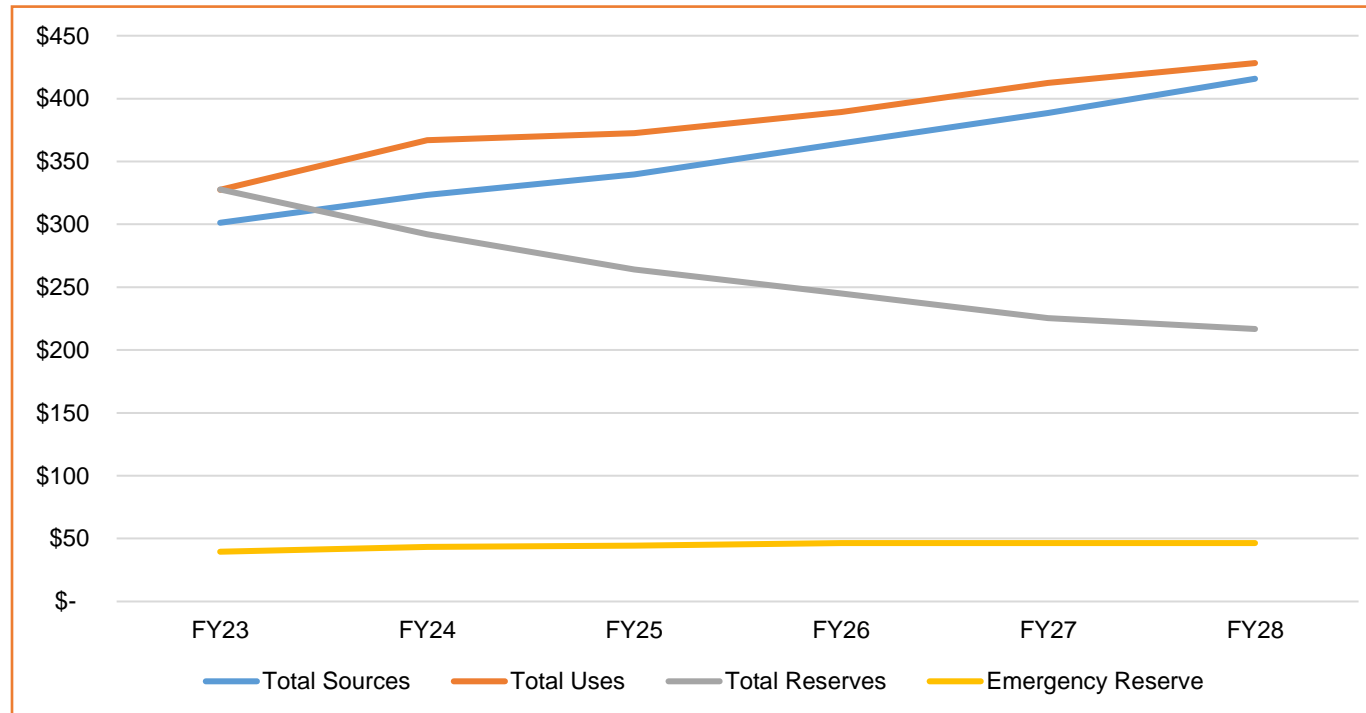
Estimated Source of Funds - Capital Expenses

Source of funds - Reserves/Cash	\$4.3	\$12.6	\$14.8	\$7.0	\$7.0	\$7.0
Source of funds - Debt/LOC	\$12.0	\$20.9	\$17.6	\$2.5	\$0.0	\$0.0
	\$16.3	\$33.5	\$32.3	\$9.5	\$7.0	\$7.0



Objective 3: Sustainable financial model for health care delivery

FY2022 Budget prepared at 6% Over M&O No New Revenue Rate YOY



	6% increase over No New Revenue Rate					
	FY23	FY24	FY25	FY26	FY27	FY28
Total Sources	\$ 301	\$ 323	\$ 340	\$ 364	\$ 389	\$ 416
Total Uses	\$ 328	\$ 367	\$ 373	\$ 389	\$ 413	\$ 428
Total Reserves	\$ 328	\$ 292	\$ 264	\$ 245	\$ 225	\$ 217
Days of Cash on Hand	360	286	255	227	197	182



Objective 3: Sustainable financial model for health care delivery

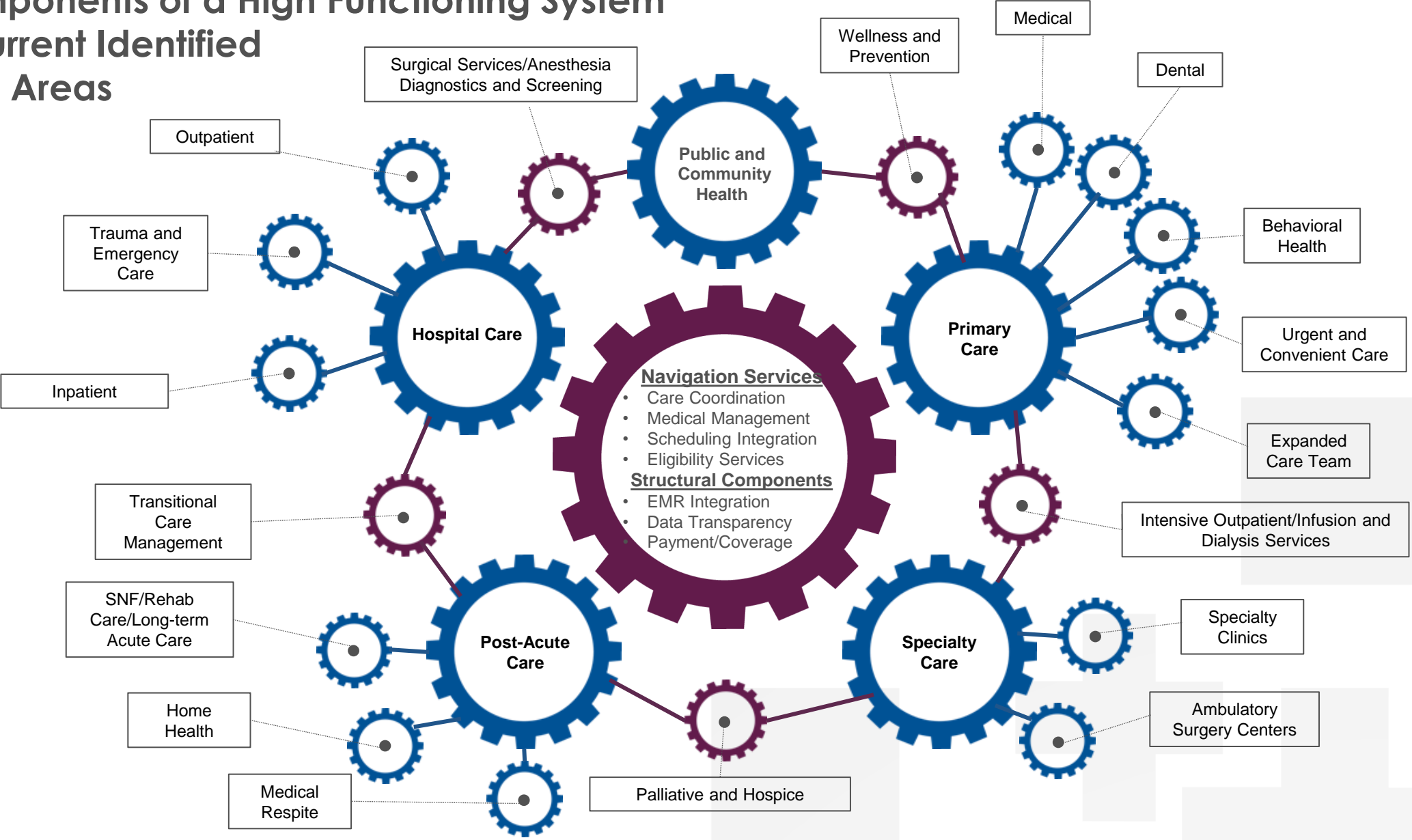
Ensure long term efficiency in land use:

- Downtown campus:
 - FY2022 Budget annual lease revenue from downtown campus \$13M
- Headquarters consolidation and clinical expansion:
 - Estimated to save over \$100M for continued leasing over 30 years
- Continue strategy of diversifying future revenue sources

	<i>Actual FY2018- FY2020</i>	<i>Estimate FY2021- FY2027</i>	<i>Notes</i>
CEC and Parking Garage Lease	28.6	56.1	Lease for CEC expires 2024
2033 LLP Lease	4.4	11.5	99 year lease with escalator
Estimated Revenue From Downtown Campus	<u>33.0</u>	<u>67.6</u>	
Estimated Uses on Downtown Campus	<u>8.8</u>	<u>11.9</u>	
Cumulative Estimate of Sources Less Uses to Redevelop Campus	<u><u>24.3</u></u>	<u><u>55.7</u></u>	



Components of a High Functioning System & Current Identified Gap Areas



Objective 2: Implement patient-focused and coordinated health care system

Healthcare Services:

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET	Variance
Primary Care: Medical, Dental, & Behavioral Health	56,935,000	59,465,000	2,530,000
Specialty Care: including Specialty Dental	13,715,000	16,925,000	3,210,000
Specialty Care: Behavioral Health	1,883,856	1,383,856	(500,000)
Post Acute Care	5,400,000	2,150,000	(3,250,000)
Pharmacy	13,250,000	14,250,000	1,000,000
Hospital & Specialty Services	57,000,000	-	(57,000,000)
Hospital Performance Incentive	2,700,000	-	(2,700,000)
Healthcare Services - PSH/PFS Payment	600,000	-	(600,000)
MAP Eligibility Enhancements Reserve	-	2,000,000	2,000,000
Integrated Care Collaboration (ICC)	719,990	687,035	(32,955)
Community Health Care Initiatives Fund	875,000	875,000	-
Primary & Specialty Care Reserves	2,000,000	4,050,000	2,050,000
Total Healthcare Services	155,078,846	101,785,891	(53,292,955)

Immediate Focus Areas:

- Specialty Care Access
- Health Care for the Homeless
- Behavioral Health
- Substance Use Disorder Treatment
- Transitions of Care
- Clinical and Patient Education

Service Enhancements:

- Adult Dental Expansion
- MAP Basic Member Enhancements
 - Urgent Care
 - Pharmacy
- Increase Length of MAP Eligibility



Specialty Care Access: \$3.2M

Specialty Care Service Expansion to Improve Health



Cardiology



Endocrinology



Nephrology



Neurology



Podiatry



Rheumatology



Wound Care



eConsults



Podiatry Surgical Services



Outpatient Dialysis



Cardiology Diagnostics and Transitions



Medical Weight Loss



Healthcare for the Homeless: \$1.7M



Medical Respite



Street/Mobile Medicine



Case Management



Infectious Disease Support



Mental Health Access



Behavioral Health & Substance Abuse Therapy: \$.9M



Enhanced Behavioral Health Access
in Primary Care, Street Medicine &
Sites Serving Homeless



Substance Use Disorder Care
Transitions



Peer Support Specialist Counseling
for Substance Use Disorder



Transitions of Care & Clinical Patient Education: \$1M



Pilot Dietitian/Community Health Worker Model



Availability of Dietitian/Nutritionists in Care Teams



Health Equity & Implicit Bias Training Support



Pilot Remote Home-Monitoring Disease Management



Objective 2: Implement patient-focused and coordinated health care system

Selected Departments from Healthcare Operations:

CH Healthcare Delivery Programs FY22 Proposed Budget	<i>Eligibility & Enrollment</i>	<i>Joint Technology</i>	<i>Clinical Services & Medical Management</i>	<i>Provider Reimbursement & Network Services</i>	<i>HCD & Wellness Operations</i>	<i>Quality Assess & Performance</i>	<i>Community Engagement</i>	<i>Service Delivery Operations & PMO</i>	<i>RHP7, 1115 Waiver & Population Health Strategy</i>	<i>Total</i>
Total FY22	6,163,612	7,110,228	5,931,691	3,406,122	5,063,190	2,090,423	1,914,763	2,419,680	1,146,570	35,246,280
Total FY21	5,833,173	4,522,824	4,709,436	3,363,929	4,286,537	2,098,121	1,651,041	2,336,873	1,272,417	30,074,351
YOY HCD Variance	330,439	2,587,404	1,222,255	42,193	776,653	(7,698)	263,722	82,807	(125,847)	5,171,929
YOY % Change	6%	57%	26%	1%	18%	0%	16%	4%	-10%	17%
Total FY22 FTEs	42.0	16.0	30.6	5.0	14.5	11.0	7.0	17.0	5.4	148.5
Total FY21 FTEs	36.0	10.2	25.0	5.0	14.5	11.0	7.0	17.0	5.6	131.3
YOY FTE Variance	6.0	5.8	5.6	-	-	-	-	-	(0.3)	17.1



Objective 2: Implement patient-focused and coordinated health care system

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET 06/14/2021	Variance
HEALTH CARE DELIVERY			
Healthcare Operations & Support			
ACA Healthcare Premium Assistance Programs	11,559,354	13,049,983	1,490,629
ACA Education and Enrollment	601,320	583,000	(18,320)
Healthcare Facilities and Campus Redevelopment	5,156,629	5,303,564	146,934
UT land lease for teaching hospital	940,843	981,231	40,388
Salary and Benefits	15,021,176	19,529,372	4,508,196
Legal	332,000	339,000	7,000
Consulting	1,085,500	840,000	(245,500)
Other professional services	7,065,656	6,785,398	(280,258)
Marketing, Community Relations & Engagement	839,990	1,082,274	242,284
Leases, security & maintenance	1,774,296	1,947,000	172,704
Insurance and Risk Management	-	142,000	142,000
Phones, computer equipment & utilities	2,449,460	3,293,473	844,013
Printing, copying, postage & signage	334,522	384,056	49,534
Travel, training and professional development	276,607	280,966	4,360
Other operating expenses	293,822	39,741	(254,081)
Health Care Capital Line of Credit	1,091,773	1,091,773	-
Total Healthcare Operations	48,822,947	55,672,830	6,849,883

Investment in ACA Premium Assistance Programs:

Central Health Assistance Program (CHAP) and increase enrollment in High-Risk ACA Program from 600 to 750 members in FY2022

Increase operational excellence and infrastructure to support healthcare service delivery:

FY2022 business cases include new positions in the following areas:

- *Increasing Eligibility Services*
- *Joint Technology Growth*
- *Clinical Practice Development*



Objective 2: Implement patient-focused and coordinated health care system

Administration Program:

CH Administration Programs FY22 Proposed Budget	<i>Finance & Procurement Operations</i>	<i>External Affairs</i>	<i>Administration</i>	<i>Strategy</i>	<i>Human Resources</i>	<i>Communications</i>	<i>Compliance</i>	<i>Total</i>
Total FY22	4,297,262	3,163,864	1,854,477	1,521,384	1,209,436	847,102	356,545	13,250,069
Total FY21	2,993,868	3,134,760	1,614,031	1,112,953	1,196,041	1,071,141	276,612	11,399,406
YOY Admin Variance	1,303,394	29,104	240,446	408,431	13,395	(224,039)	79,933	1,850,663
YOY % Change	44%	1%	15%	37%	1%	-21%	29%	16%
Total FY22 FTEs	20.7	5.4	7.0	3.0	5.7	5.5	2.0	49.2
Total FY21 FTEs	13.4	5.4	7.0	3.0	3.7	4.5	2.0	38.9
YOY FTE Variance	7.3	-	-	-	2.0	1.0	-	10.3

*Replaces PY contract/professional services costs



Objective 2: Implement patient-focused and coordinated health care system

Administration Program:

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET	Variance
Salary and Benefits	5,561,651	7,054,581	1,492,931
Legal	1,497,136	1,456,636	(40,500)
Consulting	1,259,570	1,341,120	81,550
Investment Services (Travis County)	115,500	115,000	(500)
Benefits & Payroll administrative services	185,337	168,243	(17,094)
Other professional services	1,257,450	929,787	(327,663)
Marketing, Community Relations & Engagement	182,350	209,958	27,608
Leases, security & maintenance	244,940	274,250	29,310
Insurance & Risk Management	150,000	375,000	225,000
Phones, computer equipment & utilities	135,449	401,716	266,267
Printing, copying, postage & signage	85,245	60,745	(24,500)
Travel, training and professional development	222,282	370,789	148,507
Other operating expenses	502,494	492,244	(10,250)
Total Administration	11,399,403	13,250,069	1,850,666

Increase operational excellence and infrastructure to support healthcare service delivery:

FY2022 business cases include 10.3 New Positions:

- *HUB Program development*
- *Finance & Procurement Growth*
- *Organizational Development*
- *Communications Support*



FY2022 Proposed Budget Highlights

Investment in Healthcare Delivery Program

- Implement strategic priorities in healthcare services to support new initiatives and ongoing programs
 - Specialty Care Access
 - Health Care for the Homeless
 - Behavioral Health
 - Substance Use Disorder Treatment
 - Transitions of Care
 - Clinical and Patient Education
- Increased investments in MAP and MAP Basic programs
 - Primary Care/Urgent Care
 - Pharmacy
 - Increase length of MAP eligibility

Clinical practice development

- Application for NPI/TPI

System of Care Planning

- Addresses system of care gaps

Investment in Operational Excellence and Staff

- Robust business case planning process used for 20 initiatives
- Implement HUB Disparity Study results
- Enhancing diversity and inclusion initiatives



FY2022 Budget Calendar

- ✓ April 28 Central Health Board of Managers
(FY 2022 Central Health 5 Year Forecast)
- ✓ May 12 Central Health Strategic Planning Committee Meeting
(FY 2022 Strategic Priorities)
- ✓ May 26 Central Health Board of Managers Meeting
(FY 2022 Central Health Capital Budget and Forecast)
- ✓ June 14 Central Health Board of Managers Meeting
(FY 2022 Central Health Proposed Budget)
- ✓ June 17 Community Conversation
- ✓ June 30 Central Health Board of Managers Meeting
(FY2022 Central Health Proposed Budget)
- Aug. 4* Central Health Strategic Planning Committee Meeting
(FY 2022 Strategic Priorities)



FY2022 Budget Calendar

- Aug. 11* Central Health Board of Managers Meeting
(FY2022 Central Health Proposed Budget and tax rate)
- Aug. 25 Central Health Board of Mangers Meeting
(FY2022 Central Health Proposed Budget and Tax Rate)
- Aug. 26 Community Conversation
(FY2022 Proposed Budget)
- Aug. 31* Travis County Commissioners Court
(FY2022 Central Health Budget)
- Sept. 2* Central Health Public Hearing
(FY2022 Central Health Proposed Budget and Tax Rate)
- Sept. 9* Central Health Board of Managers Meeting
(FY2022 Central Health Budget and Tax Rate Adopted; CCC Budget Approval)
- Sept. 21* Travis County Commissioners Court
(FY2022 Central Health Budget and Tax Rate Adopted)



Questions?