



Our Vision

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Our Mission

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BUDGET AND FINANCE COMMITTEE MEETING

Wednesday, September 24, 2025 4:00 p.m.

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/84575721678?pwd=ZD7sUtlrPWmevKobi1Q2BxIzLnwu6b.1>

Meeting ID: 845 7572 1678

Passcode: 997112

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

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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, all members of the public are free 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.

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 September 24, 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 August 27, 2025 Budget and Finance Committee meeting. (*Action Item*)
2. Receive the August 2025 financial statements for Central Health. (*Informational Item*)
3. Receive the August 2025 financial statements for CommUnityCare Health Centers. (*Informational Item*)
4. Discuss and take appropriate action on the acquisition of two properties located in North and East Travis County.^{3,4} (*Action Item*)
 - a) Consider approval of a Resolution approving the issuance of the District's Certificate of Obligation; approving the form and requesting that the Travis County Commissioners Court approve and adopt order(s) to authorize the issuance of such certificates; and other related actions.³ (*Action Item*)
 - b) Consider adoption of and take appropriate action on a resolution expressing intent to finance expenditures to be incurred.^{3,4} (*Action Item*)
 - c) Discuss and take appropriate action on approval of Central Health capital project budgets. (*Action Item*)
5. Receive and discuss financial and operational updates from Sendero Health Plans.^{3,5} (*Informational Item*)
6. Discuss and take appropriate action to authorize the President and CEO to negotiate and execute a contract with Hall Benefits Law for legal services related to employee retirement and health plan issues under ERISA. (*Action 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 §551.071 (Consultation with Attorney).
- ⁴ Possible closed session discussion under Texas Government Code §551.072 (Deliberation Regarding Real Property).
- ⁵ Possible closed session discussion under Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services).

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.

STAYS IN FILE



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Came to hand and posted on a Bulletin Board in the
County Recording Office, Austin, Travis County, Texas on this the

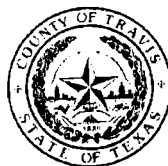
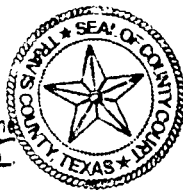
18 day of September 2025

Dyana Limon-Mercado

County Clerk, Travis County, Texas

By Ariel Hernandez Deputy

ARIEL HERNANDEZ



**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

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

202581301

Sep 18, 2025 01:58 PM

Fee: \$0.00

HERNANDEZA



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BUDGET & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 1

Approve the minutes of the August 27, 2025 Budget and Finance Committee meeting. (*Action Item*)

MINUTES OF MEETING – AUGUST 27, 2025
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, August 27, 2025, a meeting of the Central Health Budget and Finance Committee convened in open session at 4:00 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 Martin, Manager Motwani (arrived at 4:18 p.m.), and Manager Valadez

Committee members present via audio and video: Manager Kitchen, Manager Rodriguez, and Manager Motwani (left at 4:11 p.m.)

Board members present in person: Manager May, Manager Jones, and Manager Brinson

PUBLIC COMMUNICATION

Clerk's Notes: Public Communication began at 4:01 p.m. Yesenia Ramos introduced 12 public speakers for Public Communication, along with two Board Managers.

Members of the Board heard from: Tom Rosen, Asia Ashley, Aswini Sywasawmy, Kelsi Creek, Kim Caldwell, Sharon Alvis, Jeff Jackson, Ben Fordham, Chelsea Elliot, Rachel Blair, Lyne Holes, Adam Ormen, Manager Motwani, and Chair Kitchen

The Board returned to take additional public comment from four speakers at 5:33 p.m.: Ohrkia Shaw, Cole Weaver, Marcus M, and Zach Jebson.

COMMITTEE AGENDA

1. **Approve the minutes of the July 15, July 23, and August 12, 2025 Budget and Finance Committee meetings.**

Clerk's Notes: Discussion on this item began at 4:52 p.m.

Manager Museitif moved that the Committee approve the minutes of the July 15, July 23, and August 12, 2025 Budget and Finance Committee meetings.

Manager May seconded the motion.

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

2. **Receive the July 2025 financial statements for Central Health.**

Clerk's Notes: Discussion on this item began at 4:54 p.m. There was no presentation on this item. Backup was provided in the packet.

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

Clerk's Notes: Discussion on this item began at 4:55 p.m. Dr. Y~~a~~egoda, CEO of CommUnityCare and Joy Sloan, CFO of CommUnityCare presented CommUnityCare July Financials.

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.

Clerk's Notes: Discussion on this item began at 5:09 p.m. Dr. Lee, President and CEO¹⁵ Dr. Y~~a~~egoda, CEO of CommUnityCare¹⁵ Joy Sloan, CFO of CommUnityCare¹⁵ Jeff Knodel, EVP and CFO of Central Health¹⁵ and Jon Morgan, EVP and Chief Operating Officer of Central Health¹⁵ presented the FY26 ~~tax rates~~ and budgets for Central Health and CommUnityCare and the associated tax rates.

5. Receive and discuss financial and operational updates from Sendero Health Plans.

Clerk's Notes: Discussion on this item began at 7:36 p.m.

At 7:36 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 5 under Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services) and Texas Government Code §551.071 (Consultation with Attorney).

At 8:00 p.m. the Committee returned to open session.

6. Receive and discuss an update on the Central Health Business Meal Reimbursement Policy, FIN1-006P.

Clerk's Notes: Discussion on this item began at 7:16 p.m. Nicki Riley provided an overview of Central Health's new Business Meal Policy to provide clear guidelines for the reimbursement of meal expenses incurred during the course of conducting official business.

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

Manager Brinson moved that the Committee adjourn.

Manager Jones seconded the motion.

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

The meeting was adjourned at 7:59 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Manuel Martin, Secretary
Central Health Board of Managers



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BUDGET & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 2

Receive the August 2025 financial statements for Central Health. (*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 September 24, 2025

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

General Item Description Receive the August 2025 financial statements for Central Health.

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 CH August 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/September 19, 2025



CENTRAL HEALTH
TRAVIS COUNTY HOSPITAL DISTRICT

Central Health

Financial Statement Presentation

YTD August 2025

Preliminary

Central Health Board of Managers Budget and Finance Committee

Jeff Knodel, CFO

Nicki Riley, Deputy CFO

Patti Bethke, Controller

August 2025

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Slide 4 Balance Sheet

Slide 6 Sources & Uses

Slide 7 Blank

Slide 8 Healthcare Delivery

Slide 9 Direct Services

Slide 11 Specialty Care

Slide 12 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.
- Direct Services is \$36.1 million year-to-date versus \$14.0 million prior year-to-date.
- Opioid related expenditures in August were \$265,662.
- Sendero High Risk Claims Advance, which began in January 2024, is \$36.5 million, including interest.

BALANCE SHEET
8/31/2025
8/31/2024

CURRENT ASSETS

CASH AND CASH EQUIVALENTS	7,201,926	7,421,831
SHORT TERM INVESTMENTS	569,553,308	583,322,081
LEASE RECEIVABLE SHORT TERM*	12,890,141	10,256,004
ACCOUNTS RECEIVABLE TAX	5,266,776	4,038,131
OTHER RECEIVABLES	48,062,527	19,594,807
TOTAL UNRESTRICTED CURRENT ASSETS	642,974,678	624,632,854

RESTRICTED CASH & INVESTMENTS

RESTRICTED TCHD LPPF CASH & INVESTMENTS	43,248,425	6,305,137
RESTRICTED OPIOID FUNDS	3,237,918	-
RESTRICTED FOR CAPITAL ACQUISITION	183,288,563	170,754,190
TOTAL RESTRICTED CASH & INVESTMENTS	229,774,906	177,059,327

TOTAL CURRENT ASSETS

872,749,584 801,692,181

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*	237,524,080	237,683,466
TOTAL LONG TERM ASSETS	361,607,080	361,766,466

TOTAL CAPITAL ASSETS, NET OF DEPRECIATION

232,976,076 173,521,283

TOTAL ASSETS
1,467,332,740 1,336,979,930

LIABILITIES
CURRENT LIABILITIES

ACCOUNTS PAYABLE	33,693,813	22,660,002
SALARIES & BENEFITS PAYABLE	12,968,950	8,808,611
SHORT-TERM DEBT SERVICE PAYABLE	8,320,000	8,035,000
DEFERRED TAX REVENUE	4,264,272	3,413,671
TOTAL CURRENT LIABILITIES	59,247,035	42,917,284

RESTRICTED OR NONCURRENT LIABILITIES

FUNDS HELD FOR TCHD LPPF	43,248,424	6,305,137
LONG-TERM DEBT SERVICE PAYABLE	151,763,010	160,217,283
LEASE & SUBSCRIPTION LIABILITIES*	56,023,064	55,502,119
DEFERRED REVENUE*	224,729,777	228,839,565
TOTAL RESTRICTED OR NONCURRENT LIABILITIES	475,764,275	450,864,104

TOTAL LIABILITIES
535,011,310 493,781,388
NET ASSETS

RESTRICTED FOR CAPITAL ASSETS	266,293,877	203,099,640
RESTRICTED FOR OPIOID SETTLEMENT	3,237,918	4,664,833
RESTRICTED FOR EMERGENCY RESERVE	60,120,090	48,739,076
UNRESTRICTED	602,669,545	586,694,993
TOTAL NET ASSETS	932,321,430	843,198,542

LIABILITIES AND NET ASSETS
\$ 1,467,332,740 \$ 1,336,979,930

* GASB87 & GASB96 reporting requirement for leases and Subscription-Based Information Technology Arrangements.

SOURCES AND USES	Aug 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
SOURCES					
PROPERTY TAX REVENUE	\$ (4,841)	\$ 341,925,412	\$ 346,638,452	99%	\$ 312,095,262
LEASE REVENUE	1,285,400	14,093,306	9,361,825	151%	17,813,847
OTHER REVENUE	1,361,911	60,323,049	28,741,200	210%	29,686,937
NET TOBACCO SETTLEMENT REVENUE	-	6,817,278	5,000,000	136%	5,194,413
PATIENT REVENUE	14,402	308,638	300,000	103%	(135)
OPIOID SETTLEMENT REVENUE	-	1,108,668	4,664,833	24%	4,664,833
TOTAL SOURCES	2,656,872	424,576,351	394,706,310	108%	369,455,157
USES OF FUNDS					
HEALTHCARE DELIVERY PROGRAM	23,648,898	252,955,485	353,461,994	72%	200,123,333
ADMINISTRATIVE PROGRAM	2,397,487	29,737,904	38,505,951	77%	20,688,042
UT AFFILIATION AGREEMENT	-	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	265,662	2,454,449	4,664,833	53%	8,019,000
TOTAL USES	26,312,047	381,528,853	493,013,793	77%	271,849,375
EXCESS SOURCES / (USES)	\$ (23,655,175)	\$ 43,047,498	\$ (98,307,483)		\$ 97,605,782



Details for Healthcare Delivery on the following slides

August 2025

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HEALTHCARE DELIVERY	Aug 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
PURCHASED HEALTHCARE SERVICES					
PRIMARY CARE	6,351,668	70,596,252	73,957,000	95%	60,010,638
SPECIALTY CARE	2,179,454	24,207,487	31,153,000	78%	15,833,802
SPECIALTY BEHAVIORAL HEALTH AND SUBSTANCE USE	1,634,896	21,375,591	25,750,000	83%	17,926,746
PHARMACY	1,812,605	15,073,112	19,000,000	79%	9,737,155
POST ACUTE CARE	416,234	6,192,450	8,100,000	76%	4,227,647
COMMUNITY HEALTHCARE INITIATIVES FUND	-	149,125	1,000,000	15%	294,252
PURCHASED HEALTHCARE SERVICES	12,394,857	137,594,017	158,960,000	87%	108,030,240
DIRECT SERVICES	4,148,365	36,088,117	60,043,848	60%	13,984,041
SUBTOTAL HEALTHCARE SERVICES	16,543,222	173,682,134	219,003,848	79%	122,014,281
HEALTHCARE OPERATIONS & SUPPORT	7,105,676	71,238,351	118,423,146	60%	58,669,052
DEBT PAYMENT	-	8,035,000	8,035,000	100%	7,440,000
SENDERO RISK-BASED CAPITAL TRANSFER	-	-	8,000,000	0%	12,000,000
TOTAL HEALTHCARE DELIVERY	\$ 23,648,898	\$ 252,955,485	\$ 353,461,994	72%	\$ 200,123,333



DIRECT SERVICES	Aug 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
Diagnostics and Other Services	405,227	2,866,642	4,395,034	65%	692,326
Clinical Support	1,022,388	9,232,962	13,826,160	67%	3,189,644
Endocrinology	27,801	69,724	762,556	9%	-
Rheumatology	41,486	166,940	656,943	25%	-
Cardiology	145,226	1,387,359	2,437,279	57%	296,280
Gastroenterology	166,876	1,767,930	2,953,976	60%	1,203,214
Nephrology	60,243	612,643	1,859,200	33%	270,689
Neurology	-	7,697	2,019,556	0%	211,703
Podiatry	195,299	2,074,719	2,192,929	95%	1,252,818
Pulmonology	90,566	847,997	1,497,711	57%	710,007
Palliative Care	60,832	657,848	958,984	69%	244,360
Pharmacy	77,779	791,374	1,849,580	43%	121,054
Behavioral Health	88,904	810,190	1,227,110	66%	190,751
Patient Navigation Center	623,482	6,033,679	6,105,265	99%	1,971,753
Psychiatry	54,210	415,951	1,674,311	25%	-
Medical Respite	520,334	3,011,066	5,239,210	57%	569,565
Transition of Care	567,712	5,333,396	10,388,044	51%	3,059,877
Total Direct Services	\$ 4,148,365	\$ 36,088,117	\$ 60,043,848	60%	\$ 13,984,041

DIRECT SERVICES	Actual FTEs	Budget FTEs	Co Hires	Aug 2025 Patient Encounters	FYTD 2025 Patient Encounters	Service Line Start Date
Diagnostics and Other Services	15,330	25,312	0.1			Various
Clinical Support	67,131	90,898	-			N/A
Endocrinology	326	978	-			N/A
Rheumatology	531	1,062	0.4			N/A
Cardiology	8,469	10,351	-			9/30/2024
Gastroenterology	5,195	13,507	1.7			10/2/2023
Nephrology	4,125	6,600	1.0			2/1/2024
Neurology	-	717	-			N/A
Podiatry	12,683	12,683	-			10/23/2023
Pulmonology	5,970	10,945	0.8			10/2/2023
Palliative Care	3,474	4,053	-			2/5/2024
Pharmacy	3,752	6,432	-			4/3/2024
Behavioral Health	3,858	9,645	-			3/20/2024
Patient Navigation Center	57,869	72,041	-			N/A
Psychiatry	1,504	2,632	-			10/3/2024
Medical Respite	45,837	63,984	0.5			8/23/2023
Transition of Care	57,889	84,843	-			11/15/2023
Total Direct Services	293,943	416,683	4.5	0	0	

SPECIALTY CARE	Aug 2025	FY 2025 YTD	FY 2025 Budget	Percent of Budget Used	FY 2024 YTD
Ancillary Services	881,934	2,035,166	3,360,000	61%	56,166
Cardiology	67,722	1,016,102	800,000	127%	717,628
Dental	582,670	3,650,779	2,500,000	146%	1,634,383
Dermatology	84,767	883,683	1,100,000	80%	886,222
Durable Medical Equipment	117,887	362,111	1,058,000	34%	132,496
Endocrinology	70,918	771,699	800,000	96%	646,800
Ear, Nose & Throat	155,588	1,277,629	1,200,000	106%	465,428
Gastroenterology	(250,624)	1,880,299	1,925,000	98%	1,188,049
General Surgery	24,814	239,505	300,000	80%	282,482
Gynecology	50,737	1,858,211	2,200,000	84%	1,527,635
Infectious Disease	2,537	9,366	100,000	9%	23,334
Musculoskeletal	126,245	2,083,653	2,350,000	89%	-
Neurology	4,317	47,496	100,000	47%	57,606
Nephrology/Dialysis	66,525	857,466	3,150,000	27%	1,118,312
Oncology	248,405	1,741,088	2,850,000	61%	712,857
Ophthalmology	227,602	2,075,538	2,325,000	89%	1,315,561
Physical Medication & Rehab	11,020	120,963	200,000	60%	1,883,866
Podiatry	(387,632)	1,207,446	850,000	142%	1,153,887
Pulmonology	51,283	617,351	550,000	112%	299,800
Referral Management	(7,480)	21,160	425,000	5%	38,680
Rheumatology	23,075	248,718	400,000	62%	273,609
Sexual & Reproductive Service	27,144	1,202,058	2,310,000	52%	726,385
Specialty Care Reserve	-	-	300,000	0%	-
Transportation	-	-	-	0%	692,616
	\$ 2,179,454	\$ 24,207,487	\$ 31,153,000	78%	\$ 15,833,802

Balance Sheet (details)

Current Assets

Ad Valorem Taxes Receivable – \$5.3M

Current Taxes	\$ 8,651,259
Delinquent Taxes	5,259,436
Tax Distributions In Transit	(4,005)
Appraisal District Adjustments	(4,386,987)
Short-Term Tax Allowance	(1,853,829)
Long-Term Tax Allowance	(2,399,097)
Total Ad Valorem Taxes Receivable	\$ 5,266,777

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

Accounts Receivable Manual	\$ 303,109
Accounts Receivable Patient	218,088
AR Patient Clearing Account	455
AR Enterprise Health Claims	76,873
Deposits	66,906
DUE FROM CommUnityCare CUC	3,947,215
DUE FROM Sendero SHP	2,210,409
Investment Interest Receivable	3,823,412
Prepaid Expenses	930,641
Prepaid Tax Collection Fees	345
Receivable Interest Risk Pool ST	1,407,878
Receivable Risk Pool ST	35,077,196
Total Other Receivables Balance	\$ 48,062,527

Long Term Assets

Working Capital Advance to CommUnityCare – \$4M

Current Liabilities

Accounts Payable – Major components of the \$33.7M balance are:

System AP	\$ 5,518,884
System AP EPIC Refunds	(341)
Manual AP	2,238,687
Procurement Cards	233,460
IBNR	23,678,043
IBNR - Prior Year	1,943,580
DUE TO CommunityCareCollaborative CCC	81,500
Total Accounts Payable	\$ 33,693,813

Salaries and Benefits Payable – \$43.2M 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 – \$56.0M 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 – \$14.1M for Downtown Campus (parking garage), Hancock Clinic, and land leases (The 2033 Fund and ground lease)

Investment and Other Revenue – \$60.3M - \$20.1M from sale of the David Powell Clinic



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BUDGET & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 3

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

August 2025 Financial Report for CommUnityCare

Joy Sloan, CFO – CommUnityCare



August experienced a surplus \$667K, bringing the year to date loss to \$2.9M

Negative trends on 340B and Medicaid continue

Grant revenue increased in August due to FEMA collections

We have continued to see slight improvements in the pharmacy margin over the past several months

Summary: Statement of Activities							
Description	Current Month 08/31/2025	Prior Month 07/31/2025	YTD Actual 08/31/2025	YTD Budget	Variance from Budget	% Variance	FYTD 08/31/202 4
Pharmacy Revenue	6.2M	6.2M	69.3M	71.2M	-1.9M	-2.6%	67.0M
Pharmacy Supplies	4.3M	4.8M	49.5M	45.7M	3.8M	8.3%	43.3M
Pharmacy Net	1.9M	1.4M	19.8M	25.5M	-5.7M	-22.2%	23.7M
Operating Revenue							
Net Third Party Revenue	6.2M	6.6M	62.9M	73.6M	-10.7M	-14.5%	51.9M
CH MDBS Revenue	4.5M	5.0M	51.7M	50.8M	0.9M	1.9%	45.7M
Total Patient Service Revenue	10.7M	11.6M	114.6M	124.3M	-9.7M	-7.8%	97.6M
Grant Revenue	2.4M	1.2M	14.8M	14.3M	0.5M	3.2%	24.9M
CH Contract Revenue	1.6M	1.5M	19.5M	17.2M	2.3M	13.7%	11.8M
Total Operating Revenue	14.7M	14.2M	148.9M	155.8M	-6.9M	-4.5%	134.3M
Expense							
Wages and Benefits	12.5M	12.6M	134.9M	141.4M	-6.5M	-4.6%	131.5M
Contract Labor	0.6M	0.6M	6.6M	5.5M	1.1M	19.8%	7.4M
Direct Care Expense	1.2M	1.2M	12.7M	12.9M	-0.1M	-0.9%	11.9M
Indirect Care Expense	0.9M	1.2M	11.3M	12.2M	-0.9M	-7.7%	13.7M
Occupancy Expense	0.8M	0.8M	9.0M	8.9M	0.0M	0.4%	8.8M
Depreciation Expense	0.1M	0.1M	0.8M	0.9M	0.0M	-3.4%	0.6M
Total Expense	16.0M	16.5M	175.3M	181.7M	-6.4M	-3.5%	173.8M
Net Operating Surplus/(loss)	0.6M	-0.9M	-6.6M	-0.4M	-6.2M	1422.0%	-15.9M
Non Operating Rev/Exp	0.1M	0.1M	3.7M	0.2M	3.5M	1803.9%	5.4M
Net Surplus/(loss)	0.7M	-0.8M	-2.9M	-0.2M	-2.6M	1106.8%	-10.5M
Gross cost per encounter-excluding Bad Debt	\$ 454.06	\$ 459.85	\$ 465.09	\$ 415.63	\$ 49.45	11.9%	\$ 501.63
Medical cost per Medical Encounter	\$ 252.31	\$ 254.75	\$ 256.17				\$ 240.30
Dental cost per Dental Encounter	\$ 208.89	\$ 204.86	\$ 217.00				\$ 206.87
Pediatrics Cost per Encounter	\$ 195.62	\$ 205.15	\$ 202.30				\$ 184.09
HIV/Aids Cost per Encounter	\$ 662.59	\$ 812.30	\$ 661.46				\$ 448.47
Homeless Cost per Encounter	\$ 646.53	\$ 574.40	\$ 601.80	27 of 49			\$ 515.13
Net Pharmacy Revenue per Medical Encounter	\$ 33.21	\$ 26.13	\$ 38.10	\$ 54.80	\$ (16.70)	-30.47%	\$ 54.82

August was fairly stable on the balance sheet, with cash increasing slightly

Summary: Statement of Financial Position

Description	Current Month 08/31/2025	Prior Month 07/31/2025	Variance	Fiscal Year 2024	Variance	Target
Cash and Investments	\$23.8M	\$22.6M	\$1.2M	\$22.3M	\$1.5M	
Accounts Receivable	\$11.8M	\$14.1M	-\$2.4M	\$23.5M	-\$11.8M	
Non Current Assets	\$2.7M	\$2.3M	\$0.4M	\$2.2M	\$0.5M	
Long Term Assets	\$36.0M	\$36.1M	-\$0.1M	\$36.5M	-\$0.5M	
Current Liabilities	\$17.9M	\$19.4M	-\$1.5M	\$25.3M	-\$7.4M	
Long Term Liabilities	\$10.1M	\$10.1M	\$0.0M	\$10.1M	\$0.0M	
Net Assets	\$46.3M	\$45.6M	\$0.7M	\$49.1M	-\$2.9M	
Days Cash on Hand	36	34	2.1	35	1	60
Curent Ratio(Assets/Liabilities)	1.99	1.89	0.10	1.81	0.17	2.00
Debt to Equity Ratio (total liabilities/net assets)	0.61	0.65	(0.04)	0.72	(0.11)	<1.0

- Days cash on hand ended at 36 days. AR decreased with collections on Pharmacy claims.
- Draws on our federal grants continue to require additional explanation but have not resulted in any delayed payments.
- Our current ratio increased slightly because of the increase in cash.

Encounters continue to run under budget this fiscal year

- We are actively recruiting for open provider positions:
 - We onboarded 8 providers in August.
 - We have more providers in the pipeline to begin and are actively recruiting.
- 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	152,154	173,893	(21,739)	-12.5%	139,186
Internal Medicine	42,813	50,719	(7,906)	-15.6%	36,609
Women's Health	40,531	44,479	(3,948)	-8.9%	36,537
Pediatrics	106,237	123,654	(17,417)	-14.1%	100,514
Specialty Care	27,074	24,874	2,200	8.8%	24,949
Total Medical	368,809	417,619	(48,810)	-11.7%	337,795
Dental Encounters					
General Dentistry	57,311	55,202	2,109	3.8%	43,065
Pediatric Dentistry	16,928	22,767	(5,839)	-25.6%	13,838
Total Dental	74,239	77,969	(3,730)	-4.8%	56,903
Behavioral Health	30,689	38,629	(7,940)	-20.6%	28,090
Therapy	9,639	12,983	(3,344)	-25.8%	10,076
Total Encounters	483,376	547,200	(63,824)	-11.7%	432,864
Clinic Operating Days	231.50	233	(1.5)	-0.6%	234
Encounters by Working Day					
Medical	1,593.1	1,792.4	(199.2)	-11.1%	1,443.6
Behavioral Health	132.6	165.8	(33.2)	-20.0%	120.0
Dental	320.7	334.6	(13.9)	-4.2%	243.2
Therapy	41.6	55.7	(14.1)	-25.3%	43.1
Total	2,088.0	2,348.5	(260.5)	-11.1%	1,849.8
Provider Utilization % (including Overbooks)	88.2%				
Medical Provider positions open	18.81				12.78
FT Providers exceeding encounter target-90%	55.8%				51.9%
Unduplicated Patients (fiscal year count)	141,656				135,871
% Patients new to the practice	6.3%				6.6%

CUC made significant strides to lower the operating loss in FY25

What we did:

- Careful consideration of hiring flattened the projected personnel spend cost
- Focused recruiting efforts to fill open provider positions increased access and revenue
- Movement to in-house pharmacies for prescriptions captured more revenue
- Tireless efforts to find pharmacy revenue improved the margin drops experienced by 340B regulations



Our projected loss from March/April was between \$10-12M, with highly conservative estimates as high as \$15M.



*We are actually expecting an operating loss of **\$2.6M**, after including the \$2.8M investment CH made over the summer*



This is because of multiple efforts outlined on the left.



COMMUNITYCARE™
HEALTH CENTERS

Thank you!



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BUDGET & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 4

Discuss and take appropriate action on the acquisition of two properties located in North and East Travis County. ^{3,4} (*Action 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 September 24, 2025

Who will present the agenda item? (Name, Title) Stephanie McDonald, Chief Infrastructure Officer
Jeff Knodel, Chief Financial Officer

Discuss and take appropriate action on the acquisition of two properties located in North and East Travis County.

a) Consider approval of a Resolution approving the issuance of the District's Certificate of Obligation; approving the form and requesting that the Travis County Commissioners Court approve and adopt order(s) to authorize the issuance of such certificates; and other related actions.

b) Consider adoption of and take appropriate action on a resolution expressing intent to finance expenditures to be incurred.

c) Discuss and take appropriate action on approval of Central Health capital project budgets.

General Item Description (Action Item)

Is this an informational or action item? Action

Fiscal Impact _____

Recommended Motion (if needed – action item) _____

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

1) This item will be discussed partially in open session and partially 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 in open and closed session.

Estimated time needed for
presentation & questions?

20 minutes

Is closed session
recommended? (Consult
with attorneys.)

Yes, closed session

Form Prepared By/Date
Submitted:

Valerie Guerra/September 19, 2025



CENTRAL HEALTH

MEMORANDUM

To: Central Health Board of Managers
From: Nicki Riley, Deputy CFO
CC: Jeff Knodel, CFO
Perla Cavazos, Chief Governance and Government Affairs Officer
Date: September 19, 2025
Re: Proposed Debt Issuance and Reimbursement Resolutions

The purpose of this memorandum is to present for the Board of Managers' consideration two resolutions related to the District's financing of capital projects:

1. Resolution to Issue Debt; and
2. Reimbursement Resolution

Resolution to Issue Debt

The Resolution to Issue Debt authorizes the District to proceed with the issuance of debt to finance approved capital projects. This action will provide the necessary resources to advance key initiatives while maintaining adequate reserves and liquidity. The resolution sets forth the maximum amount of debt to be issued, the form of the obligations, and the process for final approval of pricing and terms.

Reimbursement Resolution

The Reimbursement Resolution allows the District to reimburse itself with bond proceeds for eligible capital expenditures incurred prior to the issuance of debt. Adoption of this resolution is required under IRS regulations in order to maintain the ability to use bond proceeds to reimburse expenditures made from available cash. This resolution ensures the District has the flexibility to begin or continue project work immediately without waiting for bond proceeds to be received.

Recommendation

Staff recommends approval of both resolutions. Together, these actions provide Central Health with the financial flexibility to:

- Initiate and sustain progress on critical capital projects;
- Preserve liquidity through the reimbursement mechanism; and
- Align financing with long-term capital and financial planning objectives.

RESOLUTION OF THE BOARD OF MANAGERS OF TRAVIS COUNTY
HEALTHCARE DISTRICT APPROVING THE ISSUANCE OF THE
DISTRICT'S CERTIFICATES OF OBLIGATION; APPROVING THE FORM
OF AND REQUESTING THAT THE TRAVIS COUNTY COMMISSIONERS
COURT APPROVE AND ADOPT ORDER(S) TO AUTHORIZE THE
ISSUANCE OF SUCH CERTIFICATES; AND OTHER RELATED ACTIONS

WHEREAS, pursuant to Subchapter C of Chapter 271, Texas Local Government Code, as amended (the "Act"), and Subchapter F, Chapter 281, Texas Health and Safety Code, as amended ("Chapter 281"), Travis County Healthcare District (doing business as "Central Health") (the "District"), is authorized to issue certificates of obligation for the purpose of (i) the acquisition, construction, expansion, improvement, renovation, rehabilitation and equipping of District facilities for medical, clinical, and other health care services, and administration, support, training, and parking facilities related thereto, (ii) the acquisition, construction, improvement, renovation, rehabilitation and equipping of buildings and land to be used for District purposes and to be located in central, east and north Travis County, including facilities for medical, clinical, and other health care services, and administration, support, training, and parking facilities related thereto, (iii) the purchase of materials, supplies, equipment and machinery to be used for District purposes, (iv) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance (collectively, the "Project"); and

WHEREAS, in accordance with the provisions of the Act and Chapter 281, the Board of Managers (the "Board") of the District has found and determined that the Projects should be financed with the proceeds derived from the issuance and sale of certificates of obligation to be sold and delivered, in one or more series, from time to time in accordance with the provisions of the Act, Chapter 281 or other applicable law; and

WHEREAS, pursuant to the request of the Board, the Commissioners Court (the "Commissioners Court") of Travis County, Texas (the "County"), authorized the publication of a notice of intention to issue certificates of obligation in a principal amount not to exceed \$290,000,000, at the times and in the manner required by the Act and such notice has been published in accordance with the Act; and

WHEREAS, pursuant to the provisions of Chapter 281, the Commissioners Court, in the name and on behalf of the District, is authorized to issue certificates of obligation and to levy the District's ad valorem tax to provide for the payment thereof, and to further pledge to the payment of such certificates of obligation surplus revenues, limited to \$1,000, of the District's revenues received in connection with the operation of the District's healthcare facilities; and

WHEREAS, the Board now desires to request that the Commissioners Court adopt order(s) authorizing the issuance of the District's certificates of obligation (the "Order") for the purposes and on the terms and conditions specified in such Order(s); and

WHEREAS, the District is an "Issuer" within the meaning of Chapter 1371, Texas Government Code ("Chapter 1371"), as amended, specifically, Section 1371.001(4)(P), and the Board desires to delegate, pursuant to Chapter 1371, to certain District officers authority to act on behalf of the District in selling and delivering the certificates of obligation and setting the

procedures relating to the certificates of obligation, as specified in this Resolution and the Order(s) and to execute any document or certificate that is necessary or favorable to allow the District to comply with any requirements relating to the issuance of the certificates of obligation and to facilitate the offering, sale, and issuance of the certificates of obligation in accordance with the terms of the Act and Chapter 1371;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE TRAVIS COUNTY HEALTHCARE DISTRICT:

Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the determinations and findings of the Board.

Section 2. The Board hereby approves the issuance and sale of the District's certificates of obligation (the "Certificates") in one or more series, on the same or more favorable terms and provisions than those set forth in the Order(s) presented herewith to be adopted by the Commissioners Court authorizing the issuance of the Certificates, the levy of the District's annual ad valorem tax in payment thereof, and a further pledge of surplus revenues received by the District in connection with the operation of the District's healthcare facilities in an amount not to exceed \$1,000.

Section 3. The Board hereby respectfully requests the Commissioners Court to approve and adopt the Order(s) authorizing the issuance of the Certificates on the parameters set forth therein and approved in this Resolution.

Section 4. Each of the President and Chief Executive Officer and the Chief Financial Officer of the District, acting individually and not jointly (the "Pricing Officer"), are hereby authorized to approve, in the name and on behalf of the District, in connection with the sale of each series of Certificates, the preparation and distribution of (a) a preliminary official statement (the "Preliminary Official Statement") and a final official statement (the "Official Statement") relating to the Certificates of such series to be used by the Purchaser in connection with the marketing and public offering of the Certificates of such series or (b) such other informational materials as shall be determined by the Pricing Officer to be necessary and appropriate in connection with the private placement of the Certificates with one or more qualified institutional buyers, accredited investors or financial institutions. In addition, the Pricing Officer is authorized to deem the Preliminary Official Statement "final" for purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. In the event the Certificates are sold pursuant to a public sale, the Pricing Officer is hereby authorized to approve, in the name and on behalf of the District, in connection with the sale of the Certificates, the preparation and distribution of a Notice of Sale. The Pricing Officer and other appropriate officials of the District are hereby authorized to sign such Official Statement and/or to deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates of such series.

Section 5. The Board hereby approves the execution and delivery of the Paying Agent/Registrar Agreement(s) in substantially the form(s) presented with this Resolution. The

Pricing Officer is hereby authorized and directed to designate a Paying Agent/Registrar and execute and deliver the Paying Agent/Registrar Agreement(s) on behalf of the District.

Section 6. The Board hereby approves the execution and delivery of the winning bid, contracts, agreements, investment letters and/or other instruments between the District and the Purchaser relating to the purchase and sale of the Certificates (collectively, the “Purchase Contract(s)”) in the form and on the terms approved by the Pricing Officer. The Pricing Officer is hereby authorized and directed to execute and deliver the Purchase Contract(s) on behalf of the District.

Section 7. All officers of the District are authorized to execute and deliver such agreements, certificates and other instruments as they may deem appropriate in order to consummate the delivery of the Certificates in accordance with the terms of, and to carry out the purposes of, the Order(s) and this Resolution. The Board hereby authorizes the payment of the fees, costs and expenses in connection with the issuance of the Certificates to the persons entitled to receive payment of such fees, costs and expenses. The District’s bond counsel is hereby authorized to make non-substantive changes to the terms of this Resolution if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Certificates by the Attorney General of Texas.

Section 8. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 9. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

PASSED AND APPROVED this 24th day of September, 2025.

BOARD OF MANAGERS
TRAVIS COUNTY HEALTHCARE DISTRICT

RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES

WHEREAS, the Travis County Healthcare District d/b/a Central Health (the “District”), is a hospital district created and operating under Chapter 281, Texas Health and Safety Code, as amended, and is authorized to finance its activities by issuing or incurring obligations, including obligations the interest on which is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Internal Revenue of 1986, as amended; and

WHEREAS, the District is authorized to finance the property listed in **Exhibit A** attached hereto (the “Financed Property”); and

WHEREAS, the District has made, within the last 60 days, and/or will continue to make payments with respect to the Financed Property; and

WHEREAS, the District desires to reimburse itself for the costs associated with the Financed Property from the proceeds of obligations to be issued subsequent to the date hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH:

Section 1. The District hereby declares its intent to reimburse itself for all costs paid within the last 60 days and that will be paid subsequent to the date hereof in connection with the acquisition of the Financed Property from the proceeds of obligations to be issued or incurred subsequent to the date hereof.

Section 2. The District reasonably expects that the maximum principal amount of obligations issued to reimburse the District for the costs associated with the Financed Property will not exceed \$290,000,000.

Section 3. This Resolution will be kept in the books and records maintained by the District with respect to the obligations.

Section 4. This Resolution does not and will not bind the District to make any expenditure, incur any indebtedness, or proceed with the acquisition of the Financed Property.

[Signature page follows]

PASSED AND APPROVED this 24th day of September 2025, by the Board of Managers of the District.

TRAVIS COUNTY HEALTHCARE DISTRICT

By: _____
Chairperson, Board of Managers

ATTEST:

By: _____
Secretary, Board of Managers

EXHIBIT A

DESCRIPTION OF FINANCED PROPERTY

Description: Payment of costs incurred for: (i) the acquisition, construction, expansion, improvement, renovation, rehabilitation and equipping of District facilities for medical, clinical, and other health care services, and administration, support, training, and parking facilities related thereto, (ii) the acquisition, construction, improvement, renovation, rehabilitation and equipping of buildings and land to be used for District purposes and to be located in central, east and north Travis County, including facilities for medical, clinical, and other health care services, and administration, support, training, and parking facilities related thereto, (iii) the purchase of materials, supplies, equipment and machinery to be used for District purposes, and (iv) related professional services, including legal, fiscal, engineering and design fees.

Central Health System - Hancock

Total Budget: \$150,700,000

PH 1 - \$62,755,000

PH 2 - \$88,112,855

Clinical Services:

Primary, Specialty, Dental

Lab

Pharmacy

System Administration:

System Leadership Center

Public Meeting Auditorium



Colony Park Health & Wellness Center

Total Project Budget: \$37,296,705

Total Debt Issuance: \$35,295,428

Clinical Services:

Primary Care

Dental

Drive-Thru Pharmacy

Laboratory

Wellness Space

Health & Wellness Services



Proposed Acquisitions

Property A

- 98,357 total sq ft
- Strategic location – good transit
- Transition from leased building
- Office space
- Other support functions
- Debt Issue Amount- \$49.2M

Property B

- 260,393 sq ft
- Priority Need area
- Transitioning from leased clinical buildings
- Clinical office space- Adult/Pediatrics
- Clinical support
- Tenant leased through 2029 ~ 70,000 sq ft
- Debt Issue Amount - \$93.5M



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 & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 5

Receive and discuss financial and operational updates from Sendero Health Plans. (*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 September 24, 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: Valerie Guerra/ September 19, 2025



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BUDGET & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 6

Discuss and take appropriate action to authorize the President and CEO to negotiate and execute a contract with Hall Benefits Law for legal services related to employee retirement and health plan issues under ERISA. (*Action Item*)

To: Central Health Board of Managers

cc: Dr. Pat Lee, Central Health President & CEO

From: Jeannie E. Virden, Chief People Officer

Date: Wednesday, September 24, 2025

Subject: Engagement with Hall Benefits Law

Summary of Request:

We are presenting a recommendation to engage Hall Benefits Law (HBL), a specialized ERISA (Employee Retirement Income Security Act) attorney to ensure Central Health remains compliant and fiscally responsible with our employee benefit plans. Proactive legal oversight is crucial for mitigating risk and upholding our fiduciary duties.

Key Reasons for Engaging ERISA Counsel Now:

- To ensure our retirement, health, and welfare plans are administered in strict compliance with complex federal regulations, avoiding costly penalties.
- To receive expert guidance on fiduciary responsibilities, protecting both the organization and our plan fiduciaries from potential liability.
- To strategically manage and negotiate with our third-party plan vendors (TPAs and PBMs) to control costs and ensure transparent, favorable contract terms.

Why Hall Benefits Law is the Right Fit for Central Health:

- **Exclusive ERISA Focus:** HBL is a nationally recognized, woman-owned boutique firm that specializes *only* in employee benefits law. Unlike larger firms, they have no conflicts of interest as they solely represent plan sponsors like us.
- **Extensive Experience:** The firm has a deep bench of experienced partners who have successfully navigated complex IRS and DOL audits, corrected compliance errors, and mitigated tens of millions of dollars in penalties for their clients.
- **Efficient & Client-Focused Structure:** Their model provides direct partner involvement on all matters and includes a non-billable client liaison to ensure efficiency and responsiveness, maximizing the value of our legal spend.
- **Proven Cost-Saving Expertise:** HBL has a unique and highly successful practice in negotiating with Third-Party Administrators (TPAs) and Pharmacy Benefit Managers (PBMs). They have saved clients millions in recurring annual costs and have a 100% success rate in these negotiations.
- **Transparent & Flexible Fees:** HBL offers predictable flat-fee arrangements for routine compliance work and an innovative "Share-of-Savings" model for TPA/PBM negotiations, directly aligning their compensation with our financial success.

We believe HBL's specialized expertise and proven ability to generate significant cost savings make them the ideal partner for Central Health.

Requested Action

We are requesting board approval to Authorize the President and CEO to negotiate and execute a contract with Hall Benefits Law for legal services related to employee retirement and health plan issues under ERISA.



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BUDGET & FINANCE COMMITTEE MEETING

September 24, 2025

AGENDA ITEM 7

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