



CENTRAL HEALTH

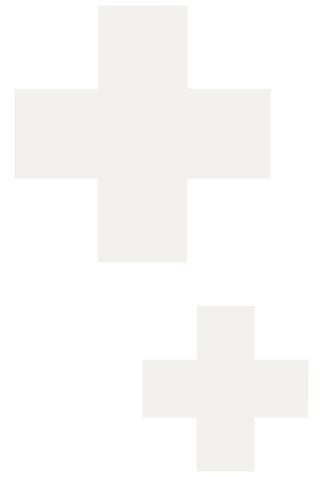
FISCAL YEAR 2022 APPROVED BUDGET

AUSTIN, TX

2022



LETTER FROM THE CEO



As the healthcare district for Travis County, Central Health uses local property tax revenue to create access to health care for one in nine residents – more than 140,000 people. Our greatest strength is through reimbursement for transformational care offered through the Medical Access Program (MAP). The MAP enrolls low-income residents who reside in Travis County and are uninsured or underinsured into a program that connects them to a broad network of providers and other services that are important to their health.

By improving the MAP through improved access services, we bring about health equity to those we serve and improve their quality of life. At the same time, we will make strategic investments that will position the healthcare district to meet future service needs and create healthier communities in Travis

County. The Fiscal Year 2022 budget detailed in this document illustrates how we will center on the person and their health, while taking bold steps that transform generations. This document provides significant details on revenue, uses of funds, new investments in care, maintenance of reserves, and improved care management of the patients we serve. At the core of what we do, moreover, is a cultivated culture that is diverse, inclusive, and listens to the voices of those we serve.

We hope our annual budget document is useful in understanding Central Health and our work to bring about real health equity in people's lives. The budget values set the stage for a great story to be told, a story where a healthcare district helped people live the healthiest life possible.

Respectfully and in health,

Mike Geeslin
Central Health President and CEO





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 healthcare 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.

GOALS

Access: Increase access to healthcare for residents of Travis County.

Technology: Maximize the use of technology community wide to influence healthcare decisions and delivery.

Quality: Strategically invest in practice designed to improve healthcare outcomes.

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

CENTRAL HEALTH ORGANIZATIONAL CHART

(BOARD OF MANAGERS)

(PRESIDENT & CHIEF EXECUTIVE OFFICER)

(HEALTH CARE DELIVERY)

(ADMINISTRATION)

- Healthcare Services & Operations
- Health Insurance Program Investments
- Health & Wellness Programs
- Leveraging Federal Dollars for Local Care
- Downtown Property Redevelopment
- Community Engagement
- Health Information Technology

- Administration
- Tax collection

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FISCAL YEAR 2022 STRATEGIC WORK PLAN

In 2018, following our external performance review, the Travis County Healthcare District (doing business as Central Health) worked closely with community members to identify and refine the healthcare district's three strategic objectives for Fiscal Years 2019-2024. In preparing the Fiscal Year 2022 (FY 2022) budget, the financial priorities were linked directly to these adopted strategic objectives. In addition, Central Health memorializes its operational priorities each year in a Budget Resolution that is adopted by the Board of Managers (attachment A). This document specifies the priorities for the current Fiscal Year to achieve the approved strategic objectives.

BOARD DEFINED STRATEGIC OBJECTIVES



Develop and execute health care delivery strategy based on people and place.



Implement patient-focused and coordinated care system.



Implement sustainable financial model for health care delivery strategies through FY 2024

ORGANIZATIONAL PLANNING & BUDGET OVERVIEW

While preparing the FY 2022 budget, several key health care issues were considered within the context of Central Health's three strategic objectives which are incorporated into the approved FY 2022 budget. These were used to guide planning and are also outlined in the Budget Resolution.

Objective 1 Develop & Execute Health Care Delivery Strategy Based on People & Place

In FY 2022, Central Health will continue its service site expansion with the construction of the Hornsby Bend and Del Valle health centers and continued planning for Colony Park Health Center. See Attachment C for Project Summaries

Objective 2 Implement Patient-Focused & Coordinated Care System

Central Health will continue its equity-focused systems planning work with a community assessment of current and future health needs of the low-income residents of Travis County.

Next steps will include an operational prioritization and financial sustainability plan. We will also implement improvements in service delivery focus areas identified in the FY 2021 systems of care planning. These include improving access to specialty care across prioritized service lines; expanding health care services for people experiencing homelessness; expanded primary care behavioral health and substance use disorder services; and the development of clinical and patient education services. Specifically, we will:

- Complete phases III and IV of the equity-based systems planning initiative to improve access to care among Central Health's patient population including the development and adoption of:
 - A comprehensive equity-focused strategic services plan
 - A service delivery operational implementation plan
 - A financial implementation plan
- Continue the development of a high-functioning healthcare system to meet the needs of Central Health patients by prioritizing near-term improvements in identified service delivery focus areas
 - Specialty care access including continued expansion of endocrinology, cardiology, nephrology, and podiatry.
 - Health care for the homeless including expanding street medicine teams.
 - Behavioral health initiatives including expanding psychiatry and therapy in primary care settings.

- Substance use disorder treatments including peer support specialist counseling.
- Clinical and patient education including health equity and implicit bias training for care teams.
- Transitions of care initiatives including congestive heart failure transitions.

Objective 3 Implement Sustainable Financial Model for Health Care Delivery Strategies Through 2024

Throughout the fiscal year, Central Health manages financial risk and maintains sufficient reserves to provide adequate access to care, improve health outcomes and reduce health disparities among its patient population. Central Health continues to work to establish a sustainable direct hospital service funding model that provides measurable, timely access and high-quality care to patients. Transitioning to a more direct payment model will assist in hospital services accountability and public benefit that is based on measurable hospital and specialty services for Central Health’s funded patients. This model anticipates additional operational responsibilities and maintains a sufficient level of reserves associated with additional risk that may result.

Additionally, redevelopment efforts will continue on the Downtown Brackenridge Campus in FY 2022. Central Health plans to complete demolition of the former Brackenridge Hospital facility, in addition to completion of the re-alignment of Red River Street that runs through the Downtown Campus. Completion of these projects will significantly increase the value and future revenues derived from the Campus.

Specifically, we will:

- Establish and implement a hospital care and services funding model that is transparent and structured to ensure optimum use of public funds
- Present options and approaches for the redevelopment of the Brackenridge Campus, optimizing the property as a source of non-tax revenue to benefit Central Health’s patient population.

Operational Planning to Support Strategic Objectives

In addition, there are specific initiatives being undertaken to ensure the operations of the organization support the Strategic Plan Priorities for FY 2022. The following will be focused improvements in support operations to ensure that Central Health may achieve the mission of greater access to care, promote health equity and reduce health disparities in those we serve:

- Finance procurement operational excellence
- HUB program expansion
- Enterprise organizational development for operations improvements
- Administrative department expansion
- Human resources recruiting expansion
- Human resources employee programs expansion
- Public relations services development
- Technology operations expansion
- Technology project management office expansion
- Technology support ticketing system
- Technology applications expansion
- Technology development expansion
- Technology security expansion

Central Health staff time and resources also must be dedicated to maintaining adequate levels of operations - including new initiatives and improvements in the areas of compliance, technology, facility operations, communications and outreach, administration of the Medical Access Program, human resources, governance, procurement and sound business and fiscal practices.

Community Engagement to Inform Planning & Budgeting

The community guides Central Health’s strategic work plan and budget development as we drive toward more equitable health outcomes for un or under-insured patients with and limited access to care. To connect with the community and make sure voices of the people we serve are heard and captured, Central Health uses a variety of best-practice engagement tools, including:

- **Community Conversations:** Similar to town halls, we host community conversations with residents throughout the year on a variety of topics. Residents can participate virtually or in-person (unless public health precautions prevent it).
- **Community Advisory Committees:** Central Health has established Community Advisory Committees in Southeast Travis County (Del Valle area), Northeast Travis County (Colony Park) and Austin’s Colony/Hornsby Bend, which meet regularly to discuss community health needs in those areas. The advisory committees include residents, partners and providers.
- **Surveys and Focus Groups:** Central Health conducts surveys online, by telephone and in-person and hosts focus groups to gather input from the community.
- **Website:** New in 2021, Central Health launched an online engagement platform that allows residents to interact in discussion forums, story sharing, idea boards and surveys – including by text.

- **Central Health Equity Policy Council:** The Council is a coalition of more than 80 community partners with a mission to identify and advance effective health equity and wellness policies for Travis County residents.
- **Community Health Champions:** A program that brings together diverse community members across Travis County to learn about, discuss and collaborate on our work to improve the health of Central Texas and create a coordinated, high-functioning system of care.

As we prepared the FY22 budget, our staff collected community feedback through advisory committee meetings, Community Conversations, an online survey, and one-one-one interviews. This effort resulted in a 74% increase over the previous year number of participants.

COVID-19 Pandemic Response

The Central Health Enterprise is comprised of CommUnityCare Health Centers (CUC), Sendero Health Plans, and Central Health. We work together for the benefit of people with low income who need access to health care and health coverage.

Since March 2020, the Central Health Enterprise has worked closely with Austin Public Health, Travis County, and other community partners to respond to the pandemic.

While Chapter 281 of the Texas Health and Safety Code does not provide a statutorily defined role for a healthcare district during a public health disaster, Central Health determined at the onset to play a major role in the community response focusing on vulnerable populations.

Central Health continues to allocate funds to offset some of CommUnityCare Health Centers' costs related to the Covid 19 pandemic in vulnerable and under-served areas in Travis County. Funds have been utilized for capital investments, personal protective equipment, contact tracing and vaccine incentives for both providers and patients to provide services in these identified areas.

Further, all three Central Health Enterprise partners have allocated time and funding toward communications and outreach to inform, protect, and facilitate connections to vulnerable areas for care and resources during the Covid 19 pandemic.

Central Health took the lead for communications and outreach to CommUnityCare patients and other high-

risk and uninsured populations, focusing predominantly on communities of color. Early in the pandemic, CommUnityCare identified significant disparities in COVID-19 positivity rates for the Latino and Black residents compared to the community at large. Central Health partnered with trusted community-based organizations to craft prevention, education, and treatment messages that were multi-lingual and culturally affirming.

BUDGET PRIORITIES & HOW THEY DIFFER FROM LAST YEAR

Central Health's budget priorities for FY 2022 build upon the priorities of FY 2021 and are focused on health care service delivery. In FY 2022, the budget includes continued service delivery expansions in eastern Travis County and the continuation of the long-term equity focused system of care planning that increases funding to primary and specialty care initiatives and is expected to be completed in September of 2022. The budgetary trends over the past several years have been consistently focused on expanding services to new locations, such as Eastern Travis County, as well as service lines to add additional access to care or specialty care services for MAP members. As discussed above, we continue working to improve health equity by addressing identified health disparities and prioritizing gaps as we work to build a high functioning system of care across Travis County.



ROLE OF THE HEALTHCARE DISTRICT

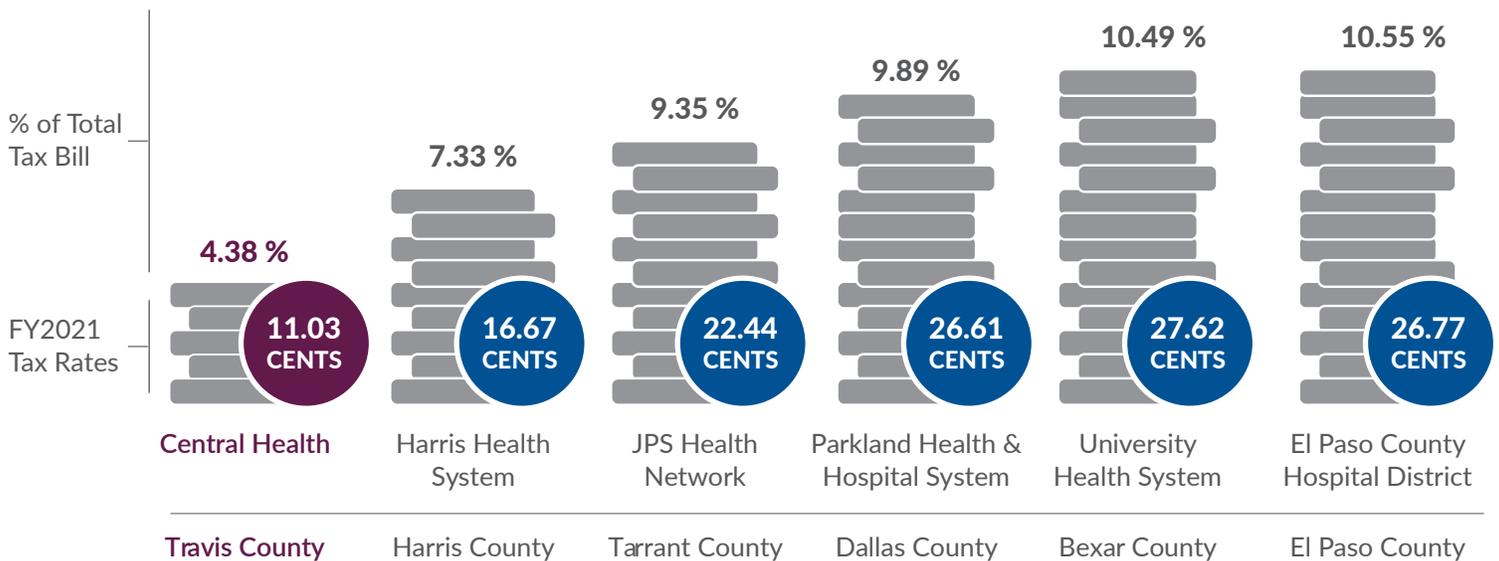
Central Health was created by a vote of the Travis County electorate in May 2004. Its purpose is the provision of medical and hospital care to indigent residents of Travis County, a responsibility shared by Travis County and the City of Austin prior to Central Health's creation. Its enabling statute is Chapter 281 of the Texas Health and Safety Code, which provides a majority of the statutory framework within which Texas hospital districts were created.

Central Health has the statutory obligation to provide healthcare to residents who are at or below 21 percent of the federal poverty level (FPL)—currently \$5,565 annual household income for a family of four. Central Health also provides the Medical Access Program (MAP)—a local indigent coverage program to eligible residents who are at or below 100 percent of the FPL. In addition, Travis County residents earning up to 200 percent of the FPL may receive subsidized healthcare through Central Health partners on a sliding fee scale or through our MAP BASIC coverage program.

The Travis County Commissioners Court approves Central Health's ad valorem tax rate and budget appropriations at the program level. Central Health also utilizes the Travis County Attorney's Office and Treasury Investment Office for legal and investing services. The healthcare district's investment policy guidelines are approved annually by the Central Health Board of Managers. The Central Health Investment Policies located on our website at <https://www.centralhealth.net/wp-content/uploads/2019/08/Central-Health-Financial-Policies.pdf>

Central Health is unique in that it does not own or operate a hospital, but delivers care to residents through strong partnerships with key healthcare providers in the community. As a result of these partnerships, Central Health is able to maintain a low ad valorem tax rate as compared to other hospital districts in the state.

Major Texas Hospital Districts: FY 2021 Tax Burden



In addition, Central Health has an enterprise model of key partnerships with affiliated organizations that provide primary and specialty care and health plan services.

PARTNERSHIPS FOR HEALTH



Building Better Access To Healthcare

Mission: to strengthen the health and well-being of the communities we serve.

CommUnityCare (CUC) is Central Health's affiliated Federally Qualified Health Center (FQHC) system. Today, CUC provides services at 27 locations and three partner locations throughout Travis County. In calendar year 2019, CUC health centers provided more than 432,000 medical and dental patient appointments, which represents more than 116,000 individual patients. CUC provides a full array of patient services, including outpatient primary care, dental care, pediatric, specialty care, lab, radiology including mammography, a full-service pharmacy, and behavioral health services. With the recent addition of Carousel Pediatrics practices CUC also offers: dental pediatrics and mental health, speech, physical and occupational therapy for children.

These services are provided to all who seek care, including people whose income and lack of private health insurance prevents them from accessing care elsewhere. Two of the CUC locations, Hancock and the Central Health Southeast Health & Wellness Center, provide walk-in services to existing CUC patients.



Building Better Local Health Coverage

Mission: Sendero is dedicated to improving the health of the community by providing affordable, quality healthcare coverage.

Created by Central Health in 2011, Sendero Health Plans serves as Central Texas' local community-based health plan. As a Qualified Health Plan under the Affordable Care Act, Sendero provides its IdealCare individual health insurance plan through the Health Insurance Marketplace. Sendero coordinates and manages healthcare services through a comprehensive provider network throughout Central Texas.



A Central Health and Seton partnership

Building a Better, More Integrated Healthcare System

Mission: to optimize the health of our population while using our resources efficiently and effectively.

The Community Care Collaborative (CCC) is a nonprofit partnership formed in 2013 between Central Health and Seton Healthcare Family to better manage the care of the shared patient population. The partnership is further enhanced through an affiliation with the Dell Medical School at The University of Texas at Austin, and collaboration with Austin Travis County Integral Care, the region's largest provider of behavioral health services.



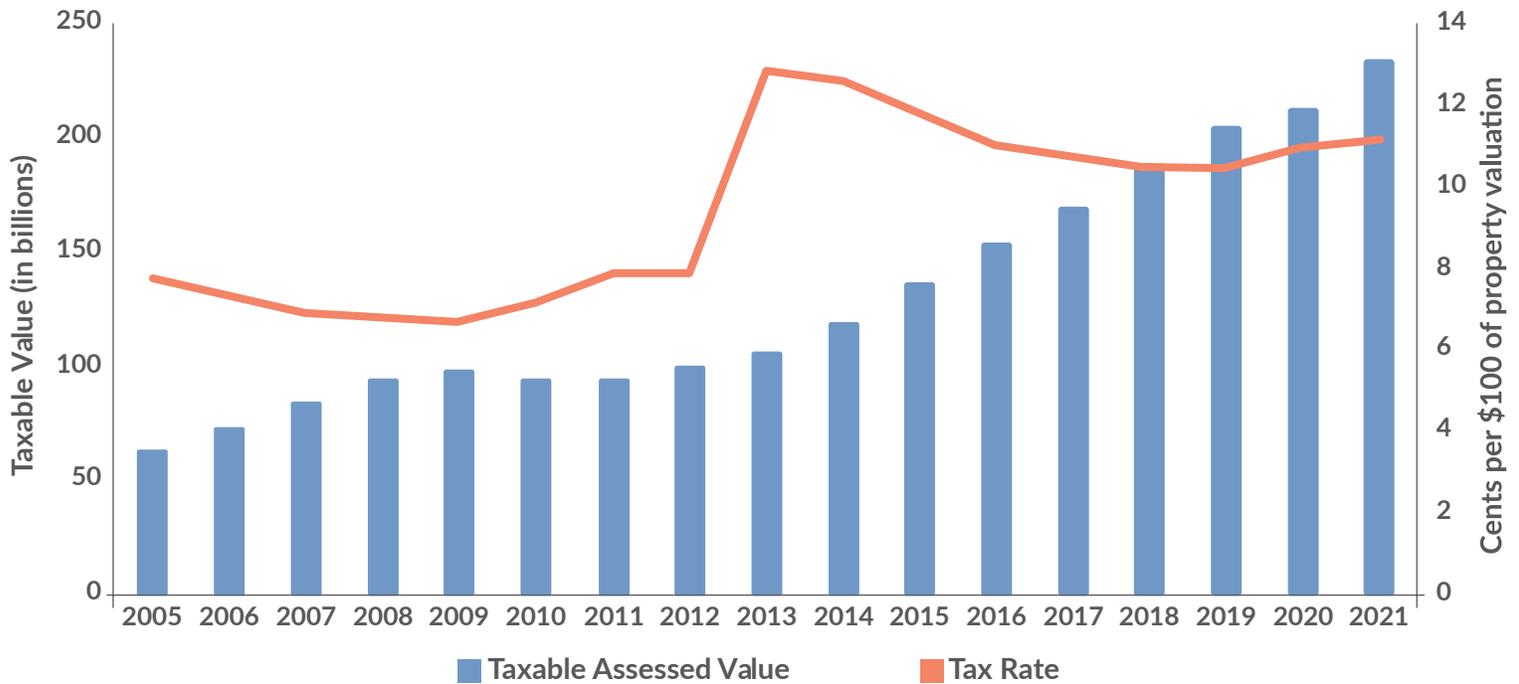
ENVIRONMENTAL OVERVIEW & ECONOMIC OUTLOOK

Prior to the COVID-19 public health crisis the Travis County economy continued to grow at a rapid pace.

According to the American Community Survey, the total population of the County grew from 1.25 million in 2018 to 1.27 million in 2019, an approximately 2.0 percent growth rate. According to the Bureau of Labor Statistics (BLS) the average weekly wage for residents increased by 4.9 percent with the annual wage increasing

from \$67,924 in 2018 to \$71,284 in 2019. Total median household income for the County increased from \$76,392 to \$80,726, approximately a 5.7 percent growth rate, while median housing costs increased by only 1.4 percent over the same period. Among households that own their homes, median income increased by 2.3 percent from \$111,310 to \$113,913 while housing costs only increased by 0.78 percent.

Travis County Taxable Values & Central Health Tax Rate History



Travis County is centrally located within Texas, within 200 miles of the three largest MSAs in the State (Houston, Dallas-Fort Worth, and San Antonio). The County boasts a highly educated workforce. According to the US Census Bureau, 50.0% adults (25+) have a bachelor's degree or higher, and 89.3% have a high

school diploma. Additionally, Travis County continued strong job growth and low unemployment for Austin area and is among top in the U.S. for economic performance. The jobs lost at the beginning of the pandemic are coming back to Travis County at a higher rate than the national average.

Employment: Year-Over-Year Percent Change



Source: Austin Chamber of Commerce & Texas Workforce Commission (Not Seasonally Adjusted)

Top Employers* in the Austin MSA are Diverse, Anchored by a Robust Institutional & Significantly Expanding

COMPANY	DESCRIPTION	EMPLOYEES
Employing 6,000 & Over		
Apple	Computer makers tech, chip engineering & admin support center (Americas Hdq.)	7,000
Ascension Seton	Healthcare (Hdq.)	10,513
Austin Independent School District	Public education	11,101
City of Austin	Government	13,531
Dell Technologies	Computer technology solutions & equipment (Hdq.)	14,030
Federal Government	Government	13,199
IBM Corp	Computer systems, hardware, software & chip R&D	6,000
Round Rock Indep. School District	Public education	6,311
Samsung Austin Semiconductor	Semiconductor chip mfg. R&D (Hdq.)	8,935
St. David's Healthcare Partnership	Healthcare (Hdq.)	10,665
State of Texas	Government	63,900
University of Texas Austin	Higher education, public	23,925

Source: Austin Chamber of Commerce as of July 28, 2020.

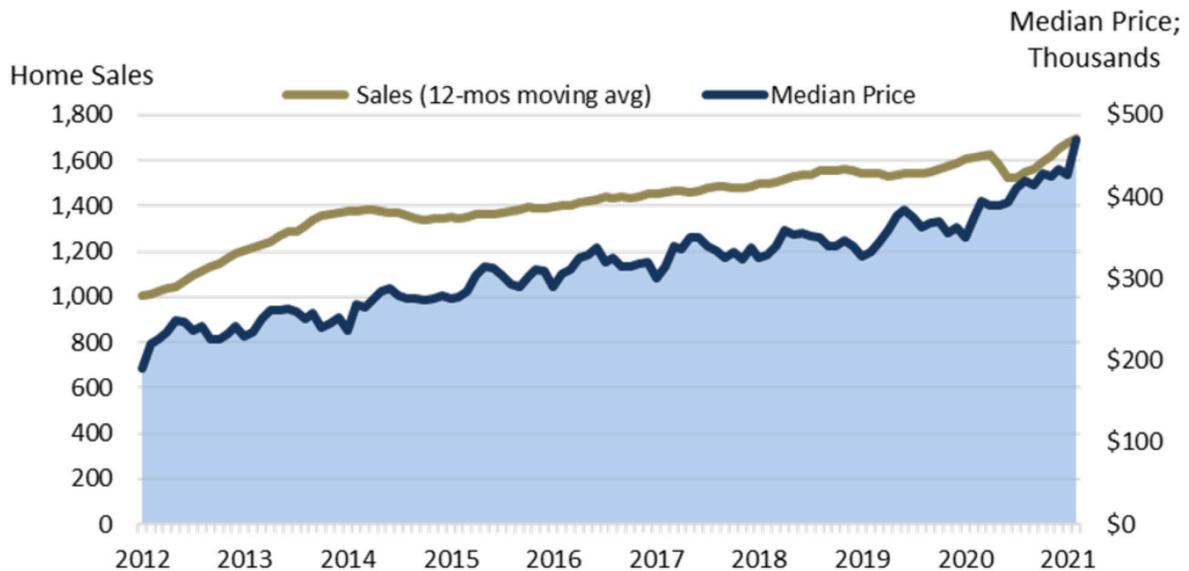
Ten Principal Taxpayers

NAME OF TAXPAYER	NATURE OF BUSINESS	FISCAL YEAR 2021 TAXABLE VALUE	% OF FISCAL YEAR 2021 TAXABLE VALUE ^(a)
Samsung Austin Semiconductor	Technology	\$1,032,548,764	0.43%
Columbia/St. David's Healthcare System, LP	Healthcare	548,714,608	0.23%
Oracle America Inc	Technology	518,389,475	0.22%
Apple, Inc.	Technology	486,423,945	0.20%
ICON IPC TX Property Owner	Property Investment	416,428,173	0.17%
CSHV Properties	Property Investment	409,788,700	0.17%
Finley Company	Property Investment	393,832,807	0.16%
GW Block 23 Office LLC	Property Investment	381,722,000	0.16%
HEB Grocery Company LP	Supermarket	364,454,480	0.15%
BTT Alphabet MF Riata LP	Property Investment	358,876,136	0.15%
TOTAL		\$4,911,179,088	2.05%

Source: Travis Central Appraisal District

(a) From the Travis Central Appraisal District's Tax Year 2021 property values updated as of July 20, 2021.

Travis County Home Sales & Price Trends



Sources: Austin Board of Realtors, February 2021 data release. Austin Chamber, Economic Indicators accessed February 2021

Travis County's real estate market remains very strong through the pandemic. Single family housing inventory remains tight. The median price for single-family homes climbed 19.97% in 2020 to \$470,000 according to

the Feb. 2021 data release from the Texas Real Estate Research Center. Sales increased similarly by 19.67% in 2020, and average days on the market is a mere 31 days. The inventory remains tight at approximately 0.5 months.

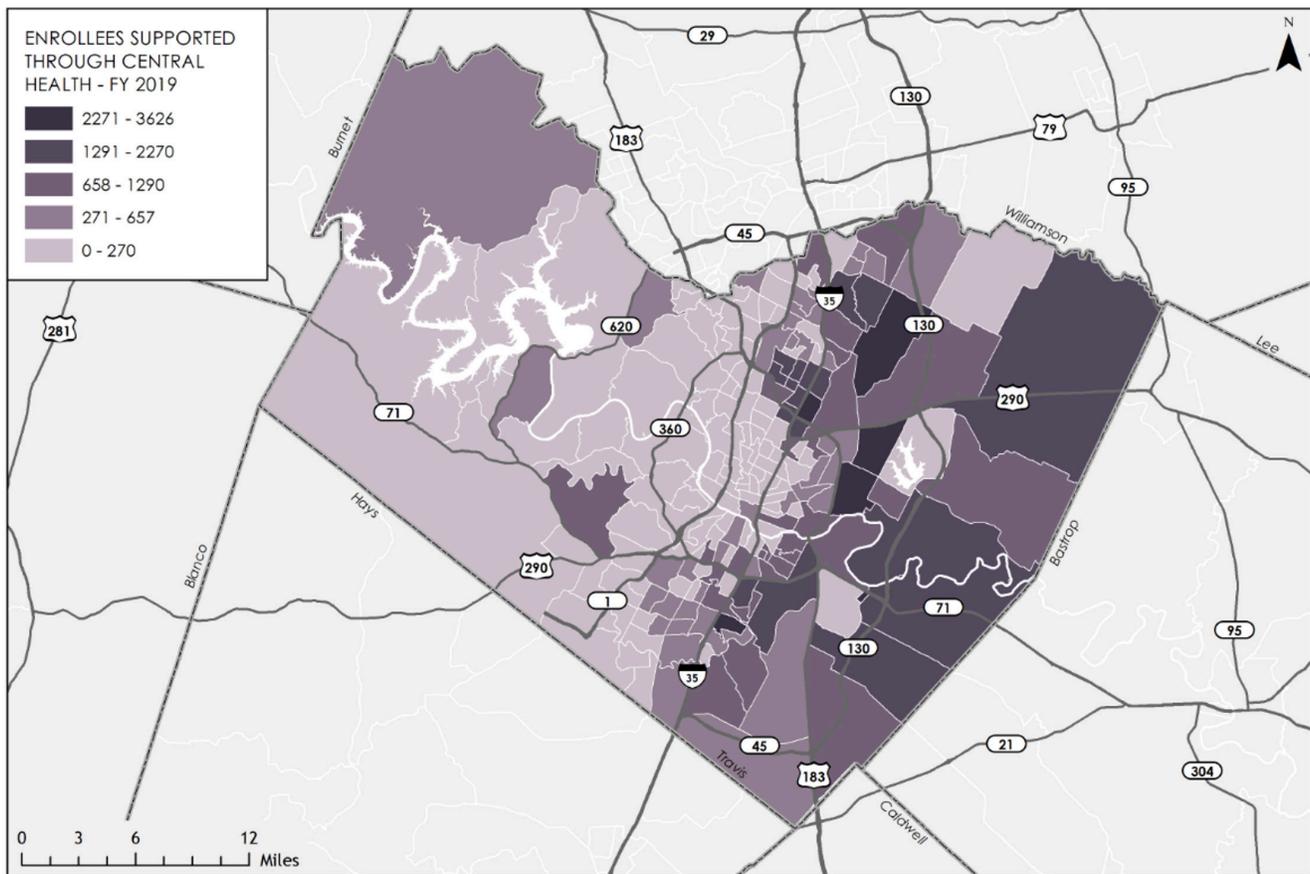
MEETING THE NEEDS OF THE EVOLVING TRAVIS COUNTY DEMOGRAPHICS

Central Health provides comprehensive health care services to eligible low-income and uninsured Travis County residents. Over the past few years, the number of families experiencing poverty has grown throughout Travis County. Low-income populations in suburban and rural areas, particularly in eastern Travis County, have been prioritized to address the health care needs of these communities. To better understand the health care needs for its patients, Central Health regularly conducts analysis of demographic and population trends to plan for future and current services. The analysis includes federal, state and local data sources; patient-level data collected through local medical providers; and

proprietary projections of future population trends. A new Central Health Demographic Report was presented in August 2020 to aid in the health care district’s planning efforts. The report can be found here: <https://www.centralhealth.net/our-work/2020-demographic-report/>.

Central Health has identified three priority areas in eastern Travis County: Colony Park, Hornsby Bend, and Del Valle. Through ongoing engagement with community advisory committees, Central Health has implemented a robust planning effort with community leaders, other governmental entities, and clinical providers to construct health centers in these priority areas. Guided by the Central Health Board of Managers’ Eastern Crescent Subcommittee and the Strategic Planning Committee, an interdisciplinary team of Central Health professional staff are actively engaged in the planning and execution of service expansion efforts in these three priority areas.

Central Health’s Enrolled Population by Census Tract-FY2019



Created September 8, 2020.

Enrollees are defined as individuals who were enrolled in Central Health’s Medical Access Program (MAP), MAP BASIC, or local sliding fee scale (SFS) subsidy programs reimbursed by Central Health in fiscal year 2019 (Oct. 1, 2018-Sep. 20, 2019.)

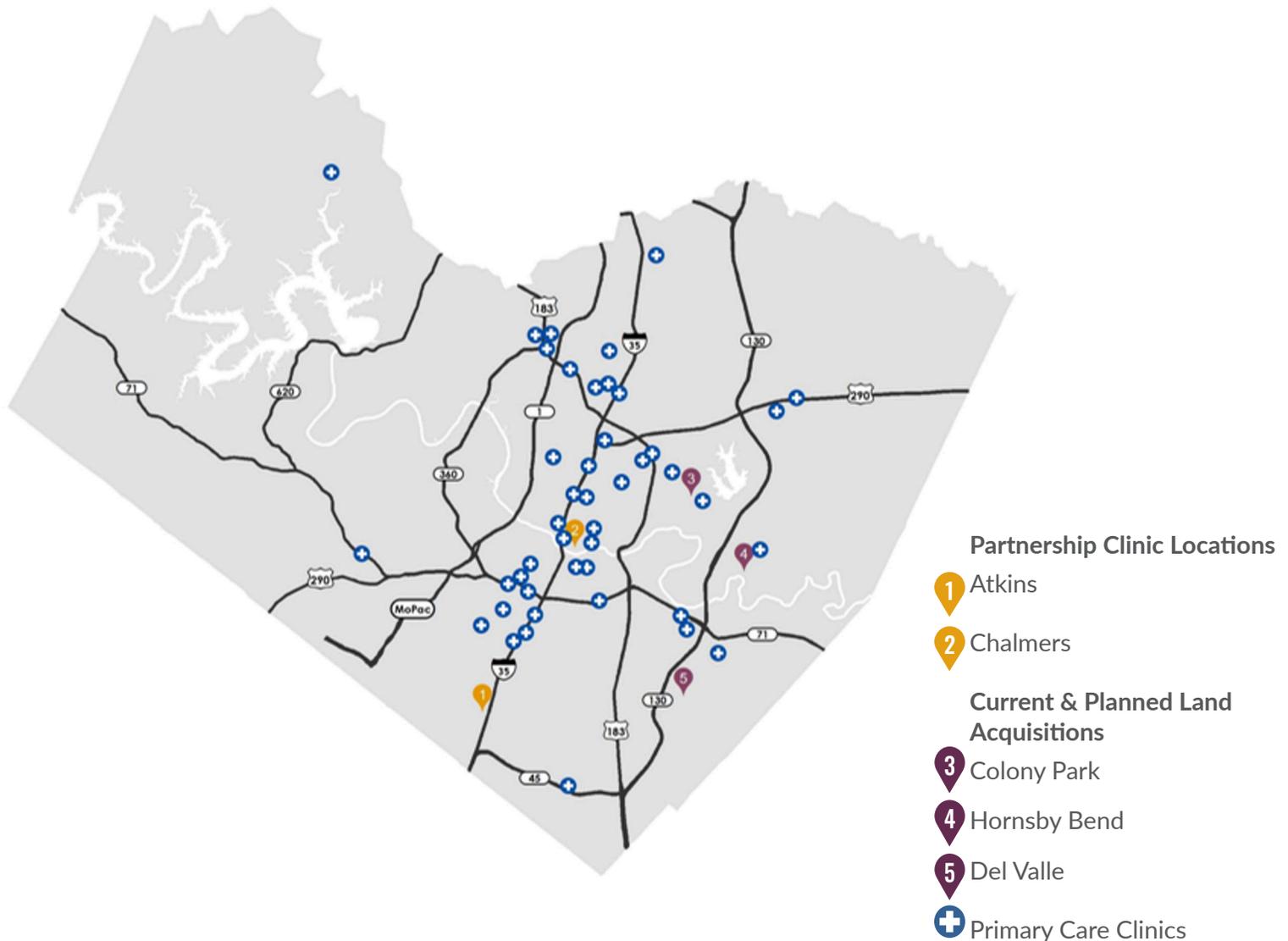
In FY 2021, Central Health continued work to increase access to services in eastern Travis County communities while simultaneously collaborating with clinical partners to provide COVID-19 testing and vaccinations. Currently, new health and wellness centers in Del Valle and Hornsby Bend are in active design development. Construction is scheduled to commence in FY 2022. See the Capital Budget in attachment C on Page 42 for the individual capital project budgets that support each of the board approved projects.

Central Health continues to work with community partners on other care expansion projects and is in active negotiations to purchase City of Austin property in the Colony Park Master Planned Development for a new health and wellness center. In January 2021, the Central Health Board of Managers received preliminary project plans for each of the three

priority focus areas. These preliminary plans include the proposed clinical service profile for each site, as well as potential non-clinical services, in addition to preliminary concept designs, ongoing non-clinical service planning is underway to address prevention and wellness strategies to ensure alignment with Central Health's larger System Planning efforts.

In March 2021, the Northeast Health Resource Center, located at the Barbara Jordan Elementary held its grand opening and launched services for the community. Schematic design and floor plan design concepts for both the Hornsby Bend Health & Wellness Center and the Del Valle Health & Wellness Center have been shared with each community and the clinical operator. Active operational planning and construction activities continue for the three priority areas during FY 2022.

Actual & Planned Service Expansions & Primary Care Locations



Created August 19, 2020.
Primary care clinics are current as of July 2020.

HEALTHCARE POLICY & REGULATORY BUDGET CONSIDERATIONS

FEDERAL POLICY

Regulations

Federal policies and regulations impact the amount and source of federal funds that have been historically utilized to fund healthcare services in Travis County. With the inauguration of a new President earlier this year and a change in federal agency leadership, Central Health is monitoring closely for changes in policy and health care finance programs affecting our budget. The changes have been rapid and significant; requiring Central Health to develop new funding strategies related to the 1115 Waiver, Disproportionate Share (DSH) Program, and Affordable Care Act. In addition, the COVID-19 pandemic has created additional funding sources along with required regulations to utilize new federal funds.

American Rescue Plan

On March 11, 2021, the President signed the \$1.9 trillion American Rescue Plan Act, the sixth COVID-19 relief package. The plan included \$31 million in funding to the Travis County Healthcare District/CommUnityCare that aims to boost COVID-19 response, treatment, vaccinations, capacity and more. The legislation also provides:

- \$7.5 billion to plan, prepare for, promote, distribute, administer, monitor, and track COVID-19 vaccines and \$6.05 billion for research, development, manufacturing, production, and the purchase of vaccines, therapeutics, and ancillary medical products and supplies.
- \$350 billion to state, local, and Tribal governments impacted by COVID-19 for use through December 31, 2024. The bill also extends this provision to states that opted to cover uninsured individuals through Medicaid under previous COVID-19 legislation.
- Additionally, the legislation incentivizes states that have not already done so to expand Medicaid by providing a 5 percent Federal Medical Assistance Percentages (FMAP) bump for eight calendar quarters to mandatory Medicaid populations (the FMAP increase does not apply to DSH payments).

- Extends 100 percent FMAP, for eight fiscal year quarters, for Medicaid services provided through Urban Indian Organizations and Native Hawaiian Health Centers.
- An end in 2024 to the Medicaid rebate cap for single-source and innovator multisource drugs, allowing rebates to exceed 100 percent of the drug's average manufacturer price.
- A 10-percentage point FMAP increase for home- and community-based services from April 1, 2021, to March 31, 2022. States must supplement, not supplant, state funds for such services as of April 1, 2021.
- \$250 million for state "strike teams" to help respond to COVID-19 in nursing homes through one year after the end of the public health emergency (PHE).

Further, a newly created state plan option will allow Medicaid coverage of and payments for mobile crisis units, with the option existing for five years. Another state plan option will extend full Medicaid coverage to pregnant individuals for up to 12 months postpartum. The option exists for five years.

The package also includes \$47.8 billion to carry out a national COVID-19 testing strategy. Also included in the legislation is:

- \$7.66 billion for state, local, and territorial public health departments to hire staff and procure equipment, technology, and other supplies to support public health efforts;
- \$7.6 billion in grants for community health centers and qualified Tribal entities;
- \$100 million for the Medical Reserve Corps, \$800 million for the National Health Service Corps, \$200 million for the Nurse Corps, and \$330 million for teaching health centers that operate graduate medical education; and
- \$500 million in grants through the Department of Agriculture for eligible government and nonprofit organizations to increase health care capacity or expand telehealth capabilities to combat COVID-19.

In addition, both Central Health and CommUnityCare have requested public assistance through the Federal Emergency Management Agency (FEMA). FEMA regulations typically reimburse qualified applicants' seventy-five percent (75%) of eligible expenditures,

however this has temporarily been increased to 100% for eligible expenditures. Central Health continues to assess any opportunities for reimbursement.

Federal Spending Bill

The President rolled out a framework for the Build Back Better Act on October 28, 2021, that would deliver the biggest expansion of affordable health care in a decade. Central Health and its affiliates are monitoring the legislation as it will greatly benefit the population served including expanding access to coverage. As of November 5, the legislation evolved through negotiations and is planned for consideration in the U.S. House. It will then head to the U.S. Senate.

Legislative, Regulatory, & Payment Model Changes Impact on the Budget

At the federal level, the proposed Medicaid Fiscal Accountability Rule, known as MFAR, was withdrawn in September 2020 in the face of significant stakeholder concerns. CMS has continued to promote improved transparency in state Intergovernmental Transfers (IGT) programs including an HHSC proposal that includes new reporting requirements related to supplemental Medicaid payments and rule changes regarding the non-federal share of Medicaid payments, including IGT and Local Provider Participation Funds (LPPF) arrangements. These changes could put Central Health's local healthcare financing structures at risk, particularly related to hospital payment programs within the 1115 Waiver Program. It will be important to monitor CMS and state agencies as provisions in MFAR may surface in different settings.

Disproportionate Share Funds (DSH)

The American Rescue Plan Act also contains a top priority for essential hospitals: a temporary increase in Medicaid disproportionate share hospital (DSH) allotments to coincide with the increased federal medical assistance percentage (FMAP) that unintentionally put hospital DSH payments at risk in some states. The provision ensures essential hospitals receive the same level of Medicaid DSH payments as they would have expected absent the pandemic. It provides a technical fix for the unintended reduction in DSH allotments that resulted from the FMAP increase in the Families First Coronavirus Response Act. Central Health was historically one of seven hospital districts in Texas that has provided local funds used for IGT to draw federal funding in the DSH program. As a result of regulatory and local changes to the healthcare system, Central

Health notified HHSC that it would no longer participate as a provider of IGT for the DSH program beginning in FY 2021 and the budget reflected these changes.

Affordable Care Act (ACA) Enrollment & Lower Premiums

November 1, 2021 kicked off the open enrollment period to purchase health insurance through an ACA marketplace or exchange for 2022 coverage. Enrollment options have increased in Texas, with four new entrants joining the exchange for 2022. Average rate increases in Texas are very much in line with the national average. The ACA open enrollment period is Nov. 1, 2021 - Jan. 15, 2022.

STATE OF TEXAS POLICY

The Texas Legislature gavelled in for the 87th Legislative Session on January 12, 2021. The Legislature will sine die (ended) on Monday, May 31, 2021. Central Health's legislative guiding principles included the following:

- COVID-19 Response
- Health Care Financing
- Health Equity
- Behavioral and Mental Health
- Coverage Gap
- Health Care Innovations
- Health Information Technology
- Integrated Health Care
- Local Control
- Managed Care
- Reimbursement Rates
- Operational Needs
- Prevention and Wellness
- Women's Health and Family Planning Programs
- Workforce Expansion

Medicaid expansion, or expanded coverage, was a major issue followed by Central Health and other partners serving the safety net population. Ultimately, the Texas Legislature declined to expand Medicaid coverage during this legislative session, leaving most uninsured adults with incomes below 138% of the federal poverty level not eligible for Medicaid coverage. However, significant Medicaid provisions were passed with adoption of continuous eligibility for children in Medicaid and the extension of postpartum Medicaid from two to six months, even though their final forms were limited some by the Senate.

The end of the 87th Legislative Session was followed by multiple special sessions. Many items including elections, redistricting, vaccine mandates and ARPA appropriations were considered in the special sessions. Ultimately, many of the Governor's special session priorities passed and the legislature appropriated \$13.3 billion of nearly \$17 billion in American Rescue Plan Act (ARPA) funding provided to Texas from the federal government. The bill included \$20 million for the FQHC incubator program, which CommUnityCare may benefit from if awarded through a grant application process.

Travis County LPPF

In FY 2019, Central Health successfully supported legislation, along with other Texas hospital districts, to gain authority to establish a Local Provider Participation Fund, or LPPF. The local LPPF levies an assessment on hospitals to provide the local share of funds for Uncompensated Care (UC) and Medicaid directed payment programs. Medicaid directed payment programs supplement payment rates for Medicaid patients. In FY 2022, local matching funds for the Uniform Hospital Rate Increase Program (UHRIP) and Uncompensated Care (UC) will be provided by local hospitals through the LPPF. Overall, the LPPF is capable of bringing more funding into the local health care system and prevents potential dilution of local tax dollars.

1115 Medicaid Transformation Waiver

The 1115 Medicaid Transformation Waiver has served as the structure under which Medicaid Managed Care, the Uncompensated Care (UC) Pool, and the Delivery System Reform Incentive Payment (DSRIP) have operated since 2011. Originally, the DSRIP program was scheduled to end September 30, 2021. The entire waiver is scheduled to expire September 30, 2022.

Throughout the final months of 2020, the Texas Health and Human Services Commission (HHSC) negotiated with the Center for Medicare and Medicaid Services (CMS) to extend the existing waiver program for ten years, through 2030. The extension continued the Uncompensated Care pool for hospitals, created a new charity care pool for Local Health Departments and Community Mental Health Centers, and established a framework to create and expand Medicaid Directed Payment Programs (DPPs) for a variety of healthcare providers in the state. DPPs are a financing mechanism that allow providers to use local IGT dollars to draw down Federal funds that enhance payment rates for services provided to Medicaid patients. As a whole, the DPPs and new charity care pool were intended to

transition Texas safety net providers away from DSRIP funding to new, more sustainable financing methods. Central Health was not eligible for any of the waiver extension programs due to our unique structure and the fact that we do not directly care for Medicaid patients.

On April 16, 2021, CMS, under a new administration, rescinded approval for Texas's waiver extension, citing a lack of justification for the original approval's waiver of standard public input processes. HHSC began the resubmission process and simultaneously pursued legal action to reinstate the January approval. A federal judge agreed with the state's position, effectively leaving the January approval in place, although HHSC did proceed with resubmitting the application with additional public input opportunities.

Meanwhile, CMS and HHSC continued to negotiate on DPP proposals, which are approved outside the 1115 Waiver structure. As of November 1, 2021, these negotiations have not resolved, holding up a potential \$6.6 billion in Medicaid supplemental payments that were requested through these programs.

As part of their DPP and waiver negotiations, CMS also offered Texas a one-year extension of the DSRIP program while the two entities worked through other funding transition options. CMS has not offered official approval of this funding to date.

Assuming the DSRIP program is extended for one year as proposed, DSRIP extension funds for DY 11 (FY 21) will be equal to those available in DY 10 (FY 20), or \$2.49 billion statewide. Through the end of FY 2023, Central Health will continue to participate in the 1115 Waiver as an intergovernmental transfer entity ("IGT" entity) that funds the non-federal share of DSRIP payments to the Community Care Collaborative. In addition, Central Health serves as the regional anchor entity for the DSRIP, supporting six Central Texas counties including Travis. The timing of the intergovernmental transfers is determined by the State of Texas.

Payments lag from the period in which the funds are earned; the CCC will receive its final DSRIP payment in July of 2024, assuming approval of the DSRIP extension.

LOCAL POLICY

Collaboration with the City of Austin, Travis County and other local governments continues as we jointly plan for near-term capital projects. In addition, this collaboration has also been focused around community response to the COVID-19 pandemic as we plan for FY 2022.

Health Care Industry Changes – Impact of Regulatory Changes on the Local System

Historically, Central Health has purchased hospital services through an indirect funding model that is governed by contractual arrangements with Ascension Seton. Under the agreement, Ascension Seton is obligated to provide a certain level of hospital and specialty care services, and Central Health is required to compensate Ascension Seton up to a defined amount for these services, which may be reduced by the amount

of Uncompensated Care (UC) and Disproportionate Share (DSH) program amounts received. Central Health has historically provided IGT for UC and DSH funds for Ascension Seton. The creation of the LPPF has altered the source of IGT for UC, although it has not altered the overall funding manner for payment related to Ascension Seton service obligations. Central Health is required to fund any shortfalls of UC and DSH amounts that do not meet required funding amounts. Central Health and Ascension Seton continue to negotiate a new payment model for hospital and specialty care services for MAP patients. The new model will move away indirect reimbursement through IGT arrangements and toward a direct contracting model for services. Regulatory changes to IGT payment structures that prevent a direct correlation between local funds and specific health providers spurred the change. Central Health's goal is to develop a more transparent funding model for hospital services for MAP recipients.



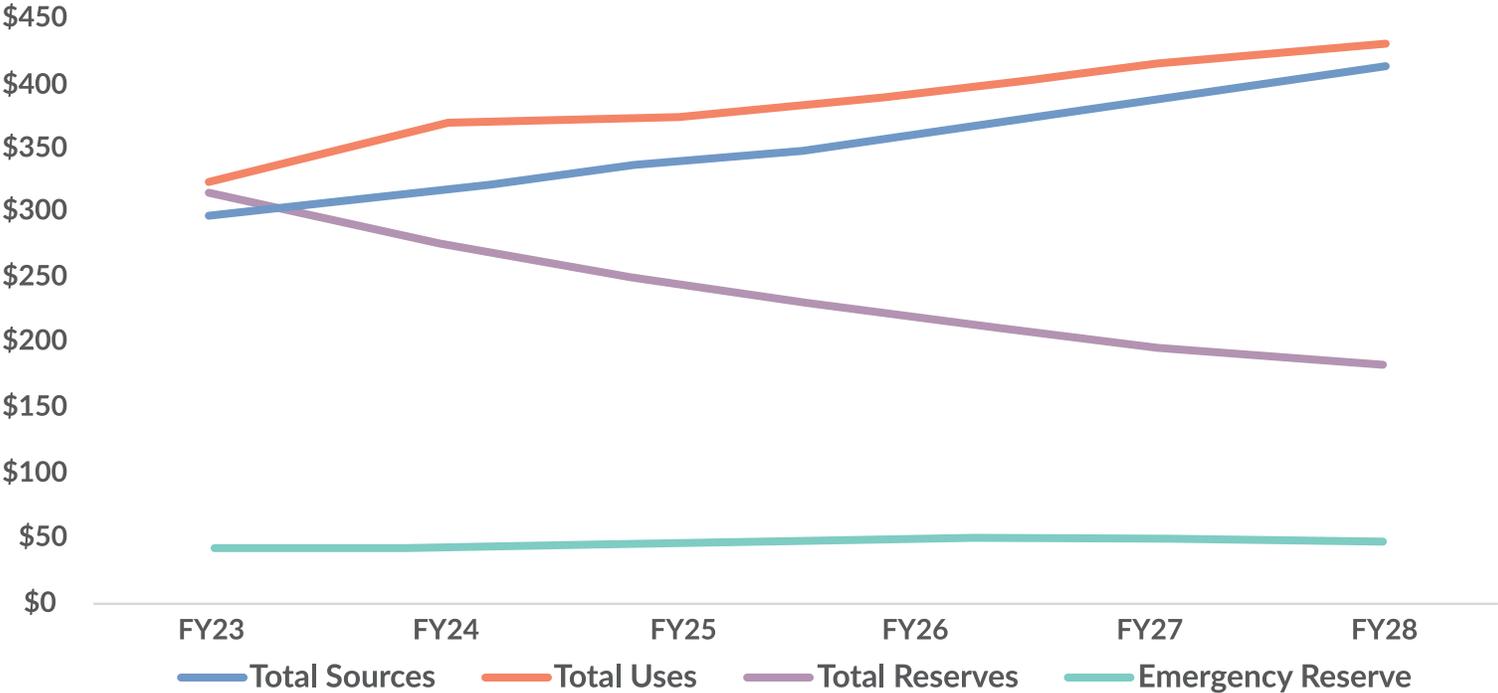
THE BUDGET PROCESS FOR CENTRAL HEALTH

In developing Central Health’s annual budget, the Central Health Board considers community input, reports from its healthcare partners, the success of current healthcare initiatives, and the value of proposed initiatives and activities. The budget ensures that Central Health remains focused on its mission and fulfills its legislative purpose.

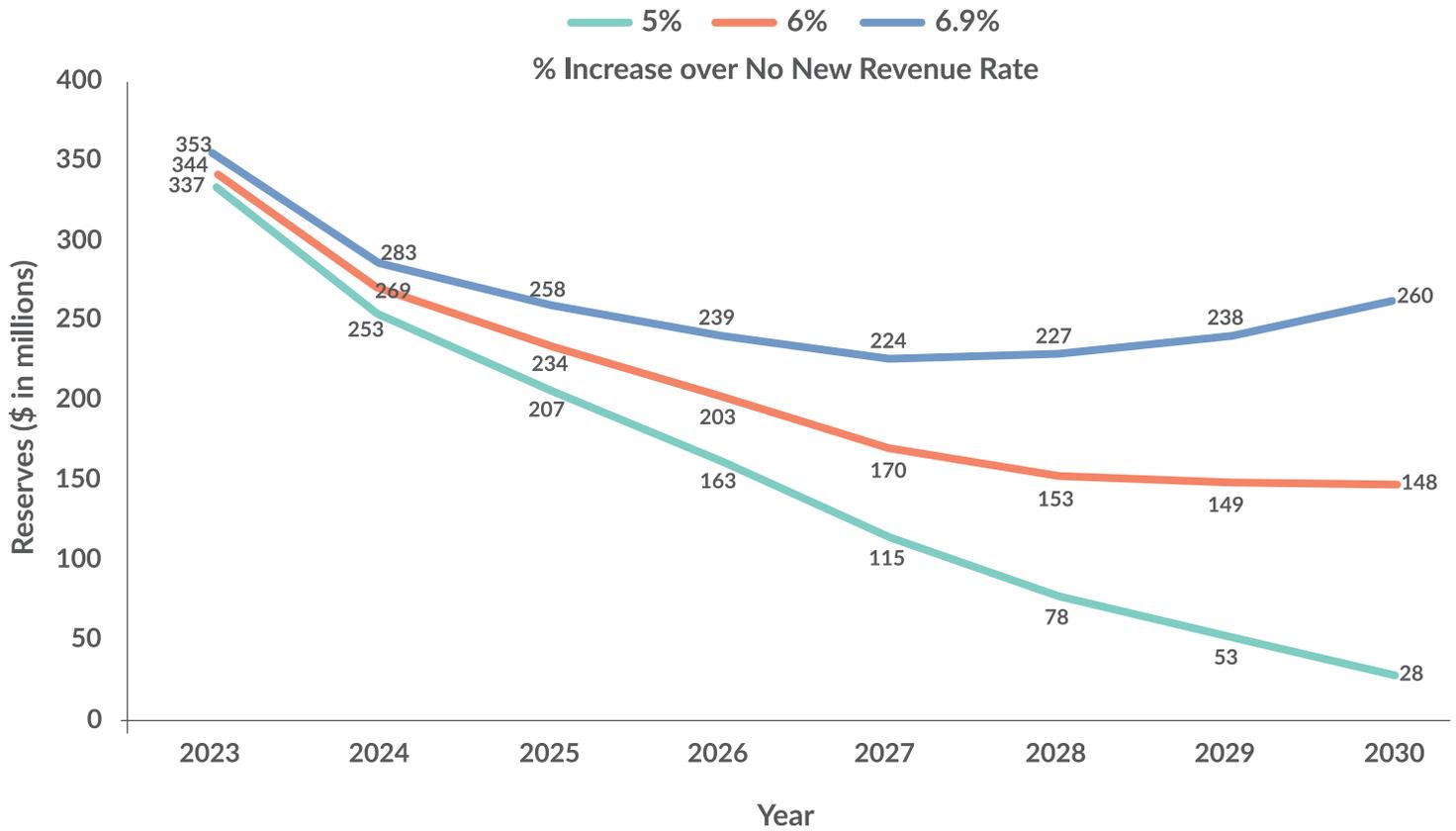
Throughout the year and specifically in the strategic planning operations of the organization, Central Health integrates community feedback through community engagement events, feedback gathering tools, collaborative health planning efforts and enterprise operations planning. This information is the starting point for developing the budget and developing health strategy priorities for the upcoming year and how they will be funded. See the FY 2022 Community Engagement Report in attachment G.

Central Health’s primary source of revenue is property tax. Therefore, a key step in the planning is estimating the tax revenue in future years to ensure healthcare service levels are funded and the appropriate level of reserves are maintained. The Board of Managers uses a multi-year forecasting process each spring to estimate the long-term impact of potential ad valorem tax rates that align the revenue forecast with the priorities of the organization. In order to support the Board of Managers, the multi-year forecast has proven to be an effective tool to direct staff to prepare a draft budget with a specific ad valorem tax rate.

Central Health Sources, Uses and Reserves Forecast FY 2023 to FY 2028 6.0% increase over no new revenue rate annually



Future Reserve Levels & Days of Cash on Hand



As recommended by the GFOA, it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

Central Health reserves:

- Allow Central Health to manage risk and uncertainty of unpredictable costs or revenue shortfalls.
- Ensure health care service levels are maintained
- Establishes a solid financial foundation, including maintaining bond rating, conservative budgeting, and liquidity.

PROPOSED BUDGET TO APPROVED BUDGET

A proposed budget is prepared by staff and presented to the Board of Managers and public in early summer.

In the FY 2022 budget development process, management established a robust internal business case planning process to advance new initiatives which are incorporated into the budget. The proposed budget is discussed in detail at both Budget and Finance Committee and Board of Managers meetings until the budget is finalized. At the same time, Central Health

follows all required truth-in-taxation requirements to ensure the ad valorem tax rate is set with the appropriate public hearings, certification by local tax office and ultimate approval by the Central Health Board of Managers and Travis County Commissioners Court.

The proposed FY 2022 Budget as presented to the Board of Managers had several changes made to incorporate new or updated information before the final budget was presented for approval. There was a reduction in estimated property tax revenue after receiving the final property tax roll and calculation of the the final tax rate of approximately \$3.4M. Uses of funds were updated for minor line item adjustments based on updated information about departmental or service needs received in the business case planning process. Notable changes to the uses of funds were primarily in the area of increased funds for expansion of clinical facilities for both operational needs of approximately \$2M and additional funds for capital reserves of approximately \$8.2M. As a result of these changes, the Healthcare Contingency reserve was reduced by approximately \$12.3M in order to ensure a structurally balanced budget.

The final presentation to the Travis County Commissioners Court to adopt the tax rate and budget can be found in Attachment H.

Central Health adopts its final budget no later than Sept. 30 each year and begins its new fiscal year Oct.1.

BASIS OF BUDGETING/ FUNDS/ FUND BALANCES/FUND STRUCTURE

For financial reporting and budgeting purposes, Central Health is budgeted as a single proprietary fund known as an enterprise fund. Central Health’s financial statements are prepared on an accrual basis in accordance with GAAP, with the exception of depreciation. Central Health recognizes revenues when earned and expenses when incurred. At the end of each fiscal year, a contingency reserve carryforward is calculated as an ending balance to be budgeted in the next fiscal year as a source of funds available to fund healthcare operations or maintain reserve levels. Prior to 2011, Central Health was presented as a component unit of Travis County, however, after the issuance of GASB Statement No. 61, Central Health is no longer presented as a component unit of Travis County.

The annual audited financial statements include not only Central Health (as the primary government), but also three legally separate entities known as component units. CommUnityCare is included as a discretely presented component unit as there is some financial accountability by CommUnityCare to Central Health. Sendero is also presented as a discretely presented component unit, as there is some financial accountability by Sendero to Central Health. Lastly, the Community Care Collaborative is included as a discretely presented component unit as there is some financial accountability by Community Care Collaborative to Central Health.

FINANCIAL POLICIES

Central Health has a comprehensive set of financial and purchasing policies, under which it operates, that are established by either the Board of Managers or Travis County Commissioners Court. The Central Health Board of Managers approves changes to policies and updates as needed. Under state law, the Travis County Commissioners Court approves Central Health’s budget and tax rate. Central Health’s reserve and investment policies are referenced in this document as attachment E. The Central Health Board of Managers approves the Investment Policy on an annual basis.

DEFINITION OF A BALANCED BUDGET

Central Health prepares a structurally balanced budget each year to ensure sources are available for the health care delivery and administration programs. As a source of funds, a contingency reserve carryforward is budgeted each year based on the prior year final ending balance. As a use of funds, the health care contingency reserve is appropriated as an available use of funds in the current year. This appropriation provides the structural balance and available resources to the organization to mitigate volatility due to the timing of certain expenditures that may differ from Central Health’s fiscal budget cycle or one-time expenditures. This reserve is generally used for one-time expenditures or for ongoing expenditures when needed for cyclical or temporary structural deficits.

Health care spending, by its nature, can be unpredictable and uncertain as to funding requirements. Having a funded reserve budgeted for this purpose allows Central Health to manage this uncertainty and remain balanced in its budgeting.

PROCESS FOR AMENDING THE BUDGET

Central Health has two programs in its approved budget – Health Care Delivery and Administration. Should one of those programs require funds more than their approved budget, an amendment would be taken to the Central Health Board of Managers for approval and then to the Travis County Commissioners Court for approval. The Central Health President and CEO is authorized to make line item transfers within the budget categories of health care delivery and administration programs.

BUDGET COMMUNITY ENGAGEMENT

To ensure its strategic priorities and budget align with the health care needs of the community, Central Health staff rely heavily on demographic and clinical data. In addition, staff annually prioritize involving residents in a robust community engagement process. See Attachment G for a full report on the FY2022 budget year community engagement activities.

FY 2022 BUDGET CALENDAR

28 April

Central Health Board of Managers Meeting (FY 2022 Central Health Forecast)

12 May

Central Health Strategic Planning Committee (FY 2022 Central Health Strategic Priorities)

26 May

Central Health Board of Managers Meeting (FY 2022 Central Health Capital Budget and Forecast)

14 June

Central Health Board of Managers (FY2022 Central Health Proposed Budget)

17 June

Community Conversation – Central Health FY2022 Strategic Priorities.

30 June

Central Health Board of Managers (FY2022 Central Health Proposed Budget)

11 August

Central Health Board of Managers Meeting (FY2022 Central Health Proposed Budget and tax rate)

23 August

Central Health Board of Managers Meeting (FY2022 Central Health Proposed Budget)

26 August

Community Conversation (FY2022 Proposed Budget)

31 August

Travis County Commissioners Court (FY2022 Central Health Proposed Budget)

2 September

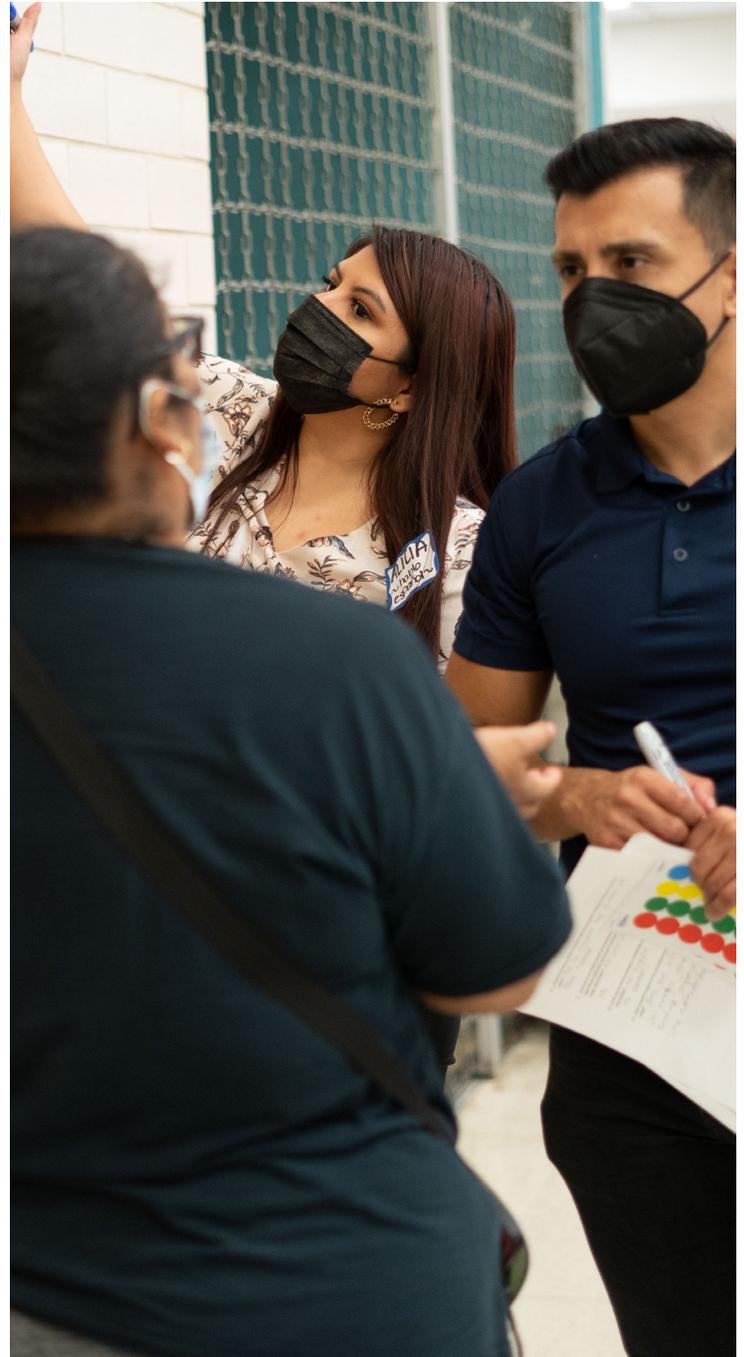
Central Health Public Hearing (FY2022 Central Health Proposed Budget and tax rate)

9 September

Central Health Board of Managers Meeting (FY2022 Central Health Budget and Tax Rate Adopted)

21 September

Travis County Commissioners Court (FY2022 Central Health Budget and Tax Rate Adopted)



FISCAL YEAR 2022 OPERATING BUDGET

The FY 2022 Operating Budget is organized by sources and uses of funds. We have two programs in our uses of funds, Health Care Delivery and Administration.

Central Health estimated to end its current FY 2021 with sources greater than uses of funds of approximately \$226 million. This contingency reserve is carried forward as a source of funds for FY 2022 and is appropriated for health care delivery throughout the uses of funds with contingency reserve of \$298.8 million. A summary of Central Health's sources and uses can be found in attachment A, as well as expected emergency reserve balances at the end of FY 2021.

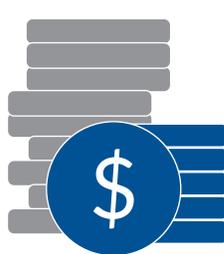
SOURCES OF FUNDS

Central Health's operating budget has several sources of funds, with total property tax revenue accounting for the majority at \$260.9 million. Increases in assessed value and new construction (received from the Travis Central Appraisal District) and an increase in the tax rate (.0015 cents) have produced \$26.9 million in additional revenue. The other sources of revenue include lease revenue for buildings located on the Central Health Downtown Property, budgeted this year at \$13.4 million and other revenue of \$6.0 million.

Tax Rate & Tax Revenue

Central Health's FY 2021 tax rate was 11.0306 cents per \$100 of assessed value. The FY 2022 budget has been prepared at a slightly higher tax rate of 11.1814 cents per \$100 of assessed value. This rate is 6.0% above the maintenance and operations no-new-revenue tax rate from the previous year. The total rate includes a maintenance and operations tax rate of 10.9204 cents and a debt service rate of 0.2637 cents. The debt service tax rate will provide funds to satisfy two series of certificates of obligation. The first issue was issued in 2011, that funded the purchase and partial renovation of the Central Health Southeast Health & Wellness Center and a portion of the construction cost of CommUnityCare's North Central Community Health Center, the remainder of which was funded with federal grant dollars. In addition, Central Health issued taxable and nontaxable certificates of obligation in August 2021 for \$77.8 million to fund three new clinical projects and a headquarters consolidation.

Central Health Property Tax Rate



Maintenance & Operations	*10.9204¢
Debt Service	*0.2610¢
Total Rate	*11.1814¢

*Per \$100 taxable valuation

	FY21 APPROVED	FY22 APPROVED
Average Taxable Homestead Value	\$355, 379	\$386, 136
Average Taxable Homestead Appreciation	2.2%	8.7%
Tax Rate	11.0306	11.1814
M&O	10.9717	10.9204
Debt Service	0.0589	0.2610
Tax Bill	\$392.00	\$431.75
M&O	\$389.91	\$421.68
Debt Service	\$2.09	\$10.08

Annual Increase=\$39.75 (10.14%) (M&O=\$31.77 & Debt Service=\$7.99)

HOMESTEAD EXEMPTION	OVER 65	DISABILITY
FY22 Approved (A)	\$100, 000	\$100, 000

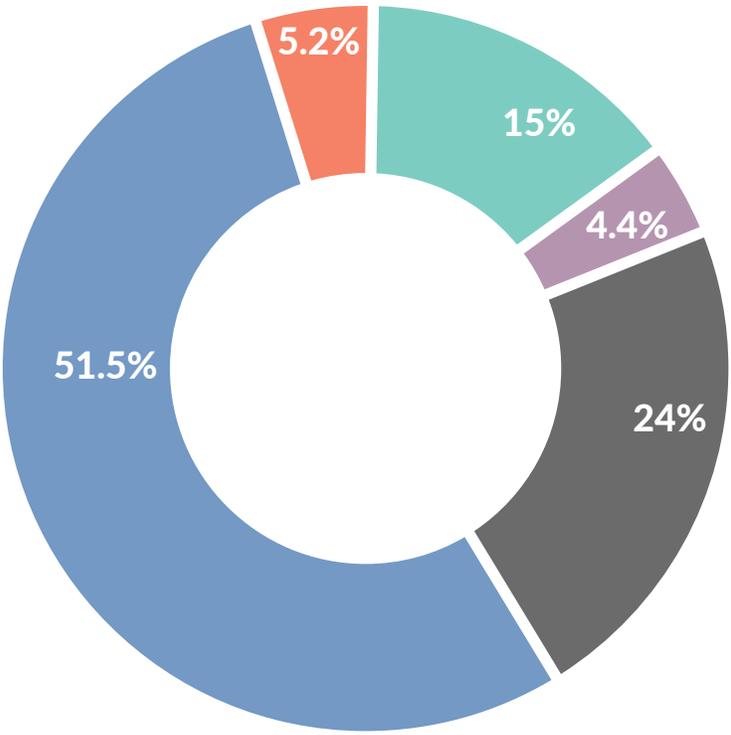
(A) Includes 20% the maximum allowable by state law (5,000 minimum)

Central Health uses a financial forecast model to draft and develop its budget. This method has been utilized to incorporate known events with broad assumptions to estimate the tax revenue required to provide and maintain the necessary level of services for our community. On September 9, 2021, Central Health Board of Managers meeting, the board approved the FY 2022 budget using a 6.0 percent over the maintenance and operations no new revenue tax rate.

Travis County has seen considerable growth in taxable assessed values and new construction growth over the past five years. In FY 2022, we continue to see growth in taxable assessed values but anticipate a decrease in year-over-year growth, or a slowing in the pace of growth.

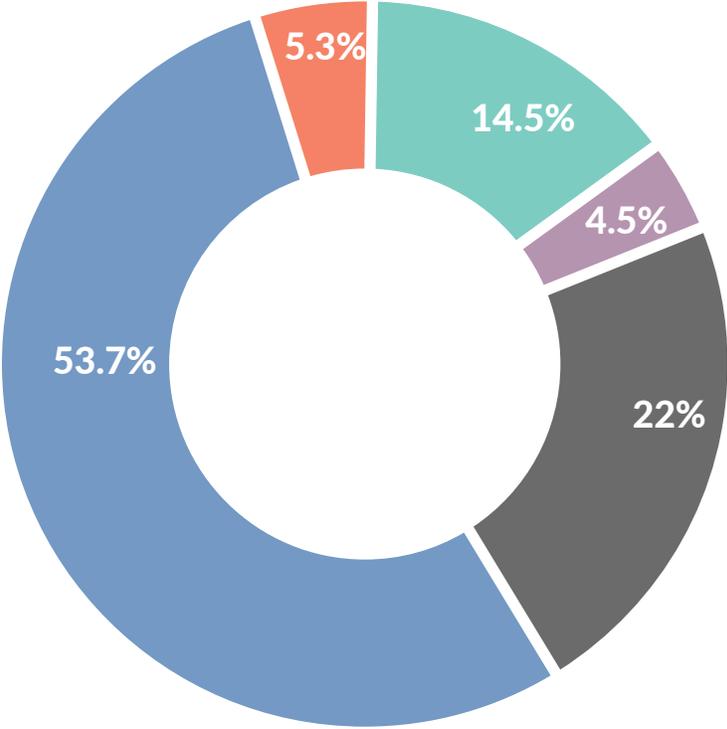
In preparing the budget for FY 2022, Central Health considers how the tax rate will impact residents. Central Health is a small part of the total property taxes for an average Travis County resident who lives in the jurisdictions outlined below. This shows that year-over-year, Central Health maintain the smallest portion of the total tax bill. In FY 2021, this was approximately 4.4 percent of the total tax paid.

FY 2021 Travis County Tax Entity Percentages



- 51.5% Austin ISD
- 5.2% Austin Community College
- 15% Travis County
- 4.4% Central Health
- 24% City of Austin

FY 2022 Travis County Tax Entity Percentages



- 53.7% Austin ISD
- 5.3% Austin Community College
- 14.5% Travis County
- 4.5% Central Health
- 22% City of Austin

Travis County Healthcare District offers a 20 percent homestead exemption, the maximum allowed by state law. The average Travis County Healthcare District taxable homestead value increased 8.71 percent from \$355,379 last year to \$386,136 this year. The proposed tax rate of 11.1814 cents per \$100 of taxable value results in a \$39.75 increase in the Travis County Healthcare District property tax amount for the average taxable homestead, for FY 2022 compared to the FY 2021 property tax bill. The estimated FY 2022 tax bill for the average homestead is \$431.75.

Travis County Healthcare District property taxes for other valued homesteads shown below as examples are based on assessed values appreciating an average 2.33 percent from the previous year. The actual impact for FY 2022 for each property will vary depending on the taxable value, types of exemptions and appreciation.

Taxpayer Impact Statement

FY2021 HOMESTEAD VALUE	FY2021 TAXABLE HOMESTEAD VALUE*	FY2021 TAX BILL**	FY2022 AVERAGE HOMESTEAD VALUE APPRECIATION	FY2022 HOMESTEAD VALUE	FY2022 TAXABLE HOMESTEAD VALUE *	FY2022 TAX BILL (6.0% OVER EFFECTIVE)***	ANNUAL INCREASE	PERCENT INCREASE
150,000	\$120,000	\$132	9.4%	\$164,085	\$131,268	\$147	\$14	10.9%
250,000	\$200,000	\$221	8.9%	\$272,318	\$217,854	\$244	\$23	10.4%
350,000	\$280,000	\$309	8.8%	\$380,711	\$304,569	\$341	\$32	10.3%
450,000	\$360,000	\$397	8.7%	\$489,125	\$391,300	\$438	\$40	10.2%
550,000	\$440,000	\$485	8.3%	\$595,678	\$476,543	\$533	\$47	9.8%
650,000	\$520,000	\$574	8.1%	\$702,855	\$562,284	\$629	\$55	9.6%
750,000	\$600,000	\$662	8.3%	\$812,474	\$649,979	\$727	\$65	9.8%
850,000	\$680,000	\$750	7.8%	\$916,570	\$733,256	\$820	\$70	9.3%

*Includes 20% homestead exemption

**FY2021 Tax Rate: 11.0306¢ per \$100/valuation

***FY2022 Tax Rate: 11.1814¢ per \$100/valuation (M&O=10.9204¢, Debt Service=0.261¢)

Lease & Other Revenue

The other sources of revenue in the Central Health FY 2022 budget include lease revenue, interest revenue and revenue received from the tobacco litigation settlement.

Lease revenues in FY 2022 are estimated to total \$13.4 million. Ascension Seton currently leases the Clinical Education Center and a parking garage on the downtown property that provides parking capacity for the new hospital. The 2033 Higher Education Development Foundation leases Blocks 164 and 167 on the downtown property.

Significant work has continued to redevelop the downtown property to maximize revenue for future healthcare delivery. In FY 2021, demolition continued on several structures. These changes also allow the Board of Managers flexibility in planning the future phases of the Central Health downtown property redevelopment.

Central Health qualifies to participate in the Tobacco Settlement Distribution Program established by the 76th Texas Legislature. In FY 2022, it is anticipated Central Health will collect approximately \$3.0 million in revenue. Interest and grant revenue is estimated to be \$3.0 million.

The following is a more detailed discussion of Central Health's 2022 expenditure budget, shown by program and activity, which can be seen on Attachment B.

USES OF FUNDS

Central Health budgets expenditures for Health Care Delivery (97.0 percent of total appropriations) and a smaller program of Administration and tax collection expense (3.0 percent of total appropriations). Health Care Delivery is the primary program and the strategic goals and objects support this work.

Health Care Delivery Program

This program consists of the following budgeted activities:

Intergovernmental Transfers (IGTs)

Central Health provides for the health care of qualified persons earning up to 200 percent of the federal poverty level. A portion of the tax revenue collected by Central Health is used to draw down matching federal funds through intergovernmental transfers. These funds are used for the funding of the Delivery System Reform Incentive Payment Program (DSRIP) to improve access to care and transform how healthcare is delivered to the community. (See the 1115 Waiver Program section on Page 16 for a full summary of this program and its history.)

Central Health is committed to using its healthcare delivery funds to leverage federal funds and to enhance service delivery. Central Health may elect to utilize

contingency funding, if available, for additional IGT requirements or other healthcare delivery. Overall, we estimate that our IGT activity will be \$15.5 million in FY 2022.

Health Care Services

Central Health funds primary care, specialty care and other services through the Medical Access Program (“MAP”) and MAP BASIC.

Increased spending in FY 2022 on new, critical programs:

- +\$3.2 million in new Specialty Care Access spending
- +\$1.7 million in new spending for Health Care for the Homeless
- +\$1 million for Transitions of Care & Clinical Patient Education
- +\$.9 million Behavioral Health & Substance Abuse Therapy

Primary Care

A significant portion of the Healthcare Services budget is dedicated to primary care. Our main primary care providers are Travis County’s Federally Qualified Health Centers: CommUnityCare, People’s Community Clinic, and Lone Star Circle of Care. These providers offer comprehensive primary care medical, dental and behavioral health services to MAP and MAP BASIC enrollees each year; Central Health’s primary care providers monitor detailed health information about patients, such as chronic disease prevalence, annual screening rates, and clinical outcome measures. Providers have, with Central Health’s support, added additional clinical services and visit types for patients including individual and group nutritionist visits, medical social worker services, clinical pharmacy appointments, community health worker services, and nurse visits. In FY 2021, Central Health prioritized improving enrollment during the COVID-19 pandemic by implementing call center, mail, and online enrollment support and by planning for continued expansions in eastern Travis County including the communities of Colony Park, Del Valle and Hornsby Bend. In response to the pandemic, Central Health and CommUnityCare led numerous outreach and health promotion activities, operated walk-up, and drive through COVID testing sites, hosted a COVID triage phone line, operated vaccine administration sites, incentivized outreach to increase vaccine administration to at-risk community members and activated contact tracing and patient education campaigns. Central Health FQHC partners provided nearly 93,000 doses of COVID vaccines with support from Central Health to ensure access to vaccines across our community. Of these, about 74

percent were provided to individuals residing in high-risk zip codes identified by Central Health.

In FY 2022 Central Health will be working to prioritize Healthcare for the Homeless services, including expanding street medicine teams and launching medical respite for MAP members. Central Health will continue its support of its FQHC partners in responding to and recovering from the COVID-19 pandemic while working toward new primary care access points.

Specialty Care

Specialty care services are provided through several clinical partners. FY 2021 saw exciting improvements in specialty care areas including:

- An expansion of retinal imaging cameras for routine screening of diabetic retinopathy within primary care settings throughout Travis County; more than 4,400 retinal screenings were conducted in FY 2021 alone.
- The expansion of endocrinology services within CommUnityCare Health Centers by recruiting additional specialists to serve the safety net community;
- The doubling of capacity for podiatry services within the primary care setting and the development of a surgical podiatry diabetic limb salvage program in partnership with CommUnityCare and Ascension Seton; More than 500 patients received primary care-based podiatry services resulting in over 1,400 patient visits.
- Planning a transitional dialysis pilot program for patients to receive outpatient and home-based dialysis for services beginning in FY 2022.

In FY 2022, Central Health will continue efforts for specialty care expansion in the areas of endocrinology, cardiology, nephrology, dialysis and podiatry, while initiating planning in new areas such as medical weight loss. Additionally, Central Health will be working to increase access for MAP BASIC enrollees to multiple specialty care service lines. Substance use disorder treatments will also be prioritized in FY 2022, including peer support specialist counseling; substance use disorder care transitions and case management; and the expansion of the medication assistance therapy (MAT) program for treatment of opioid use disorders.

Pharmacy

A robust pharmacy program supports the clinical needs of our patients. We support patients' pharmaceutical needs by:

- Subsidizing patient prescription costs;
- Supporting the administration of a Prescription Assistance Program, which connects low-income patients to pharmaceutical companies that offer drugs at low or no cost; and
- Expanding in-house pharmacy services available through new primary care service locations.

In FY 2021, Central Health partnered with Integral Care to expand access to psychiatric prescriptions for enrollees of MAP BASIC and expanded access to medication assisted treatment for opioid use disorder within CommUnityCare. Central Health also worked with primary care providers throughout the year to expand the availability of certain devices to control chronic disease including insulin pumps, glucose monitors and blood pressure monitors.

In FY 2022 Central Health is working to expand the pharmacy services available to MAP BASIC enrollees while also ensuring the availability of devices for the monitoring and control of chronic conditions.

Patient Care Management

Central Health invested in expanding the capacity and reach of its Patient Care Management team by adding 11 additional team members in FY 2021 including nurse case managers, health management liaisons and medical social workers. These teams provide complex case management services to the patients who need it most: persons experiencing homelessness, patients transitioning from inpatient care into less-acute care settings, and patients who visit the Emergency Department for non-emergent needs. Central Health's dedicated teams provide case management and system navigation support for MAP patients who are medically complex, often with additional social needs. These services ensure patients are getting the support they need accessing MAP services and help guide patients into coverage programs for which they are eligible.

Over 11,800 MAP patients were served by the Patient Care Management department teams throughout the fiscal year. Services included:

- Hospital Transitions of Care teams engaging with patients by providing individualized education, connections back to primary care and linkages to other services needed following their hospital stay;
- Scheduling outpatient follow-up appointments;
- Facilitating referrals to palliative care and hospice services;

- Connecting patients experiencing homelessness into residential rooming;
- Transitioning patients to alternative healthcare coverage such as Medicaid and Medicare; and
- Coordinating transportation services.

In FY 2022, transitions of care initiatives including congestive heart failure transitions, infectious disease treatment expansion, remote patient monitoring, medical respite and outpatient dialysis transitions will be areas of focus within Patient Care Management.

Other Health Care Services Highlights

In FY 2021, Central Health established an in-house Eligibility Services Call Center for MAP and MAP BASIC enrollees handling more than 7,000 application-related calls each month. In response to the COVID-19 pandemic, Central Health also established an online MAP application and transitioned from a primarily face-to-face services model to a hybrid model using on-site, telephonic and online enrollment to best meet the needs of our patients. These services will continue into FY 2022. Also, in FY 2022, Central Health will not budget for a hospital payment model and has maintained its Reproductive and Sexual Health program contracts and has a long-standing history of supporting primary and preventive care through numerous community partnerships. A new Community Healthcare Initiatives Fund was established and the process for allocating the funds will be developed with the board of managers in FY 2022.

Health Care Operations & Support

This section of the healthcare delivery program funds the daily operations that support overall health care delivery. It includes funding for ACA premium programs, education and enrollment, eligibility services, community engagement, the operation of the health & wellness centers, and the overall operations management for healthcare planning and technology support. In addition, funding is included for Central Health's real estate functions and costs associated with developing and operating the downtown campus. In FY 2022, this area includes costs for patient care management, claims payments and provider network relations, quality assessment and performance, and health strategy, communications and population health. The approved budget for operations and support functions is \$56.9 million and includes 19.8 new staff positions to support the expansion of services and growing healthcare delivery program.

CH Healthcare Delivery Programs FY22 Proposed Budget

	ELIGIBILITY & ENROLLMENT	JOINT TECHNOLOGY	CLINICAL SERVICES & MEDICAL MANAGEMENT	PROVIDER REIMBURSEMENT & NETWORK SERVICES	HCD & WELLNESS OPERATIONS	QUALITY ASSESS & PERFORMANCE	COMMUNITY ENGAGEMENT	SERVICE DELIVERY OPERATIONS & PMO	RHP7, 1115 WAIVER, & POPULATION HEALTH STRATEGY	TOTAL
Total FY22	6,202,331	5,659,668	6,854,587	3,496,422	6,653,290	2,109,773	1,788,776	2,303,477	1,146,563	36, 214,887
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	369,158	1,136,844	2,145,151	132,493	2,366,753	11,652	137,735	(33,396)	(125,854)	6,140,536
YOY % Change	6%	25%	46%	4%	55%	1%	8%	-1%	-10%	20%
Total FY22 FTEs	42.0	15.7	34.6	6.0	13.5	11.0	7.0	16.0	5.4	151.1
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	5.5	9.6	1.0	(1.0)	-	-	(1.0)	(0.3)	19.8
YOY % Change	17%	53%	38%	20%	-7%	0%	0%	-6%	-4%	15%

Capital Projects & Reserves

In the FY 2022 proposed budget, \$12.5 million is budgeted as a transfer to the capital reserve. These funds will be used for capitalized project costs or costs not covered by debt financing.

Several projects in eastern Travis County are anticipated to result in capital expenditures for clinical facilities built to support expanded healthcare services from key primary care partners. The planning for eastern Travis County is supported by a board subcommittee as well as extensive community outreach and advisory groups. There will continue to be significant expenditures to prepare for the redevelopment of the downtown campus including the proposed Red River Street realignment. Technology improvements are also anticipated, including enterprise investments and the implementation of a new electronic records system for CommUnityCare which Central Health is supporting.

In order to fund these capital projects, Central Health may use capital reserves or issue debt at a future date. More detailed information on long term planning for capital projects can be found in Attachment C.

Definition of capital expenditures

Central Health capitalizes outlays for new facilities and equipment that substantially increase the useful life of existing capital assets which have an initial, individual cost of \$5,000 or more. Ordinary maintenance and repairs are charged to expense when incurred.

Depreciation is recorded on the straight-line method over the estimated useful lives of the assets. Estimated useful lives for buildings and improvements are 20 to 50 years and for equipment and furniture are three to 20 years.

Discussion of Impact of Significant Capital Budget Items on Current & Future Operating Budgets

Significant capital items may require a transfer from the operating budget to the capital budget or the payment of interest and debt service, depending on whether the item is debt financed. Increases in operating expenses will result from opening new clinics and providing additional services. More detail is included in Attachment C, however, long-term operating costs are still being determined and were considered in the long term financial forecasting. They will be more specifically identified when the capital assets are put into service.

Debt

Current Debt Levels

Central Health issued \$16 million in Certificates of Obligation on Sept. 20, 2011 and refunded the bonds in 2020, resulting in significant savings in future interest expense. Central Health issued \$77.7 million of Certificates of Obligation in 2021 to fund two clinic facilities, along with a consolidated headquarters facility (see table below). Central Health received an Aa2 stable credit rating from Moody's Investors Service in

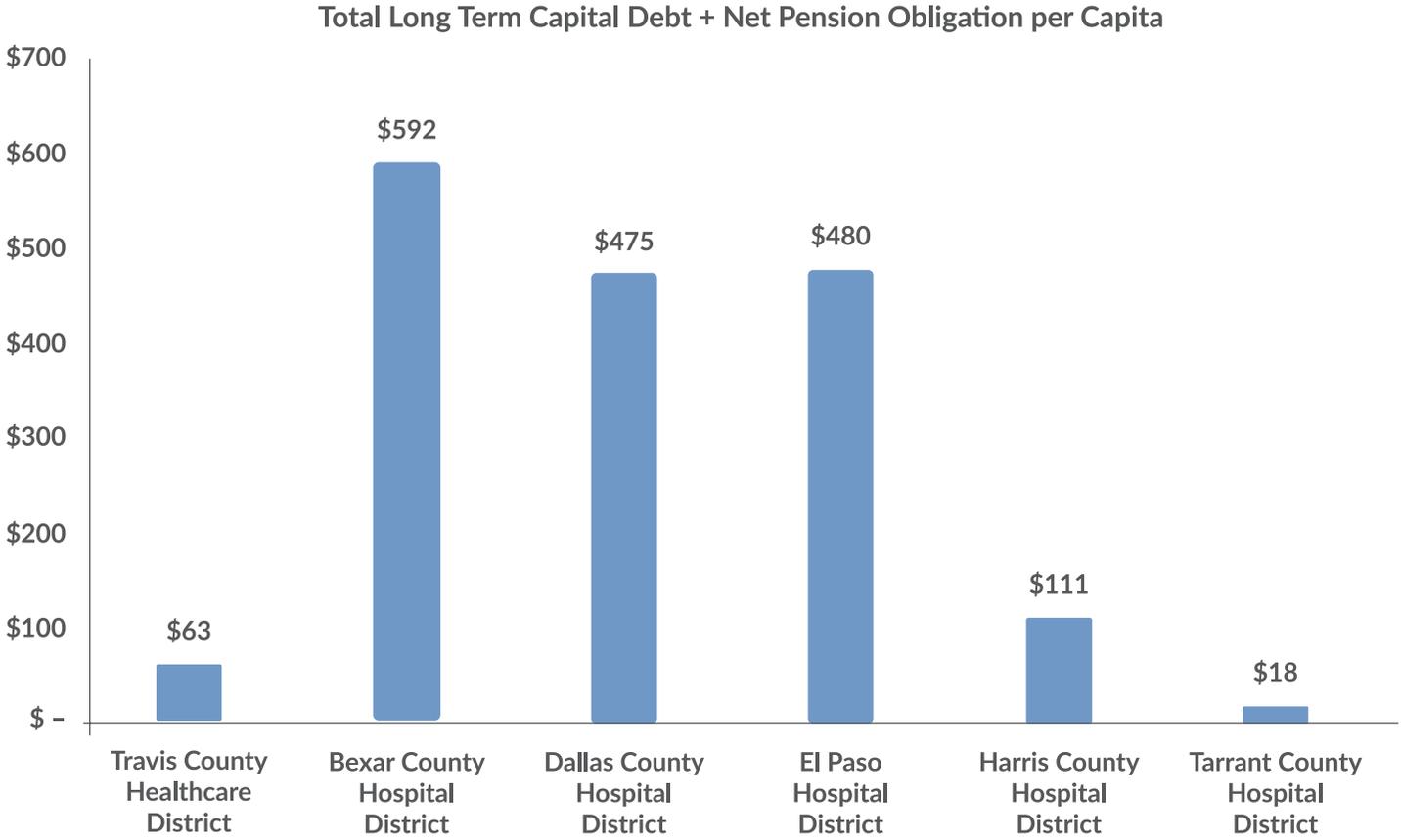
June 2021. In the FY 2022 proposed budget, Central Health will have outstanding debt of \$104.2 million. An estimated principal payment of \$4.1 million will be made during the fiscal year and the remaining balance of principal will be due in future periods. Central Health is also in the process of securing a line of credit for short term debt financing of technology and equipment projects, the FY 2022 budget includes estimates for debt payments that may be made on the line of credit when draws are made in the future.

SERIES	ESTIMATED PRINCIPAL AND INTEREST (FY 2022 AND FUTURE PERIODS)	PURPOSE	SECURITY
Certificates of Obligation Series 2021 (Limited Tax)	\$17,206,495	The acquisition, construction, improvement, renovation and equipping of buildings and land to be used as medical clinics located in Del Valle and Hornsby Bend	Limited ad valorem tax pledge
Certificates of Obligation, Taxable Series 2021 (Limited Tax)	\$72,824,439	The acquisition, construction, improvement, renovation and equipping of buildings and land to be used as a site for management and administration of District services and the delivery and provision of clinical and medical services.	Limited ad valorem tax pledge
Certificates of Obligation, Taxable Series 2020	\$7,563,554	The acquisition, construction, improvement, renovation and equipping of buildings (North Central and Southeast Health and Wellness Center)	Limited ad valorem tax pledge



Central Health will still maintain a very low rate of debt per capita in FY 2022 compared to other major hospital districts in Texas.

Major Texas Hospital Districts: FY 2020 Debt Burden Comparison (in millions)



Legal Limits

Central Health does not have any legal limits on the amount of debt which can be issued. Debt can be issued that is secured by existing assets or the Debt Service Tax rate, which is .2610 cents per \$100 of property valuation in FY 2022. Certificates of Obligation must be approved by the Board of Managers and the Travis County Commissioners in order to pledge the Debt Service tax rate. The only legal limit required by Central Health is in its founding legislation, which states the district cannot increase its total tax rate greater than 25 cents per \$100 of property valuation.

Current Funding Required

In the FY 2022 proposed budget, funding has been included for a principal payment of \$4.1 million and interest payments of \$2.1 million.

ADMINISTRATION PROGRAM

This program funds the activities that allow Central Health to function as a governmental entity and a health care financing entity, e.g. financial, legal, human resources, facilities management, planning and communications activities. The Administrative Program is 3.0% of the Central Health budget. Overall, administrative costs remain steady in FY 2022 at \$13.2 million.

CH Administration Programs FY22 Proposed Budget

	FINANCE & PROCUREMENT OPERATIONS	EXTERNAL AFFAIRS	ADMINISTRATION	STRATEGY	HUMAN RESOURCES	COMMUNICATIONS	COMPLIANCE	TOTAL
Total FY22	3,995,028	3,163,864	1,981,564	1,521,384	1,207,811	994,051	356,545	13,220,246
Total FY21	2,993,868	3,134,760	1,614,031	1,112,953	1,196,041	1,071,141	276,612	11,339,406
YOY Admin Variance	1,001,160	29,104	367,533	408,431	11,770	(77,090)	79,933	1,820,840
YOY % Change	33%	1%	23%	37%	1%	-7%	29%	16%
Total FY22 FTEs	20.7	5.4	8.0	3.0	5.7	5.5	2.0	50.2
Total FY21 FTEs	13.4	5.4	7.0	3.0	3.7	4.5	2.0	38.9
YOY FTE Variance	7.3	-	1.0	-	2.0	1.0	-	11.3
YOY % Change	54%	0%	14%	0%	55%	22%	0%	29%

TAX COLLECTION

Central Health incurs expenses payable to the Travis Central Appraisal District and the Travis County Tax office annually. In FY 2022, we estimate these expenses to be \$2.2 million.

INVESTING IN THE WORKFORCE

Central Health invests in the local workforce through a budget for employment of 201 full-time equivalents in FY 2022. We offer a robust benefits package, including healthcare coverage, retirement plan matching, life insurance and short- and long-term disability insurance. Furthermore, our health plan offers wellness benefits and employees have access to legal services and backup caretaker services. Included in our FY 2022 budget is a 5 percent performance-based merit increase in wages and estimates for market adjustments. Our estimate for benefits costs is 29 percent of salaries to accommodate anticipated employee health insurance increases.

	FY2020 FTEs	FY2021 FTEs	FY2021 CYE FTEs	FY2022 FTEs
Administration	41	41	39	50
Healthcare Delivery	107	131	131	151
Total	148	172	170	201

Several new investments in the Healthcare Delivery program include:

- Six new staff to support the eligibility & enrollment team to reduce the MAP & MAP Basic application processing time.
- Six new staff in the information & technology team to enhance new security initiatives, and meet the needs of a growing organization.
- Nine new staff added to the clinical services department to support the creation of the medical executive board, as well as to provide services for a dietician pilot.
- One new staff to support the growth taking place in our network services area.

Investments in the Administration program include:

- Seven new staff will be added to the finance and procurement department to meet the growing demands of the organization.
- One new position in the human resources department to enhance employee development.
- One new position in administration to assist in organizational support
- One new position in communications to assist in public relations work

GETTING INVOLVED IN CENTRAL HEALTH

We encourage Travis County residents to keep up with our budget development process, ongoing financial updates and Board of Managers and Budget and Finance Committee meetings (held monthly and webcast and televised live).

Ways to get involved:

1. Visit our website.

Central Health budget and finance information including monthly financial statements, annual financial audit reports, and current and previous fiscal year budgets are available at: <https://www.centralhealth.net/about/finance/>.

2. Attend or watch our meetings.

Central Health's Board of Managers meetings and the Board's Budget and Finance Committee meetings are both available by livestream and archived. Links to the meetings with agenda items, supporting materials, and presentations are available at: <https://www.centralhealth.net/about/board-of-managers/meetings/>.

3. Sign up for our newsletter.

Central Health does a variety of community engagement activities including soliciting feedback from patients, community members, and concerned citizens. To connect with us please visit [centralhealth.net/](https://www.centralhealth.net/) and sign up for our email list.

ATTACHMENT A-SOURCES & USES OF FUNDS SUMMARY/BUDGET RESOLUTION

FY 2020 Actual, FY 2021 Budget & Year End Estimate.

DESCRIPTION	FY 2020 ACTUAL	FY 2021 APPROVED BUDGET	FY 2021 YEAR END ESTIMATE	FY 2022 APPROVED BUDGET
TAX RATE	0.105573	0.110306	0.110306	0.111814
SOURCES				
Property Taxes	215,109,261	234,057,519	236,057,000	260,933,097
Lease Revenue	11,887,788	12,909,866	11,750,402	13,422,399
Interest	2,491,839	1,720,000	3,500,000	3,000,000
Tobacco Litigation Settlement	3,819,376	2,800,000	1,020,000	3,000,000
Subtotal Revenue	233,308,264	251,487,385	252,327,402	280,355,496
Contingency Reserve Carryforward		115,856,728	136,179,000	226,521,399
Total Sources	233,308,264	367,344,113	388,506,402	506,876,895
USES				
Healthcare Delivery	138,717,484	353,858,895	150,724,533	491,485,796
Administration	7,710,622	11,399,403	9,360,470	13,220,246
Tax Collection	1,764,789	2,085,816	1,900,000	2,170,853
Total Uses	148,192,895	367,344,113	161,985,003	506,876,895
EMERGENCY RESERVE				
Emergency Reserve	32,313,546	38,719,836	38,719,836	38,719,836
Total Reserves	32,313,546	38,719,836	38,719,836	38,719,836

**TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH
BOARD OF MANAGERS
RESOLUTION ADOPTING THE FISCAL YEAR 2022 BUDGET**

The Travis County Healthcare District (the “District”), d/b/a Central Health, Board of Managers (the “Board”) hereby adopts the Central Health Fiscal Year 2022 Budget, which:

(i) consists of the Central Health Fiscal Year 2022 Budget Sources and Uses Summary (attached as Attachment A) and the Central Health Fiscal Year 2022 Budget Uses Detail (attached as Attachment B), both of which are incorporated herein by reference as if set out in full;

(ii) directs the President and CEO to advance the following Strategic Goals and Objectives of the District, as previously established, and the related work with periodic reports due to the Board of Managers as follows:

- i. Develop and execute health care delivery based on people and place.
 - a. Continue service site expansion of health centers in Hornsby Bend and Del Valle, including the selection of contractors, commencement of site development and agreements on initial scopes of clinical and non-clinical services.
 - b. Continue the planning process for Colony Park site expansion, including budget development, site development, identification of services, and potential service delivery partners.
- ii. Implement a patient-focused and coordinated health care system.
 - a. Complete phases III and IV of the equity-based systems planning initiative to improve access to care among Central Health’s patient population, including the development and adoption of:
 - i. A comprehensive, equity-focused Strategic Services Plan that; identifies current and future levels of need (e.g. demand) and available service levels (e.g. supply) and lays out a short-, medium-, and long-term plan to address those needs and a methodology for prioritizing future needs in a way that reflects Central Health’s role in building and shaping the system of care;
 - ii. A Service Delivery Operational Implementation Plan to identify short-, medium-, and long-term measures of progress; develop recommendations for service line partners, locations, facilities or other modalities for meeting service delivery plan goals; develop

to adopt additional operational responsibilities and maintain a sufficient level of reserves.

- b. Present options and approaches to the Board of Managers for the redevelopment of the Brackenridge Campus, optimizing the property as a source of non-tax revenue that will benefit Central Health's patient population.

(iii) acknowledges that culturally, for Central Health to operate and function as an inclusive and equitable employer, organization, and enterprise, we must deliberately focus on the implementation of recommendations from the disparity study for Historically Underutilized Businesses (HUBs), to be completed in Fiscal Year 2022, and continue to foster a workplace that holds space for training, awareness, and activation on behalf of marginalized communities to address the health effects of discrimination, racism, and disproportionate burdens of disease;

(iv) acknowledges that the Central Health Fiscal Year 2022 Budget will require focused improvement of support operations activities to ensure that Central Health, CommUnityCare Health Centers, and Sendero Health Plans, achieve the mission of greater access to care, promote health equity, and reduce health disparities in those we are privileged to serve. Further, with the expansion of health care in Travis County, Central Health, as a government agency, will need to allocate resources to scale operations. The following will be focused improvements in support operations:

1. Finance Procurement Operational Excellence
2. HUB Program Expansion
3. Enterprise Organizational Development for Operations Improvements
4. Administrative Department Expansion
5. Human Resources Recruiting Expansion
6. Human Resources Employee Programs Expansion
7. Public Relations Services Development
8. Technology Operations Expansion
9. Technology Project Management Office (PMO) Expansion
10. Technology Support Ticketing System
11. Technology Applications Expansion
12. Technology Development Expansion
13. Technology Security Expansion

The Board further acknowledges that staff time and resources will be dedicated to maintaining needed levels of operations, in addition to new initiatives and

improvements, in the areas of compliance, technology, facility operations, communications and outreach, administration of the Medical Access Program, human resources, governance, procurement, and sound business and fiscal practices.

Pursuant to Chapter 281 of the Texas Health & Safety Code, the Central Health Fiscal Year 2022 Budget Sources and Uses Summary and any amendments thereto must be approved by the Travis County Commissioners Court before the budget becomes effective. Moreover, any expenditures incurred or paid pursuant to this Central Health Fiscal Year 2022 Budget shall be controlled by the Travis County Healthcare District Financial Policies, and any other policies adopted by the Board related to reserve levels or the expenditure of funds that explicitly require the Central Health Board of Managers' approval. The acquisitions and services funded by Central Health will, to the greatest extent possible, be predicated on the submission of service or business plans that measure viability, sustainability for the intended term, and value to Central Health's mission.

ADOPTED at an open meeting of the Central Health Board of Managers held on the 9th day of September 2021.

ATTACHMENT B-USES OF FUNDS DETAILS

Fiscal Year 2022 Approved Budget Uses Detail.

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 APPROVED BUDGET
HEALTHCARE DELIVERY		
Intergovernmental transfers:		
IGT - CCC DSRIP	23,528,575	15,509,298
Total Intergovernmental Transfers	23,528,575	15,509,298
Healthcare Services		
Primary Care: Medical, Dental, & Behavioral Health	56,935,000	59,040,000
Specialty Care: including Specialty Dental	13,715,000	17,175,000
Specialty Care: Behavioral Health	1,883,856	1,383,856
Post Acute Care	5,400,000	2,125,000
Pharmacy	13,250,000	14,250,000
Hospital & Specialty Services	57,000,000	-
Hospital Performance Incentive	2,700,000	-
Healthcare Services - PSH/PFS Payment	600,000	-
MAP Eligibility Enhancements Reserve	-	2,000,000
Integrated Care Collaboration (ICC)	719,990	687,035
Community Health Care Initiatives Fund	875,000	875,000
Primary & Specialty Care Reserves	2,000,000	4,050,000
Total Healthcare Services	155,078,846	101,585,891
Healthcare Operations & Support		
ACA Healthcare Premium Assistance Programs	11,559,354	13,319,929
ACA Education and Enrollment	601,320	583,000
Healthcare Facilities and Campus Redevelopment	5,156,629	5,303,564
UT land lease for teaching hospital	940,843	981,231
Salary and Benefits	15,021,176	18,866,066
Legal	332,000	339,000
Consulting	1,085,500	840,000
Other professional goods & services	7,065,656	8,557,311
Marketing, Community Relations & Engagement	839,990	942,274
Leases, security & maintenance	1,774,296	1,947,000
Insurance and Risk Management	-	142,000
Phones, Technology and Utilities	2,449,460	3,293,473
Printing, copying, postage & signage	334,522	384,056
Travel, training and professional development	276,607	280,966
Other operating expenses	293,822	39,741
Health Care Capital Line of Credit	1,091,773	1,091,773
Total Healthcare Operations	48,822,947	56,911,384

ATTACHMENT B

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 APPROVED BUDGET
Reserves, appropriated uses & transfers:		
Transfer to capital reserve	34,100,000	12,546,013
Transfer to emergency reserve	-	-
Transfer to Hospital Services Reserve	4,000,000	-
Sendero risk-based capital	-	-
Contingency reserve appropriation	87,064,169	298,780,535
Total Reserves, appropriated uses & transfers	125,164,169	311,326,548
Debt service:		
Debt service - principal retirement	1,180,000	4,060,000
Debt service - interest	84,357	2,092,676
Total Debt Service	1,264,357	6,152,676
Total Healthcare Delivery	353,858,895	491,485,796
ADMINISTRATION		
Salary and Benefits	5,561,651	7,134,758
Legal	1,497,136	1,456,636
Consulting	1,259,570	1,341,120
Investment Services (Travis County)	115,500	115,000
Benefits & Payroll administrative services	185,337	168,243
Other professional goods & services	1,257,450	819,787
Marketing, Community Relations & Engagement	182,350	209,958
Leases, security & maintenance	244,940	274,250
Insurance & Risk Management	150,000	375,000
Phones, Technology and Utilities	135,449	401,716
Printing, copying, postage & signage	85,245	60,745
Travel, training and professional development	222,282	370,789
Other operating expenses	502,494	492,244
Total Administration	11,399,403	13,220,246
TAX COLLECTION		
Appraisal District Svcs	1,123,128	1,179,284
Tax Collection Expense	962,688	991,569
Total Tax Collection	2,085,816	2,170,853
TOTAL USES	367,344,113	506,876,895

ATTACHMENT C-CAPITAL BUDGET

Fiscal Year 2022 Capital Budget.

FY2022 Capital Reserve Estimates (in millions)

	OPENING RESERVE BALANCE	TRANSFER TO RESERVES	SOURCES OF RESERVES	USES OF RESERVES	ENDING RESERVE BALANCE
Clinical Services/ETC	\$14.80	\$3.00	\$17.80	\$7.30	\$10.50
Campus Redevelopment	4.9		4.9	4.4	0.5
Technology & Equipment	0.9	3.4	4.3	2.3	2.0
Facilities & Operations	1.9	6.1	8.1	4.3	3.8
Total	\$22.50	\$12.50	\$35.00	\$18.20	\$16.80

FY22-27 Capital Project Budget Sources & Uses of Funds (in millions)

	FY22	FY23	FY24	FY25	FY26	FY27
Clinical Services/Eastern Travis Co	19.0	23.9	3.0	1.0	1.0	1.0
Campus Redevelopment	4.4	0.5	0.5	0.5	0.5	0.5
Technology & Equipment	2.3	1.5	1.5	1.5	1.5	1.5
Facilities & Operations	4.3	0.8	20.6	6.5	4.0	4.0
	30.0	26.7	25.6	9.5	7.0	7.0
Reserves/Cash	18.2	5.8	8.0	7.0	7.0	7.0
Debt/Line of Credit	11.8	20.9	17.6	2.5		
	30.0	26.7	25.6	9.5	7.0	7.0

Major Capital Project Budget & Planning

	BOARD OF MANAGERS APPROVED BUDGET	ESTIMATE OF EXPENSES THROUGH 9/30/2021	REMAINING PROJECT BUDGET FOR FUTURE YEARS	PRIMARY FINANCING SOURCE
Epic Electronic Health Record	\$9,100,000	\$9,100,000	\$0	Line of Credit
Hornsby Bend Health & Wellness Center	\$5,072,000	\$1,169,196	\$3,902,804	CO Issue 2021
Del Valle Health & Wellness Center	\$10,083,000	\$1,277,190	\$8,805,810	CO Issue 2021
Colony Park Health & Wellness Center	\$16,143,586	\$1,608,447	\$14,535,139	Reserves
Red River Realignment	\$8,464,000	\$4,788,644	\$3,675,356	Reserves
Clinical Services & Administrative Consolidation	\$62,590,000	\$22,500,000	\$40,090,000	CO Issue 2021

ATTACHMENT C

Capital Program Major Clinical Project Highlights for FY 2022

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.

ATTACHMENT D-AUDITED FINANCIALS

FY 2022 Budget, Audited Financials and GFOA Award for Central Health can be found at www.centralhealth.net/about/finance/ near the bottom of the page under Annual Financial Audit Reports.

ATTACHMENT E-FINANCIAL POLICIES

<http://centralhealth.net/wp-content/uploads/2019/08/Central-Health-Financial-Policies.pdf>

Central Health maintains four separate reserves, with a policy for each: an emergency reserve, a contingency reserve, a capital reserve and a reserve for HMO risk-based capital.

Central Health's Investment Policy is updated annually by the Board of Managers.

Central Health also maintains a robust set of finance and procurement policies that are updated by the Board of Manager on an as needed basis.

ATTACHMENT F-ACCOMPLISHMENTS

Central Health's 2020 Annual Report can be found at:

<http://centralhealth.net/wp-content/uploads/2021/04/FY2020-Annual-Report-FINAL.pdf>

Below are the milestones and highlights



2020 MILESTONES AND HIGHLIGHTS

In 2020, Central Health helped thousands of Travis County residents achieve better and healthier lives despite the challenges of the COVID-19 pandemic. The healthcare district's work is guided by three strategic objectives, which provide a roadmap toward developing a safety-net health care system that recognizes and addresses inequities, effectively utilizes community resources, and provides tangible solutions to resolve those needs.

OBJECTIVE 1

Develop and execute health care delivery based on people and space

SERVICE EXPANSION

- + New budget priorities were approved by the Central Health Board of Managers, including growing Central Health's Medical Management team to increase care management capacity, and adding service line expansions (including dialysis, rheumatology, neurology and neck/back pain).
- + Funding was added to support new benefits for the MAP BASIC health coverage program, including post-acute, urgent and specialty care, as well as expanded pharmaceutical options.

COMMUNICATION AND COMMUNITY ENGAGEMENT

- + A paid media initiative connecting people to care and providing life-saving information about Covid-19 protection and testing resulted in 29.6 million impressions.
- + Central Health staff made 4,592 direct phone calls to MAP members to ensure patients remained informed on how to protect against the coronavirus and access care during the pandemic.
- + Outreach staff teamed up with 935 businesses to distribute information regarding Covid-19 protection and testing
- + Approximately 38,000 households in ZIP codes with high Covid-19 positivity rates received direct mail pieces with information regarding Covid-19 protection and testing.

CAPITAL ACQUISITIONS

- + Central Health funded the opening of a CommUnityCare clinic in the long-underserved Hornsby Bend community in East Travis County.

POPULATION HEALTH

- + The 2020 Central Health Equity Policy (CHEP) Council created a Pandemic Equity Committee to compile lessons learned from the community-wide Covid-19 response and provide policy recommendations for improved disaster response to mitigate disproportionate impacts.
- + Additionally, a Race Equity Committee was launched to focus on providing trainings for CHEP members related to health equity, implicit bias, and microaggressions. Members who participated in trainings will create a new tool for policy analysis centered on race equity.

ATTACHMENT F

OBJECTIVE 2

Implement a patient-focused and coordinated health care system.

HEALTH COVERAGE

- + Sendero Health Plans more than doubled the membership of its CHAP program, an innovative partnership between Sendero and Central Health to provide high-quality, fully subsidized health insurance to some of the lowest-income and most medically complicated members of the community.
- + Sendero became the first local ACA Marketplace plan to waive member cost-sharing associated with COVID-19 diagnosis and treatment.
- + Central Health's Eligibility team completed 12,351 in-person eligibility and enrollment appointments.
- + 31,328 first-time MAP BASIC enrollees received coverage in 2020.
- + Central Health launched an in-house Customer Service Call Center.
- + In order to ensure individuals did not lose health coverage, all MAP and MAP BASIC members whose coverage expired between March and May received automatic three-month extensions.

PRIMARY CARE

- + Central Health's network of primary care providers rapidly implemented telehealth visits in response to COVID-19.

DENTAL CARE

- + People's Community Clinic was added to Central Health's network of dental service providers.
- + Central Health funded 23,977 dental encounters for 12,618 patients.

SPECIALTY CARE

- + Central Health created new contract agreements with cardiology, gastroenterology and palliative specialty care providers in order to improve access and care.
- + CommUnityCare reduced its waitlist for dermatology appointments by 83%.

POST-ACUTE CARE

- + Central Health executed new agreements with durable medical equipment, home health, recuperative care and skilled nursing facility providers.

PHARMACY

- + Initiated the availability of continuous glucose monitors, insulin pumps and supplies, and blood pressure monitor through the CUC pharmacies for MAP and MAP BASIC members.

BEHAVIORAL HEALTH SERVICES

- + Partnered with CommUnityCare's pharmacy to offer Suboxone to MAP BASIC patients enrolled in the Integral Care Medication Assisted Therapy (MAT) Program.

TRANSPORTATION ASSISTANCE

- + Launched a new transportation service in October 2019 for MAP members enrolled in Central Health care management, providing 1,291 rides for patients from their residence to clinic appointments, pharmacies, eligibility appointments and other needs.

OBJECTIVE 3

Implement a sustainable financial model for health care delivery and system strategies through 2024.

STEWARDSHIP

- + Central Health continued to maintain the lowest tax rate among the six major urban Texas hospital districts.
- + The Central Health finance team was awarded the GFOA Award, the highest form of recognition in government budgeting.
- + Central Health's net position increased \$80.7 million, a 25 percent increase compared to the previous year in order to support long-term financial goals.

INVESTING IN EASTERN TRAVIS COUNTY

- + The Central Health Board of Managers approved the planning and development of health centers in three target areas in eastern Travis County: Hornsby Bend, Del Valle and Colony Park.

ATTACHMENT G-FY2022 BUDGET & STRATEGIC PRIORITIES COMMUNITY ENGAGEMENT REPORT

Community Engagement Report

During FY 2022, staff collected public and consumer feedback through advisory committee meetings, Community Conversations, an online survey and one-one-one interviews (by phone).

Learn more about the results at:

https://www.centralhealth.net/wp-content/uploads/2021/09/FY22-Budget-Engagement-Report_Final_External.pdf

ATTACHMENT H-FY 2022 FINAL BUDGET PRESENTATION TO TRAVIS COUNTY COMMISSIONERS COURT

Final FY2022 Budget and Tax Rate Presentation to Travis County Commissioners Court

The final presentation to the Travis County Commissioners provides a comprehensive overview of our tax rate and FY2022 Budget:



CENTRAL HEALTH
CommUnityCare | Sendero

Empowering Communities with Care

Fiscal Year (FY) 2022 Proposed Budget

Travis County Commissioners Court
September 21, 2021



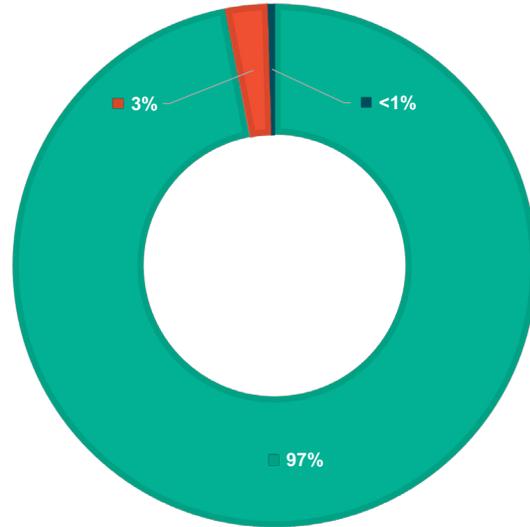
The image shows two young women standing side-by-side, both wearing face masks. The woman on the left is wearing a pink mask, and the woman on the right is wearing a teal mask. They are both wearing red t-shirts with a circular logo that says "LET'S STICK TOGETHER" at the top and "VACUNEMOS Y JUNTÉMONOS" at the bottom. The logo also features a graphic of two hands holding each other.

Our Request – FY 2022 Tax Rate & Budget

Approve a proposed property tax rate of **11.1814 cents per \$100 of taxable property value** - 6% above the Maintenance & Operations No-New-Revenue Tax Rate - which will support Central Health's Fiscal Year 2022 budget of **\$506M**.

This tax rate will fund expenditures of:

- Healthcare Delivery - \$491,485,796
- Administration - \$13,220,246
- Tax Collection - \$2,170,853

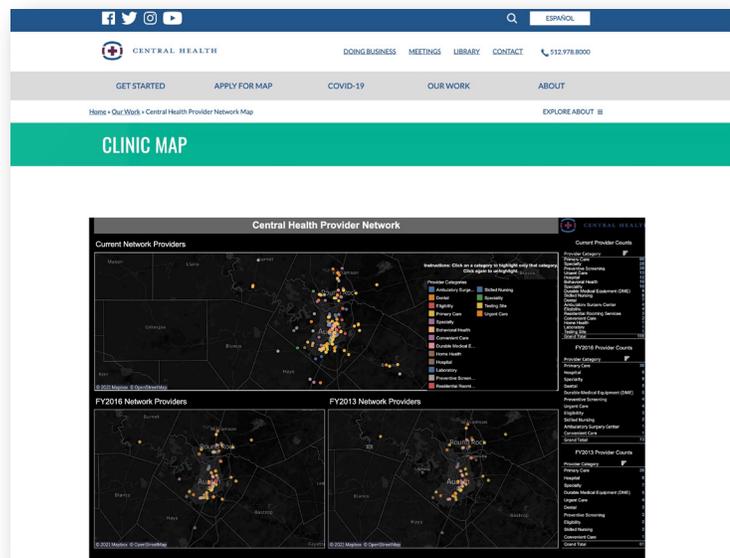


Empowering Communities With Care

Central Health Provider Network

An interactive map of all current provider locations is available on the Central Health website.

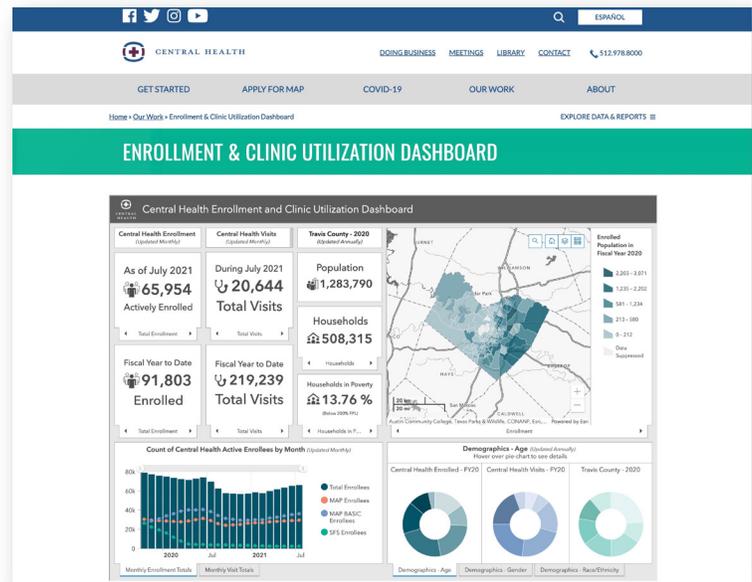
- Navigate - CentralHealth.net > Our Work > Central Health Provider Network Map
- Direct URL - www.centralhealth.net/our-work/provider-map/



MAP Enrollee Demographics

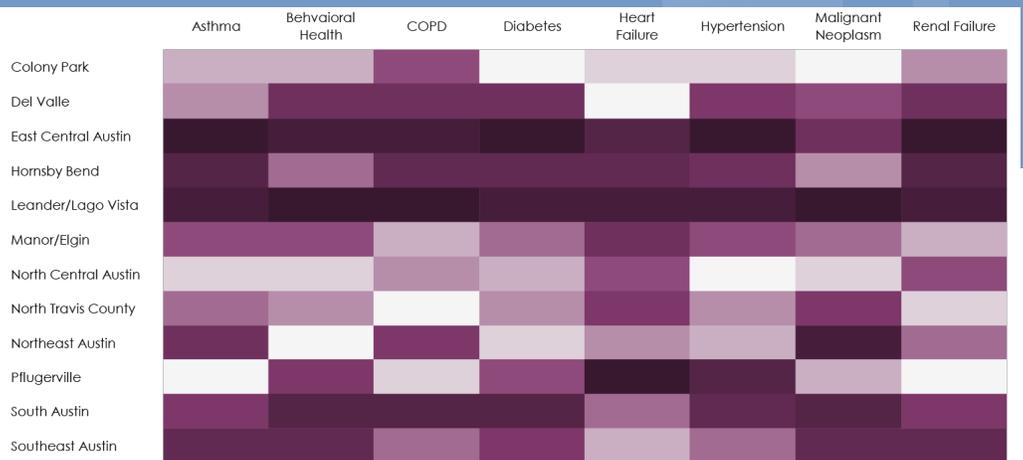
An interactive dashboard containing current Medical Access Program (MAP) membership data is available on the Central Health website.

- **Navigate** - CentralHealth.net > Our Work > Enrollment & Clinic Utilization Dashboard
- **Direct URL** - www.centralhealth.net/our-work/enrollment-clinic-utilization-dashboard/



2020 Demographic Report Disease Prevalence Among Focus Neighborhoods

Chronic conditions ranked based on prevalence rates among Central Health's MAP enrolled population in the 12 identified focus areas during FY 2019.



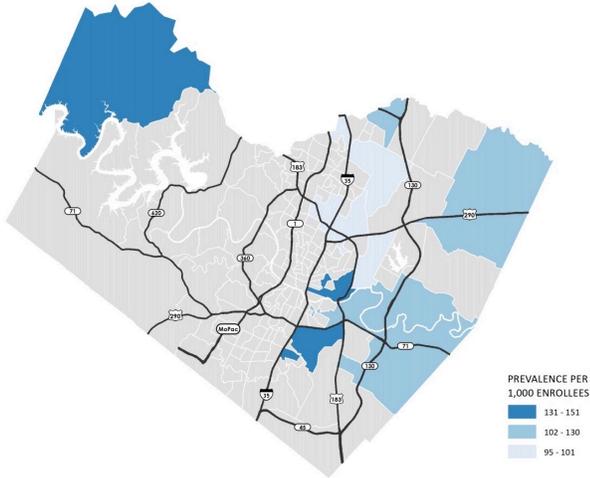
LOW PREVALENCE

HIGH PREVALENCE

2020 Central Health Demographic Report pp. 65-79
www.centralhealth.net/our-work/2020-demographic-report/

2020 Demographic Report Diabetes Prevalence

Diabetes

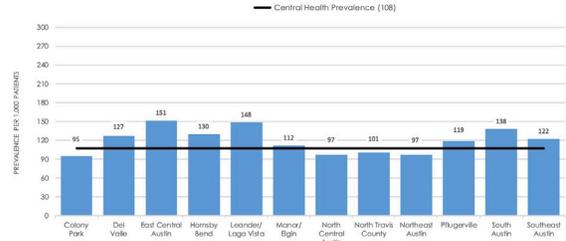


2020 Central Health Demographic Report pp. 65-79

www.centralhealth.net/our-work/2020-demographic-report/

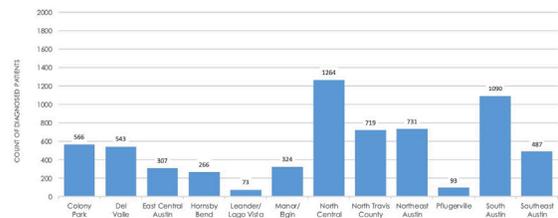
DIABETES PREVALENCE

PREVALENCE PER 1,000 CENTRAL HEALTH ENROLLEES IN FY 2019



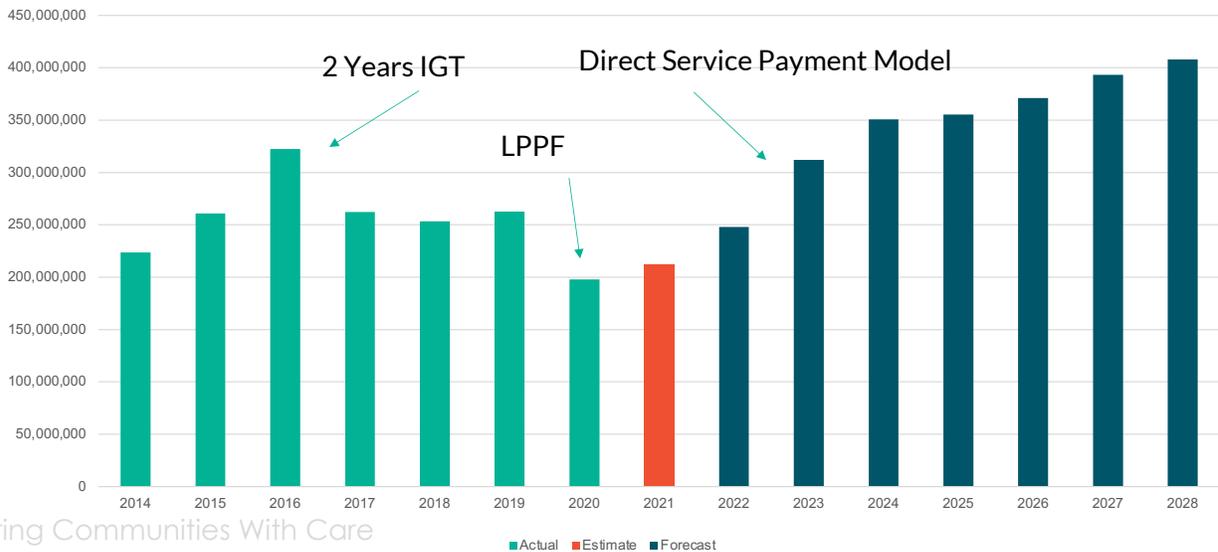
DIABETES PATIENTS

COUNT OF CENTRAL HEALTH PATIENTS WITH DIAGNOSIS IN FY 2019

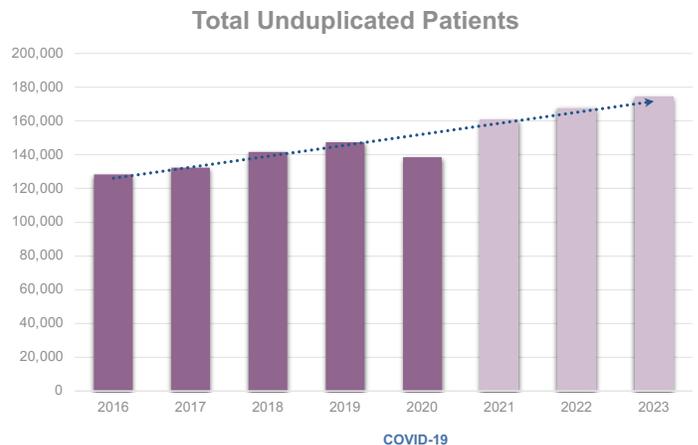
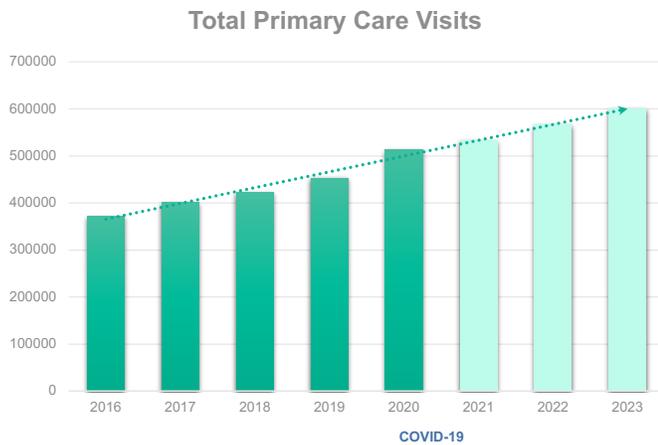


History and Forecast of Healthcare Delivery Expenditures

Healthcare Delivery Expense - 15 YOY
Excludes Contingency Reserve



Healthcare Utilization – 2016-2020



Linear forecast used to project FY 2021 – FY 2023



Central Health FY 2022 Proposed Budget Attachment A – Sources and Uses

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET
TAX RATE	0.110306	0.111814
SOURCES		
Property Taxes	234,057,519	260,933,097
Lease Revenue	12,909,866	13,422,399
Tobacco Litigation Settlement	2,800,000	3,000,000
Other	1,720,000	3,000,000
Subtotal Revenue	251,487,385	280,355,496
Contingency Reserve Carryforward	115,856,728	226,521,399
Total Sources	367,344,113	506,876,895
USES		
Healthcare Delivery	353,858,895	491,485,796
Administration	11,399,403	13,220,246
Tax Collection	2,085,816	2,170,853
Total Uses	367,344,113	506,876,895
RESERVES		
Emergency Reserve	38,719,836	38,719,836



Central Health FY 2022 Proposed Budget Attachment B – Uses: Healthcare Services

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET
HEALTHCARE DELIVERY		
Intergovernmental transfers:		
IGT - CCC DSRIP	23,528,575	15,509,298
Total Intergovernmental Transfers	23,528,575	15,509,298
Healthcare Services		
Primary Care: Medical, Dental, & Behavioral Health	56,935,000	59,040,000
Specialty Care: including Specialty Dental	13,715,000	17,175,000
Specialty Care: Behavioral Health	1,883,856	1,383,856
Post Acute Care	5,400,000	2,125,000
Pharmacy	13,250,000	14,250,000
Hospital & Specialty Services	57,000,000	-
Hospital Performance Incentive	2,700,000	-
Healthcare Services - PSH/PFS Payment	600,000	-
MAP Eligibility Enhancements Reserve	-	2,000,000
Integrated Care Collaboration (ICC)	719,990	687,035
Community Health Care Initiatives Fund	875,000	875,000
Primary & Specialty Care Reserves	2,000,000	4,050,000
Total Healthcare Services	155,078,846	101,585,891

-  DSRIP: \$8M decrease in IGT funding levels. Federal match rate will increase; programs will continue as planned.
-  Primary Care: \$2.1M increase for health care for those experiencing homelessness and/or transitioning to housing.
-  Specialty Care: \$3.5M increase (dialysis, medical weight-loss, and podiatry expansion).
-  Pharmacy: \$1M increase to include MAP Basic.
-  Post Acute: Hospital-based services were maintained in hospital and not transitioned to Central Health in FY21. \$2.1M increase for medical respite, hospice, home health and palliative care in FY22; net will be increase to Post Acute service levels.
-  Hospital Services: Amended (new) hospital payment model did not occur. Current funding model remains in place for hospital services.
-  MAP Eligibility: \$2M increase to extend eligibility period from 6 to 12 months.
-  Primary & Specialty Reserves: \$2M increase for MAP Basic expansion (patient transportation, ophthalmology & ENT).



Central Health FY 2022 Proposed Budget Attachment B – Uses: Healthcare Operations

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET
HEALTHCARE DELIVERY		
Healthcare Operations & Support		
ACA Healthcare Premium Assistance Programs	11,559,354	13,319,929
ACA Education and Enrollment	601,320	583,000
Healthcare Facilities and Campus Redevelopment	5,156,629	5,303,564
UT land lease for teaching hospital	940,843	981,231
Salary and Benefits	15,021,176	18,866,066
Legal	332,000	339,000
Consulting	1,085,500	840,000
Other professional goods & services	7,065,656	8,557,311
Marketing, Community Relations & Engagement	839,990	942,274
Leases, security & maintenance	1,774,296	1,947,000
Insurance and Risk Management	-	142,000
Phones, Technology and Utilities	2,449,460	3,293,473
Printing, copying, postage & signage	334,522	384,056
Travel, training and professional development	276,607	280,966
Other operating expenses	293,822	39,741
Health Care Capital Line of Credit	1,091,773	1,091,773
Total Healthcare Operations	48,822,947	56,911,384

Investment in ACA Premium Assistance Programs

-  Increase enrollment in High-Risk ACA Program from 600 to 750 members in Sendero Health Plans

Increasing support for health care service delivery infrastructure

New positions in the following areas:

-  Enhancing Eligibility Services
-  Additional Information Technology Requirements
-  Clinical Practice Development



Central Health FY 2022 Proposed Budget Attachment B – Uses: Reserves & Debt

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET
HEALTHCARE DELIVERY		
Reserves, appropriated uses & transfers:		
Transfer to capital reserve	34,100,000	12,546,013
Transfer to emergency reserve	-	-
Transfer to Hospital Services Reserve	4,000,000	-
Sendero risk-based capital	-	-
Contingency reserve appropriation	87,064,169	298,780,535
Total Reserves, appropriated uses & transfers	125,164,169	311,326,548
Debt service:		
Debt service - principal retirement	1,180,000	4,060,000
Debt service - interest	84,357	2,092,676
Total Debt Service	1,264,357	6,152,676

- ▼ **Capital Reserve:** \$22M reduction in budgeted funds due to operating cash flow requirements and debt financing for capital projects.
- ↔ **Hospital Services Reserve:** Amended (new) hospital payment model did not occur - no reserve established for FY 22.
- ▲ **Contingency Reserve:** see separate Contingency Reserve slide.
- ▲ **Debt Service:** \$4.9M increase due to the issuance of certificates of obligation for new facilities.



Building and Maintaining Reserves

GFOA Best Practice:

- It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

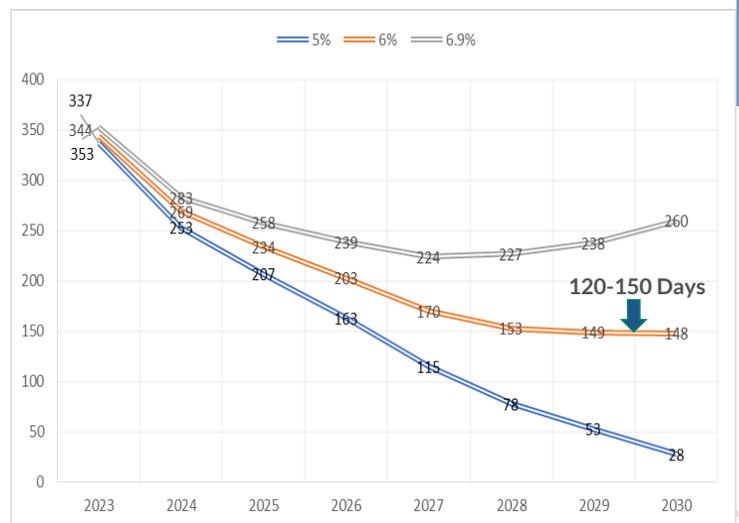
Central Health Contingency Reserve Financial Policy:

- The contingency reserve will serve as a funding source for one-time expenditures or for ongoing expenditures when needed for cyclical or temporary structural deficits.

Why do we need reserves?

- Allows Central Health to manage risk and uncertainty of unpredictable costs or revenue shortfalls.
 - CCC transition, DSRIP discontinuation, amended hospital payment model, increasing investments in care system, cash fund Colony Park clinic construction, ramp-up for new clinical services
- Ensures health care service levels are supported.
- Establishes a solid fiscal position, including strong bond rating, conservative budgeting, and liquidity.

FUTURE RESERVE LEVELS & DAYS OF CASH ON HAND



Central Health FY 2022 Proposed Budget Attachment B – Uses: Administration

DESCRIPTION	FY 2021 APPROVED BUDGET	FY 2022 PROPOSED BUDGET
ADMINISTRATION		
Salary and Benefits	5,561,651	7,134,758
Legal	1,497,136	1,456,636
Consulting	1,259,570	1,341,120
Investment Services (Travis County)	115,500	115,000
Benefits & Payroll administrative services	185,337	168,243
Other professional goods & services	1,257,450	819,787
Marketing, Community Relations & Engagement	182,350	209,958
Leases, security & maintenance	244,940	274,250
Insurance & Risk Management	150,000	375,000
Phones, Technology and Utilities	135,449	401,716
Printing, copying, postage & signage	85,245	60,745
Travel, training and professional development	222,282	370,789
Other operating expenses	502,494	492,244
Total Administration	11,399,403	13,220,246
TAX COLLECTION		
Appraisal District Svcs	1,123,128	1,179,284
Tax Collection Expense	962,688	991,569
Total Tax Collection	2,085,816	2,170,853
TOTAL USES	367,344,113	506,876,895

Increase operational excellence and infrastructure to support healthcare service delivery:

- ↑ Historically Underutilized Business (HUB) program development and implementation
- ↑ Finance & procurement to support organizational strategic objectives
- ↑ Organizational development
- ↑ Increased internal community outreach and education



FY 2022 Budget Calendar

- ✓ April 28 Central Health Board of Mangers
(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)



FY 2022 Budget Calendar

- ✓ Aug. 11 Central Health Board of Managers Meeting
(FY2022 Central Health Proposed Budget and tax rate)
- ✓ Aug. 23 Central Health Board of Managers 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. 9 Central Health Public Hearing
(FY2022 Central Health Proposed Budget and Tax Rate)
- ✓ Sept. 9 Central Health Public Hearing
(FY2022 Central Health Proposed Budget and Tax Rate)
- Sept. 21 Travis County Commissioners Court
(FY2022 Central Health Budget and Tax Rate Adopted)



QUESTIONS



Appendix

FY 2021 Accomplishments

Approved New Healthcare Clinic Plans

- Del Valle
- Hornsby Bend

Provided COVID-19 Support

- Funded healthcare services
- Communication and engagement community outreach
- Provided programmatic support to CommUnityCare

Supported Countywide Pandemic Response

- Testing clinics in Southwest Travis County
- Contact tracing and vaccine registration
- PPE campaigns
- Outreach to businesses, faith-based centers, multi-family housing
- Vaccine education: grassroots and paid media

Launched Customer Service Center

- Now handling 8,000 calls per month
- Staffed with eligibility and enrollment specialists
- Created online application process during pandemic

Addressed High-Need Area: Dialysis

- Access to consistent, standard dialysis
- Vascular and catheter access
- Case management and transportation services

Expanded Medical Management

- Added team members to reach more patients
- Developed added infrastructure to meet case management needs where people are



FY 2022 Proposed Budget Highlights

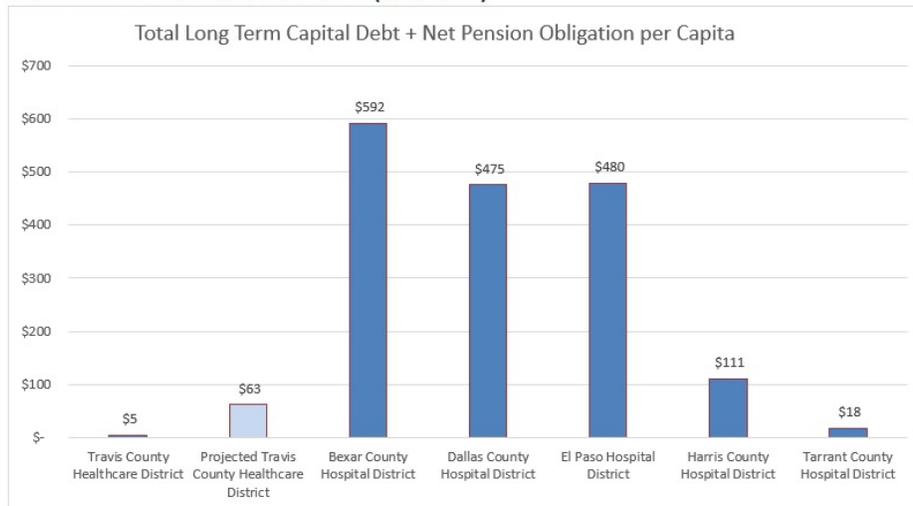
- **Investment in Healthcare Delivery Program**
- **Implement strategic priorities in healthcare services to support new initiatives and ongoing programs**
 - Specialty Care Access
 - Health Care for the Homeless
 - Behavioral Health
 - Substance Use Disorder Treatment
 - Transitions of Care
 - Clinical 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 National Provider Identifier (NPI) and Texas Provider Identifier (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

Empowering Communities With Care

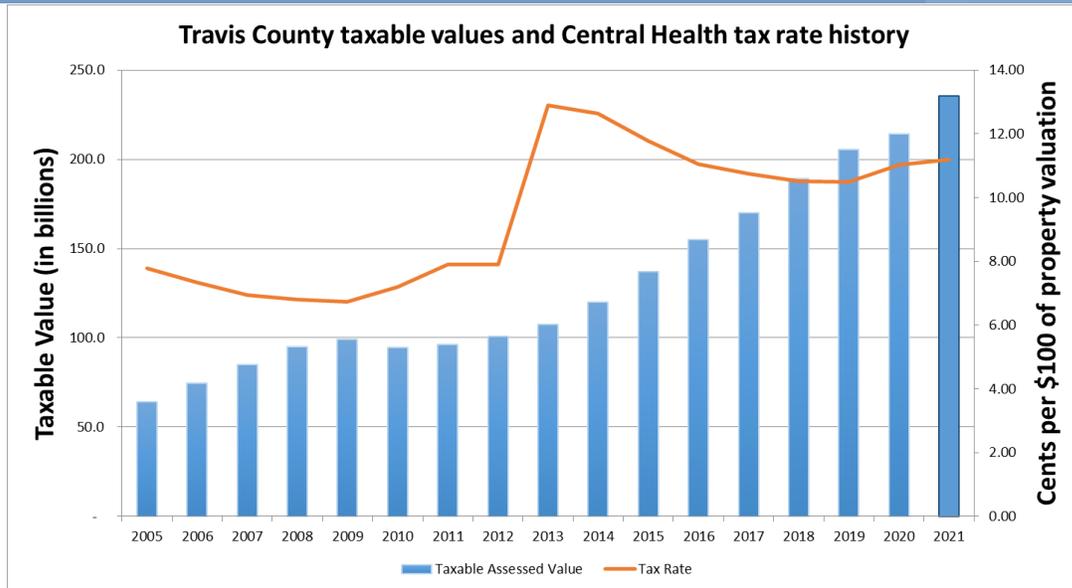


Hospital District Debt Comparison Per Capita

MAJOR TEXAS HOSPITAL DISTRICTS:
FY 2020 DEBT BURDEN COMPARISON (in millions)



Taxable Values by Tax Year (In Billions)



*Tax Year 2021 Certified Roll received July 20, 2021

Central Health Property Tax Impact Statement: FY 2021-2022

FY2021 HOMESTEAD VALUE	FY2021 TAXABLE HOMESTEAD VALUE*	FY2021 TAX BILL**	FY2022 AVERAGE HOMESTEAD VALUE APPRECIATION	FY2022 HOMESTEAD VALUE	FY2022 TAXABLE HOMESTEAD VALUE *	FY2022 TAX BILL (6.0% OVER EFFECTIVE)***	ANNUAL INCREASE	PERCENT INCREASE
150,000	\$120,000	\$132	9.4%	\$164,085	\$131,268	\$147	\$14	10.9%
250,000	\$200,000	\$221	8.9%	\$272,318	\$217,854	\$244	\$23	10.4%
350,000	\$280,000	\$309	8.8%	\$380,711	\$304,569	\$341	\$32	10.3%
450,000	\$360,000	\$397	8.7%	\$489,125	\$391,300	\$438	\$40	10.2%
550,000	\$440,000	\$485	8.3%	\$595,678	\$476,543	\$533	\$47	9.8%
650,000	\$520,000	\$574	8.1%	\$702,855	\$562,284	\$629	\$55	9.6%
750,000	\$600,000	\$662	8.3%	\$812,474	\$649,979	\$727	\$65	9.8%
850,000	\$680,000	\$750	7.8%	\$916,570	\$733,256	\$820	\$70	9.3%

*Includes 20% homestead exemption

**FY2021 Tax Rate: 11.0306¢ per \$100/valuation

***FY2022 Tax Rate: 11.1814¢ per \$100/valuation (M&O=10.9204¢, Debt Service=0.261¢)

Healthcare Delivery Program: Year-Over-Year Comparison

	ELIGIBILITY & ENROLLMENT	JOINT TECHNOLOGY	CLINICAL SERVICES & MEDICAL MANAGEMENT	PROVIDER REIMBURSEMENT & NETWORK SERVICES	HCD & WELLNESS OPERATIONS	QUALITY ASSESS & PERFORMANCE	COMMUNITY ENGAGEMENT	SERVICE DELIVERY OPERATIONS & PMO	RHP7, 1115 WAIVER, & POPULATION HEALTH STRATEGY	TOTAL
Total FY22	6,202,331	5,659,668	6,944,887	3,406,122	6,667,304	2,109,773	1,774,763	2,303,477	1,164,563	36,232,887
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	369,158	1,136,844	2,235,451	42,193	2,380,767	11,652	123,722	(33,396)	(107,854)	6,158,536
YOY % Change	6%	25%	47%	1%	56%	1%	7%	-1%	-8%	20%
Total FY22 FTEs	42.0	15.7	35.6	5.0	13.5	11.0	7.0	16.0	5.4	151.1
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	5.5	10.6	-	(1.0)	-	-	(1.0)	(0.3)	19.8



Administration Program: Year-Over-Year Comparison

	FINANCE & PROCUREMENT OPERATIONS	EXTERNAL AFFAIRS	ADMINISTRATION	STRATEGY	HUMAN RESOURCES	COMMUNICATIONS	COMPLIANCE	TOTAL
Total FY22	4,003,741	3,163,864	1,981,564	1,521,384	1,207,811	985,337	356,545	13,220,246
Total FY21	2,993,868	3,134,760	1,614,031	1,112,953	1,196,041	1,071,141	276,612	11,339,406
YOY Admin Variance	1,009,873	29,104	367,533	408,431	11,770	(85,804)	79,933	1,820,840
YOY % Change	34%	1%	23%	37%	1%	-8%	29%	16%
Total FY22 FTEs	20.7	5.4	8.0	3.0	5.7	5.5	2.0	50.2
Total FY21 FTEs	13.4	5.4	7.0	3.0	3.7	4.5	2.0	38.9
YOY FTE Variance	7.3	-	1.0	-	2.0	1.0	-	11.3



FY 2022 Capital Reserve Estimates (In Millions)

FY2022 Proposed Capital Reserves Budget	Estimated Opening Balance FY22	Estimated Reserves	Total Sources of Capital Reserves	Estimated FY22 Uses of Capital Reserves	Estimated Capital Reserves Ending Balance FY22
Eastern Travis County Facilities	\$14.8	\$3.0	\$17.8	\$7.3	\$10.5
Campus Redevelopment	4.9	-	4.9	4.4	0.5
Technology and Equipment	0.9	3.4	4.3	2.3	2.0
Facilities and Operations	1.9	6.1	8.1	4.3	3.8
Total	\$22.5	\$12.5	\$35.0	\$18.2	\$16.8



Central Health Major Capital Projects Update

Major Capital Project Budget and Planning	Board of Mangers Approved Budget	Estimate of Expenses through 9/30/2021	Remaining Project Budget for Future Years	Primary Financing Source
Epic Electronic Health Record	\$9,100,000	\$9,100,000	\$0	Line of Credit
Hornsby Bend Health and Wellness Center	\$5,072,000	\$1,169,196	\$3,902,804	CO Issue 2021
Del Valle Health and Wellness Center	\$10,083,000	\$1,277,190	\$8,805,810	CO Issue 2021
Colony Park Health and Wellness Center	\$16,143,586	\$1,608,447	\$14,535,139	Capital Reserves*
Red River Realignment	\$8,464,000	\$4,788,644	\$3,675,356	Capital Reserves
Clinical Services and Administrative Consolidation	\$62,590,000	\$22,500,000	\$40,090,000	CO Issue 2021

*currently anticipated to be funded by capital reserves



ATTACHMENT I-CENTRAL HEALTH STATISTICAL INFORMATION & DEMOGRAPHIC REPORTING

Central Health Statistical Information

Top Ten Taxpayers

1. Samsung Austin Semiconductor
2. Columbia/St. David's Health Care
3. Oracle America Inc.
4. Apple Inc.
5. Icon IPC TX Property Owner
6. CSHV-401 Congress LLC
7. Finley Company
8. GW Block 23 Office LLC
9. HEB Grocery Company LP
10. BPP Alphabet MF Riata LP

Race/Ethnicity (2020)

GROUP	NUMBER	PERCENTAGE
Total Population	1,290,188	100%
Hispanic or Latino (of any race)	421,110	32.6%
Not Hispanic or Latino	869,078	67.4%
White alone, not hispanic or latino	612,824	47.5%
Black or African American alone	96,270	7.5%
American Indian or Alaska Native alone	2,762	0.2%
Asian alone	99,660	7.7%
Native Hawaiian and Other Pacific Islander alone	774	0.0%
Some other race alone	6,513	0.5%
Two or more races	50,275	3.9%

Language Spoken at Home (2019)*

LANGUAGE	NUMBER	PERCENTAGE
Total Population 5+ years of age	1,197,185	100%
English only	828,834	69.2%
Language other than English	368,351	30.8%
Spanish	268,603	22.4%
Other Indo-European languages	43,472	3.6%
Asian and Pacific Islander languages	44,952	3.8%
Other languages	11,324	0.9%

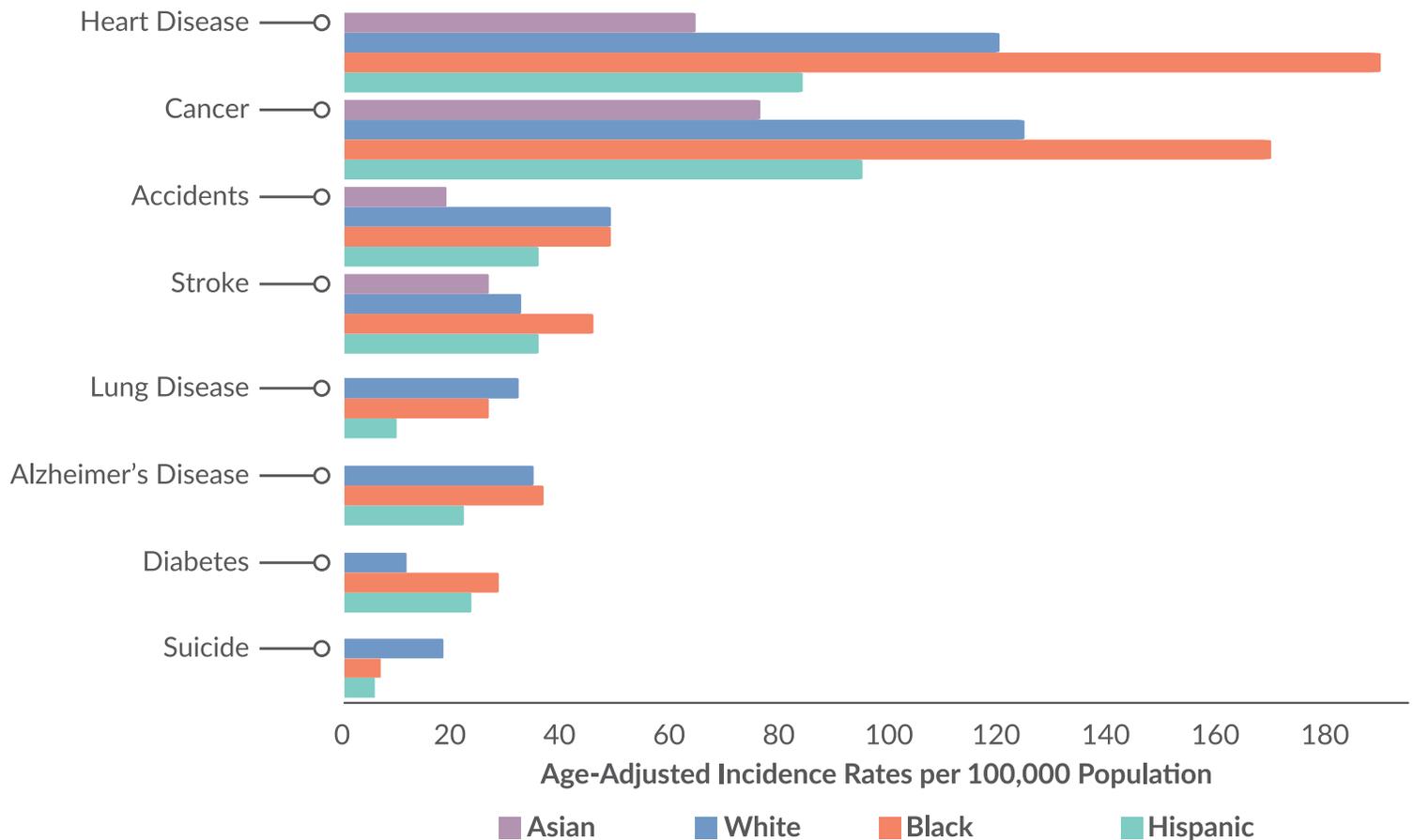
* American Community Survey, 2019, one-year estimate

ATTACHMENT I

Poverty Levels (2019)*

GROUP	TOTAL	NUMBER BELOW POVERTY LEVEL	PERCENT BELOW POVERTY LEVEL
Total population for whom poverty status is determined	1,245,11	136,100	10.9%
White alone, not Hispanic or Latino	608,778	40,934	6.7%
Black or African American alone	98,120	18,916	19.3%
Hispanic or Latino (of any race)	420,562	64,506	15.3%
American Indian or Alaska Native alone	(no data)	(no data)	(no data)
Native Hawaiian and other Pacific Islander alone	(no data)	(no data)	(no data)
Some other race alone	98,568	11,762	11.9%
Two or more races	50,801	5,545	10.9%

Age-Adjusted Mortality Rates by Race/Ethnicity*, Travis County, 2017-2019



Source: Centers for Disease Control and Prevention, WONDER

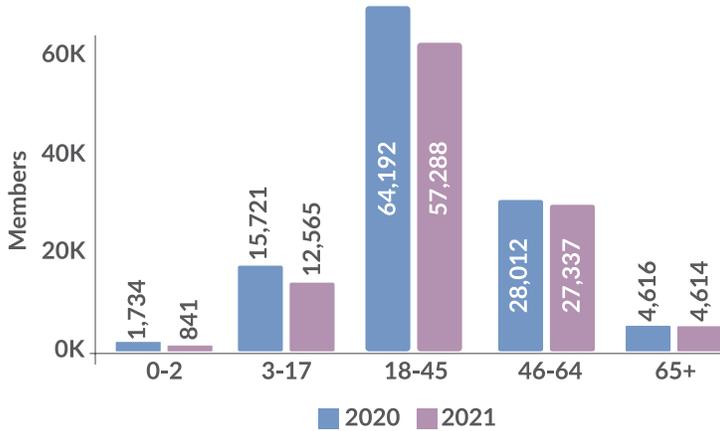
*Rates for Asian and Pacific Islander are unreliable and suppressed by CDC WONDER for some causes

CENTRAL HEALTH (CH) MEDICAL ACCESS & SLIDING FEE SCALE PROGRAMS.

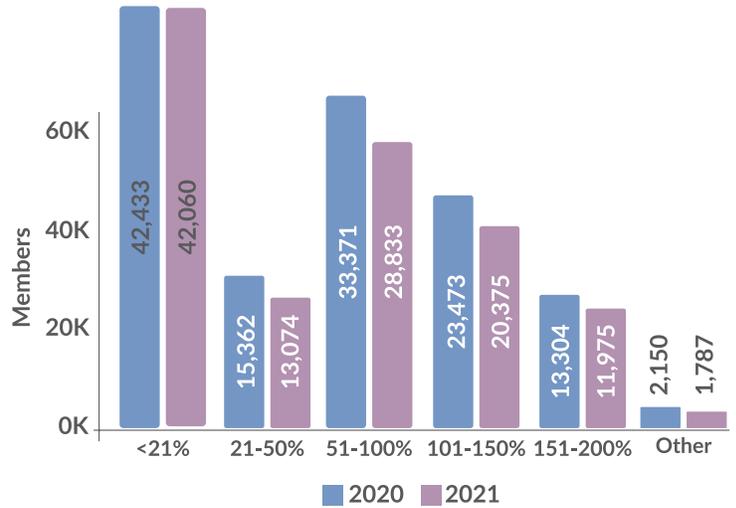
MEMBER DEMOGRAPHIC CHARACTERISTICS FY20, FY21

FY20 - 112,725; FY21 - 100,94

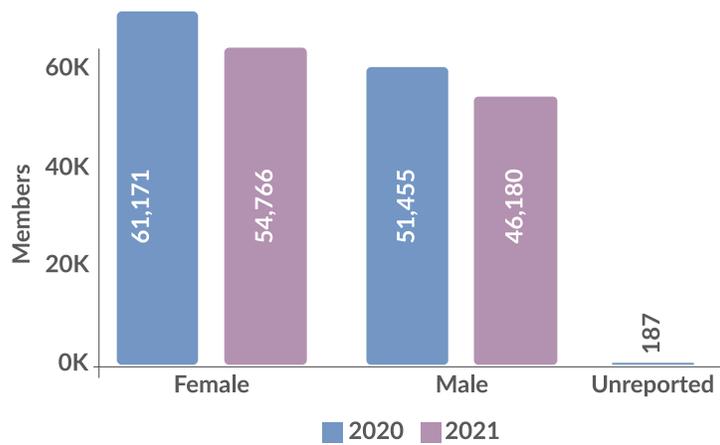
CH Member Age



CH Member Federal Poverty Level



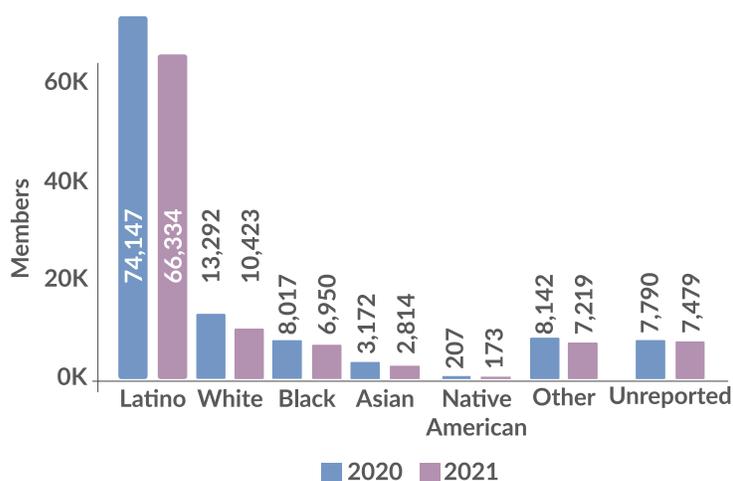
CH Member Gender



CH Member Top Languages

LANGUAGE	2020	2021
Spanish	48.10%	50.31%
English	40.03%	37.14%
Arabic	0.37%	0.36%
Vietnamese	0.26%	0.26%
Burmese	0.13%	0.13%
Nepali	0.12%	0.11%
Mandarin	0.06%	0.06%
SignLanguage	0.06%	0.08%
Unreported	2.19%	1.38%
NULL	8.68%	10.17%

CH Member Race/Ethnicity



Data Source: VeritySource (Eligibility Database).

This database includes members who have been enrolled in the Medical Assistance Program (MAP), MAP BASIC administered by the CH or Sliding Fee Scale (SFS) programs reimbursed by Central Health. Members seen exclusively through the Seton Charity Care (SCC) program are not included. Members were deduplicated using a Community ID (CID). CID Identifications are unique, site agnostic member identifiers. A total of 10,587 members were identified as homeless in FY2020 and 9,352 in FY2021. Race and Ethnicity are not captured separately in our Eligibility enrollment application tool. Percentages of White, Black, Asian, Other reflect enrollees belonging to that race group who did not identify as Latino.

GLOSSARY

1115 Waiver | A federal funding program for uncompensated care and Delivery System Reform Incentive Payments (DSRIP)

ACA Affordable Care Act | A healthcare reform law that addresses health insurance coverage.

Accrual | An expenditure that is recognized for a fiscal year or period but not received or disbursed until a subsequent fiscal year or period.

Ad Valorem Tax | A tax of real estate or personal property based on the taxable value of the property and is assessed at a rate per \$100 of taxable value.

Approved Budget | The financial plan for Central Health approved by the Travis County Commissioners Court for use in the fiscal year of October 1 to September 30.

Assessed Valuation | The valuation set for Travis County properties by the Travis Central Appraisal District as a basis for levying property taxes.

Average Homestead Taxable Value | The mean property value of Travis County homesteads after a 20% homestead exemption and other required adjustments are applied, as appraised and certified by the Travis Central Appraisal District.

Average Homestead Value | The mean property value of Travis County homesteads, as appraised and certified by the Travis Central Appraisal District.

Basis of Budgeting | Central Health's basis of budgeting is the accrual basis in accordance with generally accepted accounting principles (GAAP), with the exception of depreciation.

Balanced Budget | A financial plan in which projected total sources funds are equal to total planned uses of funds plus established reserves.

Budget | An organization's comprehensive financial plan for the coming fiscal year.

Budget Amendment | A change in the level of funding that increases or decreases the total budget of an individual program (Healthcare Delivery or Administration/Tax Collection) which requires approval by the Central Health Board of Manager and the Travis County Commissioners Court.

Budget Calendar | The schedule of dates that Central Health follows in the preparation and adoption of the budget.

Capital Expenditure | Defined as use of funds on an asset with an initial, individual cost of at least \$5,000, and an estimated useful life of one year or more.

CCC Community Care Collaborative | Central Health's partnership with Ascension Seton to provide healthcare.

CEO | Chief Executive Officer

Certificates of Obligation | Debt that is authorized by the Travis County Commissioners Court and does not require prior voter approval. Intent to issue certificates of obligation must be published in the local newspaper in advance of issuing the debt.

CHAP | Central Health Assistance Program: a program through Central Health that provides premium assistance to eligible members.

CHIP | Children's Health Insurance Program: a program to provide health care coverage to children in families that do not qualify for Medicaid.

CMS | Centers for Medicare & Medicaid Services: a federal agency in the department of Health and Human Services that administers the healthcare programs Medicare and Medicaid.

Credit Rating | An opinion given by a credit rating agency that indicates the ability and willingness of a bond issuer to meet its financial obligations in full and on time. A credit rating also indicates the credit quality of an individual debt issue.

Debt Service Rate | The component of the total tax rate the taxing unit needs to pay its debt service in the coming year.

Depreciation | A decrease in the value of a capital asset due to wear and tear, deterioration, end of useful service life, or the passage of time.

DSH | Disproportionate Share Hospital (DSH) program funds uncompensated care for hospitals treating indigent patients.

DSRIP | Delivery System Reform Incentive Payments: a program that is designed to improve how health care is delivered by incentivizing providers and hospitals.

DY | DSRIP funding year.

ED | Emergency Department: the department of the hospital that is responsible for patients requiring immediate care.

Expenditures | Uses of funds which are recognized when the liability is incurred and expected to be liquidated with current financial resources.

Fiscal Year | A twelve-month period, extending from October 1st through the following September 30th, which is designated as the operating year for accounting and budget purposes.

FPL | Federal Poverty Level: an economic measure created from census data that is used to determine qualifications for federal programs.

Fund Balance | In governmental funds, when there are funds leftover at the end of a fiscal year from either underspending the budget or taking in revenue in excess of the amount budgeted.

FTE | Full-time Equivalent: FTE is equivalent to an employee that is scheduled to work 40 hours/week.

FQHC | Federally Qualified Health Center: a designation from CMS to provide primary care services in underserved communities.

Governmental Accounting Standards Board (GASB) | An organization whose main purpose is to improve and create accounting and reporting standards and generally accepted accounting principles (GAAP).

Governmental Fund | A type of fund that accounts for government entities activities including General Funds. Central Health does not have a governmental fund, rather is a single proprietary fund, known as an enterprise fund (see definition of Proprietary Fund below).

HHSC | Texas Health and Human Services Commission: a state agency that manages programs that assist families with food, health care, safety and disaster needs.

IGT | Intergovernmental Transfers: the transfer of funds between governmental entities.

Interlocal Agreement | An agreement between governmental agencies often resulting in one governmental agency receiving funds from another agency.

LPPF | Local Provider Participation Fund: an account that local governments deposit mandatory hospital payments into for an IGT to HHSC.

MAP | Medical Access Program, a full benefits package for eligible residents who are at or below 100 percent of the Federal Poverty Level (FPL)

No-new-revenue Maintenance & Operations (M&O) Tax Rate | A tax rate that is a component of the total tax rate that provides the taxing unit with approximately the same amount of revenue it received in the previous year for day-to-day operations (Maintenance and Operations).

No-new-revenue Tax Rate | A calculated rate that provides a taxing unit with approximately the same amount of revenue it received in the previous year on properties taxed in both years. If property values rise, the effective tax rate will go down, and vice versa. The effective tax rate calculation is established by state law.

Proposed Budget | The financial plan presented to the Central Health Board of Managers for consideration and then recommended to the Travis County Commissioners Court to adopt for use October 1 to September 30.

Proprietary Fund | The type of fund used to account for Central Health's ongoing operations and activities that are similar to businesses found in the private sector. Central Health operates as a single proprietary fund known as an enterprise fund.

Reserve | A line item used to set aside sources of funds that may not be required for expenditure in the current budget year.

Residential Homestead Exemption | A reduction in taxable value on a primary residence. Central Health offers a 20% exemption on a principal residence primarily owned and occupied by an individual.

Revenue | Sources of funds that finance the operations of government.

Structural Balance | In governmental budgeting, a budget achieves structural balance if it supports financial sustainability for multiple years into the future through the matching of ongoing uses of funds to ongoing sources of funds and the maintenance of an appropriate reserve balance.

Tax Rate | The amount of tax stated in terms of a unit of the tax base; in Texas, the tax rate is stated in terms of every \$100 of value.

TPA | Third Party Administrator: an organization that processes claims for another entity.

Travis Central Appraisal District | A special unit of government with the primary responsibility to develop an annual appraisal roll for use by taxing units in imposing ad valorem taxes on property in the district.

UC | Uncompensated Care: hospital care that receives no reimbursement.

UMCB | University Medical Center Brackenridge

Voter-approval Tax Rate | The tax rate that provides the taxing unit with approximately the same amount of revenue it spent in the previous year for day-to-day operations (Maintenance and Operations), plus an extra 8.0%.

FOR MORE INFORMATION, VISIT ANY OF CENTRAL HEALTH'S WEBSITES:

CentralHealth.net

Central Health's primary web site. Find information about our history, our Board of Managers and Executive Leadership team, upcoming meeting schedules, budget and financial documents, links to health care resources, health care planning updates and data, news and press releases, job openings, and more.

CCC-IDS.org

The home for information about the Community Care Collaborative—the Central Health and Seton Healthcare Family non-profit partnership—including meetings, financing, current projects and careers.

CommUnityCareTX.org

The site is a resource for locations, services and contact information to any of CommUnity- Care's 20-plus health centers. Visitors may also access links to a patient portal, eligibility and career resources.

SenderoHealth.com

Sendero Health Plans is an Austin-based nonprofit organization providing a locally based health maintenance organization (HMO) tailored to the needs of Central Texas communities.

Visit the site to learn more about Sendero's health coverage options.

MedicalAccessProgram.net

This site provides information about the Medical Access Program (MAP), Central Health's own health coverage program for Travis County residents at or below 100 percent of federal poverty level. Learn about the benefits, where to seek care, and more.

CHEligibility.net

Find out if you might qualify for MAP, or any of the other health plans offered by the State of Texas, including Medicaid and CHIP. You can also learn about the process for enrolling and details about information necessary to begin.

TexasRHP7.org

The home for 1115 Medicaid Waiver-related information, specific to Region 7, the region anchored by Central Health. The latest news and updates for participants, as well as essential information, forms and data is all available here.



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