

**CENTRAL HEALTH****Our Vision**

Central Texas is a model healthy community.

Our Mission

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

Our Values

Central Health will achieve excellence through:

Stewardship - We maintain public trust through fiscal discipline and open and transparent communication.

Innovation - We create solutions to improve healthcare access.

Right by All - By being open, anti-racist, equity-minded, and respectful in discourse, we honor those around us and do right by all people.

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

BUDGET AND FINANCE COMMITTEE MEETING

Wednesday, August 27, 2025 4:00 p.m.

Or immediately following the Medical Committee Meeting

Videoconference meeting¹

A quorum of the Committee and the presiding officer will be present at:

Central Health Administrative Offices
1111 E. Cesar Chavez St.
Austin, Texas 78702
Board Room

Members of the public may attend the meeting at the address above, or observe and participate in the meeting by connecting to the Zoom meeting link listed below (copy and paste into your web browser):

<https://us06web.zoom.us/j/87904858020?pwd=nyMAKd2nP2KXxu9zqxPaevkYVYRNkV.1>

Meeting ID: 879 0485 8020

Passcode: 092507

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

<https://www.youtube.com/@tchealthdistrict/streams>

Or to participate by telephone only:

Dial: (346) 248 7799

Meeting ID: 832 5642 1504

Passcode: 092507

The Committee may meet via videoconference with a quorum present in person and will allow public participation via videoconference and telephone as allowed under the Open Meetings Act. Although a quorum of the Committee will be physically present at the location posted in this meeting notice, we strongly encourage all members of the public to observe the meeting virtually and participate in public comment, if desired, through the virtual meeting link or telephone number listed on this meeting notice.

STAYS IN FILE

A member of the public who wishes to make comments virtually during the Public Communication portion of the meeting must properly register with Central Health **no later than 2:30 p.m. on Aug 27, 2025**. Registration can be completed in one of three ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-up/>;
- Call 512-978-9190 and leave a voice message with your full name, your request to comment via telephone, videoconference, or in-person at the meeting; or
- Sign-in at the front desk on the day of the meeting, prior to the start of the meeting.

Individuals who register to speak on the website or by telephone will receive a confirmation email and/or phone call by staff with instructions on how to join the meeting and participate in public communication.

PUBLIC COMMUNICATION

Public Communication rules for Central Health Board and Committee meetings include setting a fixed amount of time per person to speak and limiting Board and Committee responses to public inquiries, if any, to statements of specific factual information or existing policy. The Public Communication portion of the meeting is expected to begin at approximately 5:30 p.m., unless a member of the public wishes to comment on a specific item on this agenda.

COMMITTEE AGENDA²

1. Approve the minutes of the July 15, July 23, and August 12, 2025 Budget and Finance Committee meetings. (*Action Item*)
2. Receive the July 2025 financial statements for Central Health. (*Informational Item*)
3. Receive the July 2025 financial statements for CommUnityCare Health Centers. (*Informational Item*)
4. Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2026 budget and tax rates, as well as the FY 2026 budget for CommUnityCare Health Centers.³ (*Informational Item*)
5. Receive and discuss financial and operational updates from Sendero Health Plans.^{3,4} (*Informational Item*)
6. Receive and discuss an update on the Central Health Business Meal Reimbursement Policy, FIN1-006P. (*Informational Item*)
7. Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)

¹ This meeting may include one or more members of the Budget and Finance Committee participating by videoconference. It is the intent of the presiding officer to be physically present and preside over the meeting at Central Health Headquarters, 1111 Cesar Chavez, Austin, Texas 78702. This meeting location will be open to the public during the open portions of the meeting, and any member participating by videoconference shall be visible and audible to the public members in attendance whenever the

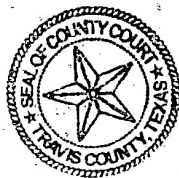
member is speaking. Members of the public are strongly encouraged to participate remotely through the toll-free videoconference link or telephone number provided.

- ² The Budget and Finance Committee may take items in an order that differs from the posted order and may consider any item posted on the agenda in a closed session if the item involves issues that require consideration in a closed session and the Committee announces that the item will be considered during a closed session. A quorum of Central Health's Board of Managers may convene or participate via videoconference to discuss matters on the Committee agenda, and any Committee actions will be in conformance with the Central Health Bylaws.
- ³ Possible closed session discussion under Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).
- ⁴ Possible closed session discussion under Texas Government Code §551.071 (Consultation with Attorney).

Any individual with a disability who plans to attend or view this meeting and requires auxiliary aids or services should notify Central Health as far in advance of the meeting day as possible, but no less than two days in advance, so that appropriate arrangements can be made. Notice should be given to the Board Governance Manager by telephone at (512) 978-8049.

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

Came to hand and posted on a Bulletin Board in the
County Recording Office, Austin, Travis County, Texas on this the
22 day of August 2025
By Dyana Limon-Mercado
County Clerk, Travis County, Texas
ARIEL HERNANDEZ Deputy



202581148

**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Dyana Limon-Mercado
Dyana Limon-Mercado, County Clerk
Travis County, Texas

Aug 22, 2025 10:38 AM

Fee: \$0.00

HERNANDEZA



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CENTRAL HEALTH

MEMORANDUM

To: Central Health Board of Managers
From: Dr. Pat Lee, Central Health President and CEO
Date: August 22, 2025
Re: Preview of Priority Agenda Items – Upcoming Board and Committee Meetings

In advance of next week's Budget & Finance Committee and full Board meeting, I want to highlight the key items that will require your attention, deliberation, and action. This summary is provided to ensure you are well prepared and able to focus our discussion on the most critical priorities.

Key Agenda Items

1. FY2026 Central Health Budget & Proposed Tax Rate

- **Presentation:** Staff will present the updated FY2026 budget, including refinements since the last meeting's discussion. Updates include additional investment in Integral Care.
- **Action Required:** Roll call vote to approve the proposed FY26 tax rate for publication in the statutory public notice and to approve the date, time, and location for the required public hearing planned for September 3rd.

2. CommUnityCare Budget & Financials

- **Presentation:** CommUnityCare will present their July 2025 financial statements and respond to pre-submitted questions regarding their FY26 budget.
- **Discussion:** Board members will have an opportunity for additional questions. This continues our integrated approach to budget planning, aligned with our FY26 system priorities and the moonshot goal of reducing wait times and expanding access to care.

3. Sendero Health Plans Update

- **Open Session:** Sendero will share an update during the public comment period on how they are educating members about upcoming federal Affordable Care Act (ACA) policy changes.
- **Closed Session:** Discussion of federal policy and market conditions impacting FY26 projections.

We are entering the final stage of the FY26 budget and tax rate approval process. Staff remain available for individual meetings to address any additional questions in advance of the final vote

on September 10th. As a reminder, we have two upcoming meetings where board managers and staff will continue conversations about the budget and tax rate.

Next Steps in the Budget & Tax Rate Process

- **September 3:** Public hearing on the FY26 tax rate, followed by a regular Board meeting
- **September 10:** Board meeting to adopt the FY26 budget and tax rate

Thank you for your leadership and commitment to advancing our mission to improve the health and well-being of Travis County residents.

With appreciation,

Pat Lee, MD
President & Chief Executive Officer
Central Health

BUDGET & FINANCE COMMITTEE MEETING
August 27, 2025

AGENDA ITEM 1

Approve the minutes of the July 15, July 23, and August 12, 2025 Budget and Finance Committee meetings. (*Action Item*)

MINUTES OF MEETING – JULY 15, 2025
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Tuesday, July 15, 2025, a meeting of the Central Health Budget and Finance Committee convened in open session at 6:40 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Briana Harris.

Committee members present in person: Chair Museitif, Manager Motwani, and Manager Valadez

Board members present via audio and video or in person: Manager Rodriguez, Manager May, Manager Jones, and Manager Kitchen

Absent: Manager Martin

COMMITTEE AGENDA

1. Receive an update on Fiscal Year (FY) 25 Board of Managers budget proposals.

Clerk's Notes: Discussion on this item began at 6:41 p.m. Mr. Jeff Knodel, Chief Financial Officer; Ms. Monica Crowley, Chief Strategy and Planning Officer & Sr. Counsel; and Ms. Anisa Kendall, Sr. Director of Strategic Planning, presented a brief update on FY25 Board member budget proposals, including proposals aligned to existing strategic priorities that were recommended for further development through a Business Case and/or RFP process.

2. Receive and discuss an overview of legislative and regulatory issues impacting the Central Health System.

Clerk's Notes: Discussion on this item began at 7:03 p.m.

At 7:34 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 2 under Texas Government Code §551.071 (Consultation with Attorney).

At 8:51 p.m. the Committee returned to open session.

3. Discuss Central Health owned or occupied real property and potential property for acquisition, lease, or development in Travis County, including next steps in the redevelopment of the Central Health Downtown Campus, administrative offices of Central Health Enterprise partners, and new developments in Eastern Travis County.

Clerk's Notes: Discussion on this item began at 7:34 p.m.

At 7:34 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 3 under Texas Government Code §551.072 (Deliberation Regarding Real Property).

At 8:51 p.m. the Committee returned to open session.

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

Manager Valadez moved that the Committee adjourn.

Manager Brinson seconded the motion.

Chairperson Museitif
Manager Martin

For
Absent

Manager Motwani	For
Manager Valadez	For
Manager Jones	For
Manager Kitchen	For
Manager Rodriguez	For
Manager Brinson	For

The meeting was adjourned at 8:51 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Manuel Martin, Secretary
Central Health Board of Managers

MINUTES OF MEETING – AUGUST 12, 2025
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Tuesday, August 12, 2025, a meeting of the Central Health Budget and Finance Committee convened in open session at 7:17 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Valerie Guerra.

Committee members present in person: Chair Museitif, Manager Motwani, and Manager Valadez

Committee members present via audio and video: Manager Brinson

Board members present in person: Manager Rodriguez, Manager Kitchen, and Manager Jones (departed at 9:30 p.m.),

Absent: Manager Martin

COMMITTEE AGENDA

1. **Receive and discuss a presentation on the proposed Calendar Year 2025 tax rate for Central Health and the Fiscal Year 2026 budgets for both Central Health and CommUnityCare Health Centers.**

Clerk's Notes: Discussion on this item began at 7:25 p.m.

At 7:27 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 1 under Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).

At 9:44 p.m. the Committee returned to open session.

2. **Accept an in-kind contribution from Univision and Fiesta Tortilla for the upcoming Vivir con Ganas Health Expo on September 27, 2025.**

Clerk's Notes: Discussion on this item began at 7:20 p.m. There was no presentation given on this item. Chair Museitif announced there was a memo provided in the packet.

Manager Museitif moved that the Committee recommend that the Board accept an in-kind contribution from Univision, Integral Care, and Fiesta Tortilla for the upcoming Vivir con Ganas Health Expo on September 27, 2025.

Manager Valadez seconded the motion.

Chairperson Museitif	For
Manager Martin	Absent
Manager Motwani	For
Manager Valadez	For
Manager Rodriguez	For
Manager Kitchen	For
Manager Jones	For

3. **Receive and discuss an overview of legislative and regulatory issues impacting the Central Health System.**

Clerk's Notes: Discussion on this item began at 7:27 p.m.

At 7:27 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 3 under Texas Government Code §551.071 (Consultation with Attorney) and Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).

At 9:45 p.m. the Committee returned to open session.

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

Manager Kitchen moved that the Committee adjourn.

Manager Valadez seconded the motion.

Chairperson Museitif	For
Manager Martin	Absent
Manager Motwani	For
Manager Valadez	For
Manager Rodriguez	For
Manager Kitchen	For

The meeting was adjourned at 9:45 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Manuel Martin, Secretary
Central Health Board of Managers

MINUTES OF MEETING – JULY 23, 2025
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, July 23, 2025, a meeting of the Central Health Budget and Finance Committee convened in open session at 4:02 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Chris Hardick.

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

Board members present via audio and video or in person: Manager Kitchen, Manager Brinson, Manager Jones, Manager May, and Manager Rodriguez

COMMITTEE AGENDA

The Budget and Finance Committee recessed at 5:14 p.m. to take up an item on the Board of Managers agenda.

The Budget and Finance Committee returned from recess at 7:20 p.m.

1. Approve the minutes of the June 25, 2025 Budget and Finance Committee meeting.

Clerk's Notes: Discussion on this item began at 7:20 p.m.

Manager Museitif moved that the Committee approve the minutes of the June 25, 2025 Budget and Finance Committee meeting.

Manager Brinson seconded the motion.

Chairperson Museitif	For
Manager Martin	For
Manager Motwani	For
Manager Valadez	For
Manager May	Absent
Manager Rodriguez	For
Manager Jones	For
Manager Brinson	For
Manager Kitchen	Absent

2. Receive the June 2025 financial statements for Central Health.

Clerk's Notes: Discussion on this item began at 7:21 p.m. There was no presentation on this item. Chair Museitif noted that supporting materials were included in the packet and advised Managers to email Briana Harris with any questions.

3. Receive the June 2025 financial statements for CommUnityCare Health Centers.

Clerk's Notes: Discussion on this item began at 7:22 p.m. There was no presentation on this item. Chair Museitif noted that supporting materials were included in the packet and advised Managers to email Briana Harris with any questions.

4. Receive an update on Fiscal Year 2026 (FY26) Board of Managers budget proposals.

Clerk's Notes: Discussion on this item began at 7:22 p.m. There was no presentation on this item. Backup was provided in the packet.

5. Receive and discuss a presentation on the proposed FY26 tax rates and budgets for both Central Health and CommUnityCare Health Centers.

Clerk's Notes: Discussion on this item began at 7:15 p.m. Dr. Pat Lee, President & CEO, Ms. Jeff Knodel Chief Financial Officer and Mr. Jon Morgan, Chief Operating Officer presented the Central Health FY26 proposed budget. The presentation also included details on the FY26 budget initiatives.

6. Discuss and take appropriate action on Central Health owned or occupied real property and potential property for acquisition, lease, or development, including next steps in the redevelopment of the Central Health Downtown Campus, administrative offices of Central Health Enterprise partners, and new developments in Travis County.

Clerk's Notes: Discussion on this item began at 4:06 p.m.

At 4:09 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 6 under Texas Government Code §551.071 (Consultation with Attorney), Texas Government Code §551.072 (Deliberation Regarding Real Property), and Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).

At 5:12 p.m. the Committee returned to open session.

Manager Kitchen moved that the Committee recommend that the Board approve the delegation of authority to the President & CEO to execute a lease on terms similar to or better than those as presented by staff.

Manager Martin seconded the motion.

Chairperson Museitif	Absent
Manager Martin	For
Manager Motwani	For
Manager Valadez	Against
Manager May	Absent
Manager Rodriguez	For
Manager Jones	Abstain
Manager Brinson	For
Manager Kitchen	For

7. Discuss and take appropriate action on a notice of intent to issue certificates of obligation to finance acquisition and construction or renovation of real property.

Clerk's Notes: Discussion on this item began at 4:06 p.m.

At 4:09 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 7 under Texas Government Code §551.071 (Consultation with Attorney) and Texas Government Code §551.072 (Deliberation Regarding Real Property).

At 5:12 p.m. the Committee returned to open session.

Manager Brinson moved that the Committee recommend that the Board approve a notice of intent to issue certificates of obligation to finance acquisition and construction or renovation of real property.

Manager Martin seconded the motion.

Chairperson Museitif	Absent
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Manager Martin	For
Manager Motwani	For
Manager Valadez	Abstain
Manager May	For
Manager Rodriguez	For
Manager Jones	For
Manager Brinson	For
Manager Kitchen	For

8. Discuss and take appropriate action on a request from the Board of Directors of Sendero Health Plans, Inc. to approve the initiation of a new line of business.

Clerk's Notes: Discussion on this item began at 4:06 p.m.

At 4:09 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 8 under Texas Government Code §551.071 (Consultation with Attorney) and Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).

At 5:12 p.m. the Committee returned to open session.

Manager Motwani moved that the Committee recommend that the Board adopt the draft resolution approving the initiation of a new line of business by Sendero Health Plans, Inc.

Manager Valadez seconded the motion.

Chairperson Museitif	Absent
Manager Martin	For
Manager Motwani	For
Manager Valadez	For
Manager May	For
Manager Rodriguez	For
Manager Jones	For
Manager Brinson	For
Manager Kitchen	For

9. Accept a contribution of \$2,500,000 from ECHO (Ending Homelessness Coalition, Inc.) for reimbursement of qualifying PSH HCC (Permanent Supportive Housing Health Care Collaborative).

Clerk's Notes: This item was not taken up, as it had already been approved on the Board of Managers consent agenda when the Budget and Finance Committee recessed to address items on the Board of Managers agenda.

10. Accept a one-time grant of \$84,120 from The Shivers Cancer Foundation.

Clerk's Notes: This item was not taken up, as it had already been approved on the Board of Managers consent agenda when the Budget and Finance Committee recessed to address items on the Board of Managers agenda.

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

Manager Kitchen moved that the Committee adjourn.

Manager Jones seconded the motion.

Chairperson Museitif	For
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Manager Martin	For
Manager Motwani	For
Manager Valadez	For
Manager May	Absent
Manager Rodriguez	For
Manager Jones	For
Manager Brinson	For
Manager Kitchen	For

The meeting was adjourned at 9:18 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Manuel Martin, Secretary
Central Health Board of Managers

BUDGET & FINANCE COMMITTEE MEETING
August 27, 2025

AGENDA ITEM 2

Receive the July 2025 financial statements for Central Health. (*Informational Item*)



CENTRAL HEALTH
TRAVIS COUNTY HOSPITAL DISTRICT

Central Health

Financial Statement Presentation

YTD July 2025

Preliminary

Central Health Board of Managers Budget and Finance Committee

Jeff Knodel, CFO

Nicki Riley, Deputy CFO

Patti Bethke, Controller

July 2025

1



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Slide 8 Direct Services

Slide 10 Specialty Care

Slide 11 Balance Sheet Details



Highlights

- Fiscal year-to-date collected net property tax revenue is \$341.9 million, which is 97.5% of the adjusted levy versus 97.3% this time last year.
- UT Affiliation Agreement payment was accrued this month for \$35M. Payment is due on August 15th.
- Direct Services is \$31.9 million year-to-date versus \$12.2 million prior year-to-date.
- Opioid related expenditures in July were \$255,661.
- Sendero High Risk Claims Advance, which began in January 2024, is \$36.3 million, including interest.

BALANCE SHEET
7/31/2025
7/31/2024

CURRENT ASSETS

CASH AND CASH EQUIVALENTS	\$	8,005,775	\$	8,648,728
SHORT TERM INVESTMENTS		617,527,687		626,638,327
LEASE RECEIVABLE SHORT TERM*		12,499,342		10,339,234
ACCOUNTS RECEIVABLE TAX		5,898,652		4,779,425
OTHER RECEIVABLES		48,101,849		19,226,875
TOTAL UNRESTRICTED CURRENT ASSETS		692,033,305		669,632,589

RESTRICTED CASH & INVESTMENTS

RESTRICTED TCHD LPPF CASH & INVESTMENTS		32,131,424		5,016,760
RESTRICTED OPIOID FUNDS		3,503,580		-
RESTRICTED FOR CAPITAL ACQUISITION		201,944,223		171,647,137
TOTAL RESTRICTED CASH & INVESTMENTS		237,579,227		176,663,897

TOTAL CURRENT ASSETS

	929,612,532	846,296,486
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LONG TERM ASSETS

SENDERO PAID-IN CAPITAL		83,000,000		83,000,000
SENDERO SURPLUS DEBENTURE		37,083,000		37,083,000
ADVANCE RECEIVABLE		4,000,000		4,000,000
LEASE RECEIVABLE LONG TERM*		237,565,929		237,697,428
TOTAL LONG TERM ASSETS		361,648,929		361,780,428

TOTAL CAPITAL ASSETS, NET OF DEPRECIATION

221,861,093	173,013,837
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TOTAL ASSETS

1,513,122,554	1,381,090,751
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LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE	62,107,486	51,261,040
SALARIES & BENEFITS PAYABLE	13,329,756	10,397,836
SHORT-TERM DEBT SERVICE PAYABLE	10,938,559	10,806,652
DEFERRED TAX REVENUE	4,631,479	3,801,991
TOTAL CURRENT LIABILITIES	91,007,280	76,267,519

RESTRICTED OR NONCURRENT LIABILITIES

FUNDS HELD FOR TCHD LPPF	32,131,424	5,016,760
LONG-TERM DEBT SERVICE PAYABLE	151,774,790	160,227,882
LEASE & SUBSCRIPTION LIABILITIES*	56,173,231	55,997,621
DEFERRED REVENUE*	225,062,826	229,607,942
TOTAL RESTRICTED OR NONCURRENT LIABILITIES	465,142,271	450,850,205

TOTAL LIABILITIES

556,149,551	527,117,724
--------------------	--------------------

NET ASSETS

RESTRICTED FOR CAPITAL ASSETS	259,986,251	202,599,555
RESTRICTED FOR OPIOID SETTLEMENT	3,503,580	-
RESTRICTED FOR EMERGENCY RESERVE	58,120,090	46,739,076
UNRESTRICTED	635,363,082	604,634,396
TOTAL NET ASSETS	956,973,003	853,973,027

LIABILITIES AND NET ASSETS

\$ 1,513,122,554	\$ 1,381,090,751
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* GASB87 & GASB96 reporting requirement for leases and Subscription-Based Information Technology Arrangements.

SOURCES AND USES	Jul 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
SOURCES					
PROPERTY TAX REVENUE	\$ 443,327	\$ 341,930,252	\$ 346,638,452	99%	\$ 312,159,538
LEASE REVENUE	1,283,094	12,807,905	9,361,825	137%	16,243,601
OTHER REVENUE	3,248,025	58,961,137	28,741,200	205%	26,830,644
NET TOBACCO SETTLEMENT REVENUE	-	6,817,278	5,000,000	136%	5,194,413
PATIENT REVENUE	34,458	294,236	300,000	98%	56
OPIOID SETTLEMENT REVENUE	-	5,773,501	4,664,833	124%	-
TOTAL SOURCES	5,008,904	426,584,309	394,706,310	108%	360,428,252
USES OF FUNDS					
HEALTHCARE DELIVERY PROGRAM	25,217,397	229,121,298	353,461,994	65%	181,502,676
ADMINISTRATIVE PROGRAM	4,403,075	27,340,417	38,505,951	71%	19,494,387
UT AFFILIATION AGREEMENT	35,000,000	35,000,000	35,000,000	100%	35,000,000
OTHER FINANCING USES	-	61,381,015	61,381,015	100%	8,019,000
OPIOID ABATEMENT EXPENSE	255,661	2,188,787	4,664,833	47%	-
TOTAL USES	64,876,133	355,031,517	493,013,793	72%	244,016,063
EXCESS SOURCES / (USES)	\$ (59,867,229)	\$ 71,552,792	\$ (98,307,483)		\$ 116,412,189



Details for Healthcare Delivery on the following slides

July 2025

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HEALTHCARE DELIVERY	Jul 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
PURCHASED HEALTHCARE SERVICES					
PRIMARY CARE	6,274,445	64,244,583	73,957,000	87%	53,183,316
SPECIALTY CARE	2,760,632	22,028,036	31,153,000	71%	14,041,238
SPECIALTY BEHAVIORAL HEALTH AND SUBSTANCE USE	2,877,966	19,740,695	25,750,000	77%	15,292,591
PHARMACY	1,573,445	13,260,507	19,000,000	70%	8,871,025
POST ACUTE CARE	711,637	5,776,216	8,100,000	71%	3,620,216
COMMUNITY HEALTHCARE INITIATIVES FUND	-	149,125	1,000,000	15%	294,252
PURCHASED HEALTHCARE SERVICES	14,198,125	125,199,162	158,960,000	79%	95,302,638
DIRECT SERVICES	4,307,615	31,939,753	60,043,848	53%	12,242,580
SUBTOTAL HEALTHCARE SERVICES	18,505,740	157,138,915	219,003,848	72%	107,545,218
HEALTHCARE OPERATIONS & SUPPORT	6,711,657	71,982,383	134,458,146	54%	73,957,458
TOTAL HEALTHCARE DELIVERY	\$ 25,217,397	\$ 229,121,298	\$ 353,461,994	65%	\$ 181,502,676

DIRECT SERVICES	Jul 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
Diagnostics and Other Services	\$ 411,316	\$ 2,461,412	\$ 4,395,034	56%	\$ 612,957
Clinical Support	916,696	8,210,574	13,826,160	59%	2,891,663
Endocrinology	29,398	41,923	762,556	5%	-
Rheumatology	44,290	125,454	656,943	19%	-
Cardiology	162,978	1,242,133	2,437,279	51%	234,911
Gastroenterology	189,558	1,601,053	2,953,976	54%	968,685
Nephrology	96,782	552,400	1,859,200	30%	255,321
Neurology	-	7,701	2,019,556	0%	192,975
Podiatry	113,124	1,879,420	2,192,929	86%	1,103,038
Pulmonology	111,285	757,431	1,497,711	51%	665,905
Palliative Care	77,485	597,016	958,984	62%	216,843
Pharmacy	86,542	713,595	1,849,580	39%	80,203
Behavioral Health	92,295	721,286	1,227,110	59%	129,601
Patient Navigation Center*	797,418	5,410,198	6,105,265	89%	1,721,279
Psychiatry	73,865	361,741	1,674,311	22%	-
Medical Respite	495,442	2,490,732	5,239,210	48%	476,964
Transition of Care	609,141	4,765,684	10,388,044	46%	2,692,235
Total Direct Services	\$ 4,307,615	\$ 31,939,753	\$ 60,043,848	53%	\$ 12,242,580

*Navigation Calls

July 2025

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DIRECT SERVICES	Actual FTEs	Budget FTEs	Co Hires	Jul 2025 Patient Encounters	FYTD 2025 Patient Encounters	Service Line Start Date
Diagnostics and Other Services	22.5	37.9	0.1	417	2,698	Various
Clinical Support	67.0	107.0	-	-	-	N/A
Endocrinology	2.0	6.0	-	-	-	N/A
Rheumatology	3.0	5.6	0.4	52	71	N/A
Cardiology	9.0	11.0	-	193	987	9/30/2024
Gastroenterology	5.1	12.7	1.7	336	2,539	10/2/2023
Nephrology	5.0	7.8	1.0	28	848	2/1/2024
Neurology	-	1.0	-	-	-	N/A
Podiatry	11.0	11.0	-	264	1,988	10/23/2023
Pulmonology	5.6	11.0	0.8	181	1,251	10/2/2023
Palliative Care	5.9	6.9	-	72	632	2/5/2024
Pharmacy	7.0	12.0	-	92	644	4/3/2024
Behavioral Health	6.0	15.0	-	175	1,397	3/20/2024
Patient Navigation Center*	49.0	60.5	-	12,488	104,159	
Psychiatry	3.5	6.5	-	82	360	10/3/2024
Medical Respite	45.0	64.0	0.5	252	1,512	8/23/2023
Transition of Care	46.7	73.0	-	982	2,938	11/15/2023
Total Direct Services	293.3	448.9	4.4	15,614	122,024	

*Navigation Calls

July 2025

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SPECIALTY CARE	Jul 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
Ancillary Services	\$ 117,602	\$ 1,153,232	\$ 3,360,000	34%	\$ 109,686
Cardiology	176,184	948,380	800,000	119%	635,351
Dental	448,547	3,068,109	2,500,000	123%	1,642,364
Dermatology	82,564	798,916	1,100,000	73%	819,484
Durable Medical Equipment	62,999	244,224	1,058,000	23%	83,322
Endocrinology	75,558	700,781	800,000	88%	570,766
Ear, Nose & Throat	119,517	1,122,041	1,200,000	94%	377,798
Gastroenterology	242,164	2,130,924	1,925,000	111%	1,063,086
General Surgery	32,363	214,692	300,000	72%	253,881
Gynecology	202,455	1,807,474	2,200,000	82%	1,632,170
Infectious Disease	(8,381)	6,829	100,000	7%	14,097
Musculoskeletal	200,008	1,957,409	2,350,000	83%	1,300,000
Neurology	4,736	43,179	100,000	43%	52,557
Nephrology/Dialysis	36,788	790,942	3,150,000	25%	957,206
Oncology	223,429	1,492,683	2,850,000	52%	592,961
Ophthalmology	292,950	1,847,935	2,325,000	79%	1,158,623
Physical Medication & Reha	17,171	109,943	200,000	55%	442,000
Podiatry	164,648	1,595,078	850,000	188%	1,002,770
Pulmonology	62,151	566,068	550,000	103%	261,886
Referral Management	5,780	28,640	425,000	7%	38,680
Rheumatology	22,564	225,643	400,000	56%	255,868
Sexual & Reproductive Ser	178,835	1,174,914	2,310,000	51%	776,682
Specialty Care Reserve	-	-	300,000	0%	-
	\$ 2,760,632	\$ 22,028,036	\$ 31,153,000	71%	\$ 14,041,238

Balance Sheet (details)

Current Assets

Ad Valorem Taxes Receivable – \$5.9M

Current Taxes	\$ 8,806,542
Delinquent Taxes	5,392,378
Tax Distributions In Transit	127,721
Appraisal District Adjustments	(4,175,063)
Short-Term Tax Allowance	(1,853,829)
Long-Term Tax Allowance	(2,399,097)
Total Ad Valorem Taxes Receivable	\$ 5,898,652

Other Receivables – Other receivables total \$48.1M and includes intercompany

Accounts Receivable Manual	\$ 306,135
Accounts Receivable Patient	215,495
AR Patient Clearing Account	1,835
AR Enterprise Health Claims	144,465
Deposits	66,906
DUE FROM CommUnityCare CUC	3,895,391
DUE FROM Sendero SHP	1,074,246
Investment Interest Receivable	5,273,709
Prepaid Expenses	783,448
Prepaid Tax Collection Fees	1,036
Receivable Interest Risk Pool ST	1,261,987
Receivable Risk Pool ST	35,077,196
Total Other Receivables Balance	\$ 48,101,849

Long Term Assets

Working Capital Advance to CommUnityCare – \$4M

Current Liabilities

Accounts Payable – Major components of the \$62.1M balance are:

System AP	\$ 913,576
System AP EPIC Refunds	(175)
Manual AP	36,693,492
Procurement Cards	221,819
IBNR	22,217,947
IBNR - Prior Year	1,979,326
DUE TO CommunityCareCollaborative CCC	81,500
Total Accounts Payable	\$ 62,107,485

Salaries and Benefits Payable – \$32.1M balance is comprised of the accrued liability for salary costs unpaid at month-end plus the value of accrued personal time off.

Debt Service Payable, Short-Term – \$56.2M in Certificates of Obligation and Interest Payable for Series 2020, 2021 and 2023 Taxable and non-Taxable debt.

Restricted or Noncurrent Liabilities

Debt Service Payable and Premium, Long-Term – \$151.8M

Series (in millions)	Non Tax	Taxable	Premium
Limited Tax Refunding Bonds, Taxable Series 2020	\$ -	\$ -	\$ -
CO, Series 2021 (Limited Tax)	11.20	-	1.30
CO, Taxable Series 2021 (Limited Tax)	-	49.00	0.40
CO, Series 2023A (Limited Tax)	6.30	-	0.80
CO, Taxable Series 2023B (Limited Tax)	-	82.80	-
Totals	\$ 17.50	\$ 131.80	\$ 2.50
Total Long Term Debt Service Payable	\$ 151.80		

\$7.285M was originally issued in 2011 for the North Central clinic and refunded May 2020. \$72.9M was issued in 2021 for two clinics and an administration building. \$99.4M was issued in 2023 for two clinics. Annual payments are due on 3/1 for all Series for principal and interest and 9/1 for interest only.

Sources and Uses - YTD (details)

Lease Revenue – \$12.8M for Downtown Campus (parking garage), Hancock Clinic, and land leases (The 2033 Fund and ground lease)

Investment and Other Revenue – \$59.0M - \$20.1M from sale of the David Powell Clinic

BUDGET & FINANCE COMMITTEE MEETING

August 27, 2025

AGENDA ITEM 3

Receive the July 2025 financial statements for CommUnityCare Health Centers. (*Informational Item*)

AGENDA ITEM SUBMISSION FORM

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

Agenda Item Meeting Date August 27, 2025

Who will present the agenda item? (Name, Title) Joy Sloan, CUC CFO and Jeff Knodel, CH CFO

General Item Description Receive the June 2025 financial statements for CommUnityCare Health Centers.

Is this an informational or action item? Informational Item

Fiscal Impact _____

Recommended Motion (if needed – action item) N/A

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

- 1) Staff will present CUC June financials.
- 2) _____

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

Estimated time needed for presentation & questions? 10 minutes

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: Valerie Guerra/August 20, 2025

July 2025 Financial Report for CommUnityCare

Joy Sloan, CFO – CommUnityCare



July experienced a loss (\$815K), bringing the year to date loss to \$3.5M

Summary: Statement of Activities							
Description	Month 07/31/2025	Month 06/30/2025	Actual 07/31/2025	YTD Budget	Variance from	% Variance	Prior FYTD 07/31/2024
Pharmacy Revenue	6.23M	7.46M	63.10M	64.46M	-1.36M	-2.1%	59.20M
Pharmacy Supplies	4.80M	4.72M	45.17M	41.42M	3.74M	9.0%	37.51M
Pharmacy Net	1.42M	2.74M	17.93M	23.03M	-5.11M	-22.2%	21.68M
Operating Revenue							
Net Third Party Revenue	6.61M	5.27M	56.69M	66.53M	-9.84M	-14.8%	47.39M
CH MDBS Revenue	4.98M	4.71M	47.24M	46.15M	1.09M	2.4%	41.11M
Total Patient Service Revenue	11.58M	9.99M	103.93M	112.69M	-8.75M	-7.8%	88.50M
Grant Revenue	1.16M	1.28M	12.36M	13.00M	-0.63M	-4.9%	23.51M
CH Contract Revenue	1.49M	1.53M	17.90M	15.60M	2.30M	14.8%	10.79M
Total Operating Revenue	14.24M	12.80M	134.20M	141.29M	-7.08M	-5.0%	122.80M
Expense							
Wages and Benefits	12.64M	12.53M	122.48M	128.06M	-5.58M	-4.4%	119.17M
Contract Labor	0.62M	0.63M	5.95M	5.00M	0.95M	19.1%	6.79M
Direct Care Expense	1.20M	1.09M	11.58M	11.63M	-0.05M	-0.4%	10.85M
Indirect Care Expense	1.22M	0.99M	10.37M	11.09M	-0.71M	-6.4%	12.26M
Occupancy Expense	0.79M	0.89M	8.14M	8.10M	0.04M	0.5%	8.04M
Depreciation Expense	0.08M	0.08M	0.77M	0.80M	-0.02M	-3.1%	0.51M
Total Expense	16.54M	16.20M	159.30M	164.67M	-5.37M	-3.3%	157.63M
Net Operating Surplus/(loss)	-0.87M	-0.66M	-7.17M	-0.35M	-6.83M	1960.6%	-13.14M
Non Operating Rev/Exp	0.06M	0.12M	3.63M	0.19M	3.44M	1784.5%	5.06M
Net Surplus/(loss)	-0.82M	-0.53M	-3.54M	-0.16M	-3.39M	2179.3%	-8.09M
Gross cost per encounter-excluding Bad Debt	\$ 459.85	\$ 508.23	\$ 466.21	\$ 416.18	\$ 50.04	12.0%	\$ 450.81
Medical cost per Medical Encounter	\$ 254.75	\$ 280.19	\$ 256.56				\$ 239.15
Dental cost per Dental Encounter	\$ 204.86	\$ 218.81	\$ 217.88				\$ 205.65
Pediatrics Cost per Encounter	\$ 205.15	\$ 227.38	\$ 202.95				\$ 181.60
HIV/Aids Cost per Encounter	\$ 812.30	\$ 696.46	\$ 661.35				\$ 450.57
Homeless Cost per Encounter	\$ 574.40	\$ 585.15	\$ 598.23		35		\$ 509.86
Net Pharmacy Revenue per Medical Encounter	\$ 26.13	\$ 63.34	\$ 39.02	\$ 56.70	\$ (17.68)	-31.18%	\$ 64.18

Negative trends on 340B and Medicaid continue

Diligent hiring decisions have kept wages lower than budget

We continue to work on staff retention and recruitment efforts

July was fairly stable on the balance sheet, though cash dropped with 3 payrolls

Summary: Statement of Financial Position

Description	Current Month 07/31/2025	Prior Month 06/30/2025	Variance	Fiscal Year 2024	Variance	Target
Cash and Investments	\$22.59M	\$25.87M	-\$3.28M	\$22.31M	\$0.28M	
Accounts Receivable	\$14.15M	\$13.05M	\$1.10M	\$23.52M	-\$9.38M	
Non Current Assets	\$2.32M	\$1.98M	\$0.34M	\$2.22M	\$0.10M	
Long Term Assets	\$36.11M	\$36.08M	\$0.03M	\$36.52M	-\$0.41M	
Current Liabilities	\$19.43M	\$20.43M	-\$1.00M	\$25.29M	-\$5.86M	
Long Term Liabilities	\$10.15M	\$10.15M	\$0.00M	\$10.15M	\$0.00M	
Net Assets	\$45.59M	\$46.41M	-\$0.82M	\$49.13M	-\$3.54M	
Days Cash on Hand	34	39	(4.9)	35	(1)	60
Current Ratio(Assets/Liabilities)	1.89	1.91	(0.01)	1.81	0.08	2.00
Debt to Equity Ratio (total liabilities/net assets)	0.65	0.66	(0.01)	0.72	(0.07)	<1.0

- Days cash on hand ended at 34 days because of 3 withdrawals for payroll in July
- Draws on our federal grants continue to require additional explanation but have not resulted in any delayed payments.
- Our current ratio dropped slightly because of the drop in cash. Accounts receivable increased slightly due to timing of payment posting and grant draws.

Encounters continue to run under budget this fiscal year

- We are actively recruiting for open provider positions:
 - Contracted providers for our convenient care are on track to begin in September
 - We continue to see an increase in providers accepting and onboarding:
 - June = 4; July = 5; August = 8
 - We have 4.6 positions related to expansion that have not been filled – we will begin recruiting for these soon
- Our plan for FY26 remains unchanged:
 - Incentive pay structure
 - Develop strategy with HR for resources for provider relations
 - Targeted recruitment for experienced APP's



Encounters, Performance and Payers					
Description	Year to Date	Budget FYTD	Variance	%	Prior Year to Date
Medical Encounters					
Family Practice	137,359	157,512	(20,153)	-12.8%	139,186
Internal Medicine	39,020	46,048	(7,028)	-15.3%	36,609
Women's Health	36,898	40,204	(3,306)	-8.2%	36,537
Pediatrics	96,797	111,721	(14,924)	-13.4%	100,514
Specialty Care	24,604	22,510	2,094	9.3%	24,949
Total Medical	334,678	377,995	(43,317)	-11.5%	337,795
Dental Encounters					
General Dentistry	51,385	49,995	1,390	2.8%	43,065
Pediatric Dentistry	15,602	20,547	(4,945)	-24.1%	13,838
Total Dental	66,987	70,542	(3,555)	-5.0%	56,903
Behavioral Health	28,023	34,879	(6,856)	-19.7%	28,090
Therapy	8,892	11,788	(2,896)	-24.6%	10,076
Total Encounters	438,580	495,204	(56,624)	-11.4%	432,864
Clinic Operating Days	211	212	(1.5)	-0.7%	212
Encounters by Working Day					
Medical	1,589.9	1,783.0	(193.1)	-10.8%	1,593.4
Behavioral Health	133.1	164.5	(31.4)	-19.1%	132.5
Dental	318.2	332.7	(14.5)	-4.4%	268.4
Therapy	42.2	55.6	(13.4)	-24.0%	47.5
Total	2,083.5	2,335.9	(252.4)	-10.8%	2,041.8
Provider Utilization % (including Overbooks)	86.2%				
Medical Provider positions open	19.32				12.53
FT Providers exceeding encounter target-90%	53.2%				52.0%
Unduplicated Patients (fiscal year count)	135,365				129,188
% Patients new to the practice	6.3%				6.5%

We face ongoing downward pressure on 340B savings and payer mix

As presented previously:

- *Medicaid enrollment is a challenge and we are not seeing increased numbers – hovering at 25% of encounters*
- *340B pressures continue and we are experiencing reduced margins on account of the Patient Assistance program changes – this equates to a reduction from budgeted revenue of \$600K per month (\$7.5M per year).*

Action plans include:

- Seeking new revenue streams and understanding enrollment barriers – simplifying financial screening with CH
- Augmented recruitment and development of incentive plans in collaboration with HR/CH Executives
- Move more patients to in-house pharmacies for medications to minimize 340B impacts
- Work closely with CH on areas of alignment and funding opportunities



COMMUNITYCARE™
HEALTH CENTERS

Thank you!

BUDGET & FINANCE COMMITTEE MEETING

August 27, 2025

AGENDA ITEM 4

Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2026 budget and tax rates, as well as the FY 2026 budget for CommUnityCare Health Centers.³ (*Informational Item*)

AGENDA ITEM SUBMISSION FORM

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

Agenda Item Meeting Date August 27, 2025

Who will present the
agenda item? (Name, Title) Jeff Knodel, Chief Financial Officer
Joy Sloan, CUC Chief Financial Officer

General Item Description Receive and discuss a presentation on the proposed FY26 tax rates and budgets for both Central Health and CommUnityCare Health Centers.

Is this an informational or
action item? Informational

Fiscal Impact _____

Recommended Motion (if
needed – action item) _____

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

- 1) Staff will present the proposed FY26 tax rates and budgets for Central Health and CommUnityCare.
- 2) _____
- 3) _____

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

Estimated time needed for
presentation & questions? 40 minutes

Is closed session
recommended? (Consult
with attorneys.) No

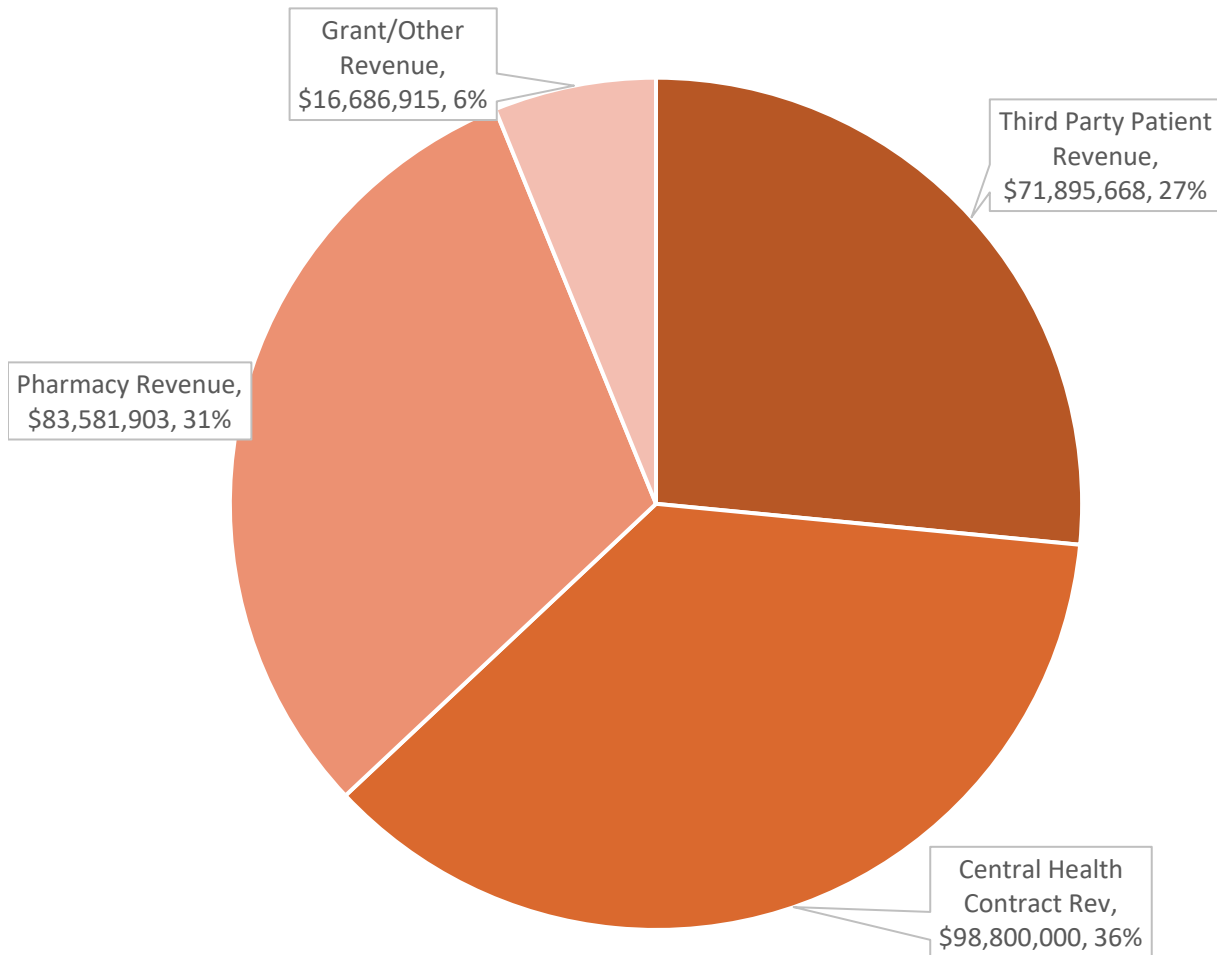
Form Prepared By/Date
Submitted: Valerie Guerra/ August 20, 2025

Proposed 2026 Budget

Joy Sloan, CFO

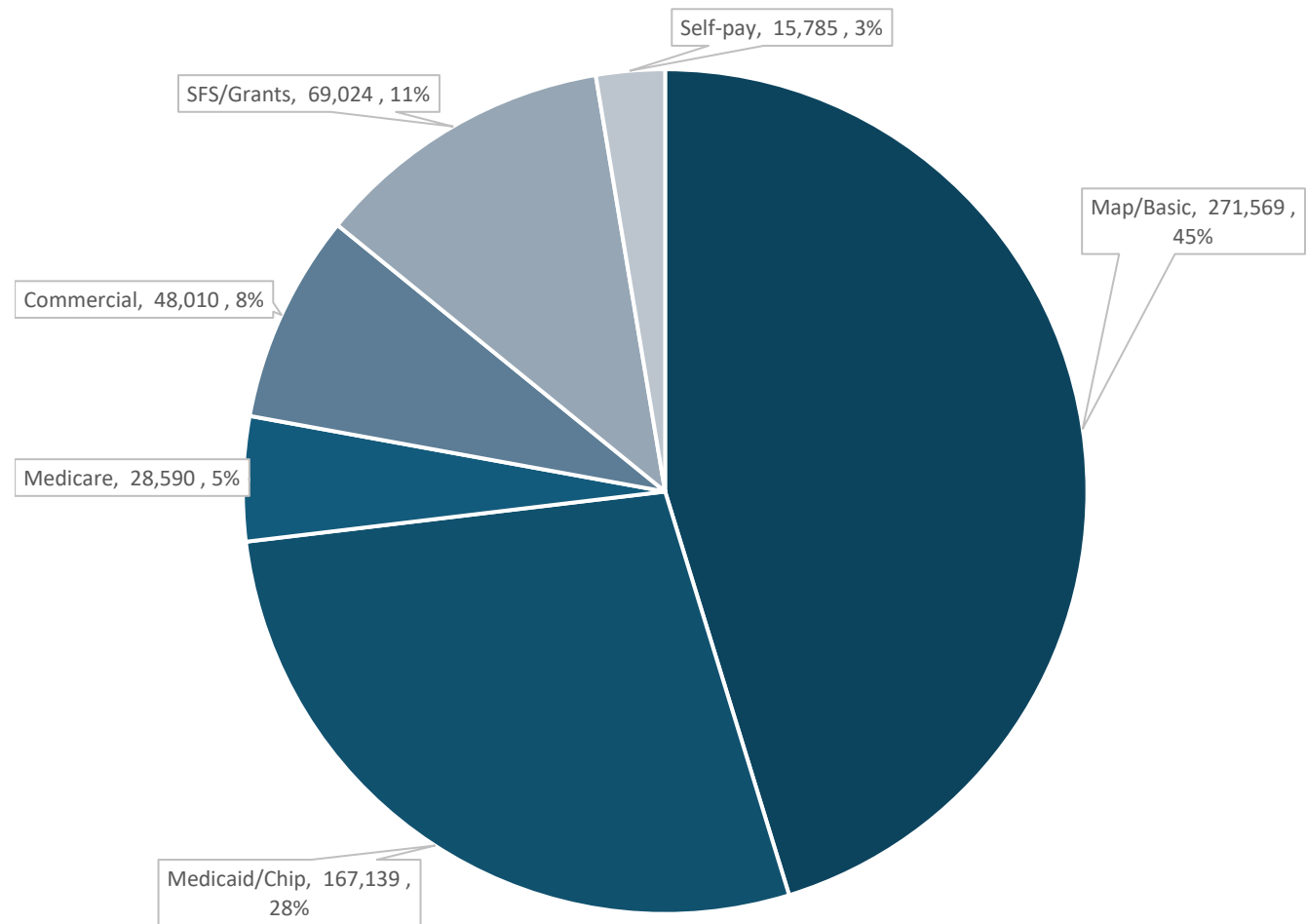


FY2026 total revenue is \$270M; an increase of 11% from FY2025 Projections (\$243M)



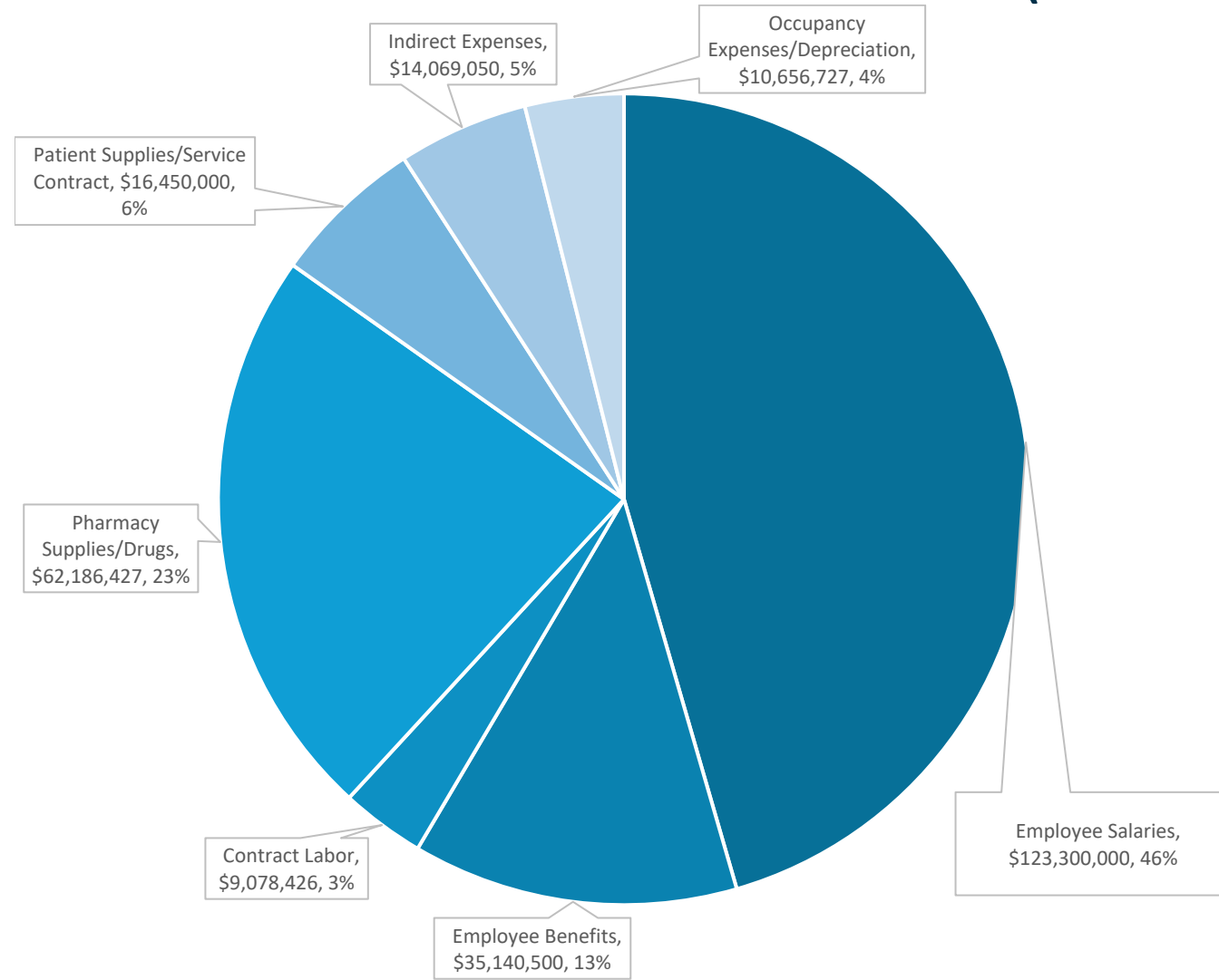
- Total encounters drove increases in:
 - Third Party Revenue (6%)
 - Pharmacy Revenue (10%)
- Grant revenue decreased 11% from FY2025 – Covid grants ended
- Central Health Contract revenue increased 21%
 - Map/Basic % of patients seen are expected to increase to 45%
 - Offset for lower Medicaid encounters and 340B Margin

Encounters are budgeted to hit 600K in FY2026, up 14% from FY2025 Projections of 526K



- Of the additional 76K encounters:
 - 62K are medical
 - 11K are Behavioral Health
 - 1.7K are Dental
 - 1.6K are Therapies (OT,SP,PT)
- Payer Mix includes holding Medicaid at 25% and Chip at 3%
- We are expecting to see an increase in Map/Basic and sliding fee scale

Total expenses of \$270M increased 11% from FY2025 Projections (\$243M)



- Wages and Benefits increased 14% (11.4M)
 - Includes 3% Merit and 2% Market raises (\$4.8M)
 - Growth detailed on next slide
- Contract Labor increased 27% (\$2M) - includes the contract for Convenient Care providers of \$2M
- Pharmacy Drug costs increased 17% (\$9.3M) for the decreasing 340B margin
- Direct Patient Supplies/service contracts increased 18% (\$2.6M)
 - Based on encounters with 3% inflation
- Indirect costs increased 15% (\$1.8M)
 - Epic software costs increased \$1.3M
 - Consulting costs for VBC work

Personnel cost – we aligned across the enterprise and within to maximize patient access

Positions removed from FY25 Budget through retirement/attrition/reorg

Move to Central Health \$ (3,392,479)

Employee Orientation move to CH

Move HR Employee Nurse to CH

Move Financial screening team

Deductions through attrition/retirement/reorganization: \$ (6,416,988)

Retire 2 Vacant Care Model MA Instructors

Retire 5 Open Referral Coordinators

Retire Vision Voucher Program Coordinator

Retire Assoc Director FS

Retire HR VP position

Savings from Rev Cycle Temp staff

Savings from MA to Provider ratio

Savings from PSR open positions (15)

Ops savings - Attrition

Savings from Administration Optimization

Grant funded positions eliminated

Outsource Convenient Care providers

\$ (9,809,467)

Positions Added to FY26 Budget:

\$1,517,000

2 shipping clerks for inventory control

1 Clinical Risk Manager

2 coding auditors

Bio medical manager - Promotion of current tech

Bio Medical Tech for dental

Dental infrastructure staffing changes

Pharmacy informaticist (.4)

Buy and bill Nurse

Buy and Bill Pharmacy Billing

Clinical Pharmacist for Medicare AWW

1 FTE PAP

Upgrade VBC Analyst pay

Add to communications team

- Current Filled positions annual Salary \$114,052,577
- Raises and Merit Increases \$ 4,792,623
- Vacant positions in budget \$ 8,816,088
- Vacancy allowance for turnover (3.5%) \$ (4,361,288)
- Total wages in budget \$123,300,000

- Vacant provider positions anticipated 10/1/25:

	FTE's Vacant	Vacancy %	Budgeted Vacancy %
Medical	12.00	7.95%	8.00%
BHC	7.00	18.60%	10.00%
Dental	2.20	5.18%	8.00%
Therapy	5.00	30.49%	20.00%
GRAND TOTAL estimated Provider vacancies @ 10/01/2025 = 26.20			

Central Health Funding Arrangement

Fiscal Year	CH Rev - MDBS	CH Rev - Contract	Additional funding for operational loss	CH Rev - DSRIP	Total CH Contract	YOY % Increase
SEP 2020	\$ 23,676,848	\$ 17,076,473		\$ 6,025,494	\$ 46,778,815	
SEP 2021	\$ 24,414,086	\$ 17,722,960		\$ 10,123,906	\$ 52,260,952	12%
SEP 2022	\$ 39,153,689	\$ 17,393,654		\$ 4,723,623	\$ 61,270,966	17%
SEP 2023	\$ 43,813,988	\$ 16,438,643		\$ -	\$ 60,252,631	-2%
SEP 2024	\$ 48,944,898	\$ 17,036,538		\$ -	\$ 65,981,436	10%
SEP 2025 Prc	\$ 57,083,317	\$ 19,469,560	\$ 4,987,577	\$ -	\$ 81,540,454	24%
2026 budget	\$ -	\$ 98,800,000	\$ -	\$ -	\$ 98,800,000	21%

Many of the details for the FY2026 payment of the agreed amount above are being worked out currently

- Previous years – CH paid for services based on billed encounters and contract Services
 - Billed encounters were MDBS – Medical, Dental, Behavioral Health encounters with provider; Specialty and Alternative visits (Radiology/Nutrition/Clinical Pharmacist/etc.)
 - Contract Services – E-consult services; Community Benefit dollars for Pharmacy/TC <200%; Per member per month; reporting; Vaccines
- In 2026 – CH will pay 1/12th of the budget amount – with a true up to cost for the above services

FY 2026 will continue to face many challenges

On Going Pressures:

- *Ongoing changes to the 340B program and changes in Medicare drug purchasing prices could drive down 340B program income further*
- *New restrictions on treating undocumented patients and obtaining immigration status information could further erode our CHIP encounters and Medicaid revenue*

Challenges ahead:

- It is likely that we will continue to be under budget on encounters as we hire providers
- Our focus will be more on projections and cost control than on historical numbers to ensure financial sustainability
- The budget is a guide, but actual performance will drive future decisions
- The year of access will place great pressure on provider hiring/retention and care team management for success



COMMUNITYCARE™
HEALTH CENTERS

Thank you!

FY26 Proposed Budget

Pat Lee, MD, President and Chief Executive Officer

Jeff Knodel, Chief Financial Officer

Jon Morgan, Chief Operating Officer

8/27/2025



Agenda

- Combined FY2026 budget presentations of CommUnityCare and Central Health
- Board of Manager action requested (at BOM Meeting)
 - Proposed Tax Rate for Public Notice
 - Set the Public Hearing time and place

Proposed FY26 Budget

DESCRIPTION	CENTRAL HEALTH FY26 PROPOSED BUDGET	COMMUNITYCARE FY26 PROPOSED BUDGET	TOTAL FY26 BUDGET
Beginning Balance	451,192,875	14,413,072	465,605,947
UNRESTRICTED REVENUE			
Property Taxes	378,061,940		378,061,940
Pharmacy		83,581,903	83,581,903
Lease Revenue	10,424,005		10,424,005
Tobacco Litigation	5,000,000		5,000,000
Patient Revenue	1,000,000	170,695,668	171,695,668
Other	25,900,000		25,900,000
Total Unrestricted Revenue	420,385,945	254,277,571	674,663,516
Restricted Revenue			
Grant/Other	3,540,168	16,686,915	20,227,083
All Revenue Total	423,926,113	270,964,486	694,890,598
Available Budgeted Resources	875,118,988	285,377,558	1,160,496,545
Expenses			
Healthcare Delivery	433,984,683	250,381,130	684,365,813
Administration	46,369,507	20,500,000	66,869,507
UT Affiliation	35,000,000		35,000,000
Other Financing Uses	37,045,142		37,045,142
All Restricted Expenses	3,540,168		3,540,168
Contingency/Operating Reserves	319,179,488	14,413,072	333,592,560
Total Expenses	875,118,988	285,294,202	1,160,413,189
Ending Balance	0	83,356	83,356
Restricted/Designated Reserves	80,165,232	12,000,000	92,165,232

Earning Community Support

Community Conversations

5 events w/Travis County Commissioners & Judge

242 in-person attendees

1 Facebook Live: 843 views

Leadership Connections

3 CEO Roundtables (53 participants)

23 briefings w/ local elected officials

4 Travis County Commissioners Court work session presentations

Community Presentations & Events

3 stakeholder events related to expansion (540 attendees)

Ongoing community group presentations

Health Champions

Fall 2025: 1 cohort | 5 workshops | 180 participants

Spring 2026: 2 cohorts | 4 workshops | 37 participants

Digital Engagement

152,422

Social media, email marketing, paid media interactions

Updated FY26 Central Health Proposed Budget

DESCRIPTION	FY26 PROPOSED BUDGET 7/23/2025	FY26 PROPOSED BUDGET 8/27/2025	Difference
TAX RATE	0.118023	0.118023	
FTEs	1040.0	1048.8	8.8
Beginning Balance (Contingency Reserve)	451,192,875	451,192,875	-
UNRESTRICTED REVENUE			
Property Taxes	377,745,465	378,061,940	316,475
Lease Revenue	10,424,005	10,424,005	-
Tobacco Litigation Settlement	5,000,000	5,000,000	-
Patient Revenue	1,000,000	1,000,000	-
Other	25,900,000	25,900,000	-
TOTAL UNRESTRICTED REVENUE	420,069,470	420,385,945	316,475
RESTRICTED REVENUE			
Beginning Balance	1,706,834	1,706,834	-
All Restricted Revenue	1,833,333	1,833,333	-
Available Restricted Funds	3,540,168	3,540,168	-
TOTAL ALL REVENUE	423,609,638	423,926,113	316,475
Available Resources	874,802,512	875,118,988	316,475
UNRESTRICTED EXPENSE			
Healthcare Delivery	421,382,580	433,984,683	12,602,103
Administration	47,184,988	46,369,507	(815,481)
UT Affiliation Agreement	35,000,000	35,000,000	-
Other Financing Uses	37,045,142	37,045,142	-
TOTAL UNRESTRICTED EXPENSE	540,612,710	552,399,332	11,786,622
RESTRICTED EXPENSE			
All Restricted Expenses	3,540,168	3,540,168	-
TOTAL ALL EXPENSES	544,152,878	555,939,500	11,786,622
Appropriated Contingency Reserve Budget	330,649,634	319,179,488	(11,470,146)
Increase/(Decrease) in Fund Balance	(120,543,240)	(132,013,387)	(11,470,146)
Ending Contingency Reserve Balance	-	-	-
TOTAL USES WITH ENDING BALANCE	874,802,512	875,118,988	316,475
RESERVE Balances			
Public Health Center Reserve	12,000,000	12,000,000	-
Emergency Reserve	68,165,232	68,165,232	-

FY26 Proposed Tax Rate

8% over the No-New-Revenue Rate

9/3, 6:00 PM
Budget and Tax
Rate Public
Hearing

Tax Rate	FY26 Proposed	Percent
Maintenance & Operations Tax Rate	11.3569	96%
Debt Service Tax Rate	0.4454	4%
Total Tax Rate	11.8023	100%

Homestead Exemption	65 & Older	Disability
20% (maximum allowable by state law)	\$185,200	\$185,200

Average Homestead Impact	FY26 Proposed
Average Taxable Homestead Value	\$515,433
Tax Bill	\$608.33

Average Taxable Homestead Property Tax will increase by \$64

Capital Projects Update

Description	FY 2026 Budget
Sources:	
Sale of Property	5,700,000
Interest Income	3,796,181
Other Financing Sources	15,000,000
Total Sources	24,496,181

Description	Expenditures through July 2025			FY 2026 Budget
	Approved Budget	ITD Expenditures	Available	
Uses:				
Hancock Center	150,700,000	68,052,783	82,647,217	5,700,000
Cameron Center	90,575,000	15,628,812	74,946,188	
Colony Park	37,296,704	1,992,276	35,304,428	14,646,181
Continuing Education Center	11,000,000	3,968,122	7,031,878	
Joint Tech:				
Voice/Contact Center				2,000,000
Firewall/Cybersecurity				950,000
Vehicles				1,200,000
Total Uses				24,496,181

2026 Affordable Care Act (ACA) Update

- Significant changes to ACA including
 - Expiration of enhanced premium tax credits
 - Removal of income tax liability cap
 - Legal Permanent Residents no longer eligible
- Impact:
 - Higher premiums
 - Texas premiums estimated to increase over 20%
 - Reduced enrollment
 - Healthier members may elect to bypass coverage
 - Affordability
 - Reduction in overall Risk Pool
 - Increased risk of ACA member federal income tax liability

FY 2026 Proposed Affordable Care Act (ACA) Strategy

- HAAM partnership proposed funding
 - Sustain current membership - \$3.2M
 - Outreach/Education - \$220K
 - Dental Network - \$500K
- Discontinuation of MAP Silver Plan funding
- Increase in High-Risk Program funding
 - Slight increase in membership +/-10%

Specialty Behavioral Health Network Detail

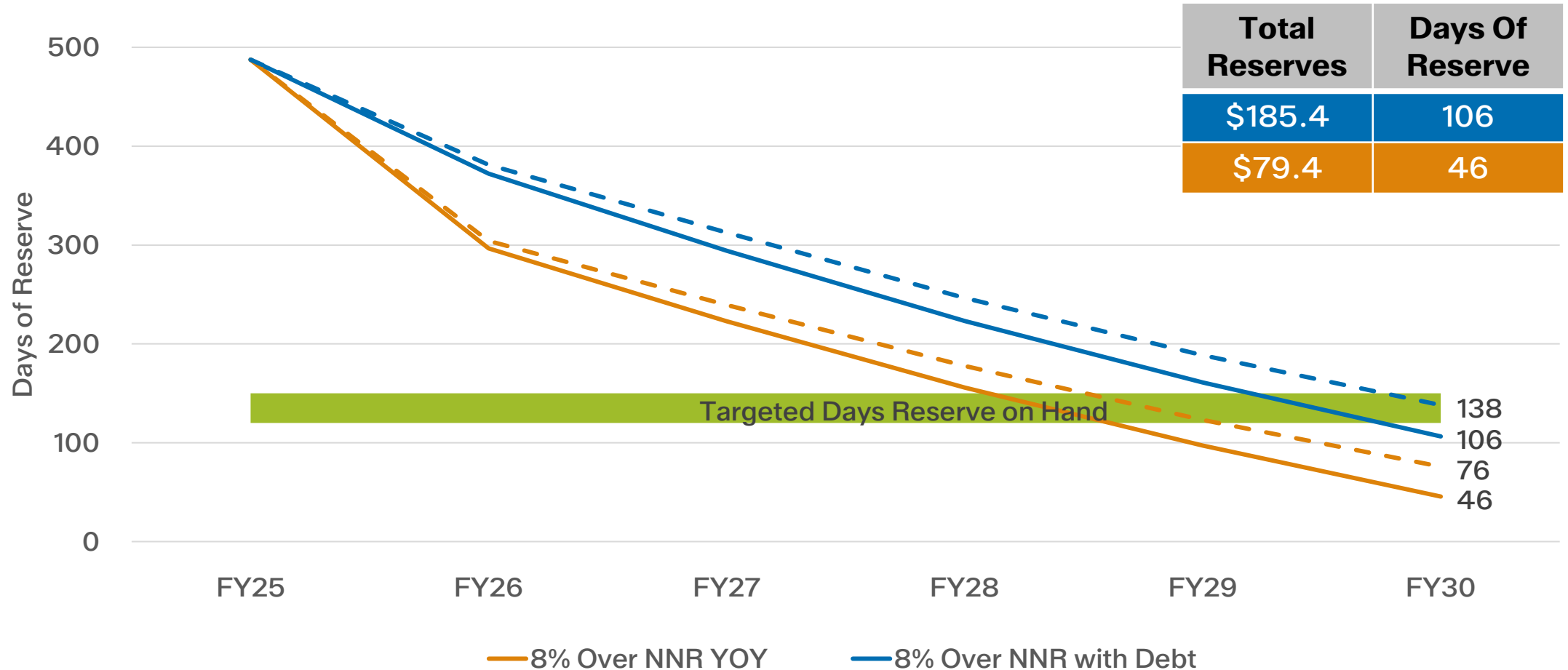
Specialty Behavioral Health Network Services	Total
Psychiatric & Behavioral Health Services	\$22,010,750
Inpatient Psychiatric Care	\$11,100,000
Diversion and Psychiatric Emergency Services	\$3,000,000
Substance Use Disorder treatment (including MAT)	\$5,100,000
Opioid Settlement Budgeted Offset	\$(936,750)
Total	\$40,274,000

Updated Budget: Major Changes (in Millions)

Description	Initial Proposed Budget	Current Proposed Budget	Difference	5-Year Reserve Impact	Notes on Difference
Property Tax Revenue	\$377.7	\$378	\$0.3		Certified Property Values
Expenses					
Primary Care: Medical, Dental, & Behavioral Health	\$102.1	\$103.4	\$1.3	\$7.3	Shift of part of City of Austin Request, additional CUC Team at BMHC, and APH screening
Specialty Care: including Specialty Dental	\$36.7	\$37.3	\$0.6	\$3.3	Expansion of ATC EMS services
Specialty Care: Behavioral Health	\$31.4	\$40.3	\$8.9	\$33.4	Finalized Integral Care funding gaps
Post Acute Care	\$8.5	\$9.4	\$0.9	\$4.7	Respite expansion and ARCH Beds
ACA Healthcare Premium Assistance Programs	\$18.5	\$19.7	\$1.2	\$6.8	Increased based on updated ACA analysis
Outreach and Education	\$4.3	\$5.3	\$1.0	\$4.6	Added board outreach and education requests, shifted existing outreach out of Network services
Other Adjustments	\$182.6	\$180.5	(\$2.1)	(\$9.8)	Additional FTEs to shift from CUC, New FTE to support justice involved health, corrections to salary and benefits calculations
Impact of Expense Differences			\$11.8	\$50.3	

FY26 Five-Year Forecast

Proposed FY26 Budget vs. adding Debt Issuance



FY 2026 Strategic Priorities and Budget Development Timeline

FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
<p>February 1</p> <ul style="list-style-type: none"> • Board of Managers Retreat <p>February 26</p> <p>Board of Managers</p>	<p>March 11</p> <p>Travis County Commissioners Court</p> <ul style="list-style-type: none"> • Q2 Update <p>March 12</p> <p>Strategic Planning</p> <ul style="list-style-type: none"> • Socialize and Present Budget Timeline • Demographic Report <p>March 12</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • Financial Risks <p>March 26</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • Financial Risks Continued 	<p>April 9</p> <p>Strategic Planning</p> <ul style="list-style-type: none"> • Proposed Forces Driving FY26 Strategic Priorities <p>April 19</p> <ul style="list-style-type: none"> • Joint Board Mtg with CUC on Visioning <p>April 23</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • Capital Improvement Plan • Review Forces Driving FY26 Strategic Priorities • Review Submission Process for FY26 Board Member Budget Proposals 	<p>May 14</p> <p>Strategic Planning</p> <p>May 23</p> <p>FY26 Board Member Budget Proposal Submission Deadline</p> <p>May 28</p> <p>Budget and Finance</p> <ul style="list-style-type: none"> • Capital Projects <p>May 22</p> <p>Staff Retreat – Vision Session and Tour San Antonio University Health System</p> <p>May 28</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • HEP Progress Update, Including FY26 Planning • Validate FY26 Driving Forces 	<p>June 11</p> <p>Strategic Planning</p> <ul style="list-style-type: none"> • HEP Progress Update Cont. <p>June 12</p> <p>Travis County Commissioners Court</p> <ul style="list-style-type: none"> • Q3 Update <p>June 25</p> <p>Budget and Finance</p> <ul style="list-style-type: none"> • Present Financial Forecast <p>June 25</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • FY26 Proposed Strategic Budget Initiatives (CAP/OP) (Closed), Including Preview of Board Member Budget Proposals 	<p>July 15</p> <p>Budget and Finance</p> <ul style="list-style-type: none"> • Progress Update on FY25 Board Member Budget Proposals <p>July 23</p> <p>Budget and Finance</p> <ul style="list-style-type: none"> • Joint Budget Presentation with CUC, including CH Board Member Budget Proposals with Staff Recommendations <p>July 23</p> <p>Board of Managers</p> <p>July 24 – Rescheduled Travis County Commissioners Court</p> <ul style="list-style-type: none"> • Q4 Update 	<p>August 5</p> <p>Travis County Commissioners Court</p> <p>August 12</p> <p>Travis County Commissioners Court</p> <ul style="list-style-type: none"> • Q4 and Budget Update <p>August 27</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • Approve Tax Rate 	<p>September 3</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • Budget and Tax Rate Public Hearing <p>September 10</p> <p>Board of Managers</p> <ul style="list-style-type: none"> • Budget Adoption <p>September 16</p> <p>Travis County Commissioners Court</p> <ul style="list-style-type: none"> • Vote and Adopt FY26 Budget & Tax Rate
FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER

Public Involvement: Development of FY 2026 Strategic Priorities

Budget Alignment with Strategic Priorities

Public Involvement: FY 2026 Proposed Budget. August 20 Public Hearing

Central Health Community Conversations

- 3/5 City of Austin Permitting and Development Ctr. (PCT. 2)
- 4/3 Del Valle Independent School District – Administration Bldg. (PCT. 4)
- 5/7 Danny G McBeth Recreation Center (PCT. 3)
- 6/5 Manor Lion's Club (PCT. 1)
- 7/31 KMFA Classical 89.5 Studios (FY26 CH Budget Townhall with Judge Brown)

The public is encouraged to provide input on the FY 2026 budget via the website at CentralHealth.net, at Board of Managers and committee meetings, during Community Conversations, and at public hearings.



Appendix

Attachment B with Differences from last version Health Care Services

DESCRIPTION	FY 2026 PROPOSED BUDGET 7/23/2025	FY 2026 PROPOSED BUDGET 45,896.00	Version Change
HEALTH CARE DELIVERY			
Network Health Care Services			
Primary Care: Medical, Dental, & Behavioral Health	102,116,258	103,446,258	1,330,000
Specialty Care: including Specialty Dental	36,748,000	37,348,000	600,000
Specialty Care: Behavioral Health	31,374,000	40,274,000	8,900,000
Post Acute Care	8,500,000	9,350,000	850,000
Pharmacy	19,500,000	19,500,000	-
Community Health Care Initiatives Fund	1,000,000	1,000,000	-
Purchased Health Care Services	199,238,258	210,918,258	11,680,000
Direct Health Care Services			
Therapy and Counseling	2,026,504	2,115,947	89,443
Psychiatry & Addiction Care	3,685,339	3,221,827	(463,512)
Cardiology	2,405,833	2,442,156	36,323
Endocrinology	737,204	883,764	146,560
Gastroenterology	4,609,390	4,266,275	(343,115)
Nephrology	1,545,327	1,449,087	(96,240)
Neurology	350,903	354,559	3,656
Podiatry	2,373,141	2,364,183	(8,958)
Pulmonology	1,881,499	1,915,923	34,424
Rheumatology	2,043,535	2,041,389	(2,146)
Palliative Care	1,053,478	1,027,374	(26,104)
Pharmacy	3,191,742	2,980,011	(211,731)
Physical Medicine & Rehab		270,771	270,771
Transitions of Care	11,997,411	11,598,960	(398,451)
Medical Respite	10,365,526	10,659,535	294,009
Diagnostics and Other services	9,316,826	8,545,939	(770,887)
Patient Navigation	7,928,961	7,563,164	(365,797)
Clinical Support	17,940,271	17,898,272	(41,999)
Direct Health Care Services Total	83,452,890	81,599,136	(1,853,754)
Total Health Care Services	282,691,148	292,517,394	9,826,246

Attachment B with Differences from last version

Health Care Operations & Support

DESCRIPTION	FY 2026 PROPOSED BUDGET 7/23/2025	FY 2026 PROPOSED BUDGET 45,896.00	Version Change
Health Care Operations & Support			
Salary and Benefits	51,932,424	52,476,460	544,036
ACA Healthcare Premium Assistance Programs	18,450,000	19,671,820	1,221,820
Legal	-	-	-
Consulting	970,000	970,000	-
Purchased Services	10,305,800	10,305,800	-
Outreach and Education	4,338,420	5,348,420	1,010,000
Information Technology & Services	13,764,300	13,764,300	-
Leases, Utilities, Security and Maintenance	14,181,693	14,181,693	-
Travel, training and professional development	1,422,100	1,422,100	-
Other operating expenses	864,370	864,370	-
Debt service - principal retirement	8,320,000	8,320,000	-
Debt service - interest	6,142,326	6,142,326	-
Transfer to Sendero Risk-Based Capital	8,000,000	8,000,000	-
Total Healthcare Operations & Support	138,691,433	141,467,289	2,775,856
Total Health Care Delivery	421,382,580	433,984,683	12,602,103

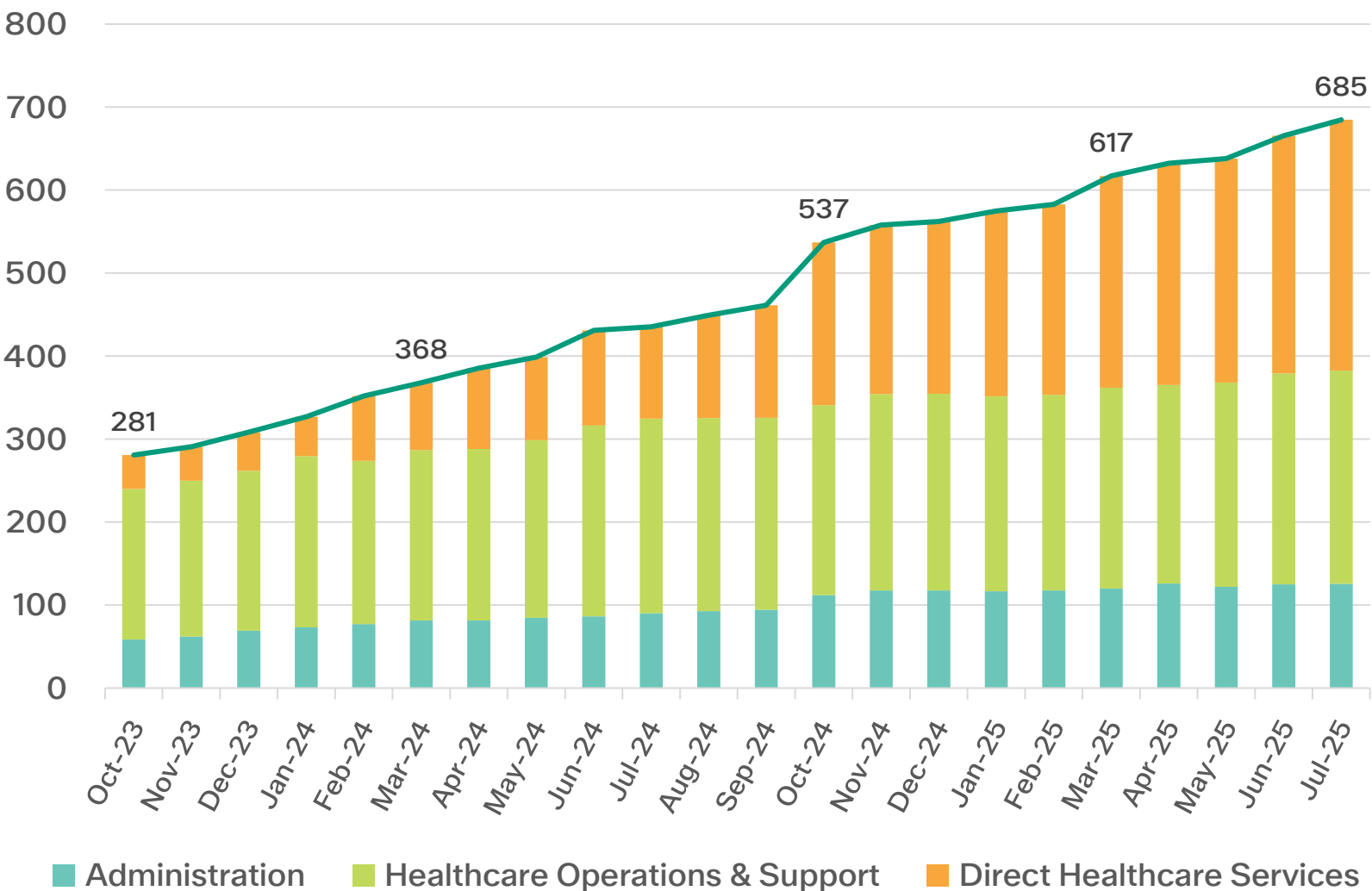
Attachment B with Differences from last version

Administration and Other

DESCRIPTION	FY 2026 PROPOSED BUDGET 7/23/2025	FY 2026 PROPOSED BUDGET 45,896.00	Version Change
ADMINISTRATION			
Salary and Benefits	29,069,974	28,252,193	(817,781)
Legal	5,505,000	5,505,000	-
Consulting	3,246,250	3,246,250	-
Purchased Services	1,532,666	1,532,666	-
Outreach and Education	539,580	539,580	-
Information Technology & Services	2,009,155	2,009,155	-
Leases, Utilities, Security and Maintenance	195,000	195,000	-
Travel, training and professional development	1,367,785	1,370,085	2,300
Other operating expenses	663,875	663,875	-
Appraisal District Svcs	1,841,217	1,841,217	-
Tax Collection Expense	1,214,486	1,214,486	-
Total Administration	47,184,988	46,369,507	(815,481)
UT Affiliation Agreement	35,000,000	35,000,000	-
OTHER FINANCING SOURCES/USES			
Transfer to capital projects	15,000,000	15,000,000	-
Transfer to Public Health Center Reserve	12,000,000	12,000,000	-
Transfer to emergency reserve	10,045,142	10,045,142	-
RESTRICTED USES			
All Restricted Expenses	3,540,168	3,540,168	-
TOTAL EXPENSES	544,152,878	555,939,500	11,786,621
RESERVES			
Contingency Reserves	330,649,634	319,179,488	(11,470,146)
TOTAL EXPENSES	874,802,512	875,118,988	316,475

Expanding Healthcare Workforce

Actual FTEs to date



FTE Trends by Program			
Program Area	July 2025 Filled	FY 2025 FTE Budget	Percent Filled as of July 2025
Admin	126	149	84%
Direct	302	444	67%
HCD Ops	257	323	81%
TOTAL	685	916	75%

FY 26 FTE Budget			
Program Area	FTE Count	Percent of Total	Change from FY 2025
Admin	162	15%	13
Direct*	514	49%	70
HCD Ops*	373	35%	50
TOTAL	1049	100%	133

*Includes positions transferred from CUC

Direct Services Budget Detail

Direct Healthcare Services ▼	Salary and Benefits ▼	Goods and Services ▼	Total Budget ▼	FTEs ▼	FY25 Total Budget ▼	FY25 FTEs ▼
Therapy and Counseling	1,922,947	193,000	2,115,947	18	1,227,110	14
Psychiatry & Addiction C	3,054,828	167,000	3,221,828	15	1,674,311	6
Cardiology	2,267,156	175,000	2,442,156	11	2,437,279	11
Endocrinology	876,264	7,500	883,764	7	762,556	7
Gastroenterology	3,575,275	691,000	4,266,275	15	2,953,976	16
Nephrology	1,440,087	9,000	1,449,087	8	1,859,200	12
Neurology	325,559	29,000	354,559	3	2,019,556	10
Physical Medicine & Reh	261,771	9,000	270,771	3	-	-
Podiatry	1,610,683	753,500	2,364,183	10	2,192,929	11
Pulmonology	1,901,923	14,000	1,915,923	12	1,497,711	12
Rheumatology	1,951,389	90,000	2,041,389	8	656,943	10
Palliative Care	1,018,374	9,000	1,027,374	7	958,984	7
Pharmacy	1,901,011	1,079,000	2,980,011	12	1,849,580	11
Specialty Care Total	22,107,267	3,226,000	25,333,267	127	20,090,135	126
Transitions of Care	10,815,460	783,500	11,598,960	80	10,388,044	79
Medical Respite & Bridge	9,869,869	789,667	10,659,535	85	5,239,210	43
Diagnostics and Other servi	6,761,439	1,784,500	8,545,939	39	4,395,034	23
Patient Navigation	6,192,164	1,371,000	7,563,164	63	6,105,265	59
Clinical Support	14,118,078	3,780,194	17,898,272	120	13,826,160	100
FY26 Proposed Budget	69,864,276	11,734,861	81,599,137	514	60,043,848	430

Healthcare Operations Budget Detail

Healthcare Delivery Operations & Support ▼	Salary and Benefits ▼	Goods and Services ▼	Total Budget ▼	FTEs ▼	FY25 Total Budget ▼	FY25 FTEs ▼
Eligibility & Enrollment	11,281,578	3,101,000	14,382,578	116	8,686,508	75
Operations - Clinical and Network	5,171,304	916,120	6,087,424	25	7,925,803	43
Facilities Management & Real Estate	5,671,817	20,836,393	26,508,210	45	24,581,052	30
Health & Wellness Operations	2,077,941	202,500	2,280,441	19	2,684,671	20
Quality Assessment & Performance	1,528,603	106,700	1,635,303	8	4,483,399	24
Community Engagement & Outreach	1,203,155	3,319,220	4,522,375	9	3,317,682	9
Network Services & Project Management	4,071,551	1,948,950	6,020,501	24	6,245,583	26
Healthcare Strategy	867,808	1,975,500	2,843,308	5	2,735,312	5
ACA Premium Subsidies	-	19,671,820	19,671,820	-	19,300,000	-
Joint Technology	20,602,703	14,450,300	35,053,003	122	32,038,715	105
FY26 Proposed Budget	52,476,460	66,528,503	119,004,963	373	111,998,725	337

Administration Budget Detail

Administration	Salary and Benefits	Other Goods and Services	Total Budget	FTEs	FY25 Total Budget	FY25 FTEs
People Department	10,466,056	1,796,690	12,262,746	64.9	11,756,581	64
Administration	324,752	463,400	788,152	3.0	1,977,289	5
Office of the CEO & Governance	3,136,499	1,617,250	4,753,749	11.9	5,937,230	11
Health System Legal Affairs	1,768,293	5,071,500	6,839,793	8.0	-	-
Strategy	1,373,137	2,455,500	3,828,637	6.0	3,375,091	5
Government Affairs	689,419	265,925	955,344	3.5	857,794	4
Communications	2,358,914	727,580	3,086,494	14.5	2,767,477	14
Compliance	2,001,238	705,150	2,706,388	13.0	2,211,815	12
Finance	4,352,493	4,371,319	8,723,812	25.5	7,679,741	25
Procurement	1,781,392	643,000	2,424,392	12.0	1,942,933	11
FY26 Proposed Budget	28,252,193	18,117,314	46,369,507	162.20	38,505,951	149

FY26 (CY25) Property Taxes

Scenario of a homestead that is approximately the value of the average homestead of \$515k

Taxing Entity	CY 2025 Proposed Tax Rate	CY 2024 Property Taxes	CY 2025 Proposed Tax Rate Taxes
AUSTIN ISD	.925200	\$4,587.68	\$4,822.52
CITY OF AUSTIN	.604017	\$2,305.18	\$3,148.38
TRAVIS COUNTY	.375845	\$1,662.50	\$1,959.06
TRAVIS COUNTY HEALTHCARE DISTRICT	.118023	\$521.12	\$615.18
AUSTIN COMMUNITY COLLEGE DISTRICT	.103500	\$488.93	\$539.48
TOTAL TAX BILL		\$9,565.41	\$11,084.62

Hancock Clinical Services and Admin Consolidation

<u>Budget Category</u>	<u>Revised Budget</u>	<u>FY21 Debt Issuance</u>	<u>Total Project Spend</u>	<u>Remaining Spend/Funding</u>
Due Diligence, Land Acquisition & Regulatory	18,700,000	-	(18,700,000)	-
Professional Services	11,250,000	-	(13,264,994)	(2,014,994)
Construction	106,700,000	-	(27,921,531)	78,778,469
Furniture, Fixtures & Equipment	7,840,000	-	-	7,840,000
Other	6,210,000	-	-	6,210,000
Total Estimated Project Cost	150,700,000	-	(59,886,525)	90,813,475
Debt Proceeds Activity		62,587,145	(59,886,525)	2,700,620

FY26 Board Member Budget Proposals: Staff Recommendations

Board Member	Recommended Emerging Priority Abbreviated Proposal Summaries	Proposed Staff	Estimated Costs	Staff Recommendation
Shannon Jones	Requests \$100,000 to fund (1) FTE to support MAP enrollment and health education services at the Austin Area Urban League (AAUL). This will be a CH employee but assigned to AAUL.	1.0	\$100,000 (Estimated salary and associated personnel costs)	For both AAUL and APH-related proposals, \$250,000 funding for outreach and education RFP. Staff welcome invitations and requests to attend and/or provide services at events.
Shannon Jones	Requests \$150,000 to fund (2) FTE health educators to support Austin Public Health (APH). They will also provide MAP education, enrollment assistance, and referrals to additional services.	2.0	\$150,000 (Estimated salary and associated personnel costs)	
Shannon Jones	Requests \$100,000 to bring current staff compensation at the Black Men's Health Clinic (BMHC) in line with market-informed wage standards.		\$100,000 (Estimated salary and associated personnel costs)	Current staff compensation is aligned with market rates per People Department.
Shannon Jones	Convert seven (7) existing part-time, intern, and volunteer roles at the Black Men's Health Clinic (BMHC) into full-time positions. Positions include: (1) Nurse Practitioner, (1) Program Manager (Outreach & Navigation), (1) Social Media & Community Engagement Lead, (4) Community Health Workers.	7.0 (CUC)	\$479,000 (Estimated salary and associated personnel costs)	Budgeted \$230,000 for a clinical team for overlap in coverage: .6 APP, .5 RN, and 2 MAs.
Cynthia Valadez	Two (2) FTEs for Integrated Healthcare Access & Navigation, and (1) FTE focused on ACA Enrollment and PAP Administration, and the Dental Program. The non-staff operational support is outlined in the budget summary.	3.0	\$880,000 (Including estimated salary, associated personnel costs, and non-staff operational costs)	Sustain current membership - \$3.2M Outreach/Education - \$220K for year-round education position and temporary open enrollment position Dental Network - \$500K

FY26 Board Member Budget Proposals

Board Member	Recommended Emerging Priority Proposal Summaries	Proposed Staff	Estimated Costs
Shannon Jones	Requests \$100,000 to fund (1) FTE to support MAP enrollment and health education services at the Austin Area Urban League (AAUL). This will be a CH employee but assigned to AAUL.	1.0	\$100,000 (Estimated salary and associated personnel costs)
Shannon Jones	Requests \$150,000 to fund (2) FTE health educators to support Austin Public Health (APH), focused on educating underserved communities—particularly those in the eastern crescent—about chronic and infectious diseases, including childhood immunizations and HIV. They will also provide MAP education, enrollment assistance, and referrals to additional services.	2.0	\$150,000 (Estimated salary and associated personnel costs)
Shannon Jones	Requests \$100,000 to bring current staff compensation at the Black Men’s Health Clinic (BMHC) in line with market-informed wage standards. Funding will support existing full-time staff that support MAP enrollment, education, and community engagement services through outreach, navigation, communications, and IT. This adjustment aims to reduce turnover risk and ensure continued service to high-priority populations, particularly men of color in the eastern crescent of Travis County.		\$100,000 (Estimated salary and associated personnel costs)
Shannon Jones	Proposal requests a total of \$479,000 to convert seven (7) existing part-time, intern, and volunteer roles at the Black Men’s Health Clinic (BMHC) into full-time positions. Positions include: (1) Nurse Practitioner, (1) Program Manager (Outreach & Navigation), (1) Social Media & Community Engagement Lead, (4) Community Health Workers. Funding will stabilize BMHC’s outreach, navigation, and clinical support services by retaining trained staff who have been instrumental in delivering MAP enrollment, health screenings, and social service navigation—particularly for Black and Hispanic men across 40+ ZIP codes in Travis County.	7.0 (CUC)	\$479,000 (Estimated salary and associated personnel costs)
Cynthia Valadez	Requests \$880,000 to support expanded service delivery and operational capacity for HAAM (Health Alliance for Austin Musicians). The proposal includes request for (3) FTEs and associated non-staff operational costs, funding to be distributed across three core program areas: two (2) FTEs for Integrated Healthcare Access & Navigation, and (1) FTE focused on ACA Enrollment and PAP Administration, and the Dental Program. The non-staff operational support is outlined in the budget summary. Note: HAAM was a recipient of FY25 CHIF funding.	3.0	\$880,000 (Including estimated salary, associated personnel costs, and non-staff operational costs)



Community Engagement Report

Results: FY25 External Affairs Impact (Oct. 1 – July 30, 2025)

Awareness

- Central Health messages seen/heard **184.6 million times**

Engagement

- Interacted with community through clicks, shares, comments, and events **153,487 times**

Perception

- **97.5%** of interactions were either positive **or neutral** about Central Health



CENTRAL HEALTH

MEMORANDUM

To: Central Health Board of Managers
From: Ted Burton, Chief Communications Officer
CC: Patrick Lee, President & CEO
Date: August 27, 2025
Re: Fiscal Year 2025 Community Engagement Feedback Summary Report

Feedback Summary:

Central Health staff gathered feedback from stakeholders and residents across Travis County through various engagement tactics. Throughout FY 2025, community members expressed interest in how Central Health will expand health care services to the most vulnerable in our community and how the current federal and state political climate will affect patients and the Central Health system's financial future.

Overview:

Central Health staff has executed several engagement strategies and events in Fiscal Year 2025 to raise awareness and strengthen broad community support among taxpayers, community leaders, partners, and elected officials for Central Health's health care services, initiatives, and FY 2026 proposed budget. This memo outlines the various events held, their respective engagement strategies, and top feedback themes. The information below is not exhaustive and only reflects the engagement events where feedback was explicitly solicited from the Central Health Community Engagement team:

Community Conversations

To enhance collaboration with Travis County Commissioners and ensure Central Health's presence in all four precincts. Central Health shifted its Community Conversation engagement strategy in FY 2025. Staff held Community Conversations in each of the four precincts, with an additional meeting (five in total) held to focus on the FY 2026 proposed budget priorities. There were 242 in-person attendees (and 843 views of the Facebook live) across the five Community Conversations. Top discussion items and feedback themes were:

- **Provide care to immigrant and refugee communities.**
- **Provide care to those who fall outside the typical patient profile** (unhoused children, people with intellectual and developmental disability (IDD), and seniors).
- **Provide care to patient populations that continue to be pushed out to rural areas** of the county and outside of Travis County.
- Continue **expanding services and outreach capacity to the unhoused** with a focus on building trust and informing these communities on the resources available.
- Emphasize the importance and need of **recruiting and retaining clinical personnel** that reflect the cultural identities of our patient populations.
- **Educate and inform** patient communities and residents **on the changes to Medicaid coverage and Affordable Care Act tax credits.**
- **Address barriers to accessing health care**, such as acquiring transportation to and from appointments, loaner phone programs, and telehealth services.

Quotes from Commissioners:

- **Commissioner Travillion:** "I thought they (the community conversations) went extremely well, and I want to commit to putting them together in Precinct 1 as you see they need to happen. We're (the commissioners) asked questions all the time and we're more than happy to set up forums to discuss the things that you (the Central Health system) do."
- **Commissioner Shea:** "I thought they (the community conversations) were very valuable. I learned a lot."



CENTRAL HEALTH

CEO Roundtables

In FY 2024, CEO Roundtables were structured to facilitate small-group meetings to enable Dr. Lee to meet with partners, community leaders, and high-interest stakeholders. For FY 2025, the format remained similar and enabled Dr. Lee to have intimate conversations with community leaders. This fiscal year's roundtable topics covered Central Health's Strategic Plan progress (February), system integration (May), and our FY 2026 proposed budget priorities (August), with 53 total participants. Top discussion items and feedback themes were:

- **Close care gaps** through prevention and culturally relevant outreach by deepening partnerships with local organizations such as VACAT and Asian American Family Support Services. Other tactics include:
 - Expand early screening for chronic conditions such as cancer, diabetes, and HIV to reduce ER use and long-term costs
 - Advance translation and language access efforts
 - Develop educational tools/reports on disparities, specifically for African American populations in Travis County
- **Strengthen workforce pipelines** through targeted recruitment campaigns to meet staffing shortages and ensure personnel have lived experience and reflect the racial and ethnic backgrounds of patient populations, ultimately leading to better health outcomes.
- **Frame economic value and impact** by connecting with the greater Austin and Travis County business community to secure long-term financial sustainability.
- **Innovate funding models** while maintaining equity commitments through pursuing a philanthropic foundation and other non-tax revenue options.

Community Presentations & Events

Engagement team members presenting local organizations and partners' regular meetings. The presentations were intentionally brief, covering the history of the Central Health system, progress on the Strategic Plan, and the FY 2026 proposed budget priorities, with ample time given to answering questions. The strategy behind these presentations was to proactively capture potential concerns and answer questions leading up to budget season. While meetings are ongoing, so far presentations have been delivered to **Age-Friendly Domain 8 Work Group, Asian American Family Support Services, Austin Justice Coalition, Del Valle Community Coalition, Health Alliance for Austin Musicians (HAAM), Hungry Hill Foundation, PODER Austin, Rotary Club South Austin, and the Texas Anti-Poverty Project (TAPP)**. The top questions we received are:

- Inquiring about the origins, projected involvement, and timeline with the Dell Medical School contract;
- How the tax rate is going to affect the average homeowner's annual taxes;
- How much of the FY 2026 budget is allocated to health care delivery;
- How the slashing of federal funding affects Central Health's budget, specifically CommUnityCare;
- And what Central Health is doing to connect with patients who are/will be impacted by cuts to Medicaid and ACA health plans.

Results: FY25 External Affairs Impact (Oct. 1 – July 30, 2025)

Awareness

- Central Health messages seen/heard **184.6 million times**

Engagement

- Interacted with community through clicks, shares, comments, and events **153,487 times**

Perception

- **97.5%** of interactions were either positive **or neutral** about Central Health

Earning Community Support

Community Conversations

5 events w/Travis County Commissioners & Judge

242 in-person attendees

1 Facebook Live: 843 views

Leadership Connections

3 CEO Roundtables (53 participants)

23 briefings w/ local elected officials

4 Travis County Commissioners Court work session presentations

Community Presentations & Events

3 stakeholder events related to expansion (540 attendees)

Ongoing community group presentations

Health Champions

Fall 2025: 1 cohort | 5 workshops | 180 participants

Spring 2026: 2 cohorts | 4 workshops | 37 participants

Digital Engagement

152,422

Social media, email marketing, paid media interactions

BUDGET & FINANCE COMMITTEE MEETING

August 27, 2025

AGENDA ITEM 5

Receive and discuss financial and operational updates from Sendero Health Plans.^{3,4}
(*Informational Item*)

AGENDA ITEM SUBMISSION FORM

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

Agenda Item Meeting Date August 27, 2025

Who will present the agenda item? (Name, Title) Sharon Alvis, Sendero CEO

General Item Description Receive and discuss financial and operational updates from Sendero Health Plans.

Is this an informational or action item? Informational

Fiscal Impact _____

Recommended Motion (if needed – action item) N/A

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

- 1) This item will be discussed in closed session.
- 2) _____

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

Estimated time needed for presentation & questions? 20 minutes

Is closed session recommended? (Consult with attorneys.) Yes

Form Prepared By/Date Submitted: Briana Harris/ August 22, 2025

BUDGET & FINANCE COMMITTEE MEETING
August 27, 2025

AGENDA ITEM 6

Receive and discuss an update on the Central Health Business Meal Reimbursement Policy, FIN1-006P. (*Informational Item*)

AGENDA ITEM SUBMISSION FORM

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

Agenda Item Meeting Date 8/27/2025

Who will present the agenda item? (Name, Title) Nicki Riley, Deputy CFO

General Item Description Receive the Central Health Business Meal Policy (Informational)

Is this an informational or action item? Informational

Fiscal Impact N/A

Recommended Motion (if needed – action item) N/A

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

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

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

Estimated time needed for presentation & questions? There is no presentation

Is closed session recommended? (Consult with attorneys.) N/A

Form Prepared By/Date Submitted: Nicki Riley, 8/21/2025

MEMORANDUM

To: Budget and Finance Committee
From: Nicki Riley, Deputy CFO
CC: Jeff Knodel, CFO
Date: 8/27/2025
Re: Central Health Business Meal Policy

Overview:

Central Health has developed a new Business Meal Policy to establish clear guidelines for the reimbursement of meal expenses incurred during the course of conducting official business. This policy is designed to ensure that meal expenditures are appropriate, well-documented, and aligned with Central Health's commitment to responsible stewardship of public funds.

Key Provisions

- **Eligibility:** The policy applies to Executives, Vice Presidents, and the Associate Chief Medical Officer, as designated in Central Health's Human Resource system.
- **Allowable Expenses:** Business meals are eligible for reimbursement when they serve a clear business purpose, such as stakeholder engagement, recruitment activities, or philanthropic functions.
- **Limits:** Reimbursement limits are established to ensure expenditures remain reasonable and appropriate. These limits are modestly higher for meals related to physician or executive recruitment and philanthropic activities.
- **Documentation:** All reimbursement requests must be accompanied by itemized receipts and include documentation of the business purpose and the names or roles of attendees.
- **Governance:** All reimbursements are subject to review and approval by Finance to ensure compliance with policy requirements.

Next Steps

Staff will implement the Business Meal Policy in accordance with the provisions outlined above and conduct an annual review. The Finance team will monitor compliance and provide updates to the Committee as needed.

Policy Title: Business Meal Reimbursement	
Policy #: FIN1-006P	
Effective Date: August 2025	
Last Review Date: MONTH/YEAR (not necessary for new policy creations)	
Policy Owner: Deputy Chief Financial Officer	
Executive Sponsor: Chief Financial Officer	
Attachments:	
<input checked="" type="checkbox"/> Central Health Specific	<input type="checkbox"/> Enterprise Included

I. PURPOSE

This policy outlines the guidelines for business-related meal costs that are eligible for reimbursement and maintains a responsible approach to business expenses while promoting a culture of respect and professionalism in all business interactions.

II. SCOPE

This policy applies to Central Health Executives, Vice-Presidents, and the Associate Chief Medical Officer, herein collectively referred to as ("Team Members").

III. DEFINITIONS

Executives are categorized as Band Nine in UKG, Central Health's Human Resource Management Software.

Vice-Presidents are defined as such by the People Department and noted in UKG.

IV. POLICY

General Information: Periodically, it may be necessary to conduct meetings with Central Health stakeholders, other Team Members, or other key members of the community to discuss Central Health business matters during ordinary breakfast, lunch or dinner mealtimes. These meetings typically occur as a result of scheduling availability, timing, criticality, or other factors that may impact the ability to discuss necessary information or topics related to Central Health. It is the intent of this Policy to establish cost guidelines for these business meal meetings on a per-meal, per-person basis. Team Members must evaluate meal cost and location in advance to ensure compliance with the cost guidelines set out in this policy. Costs that are above the allowable amounts in this policy are not reimbursable.

Reimbursement Requirements:

- a. Required documentation includes meeting purpose, attendee names, and a receipt showing date, time, location, and itemized list of food purchases. Alcohol purchases are never allowed on the Pcard. Documentation of the business meeting meal is a requirement for reimbursement.

- b. Meals are reimbursable at the following maximum allowable amounts per person before taxes and tip are applied to the total. Meal tips will not be reimbursed over 20%. Alcoholic beverages are not reimbursable.
 - a. Breakfast - \$20 (6am-10:59am)
 - b. Lunch - \$35 (11am-3:59pm)
 - c. Dinner - \$50 (4pm-10pm)For philanthropic activities and for recruitment involving Physicians and/or Team Members, the limit for Business Meals is \$75 per person.
- c. Any costs that exceed the maximum allowable per-person amounts will not be eligible for reimbursement. In the event a Central Health Pcard was used to pay for the meal(s), it is the responsibility of the Team Member to calculate and report the amount that exceeds the limits established by this policy to be deducted from their paycheck.

All Team Members are expected to use discretion and maintain awareness of the use of taxpayer funds for these business purposes. Failure to adhere to this policy may result in payroll deductions or further personnel action per HR 2-017P, Corrective Discipline.

V. RELEVANT STATUTES, REGULATIONS OR GUIDANCE

N/A

VI. RELATED POLICIES AND PROCEDURES

Business Expense Reimbursement SOP (FIN1-003SOP)

Corrective Discipline Policy (HR2-017P)

VII. PROCESS

The process for expense reimbursement is located in the Business Expense Reimbursement SOP (FIN1-003SOP).

The process for reporting Pcard overages to be deducted from payroll is located in Procurement Card SOP (PUR1-002SOP).

BUDGET & FINANCE COMMITTEE MEETING
August 27, 2025

AGENDA ITEM 7

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