

FISCAL YEAR 2026

Approved Budget

2026



CENTRAL HEALTH

Letter from the CEO

We are calling Fiscal Year 2026 the “Year of Access.” The year will be defined by connection, coordination, and progress. For the first time, Central Health, CommUnityCare Health Centers, and Sendero Health Plans are operating as one system, united by a shared mission, one budget, and one vision. This alignment will help us reach more people, deliver care faster, and improve health outcomes countywide.



The FY 2026 budget vote marked a turning point. County commissioners’ unanimous approval affirmed Central Health’s clearest vision yet: a unified safety net system investing \$1.1 billion in FY 2026 to deliver more equitable health care across the county. Guided by our seven-year strategic plan, community feedback, and the leadership of our all-volunteer Board of Managers, we are building a stronger, more equitable health care system.

Key investments include:

- **Expanding access to care:** We are investing more than \$103 million to strengthen primary care, behavioral health, and dental services through our partners and direct clinics. Another \$81 million is dedicated to expanding direct specialty care—services like cardiology, gastroenterology, and rheumatology—bringing these vital resources closer to the people who need them most.
- **Reducing delays and improving outcomes:** This year, we are focused on achieving appointment wait times of two weeks or less for primary and specialty care, reducing avoidable emergency visits and hospital readmissions by 10 percent, and expanding coverage by 5 percent through MAP (Medical Access Program) and MAP Basic.
- **Prioritizing mental health:** We are increasing investments in psychiatry, therapy, and substance use treatment, and expanding collaboration with Integral Care, Dell Medical School at The University of Texas at Austin, and other local partners to improve behavioral health access across the county.
- **Caring for unhoused residents:** Central Health’s new Medical Respite Center will offer unhoused patients a safe, medically supported place to recover after hospital stays. Our Bridge Program continues to deliver care directly to people experiencing homelessness through clinic-based and mobile teams.
- **Building in underserved areas:** The new Del Valle Health & Wellness Center is now open, and construction is underway for the Colony Park Health & Wellness Center, a 32,000-square-foot facility set to open in 2027. Both centers will bring comprehensive care, from primary and dental to pharmacy and wellness, to areas that have historically lacked access.

Much of the funding for these investments comes from responsible use of cash reserves, reducing the burden on taxpayers while maintaining fiscal stability. Our property tax rate of 11.8 cents per \$100 valuation remains among the lowest of major Texas hospital districts.

FY 2026 is a turning point, not just another budget year. It represents a unified system working together to deliver care faster, close gaps, and strengthen trust across our community.

Thank you for your continued support and partnership as we make this “Year of Access” a year of impact for everyone in Travis County.

With gratitude,

A handwritten signature in black ink that reads "Pat Lee, MD". The signature is fluid and cursive.

Dr. Pat Lee
President & CEO, Central Health

Guiding Principles

Vision

Health care in Central Texas is getting better every day for everyone, making Travis County a model healthy community.

Mission

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

Values

Central Health will achieve excellence through:

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

Innovation: We create solutions to improve health care access.

Respect: We honor our relationship with those we serve and those with whom we work.

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

Goals

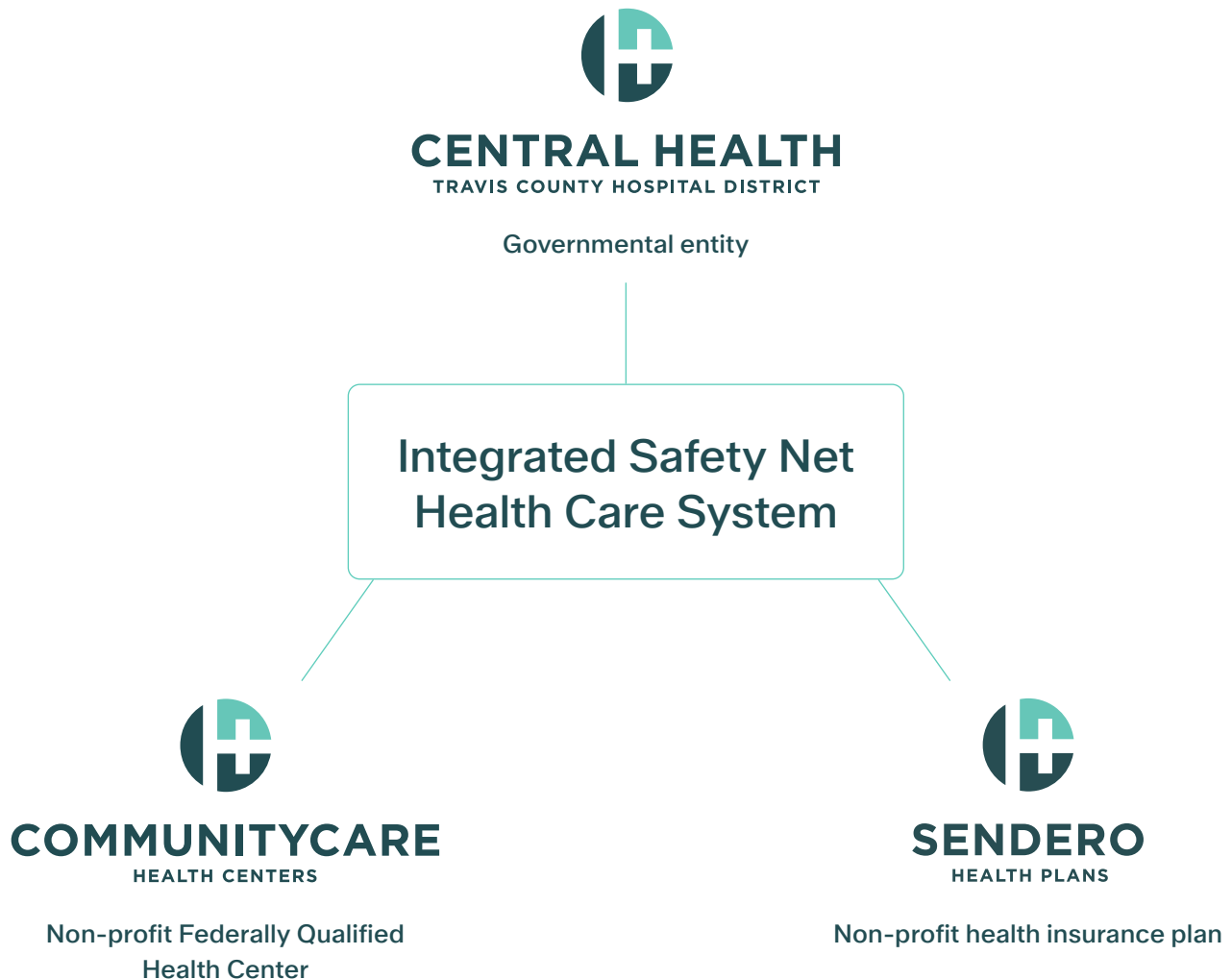
Access: Increase access to health care for residents of Travis County.

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

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

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

The Central Health System



The Central Health system comprises three health care entities working together to create a comprehensive, high-quality health care system that opens doors to better care and coverage, all while tackling health disparities for low-income Travis County residents.

Central Health, officially the Travis County Hospital District, is the governmental entity within that system. As a special purpose taxing district that combines local property taxes with earnings from the provision of services, Central Health actively engages the public throughout the process of developing our budget. The purpose of this document is to promote transparency and accountability for how public funds are being used within the system to build and maintain an integrated safety net health care system.

System objectives & key results

Create simplified, seamless patient care journeys

- Reduce appointment wait times
- Reduce avoidable readmissions and ED utilization
- Achieve target average system-wide resource utilization

Build a comprehensive, equitable system

- Increase patient net promoter score
- Increase unique patients with coverage
- Close three quality care gaps

Demonstrate the value of community support

- Increase community support for Central Health
- Reduce avoidable system duplication
- Increase non-tax revenue sources

Empower and develop our team

- Increase leadership and management OKR participation
- Increase team member satisfaction score
- Increase team member sense of belonging



Central Health Organizational Chart

Board of Managers



President & Chief Executive Officer



Health Care Delivery

- Direct & Purchased Health Care Services
- Health Care Operations & Support
- Health Insurance Program Investments
- Health & Wellness Programs
- Real Estate Development & Infrastructure
- Community Outreach
- Health Information Technology

Administration

- Governance
- Compliance
- Finance & Procurement
- Human Resources
- Communications
- Tax Collection





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Travis County Healthcare District (Central Health)
Texas**

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Travis County Health care District for its Fiscal Year 2025 Budget for the fiscal year beginning October 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of FY 2025 only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Travis County Hospital District has earned the Distinguished Budget Presentation Award in each fiscal year since FY 2020.

Learn more: CentralHealth.net/2023-gfoa-award/

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Role of the Hospital District

In May 2004, Travis County voters approved the creation of The Travis County Hospital District (doing business as “Central Health”) under Chapter 281 of the Texas Health and Safety Code. Central Health’s mission is to improve the health of the community by caring for those who need it most. We are empowering communities by building a better health care system to serve low-income residents of Travis County.

As required by our enabling legislation, Central Health is required to provide health care to residents who are at or below 21% of the federal poverty level (FPL)—\$6,752 annual household income for a family of four. Central Health also provides the MAP (Medical Access Program), a local indigent coverage program, to eligible residents who are at or below 100% of the FPL which is \$32,150 for a family of four. In addition, Travis County residents earning up to 200% of the FPL, or \$64,300 for a family of four¹, may receive subsidized health care through Central Health partners on a sliding fee scale known as the MAP Basic coverage program. Coverage of certain services may be more limited than the benefits available to MAP members but may be accessed at low cost on a sliding fee scale bases through system partner CommUnityCare Health Centers. The taxpayers of Travis County fund the majority of Central Health’s budget.

Central Health is different than most large urban hospital districts in Texas in that it does not currently own or operate a hospital. Central Health employs providers to provide specialty care services to eligible residents at three clinic locations. Within the system, CommUnityCare Health Centers is the co-applicant in Central Health’s federal public health center model, and through this public health center provides a wide array of primary care, dental services, and behavioral health services to Travis County residents. Sendero Health Plans offers private health insurance plans on the federal Health Insurance Marketplace and provides coverage

to eligible residents of Travis County through Central Health funded premium assistance. In addition, Central Health contracts with key health care providers in the community.

In early 2022, Central Health adopted the first two phases of its seven-year equity-focused service delivery Strategic Plan (Plan), which identified community needs and gaps in both the current and future health care system. The intent of the Strategic Plan is to provide the strategic guidance that drives immediate and long-term improvements to community health care and reduces inequities for Travis County’s population with low income. In August 2023, Central Health adopted the final phases of the Strategic Plan, which specified the implementation plan that establishes a financially sustainable spending plan, as the roadmap for building a high-functioning, comprehensive safety net health care system in Travis County.

The theme of the FY 2026 budget is the “Year of Access” and marks the third year of this seven-year plan. This year’s budget is aimed at stabilizing and optimizing the various specialty care services added in the first two years of the plan. The adoption of this Plan incorporates an extensive community engagement process that focuses exclusively on the health care needs of the patients served by Central Health and covers the next seven years of extensive health care service enhancements.

1. U.S. Department of Health and Human Services Poverty Guidelines for 2025, aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.

Service area background and demographics

Travis County’s population continues to grow at one of the fastest rates in the nation. As of 2024, its population reached 1.37 million², representing a 6% increase since 2020.

As of 2025, the median family income in the Austin–Round Rock–San Marcos metropolitan area is \$133,800³, nearly four times the federal poverty level for a family of four (\$32,150).

Over the past five years⁴:

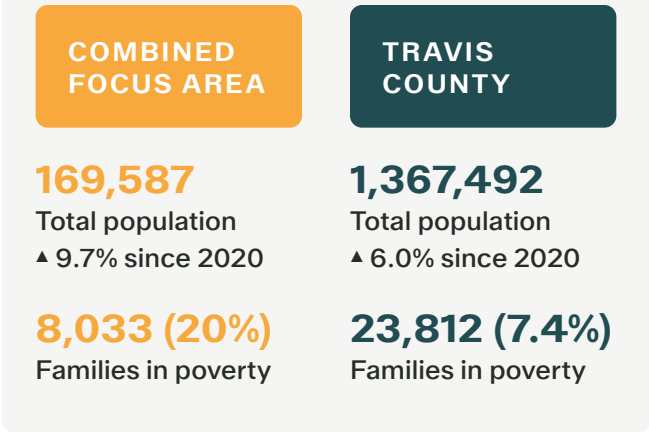
- Median income has risen by \$36,200.
- Median home price has increased by \$113,000 to \$438,000.
- Regional median home price is now approximately \$100,000 higher than the statewide median.
- Average rent rose by \$500 to \$2,300 per month.

Despite the strong local labor market and an unemployment rate consistently below 4%⁵, the economic gap between high-income and low-income residents continues to widen, underscoring pressure on the county’s health care safety net. These growing disparities, combined with Travis County’s continued growth, make it essential to understand the needs of the changing population that Central Health serves.

To provide this context, the Central Health 2024 Demographic Report⁶ examines nine geographic focus areas, created by grouping 27 of Travis County’s 290 census tracts that are projected to have high or moderately high poverty levels by 2029 and together represent roughly 12.4% of the county population (169,587).

Specifically, the report conducts a targeted deep dive into demographic characteristics, enrollment in Central Health coverage programs, health care utilization patterns, chronic condition prevalence, available public resources, and key social determinants of health. This focused analysis helps Central Health better understand the communities facing the most significant barriers to care and more effectively direct resources to the populations we are honored to serve.

Figure 1: Focus Areas vs. Travis County



The following section outlines several key highlights below, and the full detailed report is available here: CentralHealth.net/newsroom/2024-demographic-report/

2. 2024 total population demographics, families, families <= 100% of poverty, households without vehicles, average commute times, employment, educational attainment, income, median rent, and home values from Claritas’s Pop-Facts PremierFacts Premier database.
3. FY 2025 Income Limits Documentation System – Summary for Travis County, Texas.
4. FY 2020 Income Limits Documentation System – Summary for Travis County, Texas.
5. Unemployment Rate in Travis County, TX (TXTRAV3URN) | FRED | St. Louis Fed.
6. 2024 Central Health Demographic Report.

Key findings from the 2024 Demographic Report

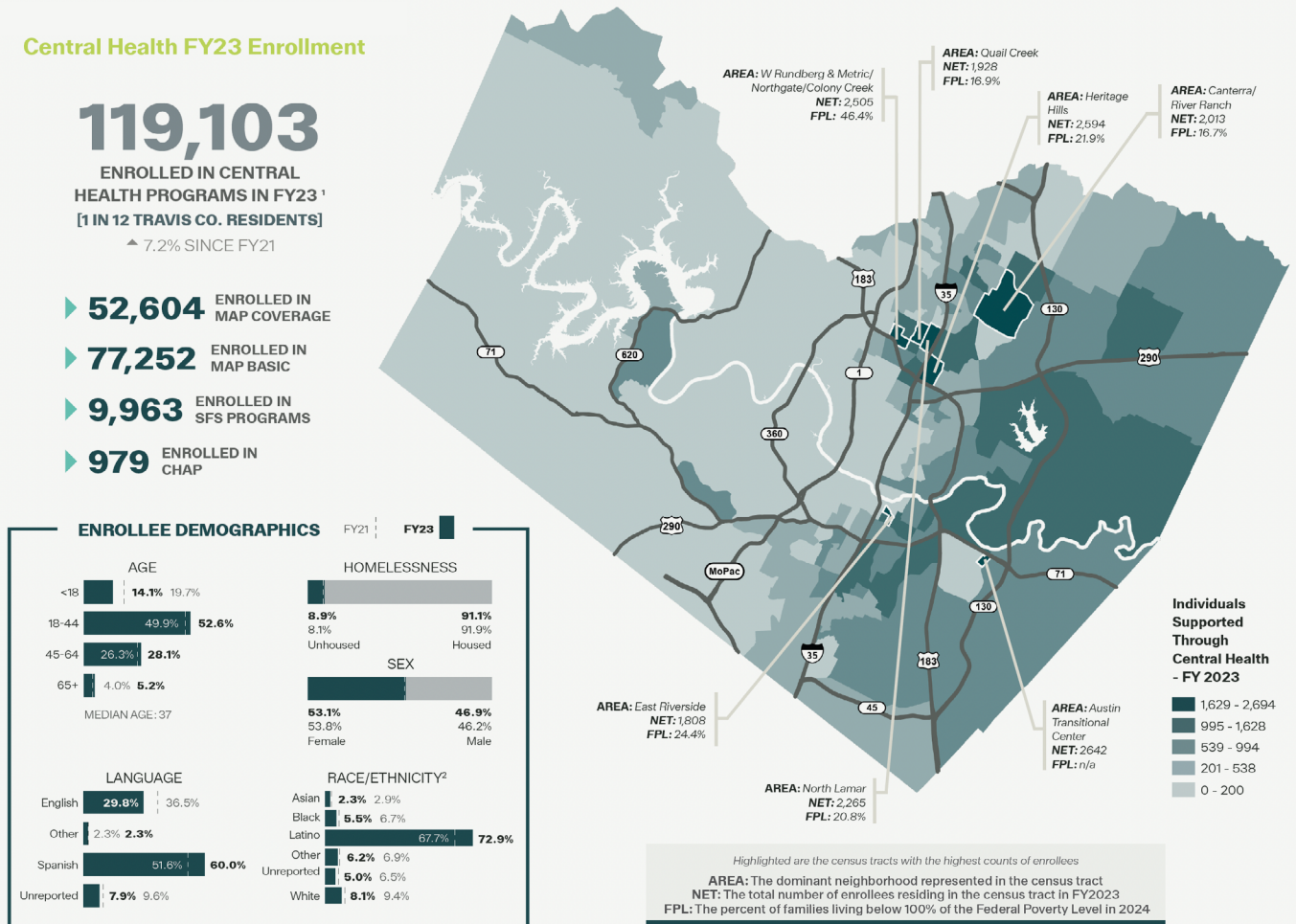
- 23,812 families currently live below the federal poverty level (7.4% of all families), and this is projected to rise modestly to 7.5% by 2029, representing an additional 1,777 families.
- Continued population growth is expected along the I-35 corridor and in the eastern parts of the county, including Manor, Del Valle, and Hornsby Bend areas, with higher rates of poverty, uninsured residents, and limited access to health care services.
- The number of families living below 100% of the Federal Poverty Level in poverty increased by 2.7% during this period, compared with a 6.5% increase in the overall population from 2020–2024.
- The combined focus areas have a higher share of Latino residents (53.6%) and Spanish speakers (40.9%) compared with Travis County overall (32.6% Latino; 21.3% Spanish). White residents make up a smaller share (38.4% vs. 55.0%), and English speakers are less common (52.5% vs. 70.4%).
- The combined focus areas have a younger median age (33 vs. 37) and slightly higher percentages of residents under 18 and ages 18–44. Sex distribution is nearly identical to Travis County (about 50% male, 50% female in both).

Figure 2: Historic Change in Families Living Below 100% Federal Poverty Level (FPL) and Total Population, 2020–2024

Time Period	Families <100% FPL	Total Population
2020	23,181	1,283,790
2022	23,655	1,330,492
2024	23,812	1,367,492
2020–2024	2.7%	6.5%



Figure 3: Enrollment Breakdown



¹ Total enrollment counts and demographics are based on the entire enrolled population (i.e. including non-mapped enrollees). Enrollment data shown in maps is based on the number of enrollees with addresses that could be geocoded and mapped. Total enrollment counts are deduplicated to account for those who changed programs during the year. As a result, combined enrollment by program figures do not equal deduplicated totals. ² Ethnicity and race are combined for Central Health enrollment figures.

- 119,103 individuals were enrolled in Central Health programs in FY 2023⁷ representing more than 1 in 12 Travis County residents and a 7.2% increase since FY 2021.
- As of FY 2023, more than half of enrollees are between the ages of 18 and 44, most speak Spanish, most are female, and almost three out of four are Latino.
- 8.9% of enrollees reported experiencing homelessness at least once during the fiscal year.
- The languages other than English and Spanish spoken most by enrollees were Arabic, Vietnamese, Nepali, Sign Language, Burmese, and Mandarin.
- In FY 2023, Central Health enrolled 10,615 self-reported unhoused residents into its MAP and MAP Basic programs. This count can include people in sheltered or unsheltered environments, ranging from living on the streets or sleeping in cars to couch surfing with friends or relatives. This represents a 14% increase from the 9,303 unhoused people discussed in the previous version of this report (FY 2022).

7. 2024 Central Health Demographic Report, page 41.

Figure 4: Demographics of Unhoused Enrollees

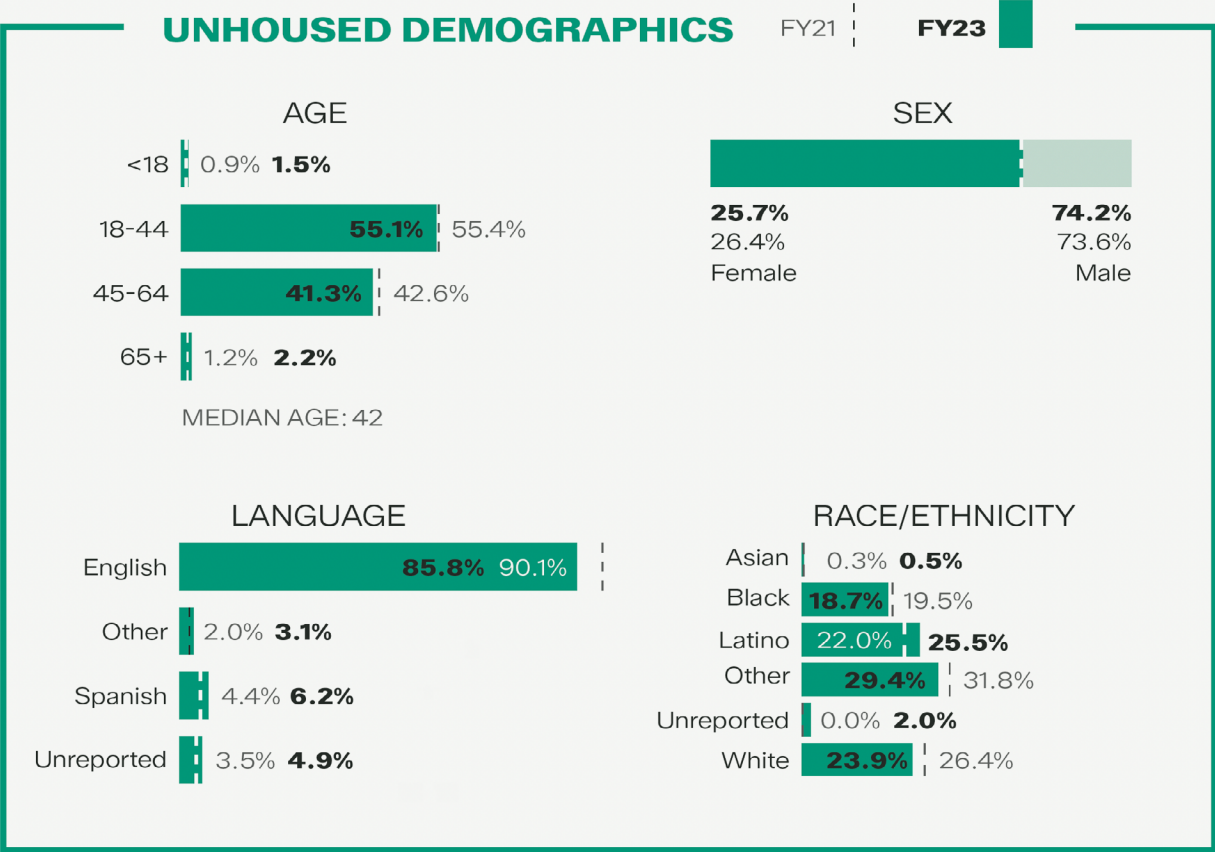


Figure 5: Top Ten Provider Locations Visited by Enrollees in FY 2023

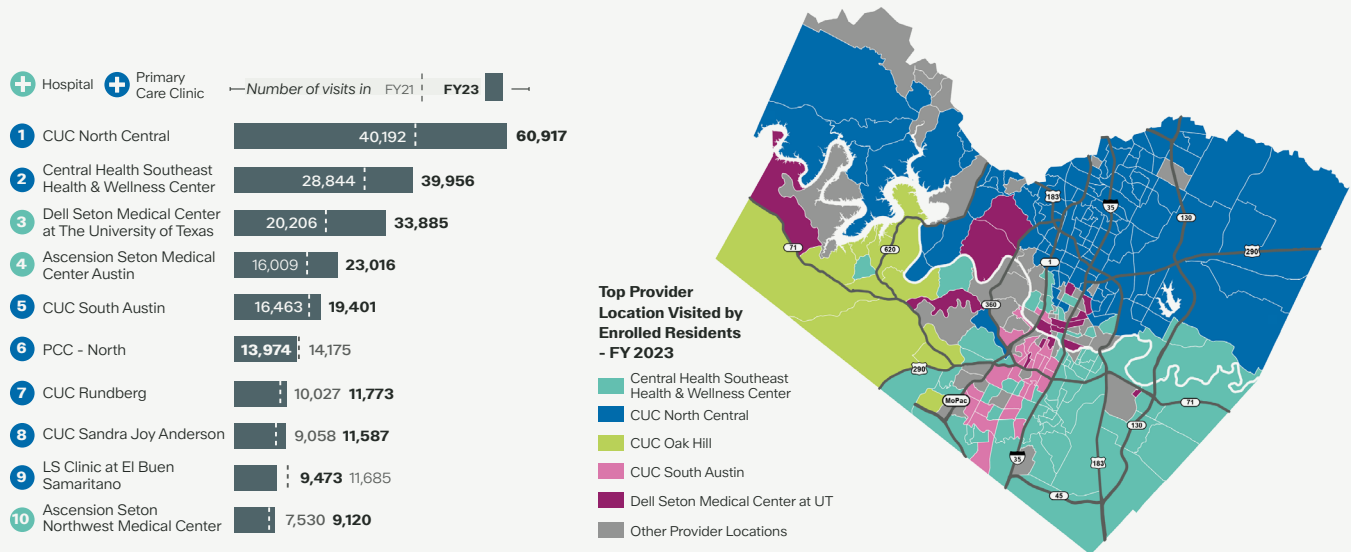


Figure 5 shows the top provider locations visited by enrollees in FY 2023. The data indicates two consistent patterns: enrollees often use a small number of high-volume clinics across regions, and these top locations reflect the geographic distribution of enrollee populations, with sites such as CommUnityCare North Central, CommUnityCare South Austin, and CommUnityCare Oak Hill serving as primary access points.

The largest difference between the demographics across all visits and the enrolled population in FY 2023 is that older enrollees have a higher proportion of visits than younger enrollees. Enrollees age 45 to 64 have 154% more visits than would be expected based on their enrollment levels, and the median age across all visits is eight years older than that for the total enrolled population. See Figure 6.

Figure 6: Demographic Composition of Patient Visits

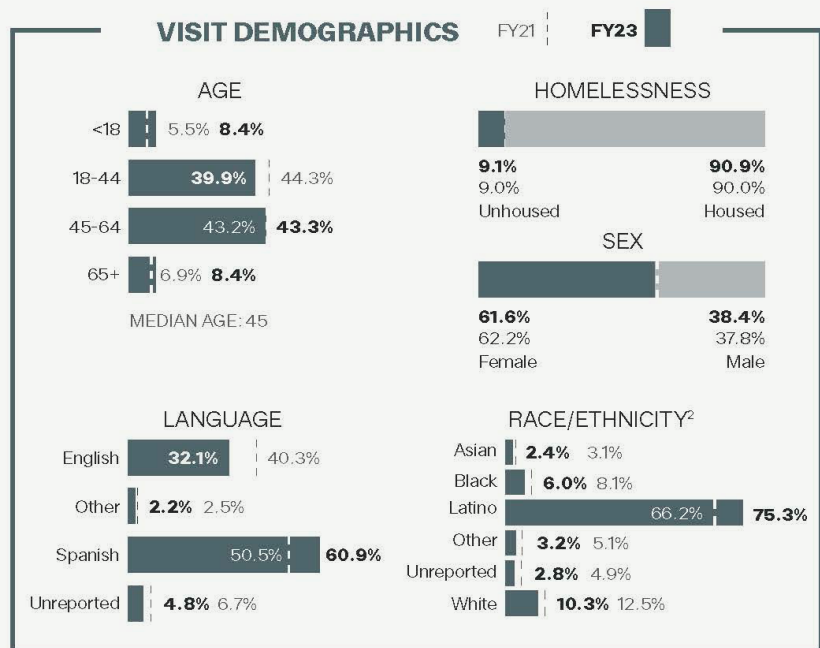
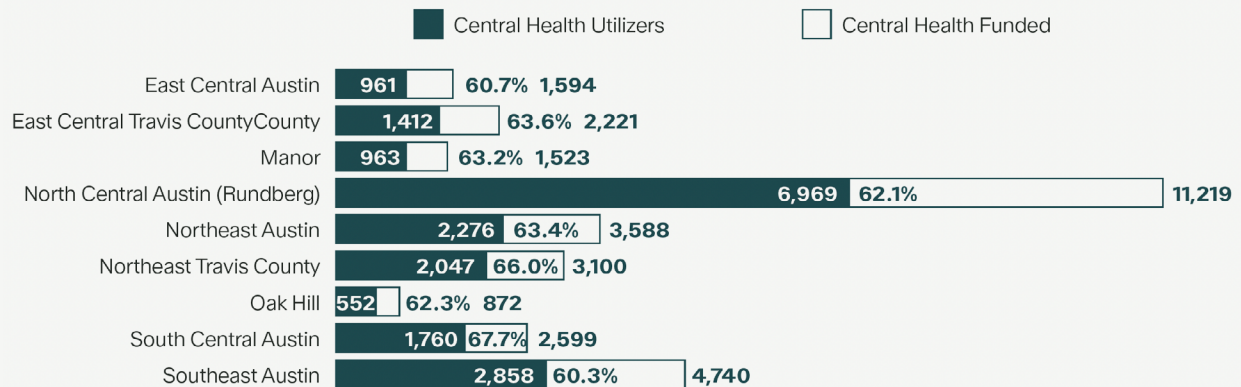


Figure 7: Central Health Enrollees by 9 Focus Areas



Persistent disparities across race and geography also shape health outcomes in these areas. Black and Hispanic residents face higher rates of poverty and uninsured status, and chronic conditions such as diabetes and hypertension remain more prevalent in these communities. The 2024 Demographic Report underscores that “where you live and your background impact your health,” reaffirming the need for Central Health’s targeted, place-based investments to reduce inequities and expand access to care.

Central Health administers the Travis County Local Provider Participation Fund (LPPF), which was authorized by the Texas Legislature in 2019 to provide local hospital funds for federal matching of specific Medicaid supplemental funding programs. The LPPF levies an assessment on inpatient hospital facilities to provide the local share of funds for Uncompensated Care (UC) and multiple Medicaid-directed payment programs. Supplemental payments support hospitals that care for Medicaid and uninsured patients by offsetting unreimbursed costs and enhancing Medicaid payment rates. Overall, the LPPF generates local funding, which in turn brings down more federal matching funds, resulting in more funding for the local health care system.

Health care regulatory and industry considerations

Federal policies and regulations impact the amount and sources of federal funds that have been historically used for health care services in Travis County. Central Health closely monitors federal and state regulations for changes in policy and health care finance programs that may impact the budget. Changes are often rapid and significant, which may require Central Health to develop new funding strategies that allow us to enhance available funds to best serve our patients.

Across the nation this year, public health systems and programs face growing challenges. Declining funding from federal, state, and philanthropic sources, combined with mounting eligibility barriers, makes it more difficult for patients to receive the services of a safety net system. Travis County is no exception.

Changes from the federal government created budgetary concerns for the Central Health system. The federal budget bill (OBBBA) passed this year will reduce health care access in Texas by reducing Medicaid funding, increasing enrollment hurdles, and allowing ACA premium subsidies to expire, which is estimated to cause about 1 million Texans to lose coverage. Local governments and nonprofits faced reduced federal funding, which threatened their ability to continue serving Travis County residents. Central Health made the decision to protect care close to home and fill funding gaps left by reduced federal funding. Central Health's FY 2026 budget includes new investments to protect local access to critical health care services.

The State of Texas relies heavily on local funding to provide the state's share of key Medicaid financing programs, such as Uncompensated Care (UC) through the 1115 Medicaid Waiver and Medicaid directed payment programs (DPPs). Central Health gained reauthorization of the Travis County LPPF during the 2023 legislative session, allowing local hospitals to access federal funds from UC and DPPs without additional local tax burden on Travis County residents. Central Health continues to monitor federal regulations regarding LPPF programs to assess any risk related to this critical funding source.

While Medicaid expansion remains elusive, the state demonstrated a strong commitment to mental health and other services during its 2023 session through both legislative and budgetary actions. The state budget included billions for state hospital construction and renovation, \$40 million for the Federally Qualified Health Center Incubator Program, and millions in investments in the health care workforce across a range of specialties. Legislatively, lawmakers extended Medicaid eligibility to twelve months for women after a pregnancy. Several mental health-related bills encourage innovations in care, including the creation of new grant programs and establishing quality incentive payments that increase access to care.

Collaboration with the City of Austin, Travis County, and other local governments continues as we jointly plan for near-term capital projects. In addition, as we plan for the future, collaboration with government partners has focused on continued community response to new and ongoing critical health issues, including public health issues, disaster planning and response, substance use disorders, and mental and physical health services affecting low-income and unhoused individuals.

System partners in health

The Central Health system comprises Central Health, CommUnityCare Health Centers, and Sendero Health Plans. Each entity helps fulfill the mission of providing care to the County's safety net population as part of a comprehensive, high-quality health care system providing better care and coverage for those who need it most.

Together we are building a health care ecosystem sustained by compassion, dignity, and transparency.

Our goal is to:

- Expand access to care
- Improve health outcomes
- Serve more people in more places



COMMUNITYCARE

SENDERO
HEALTH PLANS

CENTRAL HEALTH

CommUnityCare: Building better access to health care

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

CommUnityCare and Central Health jointly hold the federal status for Central Texas Community Health Centers, a Federally Qualified Health Center (FQHC) system. The FQHC designation allows CommUnityCare to receive enhanced reimbursement (payment) from Medicare and Medicaid, which helps pay for services for uninsured individuals, regardless of their ability to pay. It also allows CommUnityCare to participate in the 340B Program to purchase prescription drugs at reduced prices for patients. Many of the clinics operated by CommUnityCare are owned by Central Health.

Formed in 2009, CommUnityCare operates

the health centers previously managed by the City of Austin and Travis County, delivering a broad range of care for vulnerable populations across Travis County. Today, CommUnityCare provides services at more than 30 locations in Travis County and one in Bastrop County, offering comprehensive primary care, dental, pediatrics, behavioral health, lab, radiology, pharmacy, and specialty services. CommUnityCare also includes Carousel Pediatrics, which offers services such as dental, speech therapy, and physical and occupational therapy for children.

In FY 2026, Central Health is investing a record \$98.8 million in CommUnityCare to safeguard access to care and expand services in response to reduced federal support to other FQHCs. This funding will support more than 600,000 patient visits, with an increased focus on services

such as optometry, dentures, and integrated mental health and substance use care.

The partnership is now guided by a shared strategic plan between Central Health, CommUnityCare, and Sendero Health Plans, ensuring that the system moves toward greater alignment, efficiency, and patient-centeredness. Together, the Central Health system is expected to serve over 209,000 residents through 1.25 million visits in FY 2026.

CommUnityCare continues to expand substance use treatment integrated with primary care. In 2023, the program added more than 350 new patients for opioid and other addiction treatments. Patients are supported by peer coaches, counselors, and care managers working closely with medical providers to ensure holistic and coordinated care.

Sendero Health Plans: Building better local health coverage

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

Created in 2011 by Central Health, Sendero Health plans is a local, community-based nonprofit health plan that offers insurance coverage through the federal Health Insurance Marketplace. Sendero's IdealCare plan provides coverage to thousands of members and is supported by a strong regional provider network.

Sendero plays a vital role in the Central Health Assistance Program (CHAP), which covers

premiums for MAP members with complex health needs. This innovative approach allows medically vulnerable patients to access comprehensive ACA insurance coverage while maximizing the return on local tax dollars.

In FY 2026, Sendero continues to serve as the third-party administrator for claims from contracted providers delivering care to MAP members. Through partnerships like the Health Alliance for Austin Musicians (HAAM) and the SIMS Foundation, Sendero also helps extend coverage to local musicians and creatives with Central Health covering premiums.

Strategic Objectives

Central Health's financial priorities are linked to the Central Health Board of Managers strategic priorities. As part of the Central Health Strategic Plan, a needs assessment was conducted to identify community needs and gaps in the current health care safety net system. Following the assessment, the Board of Managers adopted a plan to create a high-functioning, equitable, high-quality system of care that fully leverages the Central Health system's collective capabilities and resources.

Strategic planning

As Travis County's hospital district, Central Health creates access to care and coordinates health care services that enable residents with low income to have the opportunity to get well and stay healthy. Central Health's mission is to improve the health of the community by caring for those who need it most. To better fulfill this mission, in 2020 the Central Health Board of Managers adopted a strategic priority to improve access to care by building an equity-focused, comprehensive, high-functioning and affordable system of care.

The value of this work in improving the Travis County safety net health care system cannot be underestimated. The first of its kind health needs assessment focused specifically on Travis County's low-income populations and a gap analysis enhanced by community input were the basis for the comprehensive list of projects, with phasing and funding estimates included in the seven-year timeline. Funding projections estimate that Central Health will invest nearly \$700 million into projects that strengthen the health care safety net.

The planning process included analysis and prioritization of projects that will achieve the greatest impact on the gaps within the safety net, while remaining financially sustainable in the long term. By addressing the strategic imperatives, Central Health will achieve its service delivery strategic goal: develop an equitable system of care that is comprehensive and accountable, while maximizing the collective use of capabilities and resources to serve Travis County's safety net population. Each imperative has enabled and supported goals and objectives that measure progress and support accountability. Further, these goals and objectives will serve as the means by which the organization measures success over the remaining five years in achieving its mission. Since 2023, Central Health has consistently tracked and reported its progress on implementing the Plan every year.

The resulting seven-year strategic plan was designed to meet the health care needs of Travis County and is founded upon four strategic imperatives:

- 1. Access and capacity**
Increasing the number of providers and care teams.
- 2. Care coordination**
Optimizing how patients transition between care settings (e.g., hospital to home).
- 3. Member enrollment and engagement**
Enhancing engagement for Central Health Medical Access Program (MAP) enrollees and expanding enrollment in high-need regions.
- 4. System of care**
Joint service-delivery planning and timely sharing of health care data.

Strategic priorities

The FY 2026 Budget is founded on the Central Health Board of Managers strategic priorities outlined in more detail in this section. The theme for this year's budget is the "Year of Access." Central Health's strategic budget initiatives in FY 2026 emphasize shoring up the specialty care service lines added in the first two years of the strategic plan with the focus on ensuring everyone in Travis County can access high-quality care through a strong, resilient safety net system. In addition, budget initiatives reflect much greater alignment and collaboration with system partners than ever before.

The "Year of Access" is supported by five key points:

1. System integration

For the first time, a unified Central Health system budget creates better care coordination, reduces duplication, and improves efficiency.

2. Overall impact

In FY 2026, we will serve more than 209,000 people through 1.25 million visits—care that translates into healthier lives and fewer ER visits.

3. Value-driven choices

Despite national headwinds, this budget makes our largest-ever investment in CommUnityCare, doubling down on access where it is needed most.

4. Partnerships

We are strengthening collaborations in behavioral health, homeless services, and graduate medical education through Dell Medical School.

5. Taxpayer value

As Travis County's locally funded, locally governed public health system, we are committed to delivering the best return on investment—eliminating waste, filling critical gaps, and reducing long-standing health disparities.

In FY 2026, the budget includes stabilizing and scaling many of the expanded specialty care services at three Central Health clinic locations along with additional funding to our provider partners for additional specialty and post-acute care, behavioral health funding, and jail diversion. The budgetary trends over the past several years have been consistently focused on expanding services to new locations, primarily in eastern Travis County, as well as service lines to add additional access to care for uninsured or underinsured residents. As discussed in the previous section, Central Health continues working to improve health equity by addressing identified health disparities and prioritizing gaps to build a high-functioning system of care across Travis County to address those identified disparities.



Access and capacity initiatives

1. Expand access to specialty care through

- Stabilizing and optimizing Central Health direct practice specialty areas with significant wait times
- Joint planning with CommUnityCare to support infusion capabilities and evaluate expanding Dermatology services
- Continued preparation for clinical services at Hancock

2. Improve access to mental health services by

- Building workforce for psychiatry providers and behavioral health counselors
- Expanding peer support, psychiatry, and behavioral health counseling services across medical respite, Transitions of Care, behavioral health, and mobile care teams
- Continued collaboration with Integral Care (IC), the Travis County Sheriff's office, CommUnityCare, Travis County, the City of Austin (CoA) and other organizations to improve inmate health care and mental health diversion services

3. Health care for the homeless

- Operationalize additional mobile teams, including unhoused, justice-involved, permanent supportive housing environments
- Operationalize case management and navigation for Community First! Village & Family Eldercare communities
- Continue partnership expansions with Austin-Travis County Emergency Medical Services, CommUnityCare, IC, CoA and local non-profit partners

4. Robust post-acute care, including respite and extensivists

- Scale provider and care teams to support medical respite, SNFs, high-risk populations, and outpatient and home dialysis services

- Joint planning with CommUnityCare for Transitions Clinic Network/Justice Involved Health and reentry services
- Expand access to rehab services

5. Primary care, including the CommUnityCare HIV/AIDS program

- Operationalize phased launch of Hancock with primary care, same-day/extended hours, pharmacy, and David Powell transition
- Joint planning with CommUnityCare for primary care expansion and optimization in high-need areas, including Colony Park, Rundberg/North Austin and South Austin

6. SUD and addiction medicine services

- Joint planning with CommUnityCare for naloxone distribution and program management
- Expand Sobering Center collaboration for connections to treatment
- Expand capacity for residential treatment and detox services

7. Expanded access to dental care

- Joint planning with CommUnityCare for in-house denture provision
- Continue preparing for dental clinical services at Hancock and Colony Park

8. Pharmacy services

- Joint planning with CommUnityCare for Skilled Nursing Facility/Respite medication delivery
- Optimize pharmacy services footprint through partnerships, planning additional pharmacy capacity and access points and joint planning with CommUnityCare for centralized pharmacy operations
- Provide medication gap coverage for patients transitioning to other coverage programs
- Joint planning with CommUnityCare to optimize 340B program and mitigate risks

Care coordination initiatives

1. Care coordination and program alignment and augmentation

- Scale and optimize the Navigation Center to support patient appointments, transportation assistance, patient experience, referral management and nurse triage services across system
- Integrate complex case management functions and teams across system

2. Access to hospital care

- Assess and mitigate the impact of ongoing litigation as needed
- Monitor services potentially impacted by changing hospital and programmatic landscape, including the need for psychiatric emergency department and diversion planning efforts
- Continue long-range planning to ensure adequate access to high-quality hospital services

3. Social determinants of health (SDOH)

- Continue the implementation of the Community Health Initiatives Fund (CHIF), FarmShare Austin Fresh for Less Mobile Market, medically tailored meals and homelessness focused food services
- Scale staffing to support medical interpretation and transportation assistance

Member enrollment and engagement initiatives

1. Enrollment and eligibility

- Joint planning with CommUnityCare to align and standardize eligibility and financial screening services
- Scale virtual/on-site locations, resources, with a focus on unhoused patients

2. Coverage programs, benefits, and structures



System-of-care infrastructure initiatives

1. Health systems interoperability and technology/data and analytics

- Procure audio visual meeting & event technology and support
- Joint planning with CommUnityCare to develop strategy and implement AI tools and governance
- Upgrade cybersecurity and system connectivity through a robust firewall solution and unified communications platform
- Invest in software platforms to strengthen procurement, budgeting, compliance, and employee records management, including ADA tracking

2. Foundational enablers

- Joint planning with CommUnityCare to develop ambulatory Community Health Needs Assessment (CHNA)
- Joint planning with CommUnityCare to scale biomedical department and add capacity for instrument sterilization
- Enhance operations support and reduce system redundancy by developing fleet management, patient transportation, equipment, and asset management capabilities
- Continue stabilizing departmental and clinical staff infrastructure through recruitment, retention, people and leadership development, and tuition assistance

The system objectives for FY 2026 tied to the initiatives above are to:

- Create simplified, seamless patient care journeys
- Build a comprehensive, equitable health care system
- Demonstrate the value of community support
- Empower and develop our team

These objectives and key results are discussed further in the Program Performance section later in this document.

Budget Overview

The FY 2026 budget advances strategic priorities by investing in both direct and contracted health care services, building upon care coordination teams, adding staff to eligibility and enrollment teams, patient navigation teams, and building the capacity for the organization to grow and support its workforce. Those investments are outlined in detail in Attachments A and B and fully defined in our outline of the Sources and Uses of Funds sections.

The FY 2026 Budget includes \$31.4 million additional property tax revenue to support the third year of the strategic plan. The Health Care Delivery budget will increase by \$80.5 million in FY 2026 over the prior year.

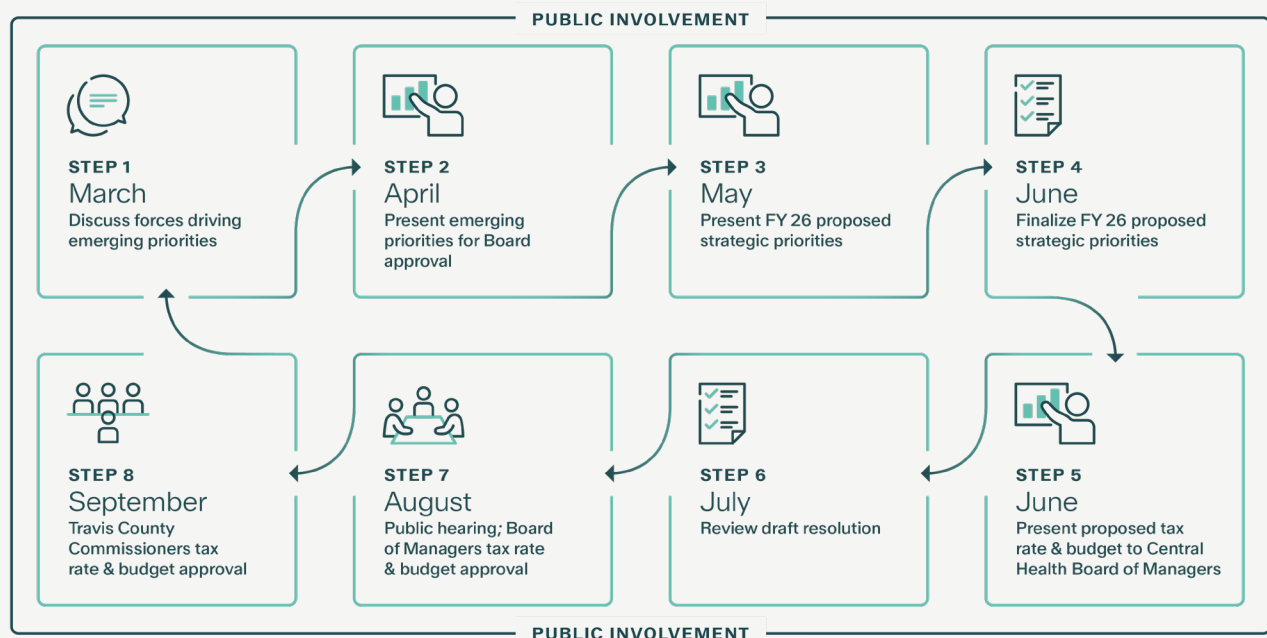
That amount includes an additional:

- \$52 million for purchased health care services
- \$21.5 million for direct health care services
- \$7 million for health care operations and support

The budget process

In developing Central Health's annual budget, the Central Health Board of Managers considers community input, reports from its health care partners, the success of current health care initiatives, unmet needs identified by providers, and the value of proposed initiatives and activities. The budget ensures Central Health remains focused on its mission and fulfills its legislative purpose.

Figure 8: Budget Development Process



Throughout the year and specifically in the strategic planning operations of the organization, Central Health integrates community feedback through community engagement events, feedback gathering tools, and quantitative and qualitative data such as our biannual Demographic Report. This information builds upon Central Health's adopted strategic plan as the starting point for developing the budget and developing business cases and strategic priorities which are the foundation of the budget for the upcoming year.

Central Health's primary source of revenue is property taxes. Therefore, a key step in the planning is estimating the tax revenue in future years to ensure health care service levels are adequately funded and sufficient funding reserves will be available to maintain the necessary safety net service levels. The Board of Managers uses a multi-year forecasting process each spring to estimate the long-term impact of potential ad valorem tax rates that align the revenue forecast with the priorities of the organization. To support the Board of Managers, the multi-year forecast has proven to be an effective tool to direct staff to prepare an annual proposed budget with a specific ad valorem tax rate.

The staff prepares the proposed budget and presents it to the Board of Managers in public meetings during the early summer. To prepare the proposed budget, departments assess the updates needed to current operating budgets to implement planned service expansion and other new initiatives through an internal business case planning process. Each year, the business case planning process incorporates a multi-year staffing assessment aligned with the strategic plan to prepare for future service expansion necessary to meet the health care needs of the community. The board also identified and proposed initiatives for emerging priorities, which were evaluated by staff.

The proposed budget is discussed in detail at both Budget and Finance Committee and Board of Managers meetings, in addition to community conversations and required public hearings until the budget is finalized. Central Health is compliant with Truth-in-Taxation requirements to ensure the ad valorem tax rate is set with the appropriate public hearings, public notices and ultimate approval by the Board of Managers and Travis County Commissioners Court.

Central Health adopts its final budget no later than September 30 each year and begins its new fiscal year, beginning October 1.

Figure 9: FY 2026 Budget Calendar



Process for amending the budget

The Central Health budgeted uses are appropriated by category as shown in Attachment A.

If additional funds in excess of the approved budget are required, the Central Health Board of Managers reviews a budget amendment request.

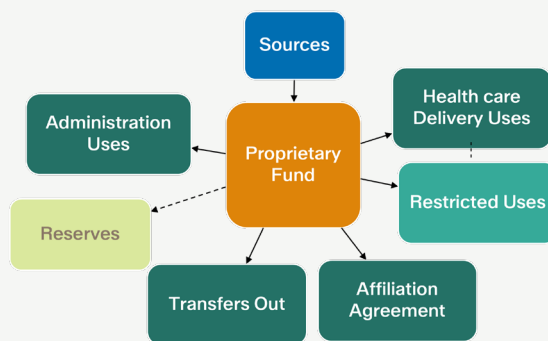
If necessary, the Travis County Commissioners Court will also review for approval. The Central Health president and CEO is authorized to make line-item transfers within the budget categories.

Basis of budgeting

For financial reporting and budgeting purposes, Central Health is budgeted as a single Proprietary Fund, known as an enterprise fund, and reported on the same basis in our audited financial statements. The functional units of the organization, Health care Delivery and Administration, operate out of the proprietary funds. Additional operational transfers, the affiliation with The University of Texas System, and the contingency reserve are funded through the proprietary fund. Central Health's budget is prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), with the exception of depreciation. Central Health recognizes revenues when earned and expenses when incurred.

At the end of each fiscal year, any residual ending balances of unrestricted funds are carried forward into a contingency reserve. The contingency reserve balance is set aside for planned future structural funding gaps in health care delivery operations or one-time uses of funds that exceed the annual inflow in any given year. The reserve levels are also evaluated for future service level funding requirements or ad valorem rate impacts. The beginning contingency reserve balance is combined with budgeted revenue for the year to show all available resources. Budgeted expenses include the remaining contingency reserve balance after all other expenses. The contingency reserve is appropriated in the event of any unplanned events or expenses that may occur throughout the year.

Figure 10: Fund Relationship to Functional Units



Prior to 2011, Central Health was presented as a component unit of Travis County, however, after the issuance of replace with Governmental Accounting Standards Board (GASB) Statement No. 61, Central Health does not meet the requirements as a component unit of Travis County.

The annual audited financial statements include not only Central Health (as the primary government), but also three legally discrete component units. CommUnityCare, Sendero, and the Community Care Collaborative are included as discretely presented component unit as there is financial accountability to Central Health by all three. This relationship is explained in more detail in the System Partners in Health section earlier in this document.

[View our Affiliated Partners](#)

Financial policies

Central Health has a comprehensive set of financial and purchasing policies under which it operates that are established by either the Central Health Board of Managers or Travis County Commissioners Court. The Central Health Board of Managers approves changes to policies and updates as needed. Under state law, the Travis County Commissioners Court approves Central Health's budget and tax rate.

Central Health's reserve and investment policies are referenced in this document as Attachment E. The reserve policies govern the allocation of funds set aside and restricted for capital projects, emergencies, one-time contingency expenses, and the process for changes if necessary. The investment policy outlines the roles and responsibilities of those within the organization who have authority over investments, risk management policies, ethical standards, and review and oversight requirements. It also complies with the Texas Public Funds Investment Act, which specifies investment objectives. The Central Health Board of Managers approves the Investment Policy on an annual basis.

In September 2025, the Central Health Board of Managers also approved the establishment of a Public Health Center Reserve to serve as a source of emergency cash funding in the event of an unforeseen event(s) within the HRSA-approved Public Health Center, CommUnityCare. The initial amount to be established in the Central Health FY 2026 approved budget is \$12 million. At the time of publication, the formal policy was in development.

Under the Texas Health and Safety Code, Chapter 281, the Travis County Commissioners Court is authorized to prescribe accounting and control procedures for Central Health. Following a third-party performance audit required by the Commissioners Court that was completed in September 2024, the Court updated the prescribed Financial Policies that were previously adopted in a 2017 Financial Order. Among the changes, Central Health must get approval from the Commissioners Court for our external auditor and to present a budget at the no-new-revenue rate each year. A link to the full financial order can be found in Attachment E.



Multi-year forecast

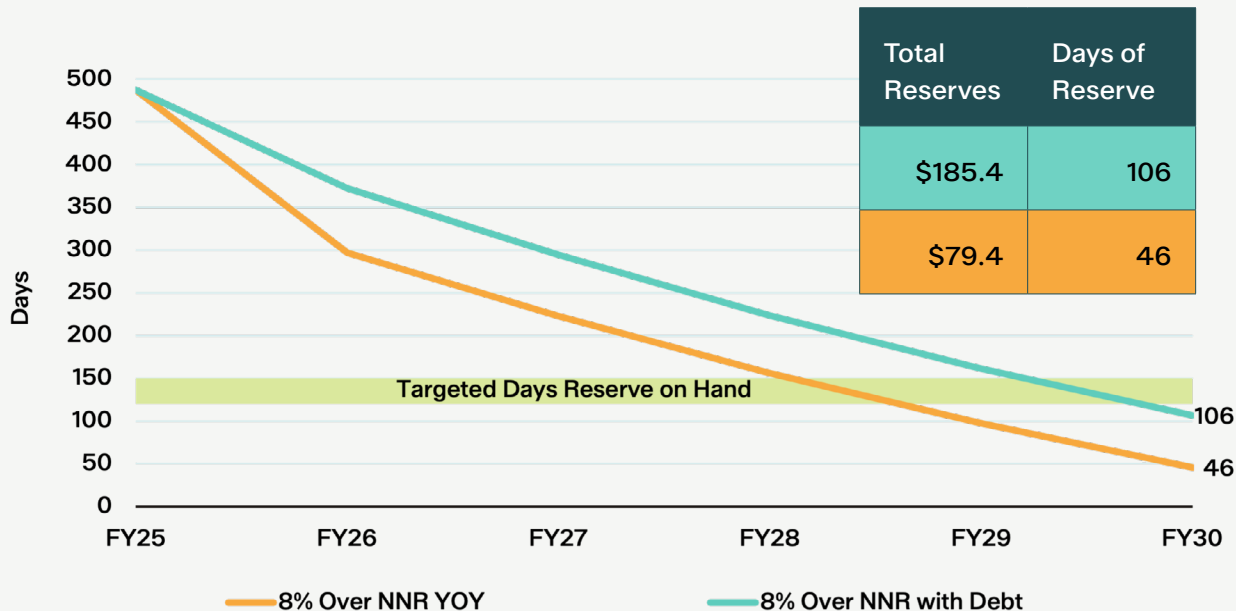
Assessing our long-term plans and financial outlook as an organization is an essential early step in establishing the tax rate and in the budget development process. Central Health uses a financial forecast model that incorporates our strategic objectives and planned initiatives along with future economic assumptions to estimate the revenue needed to provide and maintain the necessary level of services for our community.

Ahead of preparing FY 2026 budget, we evaluated various financial risks related to potential changes at the state and federal level with the potential to reduce sources of funds to system and community partners or increase the size of the uninsured safety net population. We also assessed our expected revenue and expenses in FY 2025 against the budget and future years of the equity plan to determine what adjustments were needed. Finance staff worked closely with our health care delivery, subject-matter experts, and strategic planning staff for this evaluation process. In addition, we worked with our strategic planning program to evaluate

and assess the financial impact of business cases submitted by program areas related to new strategic and emerging priorities.

We incorporated this information into our forecast model over the next five years to inform this year’s tax rate and overall budget development. Staff developed the FY 2026 budget with the tax rate of 8% over the maintenance and operations no-new-revenue tax rate year over year during the 5-year period. Based on overall risk in the market, we have set a target of 120 to 150 days of reserve on hand. Due to the significant challenges faced in the safety net health care system related to funding gaps along with the potential for new capital investments, Central Health plans to debt finance current and future capital projects. During the budget process, we also issued a notice of intent to issue debt and presented forecast scenarios with and without debt. As of approval of the budget, no debt had been approved or issued, but Central Health was engaged in the process.

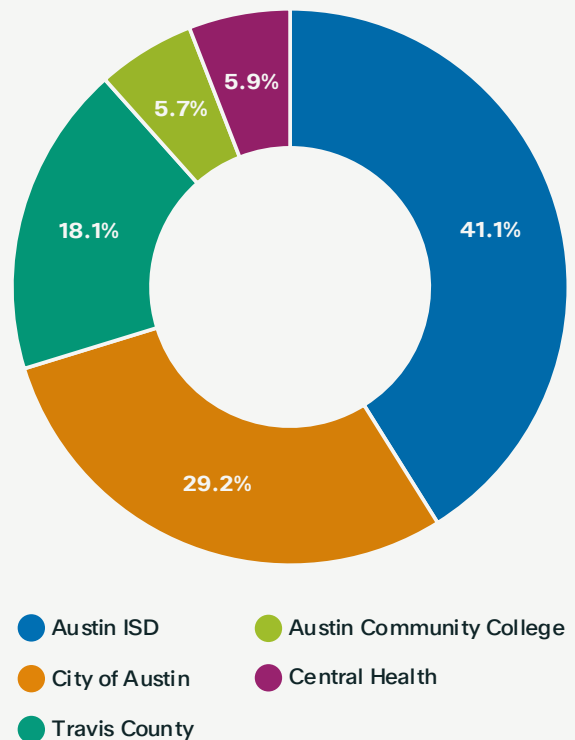
Figure 11: Five-Year Forecast Scenarios: Comparing Tax Rate of 8% over No-New-Revenue Rate Annually, With and Without Debt Issuance



The tax rate results in a deficit between sources and uses during the forecast period resulting in a draw down of the health care contingency reserves. Central Health intentionally built up the reserves in the years preceding the FY 2024 passage of the strategic plan to manage growth sustainably and reduce the need for larger tax increases or service decreases. Additionally, Central Health's policy requires us to maintain an emergency reserve that is 15% of eligible expenses. As expenses increase over the implementation period, the forecast includes projected transfers to emergency reserves annually in accordance with the reserve policy.

In preparing the budget for FY 2026, Central Health considered how the tax rate will impact residents. Central Health is a small portion of the total property taxes from all overlapping taxing jurisdictions for the average Travis County resident who lives in the jurisdictions outlined below. As shown below, Central Health is one of the smallest portions of the total tax bill, accounting for approximately 5.9% of the total tax paid.

Figure 12: Travis County Tax Rate by Taxing Entity



Central Health offers a 20% homestead exemption, the maximum allowed by state law. For FY 2026, staff analyzed the amount of disabled and over 65 exemptions needed to hold an owner of an average homestead harmless at proposed 8% tax increase. The exemption amount for each in FY 2026 was set at \$185,200, up from \$154,000 in FY 2025. The average Central Health taxable homestead value increased 2.3%, from \$504,003 last year to \$515,433 this year. The tax rate of 11.8023 cents per \$100 of taxable value results in a \$64 increase in Central Health's property tax amount for the average taxable homestead for FY 2026 compared to the FY 2025 property tax bill. The estimated FY 2026 tax bill for the average homestead is \$608.33. The actual impact for FY 2026 for each property will vary depending on the taxable value, types of exemptions and change in valuation of each parcel.

Table 1 & 2: Tax Rate Components; Average Homestead Impact

Tax Rate	FY 2025 Approved	FY 2026 Approved	Average Homestead Impact	FY 2025 Approved	FY 2026 Approved
Maintenance & Operations Tax Rate	10.3502	11.3569	Average Taxable Homestead Value	\$504,003	\$515,433
Debt Service Tax Rate	0.4467	0.4454	Tax Bill	\$544.17	\$608.33
Total Tax Rate	10.7969	11.8023	Average Taxable Homestead Property Tax will increase by \$64		

Fiscal Year 2026 Operating Budget

Central Health's FY 2026 Operating Budget reflects the organization's commitment to advancing its strategic priorities and enhancing service delivery to promote health care equity across Travis County. The uses of funds consist of two main programs—Health Care Delivery and Administration—as well as the University of Texas Affiliation Payment, Other Financing Uses, and restricted. The other financing uses consist of a \$15 million transfer into our Capital Reserve, a \$12 million transfer to Public Health Center Reserve and a \$10 million transfer to Emergency Reserve in accordance with the Reserve Policy.

Central Health estimates that uses will exceed sources by \$132 million by the end of FY 2026, resulting in an estimated contingency reserve balance of \$319.2 million. Throughout the implementation of the strategic plan, Central Health anticipates drawing from the contingency reserve as needed to maintain a balanced budget. The contingency reserve is structured to meet future service and program needs while ensuring Central Health maintains adequate cash on hand and long-term financial stability. Detailed information on FY 2026 sources and uses is provided in the sections below, and a summary of Central Health's sources and uses can be found in Attachment A.

Sources of funds

Central Health's operating budget for FY 2026 is projected to be \$423.9 million from multiple funding sources. Property tax revenue accounts for most of those funds; \$378.1 million based on 2025 property values at a tax rate of 8 percent above the no-new-revenue rate, representing a \$31.4 million increase in property tax revenue for FY 2026. Additional sources include \$10.4 million in lease revenue for buildings located on the Central Health Downtown Property (the former University Medical Center Brackenridge), and \$25.9 million in other revenue primarily driven by interest income reflecting current market interest rates. In FY 2026, Central Health has two sources of restricted revenue from a local grant and state settlement, where funds can only be used for designated purposes.

From operating specialty clinics, Central Health has budgeted approximately \$1 million in patient revenue from MAP and MAP Basic patients. Central Health also expects to collect \$5 million from the Tobacco Settlement Distribution Program established by the 76th Texas Legislature.

Central Health budgeted a new restricted revenue stream from the Ending Community Homelessness Coalition (ECHO) grant, totaling \$833,000 in each of the next three years. These funds can only be used for expenses related to supporting the Permanent Supportive Housing Health Care Collaborative (PSH-HCC) which provides integrated, onsite health care to residents in permanent supportive housing. This local grant will fund clinical services, care management, outreach, patient navigation, and related program expenses provided by Integral Care and CommUnityCare. In addition, Central Health budgeted \$1 million in restricted revenue from the Opioid Litigation Settlement, which can only be used to cover expenses related to abating the opioid crisis in accordance with the terms of the settlement and state law.⁸

8. Senate Bill 1827, 87th Texas Legislature.

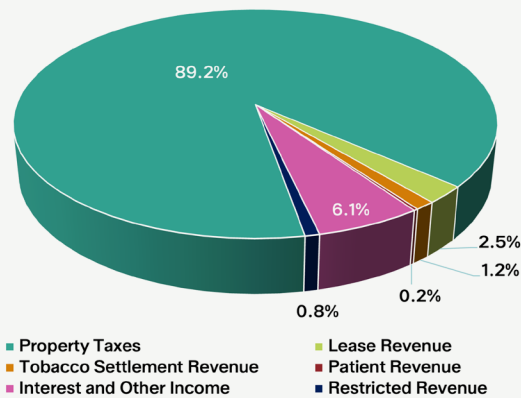
Table 3: Summary of Revenue and Expenses

Description	FY 2024 Actuals	FY 2025 Year-End-Estimate	FY 2026 Approved Budget
TAX RATE	0.100692	0.107969	0.118023
Beginning Balance (Contingency Reserve)	\$441,193,940	\$503,896,289	\$451,192,875
UNRESTRICTED REVENUE			
Property Taxes	\$312,407,086	\$342,000,000	\$378,061,940
Lease Revenue	\$19,383,743	\$8,200,000	\$10,424,005
Tobacco Litigation Settlement	\$5,194,413	\$6,800,000	\$5,000,000
Patient Revenue	-	\$500,000	\$1,000,000
Other	\$32,096,859	\$27,300,000	\$25,900,000
TOTAL UNRESTRICTED REVENUE	\$369,082,101	\$ 384,800,000	\$420,385,945
RESTRICTED REVENUE			
All Restricted Revenue	\$4,664,833	\$6,606,834	\$3,540,167
ALL REVENUE TOTAL	\$373,746,934	\$391,406,834	\$423,926,112
Available Budgeted Resources	\$814,940,874	\$895,303,123	\$875,118,987
EXPENSES			
Healthcare Delivery	\$230,720,500	\$309,622,400	\$433,984,684
Administration	\$24,313,713	\$31,500,000	\$46,369,507
UT Affiliation Agreement	\$35,000,000	\$35,000,000	\$35,000,000
Other Financing Uses	\$8,019,240	\$61,381,015	\$37,045,142
TOTAL EXPENSES	\$ 298,053,453	\$437,503,415	\$552,399,333
RESTRICTED EXPENSE			
All Restricted Expense	-	\$4,900,000	\$3,540,167
ALL EXPENSE TOTAL	\$298,053,453	\$442,403,415	\$555,939,500
RESERVES			
Emergency Reserves	\$46,739,076	\$58,120,090	\$68,165,232
Public Health Center Reserve	-	-	\$12,000,000

Property tax revenue

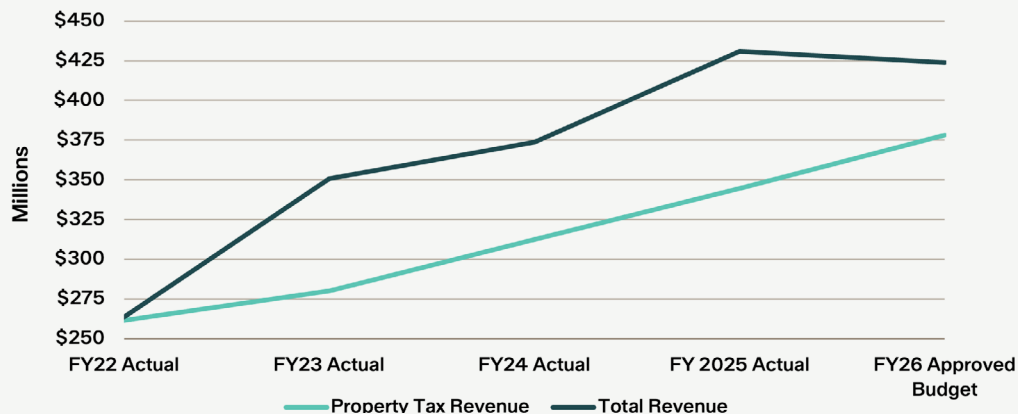
Central Health's FY 2025 tax rate was 10.7969 cents per \$100 of assessed value. The FY 2026 tax rate is budgeted at 11.8023 cents per \$100 of assessed value. This rate is 8 percent above the maintenance and operations no-new-revenue tax rate compared to the previous year. The total rate includes a maintenance and operations tax rate of 11.3569 cents and a debt service rate of 0.4454 cents. The debt service tax rate will provide funds to satisfy certificates of obligation (COs), originally issued in 2011, that funded the purchase and partial renovation of the Central Health Southeast Health & Wellness Center and a portion of the construction cost of CommUnityCare's North Central Community Health Center, the remainder of which was funded with federal grant dollars. Central Health also issued certificates of obligation in August 2021 for \$76.4M to fund three new clinical projects and a headquarter consolidation. In FY 2023, Central Health issued new certificates of obligation for \$99.4M to fund the purchase and renovation of the Cameron Center and renovate the Rosewood-Zaragosa clinic to provide specialty care to MAP patients. These COs are discussed in more detail in the Current Debt Levels section of this document.

Figure 13: FY 2026 Budgeted Revenue



Most of Central Health’s revenue comes from property taxes, averaging about 83% of total revenue over the past four years. As we build out our clinical practice, we project patient revenue will increase. That is not expected to be a primary source of revenue since our target population is uninsured, low-income residents of Travis County. Interest and other income have increased over the last five years, mainly due to interest rates remaining high as we built our reserve balance in anticipation of launching our direct clinical practice. As we spend down reserves, we anticipate interest revenue will decrease over time. Figure below shows property tax and total revenue over the past five years.

Figure 14: Central Health Revenue



Central Health property tax rate

Maintenance & Operations*	11.3569¢
Debt Service*	0.4454¢
Total Rate*	11.8023¢
*Per \$100 taxable valuation	

Central Health uses a financial forecast model to draft and develop its budget. Central Health incorporates known events with broad assumptions into the forecast to estimate the tax revenue required to provide and maintain the necessary level of services for the community.

At the July 23, 2025, Central Health Board of Managers meeting, staff presented a proposed FY 2026 budget developed with 8% over the maintenance and operations no-new-revenue tax rate.

Figure 15: Travis County Taxable Values and Central Health Property Tax Rate

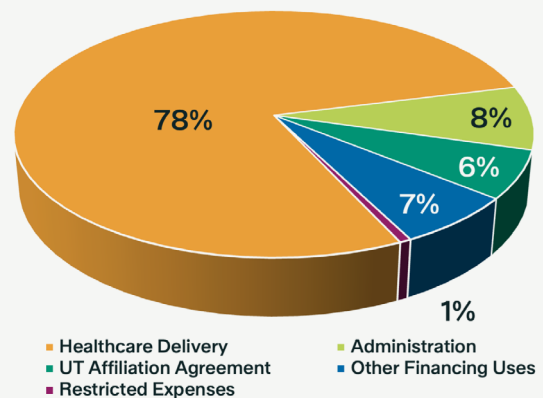


Uses of funds

Operationally, Central Health organizes functions between health care delivery and administration. The FY 2026 budget includes \$434 million for health care delivery and \$46.4 million for administration. This budget represents the Central Health system’s commitment to ensuring everyone has access to high-quality care through a strong, resilient health care safety net system.

Other significant uses include \$35 million to The University of Texas pursuant to the Affiliation Agreement between the Community Care Collaborative, Central Health, and The University of Texas. Central Health will transfer \$10 million to the emergency reserve in accordance with the financial policy for having emergency reserves of 15% of expenses and will transfer \$15 million to capital reserves to cash fund ongoing projects. In FY 2026, Central Health created a new Public Health Center Reserve of \$12 million as a source of emergency funds for our system partner, CommUnityCare. Central Health budgeted \$319.2 million in health care delivery contingency reserves. Under the strategic plan, the reserves will be spent over the seven-year period. The uses of funds are described in more detail below and are shown in Attachment B.

Figure 16: FY 2026 Budgeted Expenses



As Central Health has expanded into direct clinical practice, overall staffing has increased to support additional specialty care services. Total staff at Central Health has increased 71% since the end of FY 2024, the first year of the strategic plan. By the end of FY 2026, Central Health plans to have a 128% increase in total staff compared to the end of FY 2024. Most of that growth has been realized in our direct services area of health care delivery, growing from 136 at the end of FY 2024 to 342 currently, and 514 full time employees budgeted for FY 2026. To support the growth in our specialty care service lines, Central Health has also increased administrative services along with our health care operations and support areas, but that growth has been at a slower pace. Figure 17 shows the increase in FTEs since FY 2024 and Table 4 includes the count by functional area.

Figure 17: FTE Trend

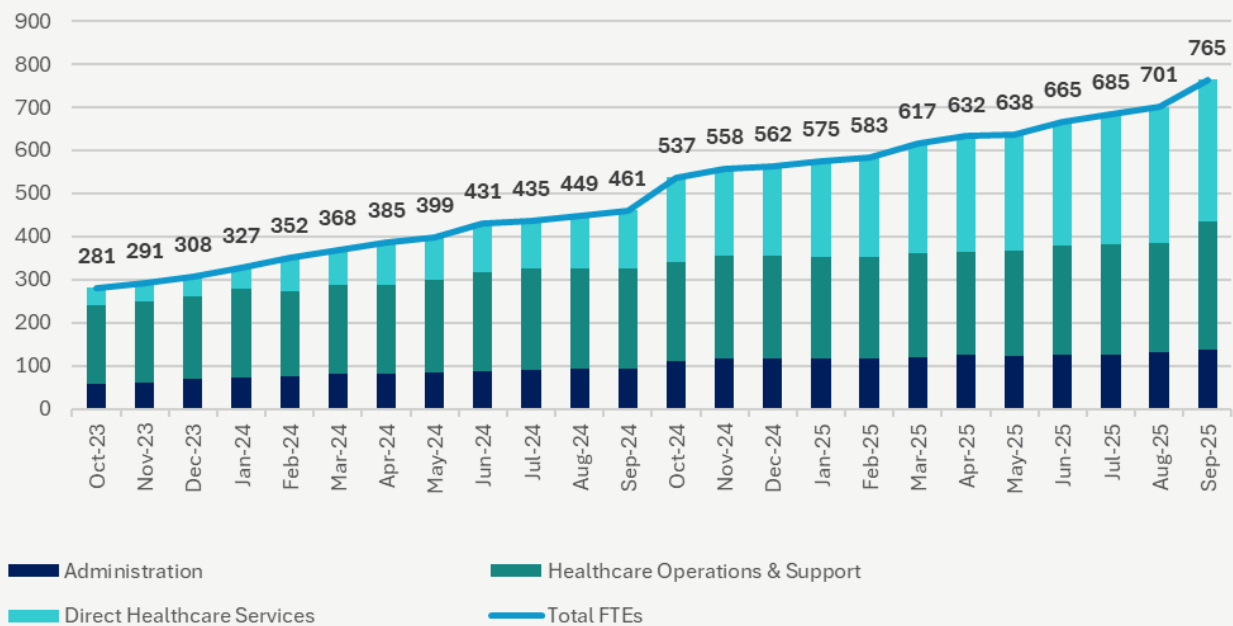


Table 4: FTEs by Program

Program	FY 2024 FTEs	FY 2025 FTEs	2025 CYE FTEs	FY 2026 Budgeted FTEs
Administration	94	137	141	162
Direct Services	136	331	342	514
Health Care Operations & Support	231	297	306	373
Total	461	765	789	1049

Health care delivery program

The health care delivery program is the sole mission of Central Health; improve the health of the community by providing health care services to low-income Travis County residents. Central Health provides those services in several ways. Central Health began employing providers and clinical staff to provide specialty health care services directly to patients three years ago. In FY 2024 Central Health adopted its seven-year strategic plan, marking the beginning of a full-scale investment in direct health care services. For primary care and some specialty services, Central Health works closely with system partner CommUnityCare, funding services for MAP and MAP Basic patients. In addition, Central Health contracts with other health care providers in the community to purchase care for eligible residents enrolled in MAP and MAP Basic. The health care operations and support teams are another key component of the Health Care Delivery program. These teams include education, enrollment and outreach services help eligible individuals learn about and enroll in MAP and MAP Basic. It also includes technology and facility support that serves as the backbone of a high functioning health care system.

Central Health's FY 2026 budget builds upon its strategic commitment to expanding access and delivering high-quality care to low-income, and underinsured residents of Travis County. In alignment with the strategic plan, the FY 2026 budget advances health care delivery by investing in critical service expansions, strengthening care for high-risk populations, and bolstering the infrastructure necessary to sustain a growing, patient-centered care model. These efforts aim to improve health outcomes across the community while promoting equity, sustainability, and operational efficiency.

A key focus of the FY 2026 budget is the continued development of services for individuals experiencing homelessness and complex health and housing challenges. The Bridge Program will expand with the addition of three new teams and a new hub site to improve care coordination and access. Additional care coordinators, case managers, and leadership staff will increase patient engagement and program capacity, while a dedicated naloxone distribution coordinator will support community-wide efforts to prevent opioid overdoses. These investments represent Central Health's ongoing commitment to closing care gaps for the most vulnerable.



The FY 2026 budget also provides targeted support for behavioral health, infrastructure, and transitions of care. Behavioral health services will expand through the creation of centralized team spaces and enhanced integration with respite care, improving patient experience and continuity of care. Infrastructure enhancements include staffing increases in EPIC, revenue cycle, project management, navigation, and eligibility teams to improve operational efficiency and support patient enrollment. Additionally, transitions of care will be strengthened through expansion of the inpatient team at Dell Seton Medical Center and the post-acute skilled nursing facility direct care team to support better coordination, increased patient encounters, and improve care outcomes as individuals move through the health care system.

Another major area of investment is specialty care. The FY 2026 budget supports significant

growth across multiple service lines, including gastroenterology, neurology, ENT, dietetics, occupational and physical therapy, palliative care, rheumatology, and speech therapy. These expansions include additional staff, new exam space, upgraded diagnostic tools, and IT infrastructure. Partnerships with academic institutions such as UT will support innovative care models, while efforts to shift more services in-house will enhance quality, efficiency, and long-term sustainability.

Furthermore, Central Health is collaborating with CommUnityCare and Sendero to develop effective strategies for enrolling uninsured patients in appropriate coverage programs, including Medicaid, CHIP, Sendero Health Plans, and MAP/MAP Basic. These combined efforts aim to ensure that all Travis County residents have access to the health care services they need.

Network health care services

Through various contracts with local partners, Central Health funds primary care, specialty care, and other services for enrolled individuals.

Additional funding for new, critical programs and service expansions in FY 2026 include:

- \$29.5 million for additional support for primary care, including significant investment in CommUnityCare and primary dental services
- \$6.2 million for Ophthalmology & Optometry and ENT, Audiology, and Hearing Aids
- \$15.5 million for additional behavioral health support for Integral Care, including inpatient beds at Herman Center mental health crisis care center, as well as CommUnityCare and other partners
- \$1.2 million in support of the PSH HCC and Medical Respite Expansion



Table 5: Network Healthcare Services Budget

Purchased Health Care Services	FY 2025 Approved Budget	FY 2026 Approved Budget	FY 2026 Restricted Uses Budget	FY 2026 Total Budget
Primary Care	\$73,957,000	\$103,446,258	-	\$103,446,258
Specialty Care	\$31,153,000	\$37,348,000	-	\$37,348,000
Specialty Behavioral Health	\$25,750,000	\$40,274,000	\$936,750*	\$41,210,750
Post-Acute Care	\$8,100,000	\$9,350,000	-	\$9,350,000
Pharmacy	\$19,000,000	\$19,500,000	-	\$19,500,000
Community Health Care Initiatives Fund	\$1,000,000	\$1,000,000	-	\$1,000,000
Total	\$158,960,000	\$210,918,258	\$936,750	\$211,855,008

Substance Use Disorder treatment budget potentially eligible for Opioid Abatement Funds.

Primary care

A significant portion of the health care services budget is dedicated to primary care. Our main primary care providers are Travis County's Federally Qualified Health Centers: CommUnityCare, People's Community Clinic, and Lone Star Circle of Care. Central Health and CommUnityCare jointly hold the public health center status for a system of FQHC clinics that is the largest provider of primary care services in the Central Health system. All these providers offer comprehensive primary care medical, dental and behavioral health services to MAP and MAP Basic enrollees each year. Central Health's primary care providers monitor detailed health information about

patients, tracking: chronic disease prevalence, annual screening rates, and clinical outcome measures. Providers have, with Central Health's support, added additional clinical services and visit types for patients including individual and group nutritionist visits, medical social worker services, clinical pharmacy appointments, community health worker services, and nurse visits.

Building on this foundation, in FY 2026 Central Health will be focused on stabilizing and optimizing its existing services, strengthening the delivery of primary care across the CommUnityCare network, and expanding access to dental care.

Specialty care

Central Health continues to expand specialty care services and remains committed to both growing our direct service capacity and purchasing specialty care through clinical partners in FY 2026. This approach allows Central Health to meet the diverse and evolving needs of its patient population while strategically building out its system of care.

In FY 2026, Central Health is increasing investments in several key specialty areas. A \$1 million budget increase will support the addition of ear, nose, and throat (ENT) services, as well as audiology and hearing aids. Central Health is also allocating \$2.5 million to expand access to ophthalmology and optometry services, ensuring that more patients can receive critical vision care.

Central Health continues to fund and expand its transitional dialysis pilot program, which provides outpatient and home-based dialysis services to patients in need. In addition, \$600,000 has been allocated in FY 2026 to support collaboration with Austin-Travis County Emergency Medical Services (ATCEMS) as part of efforts to enhance specialty and urgent care coordination.

Several specialty areas continue to receive targeted funding to support expanded access and improved outcomes, including:

- Oncology
- Cardiology
- Dialysis
- Gynecology
- Sexual and reproductive health
- ENT, audiology and hearing aids
- Ophthalmology and optometry

Specialty care, behavioral health

Central Health continues to partner with organizations that provide specialized mental and behavioral health services, including treatment for substance use disorders. Substance use disorder treatment remains a high priority, with continued investment in Medications for Addiction Treatment (MAT) programs and ongoing support for the methadone expansion initiative launched as a pilot in FY 2023.

In FY 2026, Central Health is deepening its investment in behavioral health through strategic funding partnerships and program expansions. This includes \$2 million in support of the City of Austin's Homeless Strategy Office, enhancing care coordination for individuals experiencing homelessness with complex behavioral health needs.

Significant new funding, totaling \$9.4 million, has been allocated to Integral Care, including \$3 million for additional inpatient psychiatric beds

and \$6.4 million for incremental rate adjustments to sustain and grow behavioral health service capacity. Central Health will also contribute an additional \$2.4 million to CommUnityCare to expand its role in delivering specialty behavioral health services. Additionally, this budget includes increased funding to support the Sobering Center, further strengthening the behavioral health and substance use treatment ecosystem.

Central Health will continue working with Integral Care to enhance the integration of behavioral health and substance use treatment within comprehensive care models. This includes support for diversion and deflection programs in alignment with broader local initiatives. Guided by the Central Health Board of Managers, staff will collaborate with Integral Care and other partners to ensure the sustainability of mental and behavioral health services for the low-income population and prevent disruptions in care.

Pharmacy

A robust pharmacy program supports the clinical needs of our patients:

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

Post-acute care

In FY 2026, Central Health will expand post-acute care access through increased investment in respite and supportive housing services. This includes \$500,000 for the City of Austin's Homeless Strategy Office, supporting Austin Resource Center for the Homeless (ARCH) beds and Permanent Supportive Housing (PSH) through the Housing Collaborative Care (HCC) model.

An additional \$350,000 is allocated to expand contracted medical respite services through community providers. These services help stabilize patients recovering from illness who lack safe housing.

Central Health will continue prioritizing transitions of care, including those related to congestive heart failure, medical respite, and outpatient dialysis, to support recovery and reduce hospital readmissions.

Direct health care services

In FY 2026, Central Health continued providing specialty care services at the East Austin Clinic, Capital Plaza, and the Rosewood-Zaragosa Multi-Specialty Clinic across eight lines of service, including:

- Behavioral Health
- Cardiology
- Gastroenterology
- Nephrology
- Neurology
- Palliative Care
- Podiatry
- Pulmonology

Specialty care was further expanded to include psychiatry, endocrinology, and rheumatology. In addition, FY 2025 marked the opening of the new Medical Respite Center at the Clinical Education Center (CEC). This renovated facility offers recovery pods, onsite medical and behavioral health care, and essential amenities, providing a safe and supportive environment for individuals experiencing homelessness to recover after hospital discharge, enhancing continuity of care and reducing hospital readmissions.

As part of the effort to align system functions, this year's budget also includes shifting the bulk of the Central Health and CommUnityCare clinical education teams within Central Health.

Table 6: Direct Health Care Services Budget

Service Lines	Salary and Benefits	Goods and Services	FY 2026 Total Budget	FTEs	FY 2025 Total Budget	FY 2025 FTEs
Therapy and Counseling	\$1,922,947	\$193,000	\$2,115,947	16	\$1,227,110	14
Psychiatry & Addiction Care	\$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	15
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 & Rehab	\$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 services	\$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	\$14,118,077	\$3,780,194	\$17,898,272	120	\$13,826,160	100
Total Budget	\$69,864,276	\$11,734,861	\$81,599,137	514	\$60,043,848	430

Health care operations and support

This section of the health care delivery program funds the daily operations that support overall health care delivery. It includes funding for Affordable Care Act premium programs, education and enrollment, eligibility services, community engagement, the operation of Central Health clinics and facilities (including the Health & Wellness Centers), the overall operations management for health care planning, and technology support. In FY 2026, this area includes costs for provider contract management and network relations, claims payments, quality assessment and performance, and health strategy.

The overall budget for health care operations and support increased by \$7 million in FY 2026. Most of those increases were in the areas of eligibility & enrollment and joint technology. During planning for this year's budget, Central Health and CommUnityCare collaborated to evaluate any potential duplication of efforts or opportunities for efficiencies. The increase in Eligibility and

Enrollment is due to a shift of financial screening staff from CommUnityCare to Central Health to align the enrollment process across the system and continued investment in ensuring access to care for MAP and MAP BASIC members as we expand services and patient volumes across the system.

As Central Health expands its direct practice services, the number of maintained facilities has grown. In FY 2025, this included the opening of a new Medical Respite Center at the former Clinical Education Center (CEC). Central Health owns the location, which was previously leased by a third party.

Central Health also took steps to centralize some of the facility operations functions in the system by streamlining functions. Expanding facilities also brings increased technology demands, and the FY 2026 budget includes additional joint technology investments to support infrastructure, patient data systems, and care coordination.

Table 7: Health Care Operations and Support Budget

Health Care Delivery Operations & Support	Salary and Benefits	Goods and Services	Total FY 2026 Budget	FTEs	FY 2025 Total Budget	FY 2025 FTEs
Eligibility & Enrollment	\$11,281,578	\$3,101,000	\$14,382,578	116	\$8,686,508	75
Operations—Clinical & 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
Health Care 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
Total Budget	\$52,476,460	\$66,528,503	\$119,004,963	373	\$111,998,725	337

Excluding debt service and transfer to Sendero risk-based capital expenses.

Administration program

Administration is composed of all the activities that allow Central Health to function as a governmental entity and a public health care financing entity. Those activities include finance, legal, compliance, human resources, governance, planning and communications activities, which will also help us build the organizational capacity to grow the direct practice of medicine.

In FY 2026, administrative costs increased from \$38.5 million to \$46.4 million and added 13 new full-time employees. As the direct specialty care service lines grow, staffing needs continue to grow throughout health care delivery. Central Health is establishing a health system legal affairs function, moving eight full-time positions from

health care operations and support division into a new administrative department to support legal, regulatory, and compliance needs across the expanding health care system. Additional support staff were added in compliance, finance and procurement, so the teams have the capacity to meet the needs of a growing organization.

Property Tax revenue is the primary source of funds for Central Health's budget. As a result, Central Health incurs expenses annually payable to the Travis Central Appraisal District and the Travis County Tax office related to the costs of assessing and collecting those property taxes. In FY 2026, the budget includes approximately \$3.1 million for those expenses.

Table 8: Administration Budget

Administration	Salary and Benefits	Other Goods and Services	FY 2026 Total Budget	FTEs	FY 2025 Total Budget	FY 2025 FTEs
People Department	\$10,466,056	\$1,796,690	\$12,262,746	65	\$11,756,581	63
Administration	\$324,752	\$463,400	\$788,152	3	\$1,977,289	5
Office of the CEO & Governance	\$3,136,499	\$1,617,250	\$4,753,749	12	\$5,937,230	11
Health System Legal Affairs	\$1,768,293	\$5,071,500	\$6,839,793	8	-	-
Strategy	\$1,373,137	\$2,455,500	\$3,828,637	5	\$3,375,091	5
Government Affairs	\$689,419	\$265,925	\$955,344	4	\$857,794	4
Communications	\$2,358,914	\$727,580	\$3,086,494	14	\$2,767,477	13
Compliance	\$2,001,238	\$705,150	\$2,706,388	13	\$2,211,815	12
Finance	\$4,352,493	\$4,371,319	\$8,723,812	26	\$7,679,741	25
Procurement	\$1,781,392	\$643,000	\$2,424,392	12	\$1,942,933	11
Total Budget	\$28,252,193	\$18,117,314	\$46,369,507	162	\$38,505,951	149

Program performance

Central Health measures performance because results matter for people, not just for programs. Two kinds of measures, or key performance indicators (KPIs), track how the system is doing on the most important outcomes, which include access, quality, patient experience, and financial stewardship. Objectives and key results (OKRs) drive day-to-day management by setting specific goals with time-bound targets and the metrics that show results.

Central Health's approach grows out of the strategic plan adopted by the Board of Managers after a multi-year needs assessment and community process. The plan sets a seven-year path to close care gaps by expanding access and

capacity, improving care coordination, engaging members, and building one connected system of care. It is the backbone that links departmental goals to countywide priorities and gives clear imperatives for measurement and reporting.

In 2019 the Texas Legislature gave Central Health authority to directly practice medicine, which allowed us to move beyond paying for contracted health care services, where the safety net has gaps. We implemented new service lines and clinical teams so patients could get needed specialty care without long delays. That change supports our equity goals and is an integral part behind today's performance management system.

In 2024, Travis County's independent performance review by Mazars examined Central Health's operations and the quality and relevance of reporting metrics. Mazars confirmed that Central Health operates without significant deficiencies, but suggested a broadening of standards for quality reporting to align with national benchmarks such as HEDIS and CMS. The report also documented an electronic medical record transition in 2022 contributed to some data inconsistencies, which Central Health's management response agreed with expanding quality metric reporting and committed to ongoing improvements. The Fiscal Year 2024 Central Health Annual Report highlights the major accomplishments and is included in Attachment C.

Beginning in FY 2025 Central Health strengthened how progress is tracked and reported. Working with external experts, Central Health developed system KPIs, briefed the Board, and created a budget resolution tracker that lists each approved priority, its measurable key results, the executive owner, status, and notes. The CEO now reports regularly on these items, including the rollout of a KPI and OKR dashboard for leadership visibility.

The result is a unified, system-wide performance approach. For the first time, Central Health, CommUnityCare Health Centers, and Sendero Health Plans are aligning around one annual plan and a shared set of OKRs, with senior leaders from all three organizations presenting and owning results. This "one system" model makes care feel seamless for patients and makes accountability clearer for taxpayers.

FY 2025 focused on building the foundation. Departments linked their program goals to the strategic plan, populated KPIs, and began reporting against the Budget Resolution Tracker. The Board of Managers' meeting materials show named owners on major results like expanding specialty access, launching respite care for people experiencing homelessness, and building shared system dashboards, with status indicators and percentage-complete updates.

FY 2026 is the "Year of Access." The Board-approved budget and resolution set stretch OKRs the system will use to steer performance. Highlights include reducing appointment wait times to two weeks or less, cutting avoidable emergency and readmissions by 10%, closing three quality gaps by 15%, increasing the share of patients with coverage by 5%, and raising patient experience scores. Each OKR has a named owner for accountability, appears in the tracking tool, and rolls up to three themes that support the strategic plan: access across the care continuum, one team system integration, and financial sustainability.

The Travis County Commissioners Court unanimously approved the FY 2026 budget and tax rate. That vote affirmed the plan to invest more than \$1.1 billion across Central Health, CommUnityCare, Sendero, and a network of contracted providers so residents can get higher quality care faster and closer to home. Press materials and public "Year of Access" webpages explain how the system alignment will reduce delays, improve outcomes, and protect care during a period of state and federal uncertainty.

Program performance at Central Health now follows a clear line from community-defined needs to Board-adopted strategy to funded OKRs and public reporting. Departments set measurable objectives that support system goals. Results are tracked with standard metrics that reflect equity and quality. The work of Central Health, CommUnityCare, and Sendero is now aligned so patients experience one system that works better for them. Residents stay informed with frequent Board briefings and published documents that show progress, achievements, and what comes next.

Central Health organization

Organizational goals that cut across all areas within Central Health to strengthen people and culture, improve alignment across the enterprise and earn greater support from the Board of Managers and the community.

People and culture

The goal of people and culture was to cultivate a workplace environment that fosters high employee morale, productivity, and retention by enhancing job satisfaction. The final score was 78.2%, which missed the targeted score of 80%.

Though participation in the survey was high, it was down from the prior year.

Based on the results Central Health plans to:

1. Engage the people partnership team to work with leaders in areas with higher levels of dissatisfaction
2. Update or establish wellness initiatives for improved mental and physical health
3. Collaborate, align, and educate on benefit programs that impact well-being
4. Update reward and recognition programs to make it more meaningful to team members
5. Bring recommendations to executive leadership regarding return to office considerations and enhanced total rewards programming and benefits

Enterprise alignment

In FY 2024, Central Health set out to bolster collaboration with partners and key stakeholders to identify driving forces and emerging priorities for Central Health and maintain robust community engagement and input.

During the year, Central Health worked with our partners within the system to achieve:

- Agreed target for eligibility goal
- Agreed target for colorectal cancer goal
- Agreed path forward on aligned pay scales for common clinical positions
- Implementation of aligned market adjustments
- Adoption of a unified branding system
- Phased implementation of new branding system
- Agreement to develop in-house third-party administrator services between Sendero and Central Health
- Implementation of in-house TPA services

Enterprise partners also began work on action plans to achieve the eligibility and screening goals, identify areas for functional consolidation and implement consolidation of system support functions.

Board and community support

The goal of this area was to improve community and board alignment and support for FY 2025 strategic priorities and budget development. Seven priorities were set for this area with a goal of achieving six, however all seven were reached.

Those priorities were:

- Formalize process and timeline for board input regarding threats, priorities and budget
- Involve board members in two of four rounds of one-on-one briefings with Travis County Commissioners Court leading up to the approval of Central Health's budget
- Engage monthly with elected officials about Central Health plans, priorities, achievements and stories through email, in person meetings, or presentations
- Coordinate four public work sessions/presentations with Travis County Commissioners Court
- Plan and produce at least three engaging, informative and timely Community Conversations
- Plan and execute an informative and timely public hearing on the draft FY 2025 budget
- Pass Central Health's Budget and Tax Rate with at least four votes at Travis County Commissioners Court



The Central Health system

The Central Health system provides health care services and supports three coverage programs called MAP (Medical Access Program), MAP BASIC and CHAP (Central Health Assistance Program) that help Travis County residents receive health care services. These programs continue to grow in number of patients served and health care services provided. Patients participating in these programs have the benefit of connecting with a primary care provider through one of our contracted providers or through their health plan network. Primary care visits have substantially increased each year and that trend is projected to continue in FY 2026.

SYSTEM ACCOMPLISHMENTS

Health care delivery

- Surpassed FY 2025 Budget Resolution goals in specialty care visits, medical respite days, hospital and SNF episodes, MAP enrollment (including a record 99,045 enrollees), and workforce programs such as the medical assistant apprenticeship (92% graduation, 21 hires) and community health worker training.
- Introduced multiple new direct-care services including psychiatry, weight loss, rheumatology, endocrinology, ENT, general surgery, PM&R, supportive housing collaboration, Bridge Mobile Program services, and expanded medical respite.
- Strengthened system integration with a new matrixed executive structure, inclusion of CommUnityCare and Sendero CEOs on the Central Health executive team, and adoption of a common bottom-line budgeting methodology.

CommUnityCare

- Delivered care to a record 143,000 patients, surpassing 500,000 visits across the CommUnityCare health centers.
- Completed most successful accreditation visit to date by The Joint Commission (TJC), demonstrating sustained quality and safety standards.
- Earned HRSA Quality Awards for quality and patient access with measurable improvement across key performance measures.
- Implemented a matrixed clinic reorganization, aligning clinical operations and support functions to improve patient flow and staff efficiency.
- Launched BEAST 2.0 and Access Pilot programs, showing early positive results in improving access, throughput, and care experience, especially in women's health and dental.
- Secured adoption by the patient-led board of the CommUnityCare Strategic Plan, establishing a clear roadmap for the organization's next phase of growth and integration.

Sendero Health Plans

- Improved claims processing by bringing services in-house for both Central Health and Sendero, resulting in stronger control of portals and reporting.
 - Advanced integration across the system by centralizing credentialing with a single software platform, coordinating transportation services with one vendor (SafeRide) to increase volume and lower costs, and sharing utilization management between Central Health and Sendero to maximize resources.
 - Carefully introduced AI tools—first in Sendero’s call center and then used to draft approved utilization review letters—introducing this evolving resource into the broader Central Health system.
-

FY 2025 objectives and key results

1. Increase access and capacity

- **KR:** Expand Access to Specialty Care:
 - 20,461 encounters, 152% of goal
- **KR:** Healthcare for the Homeless:
 - Respite Facility opened July 2025
 - 932 bed days in FY 2025, 207% of goal

2. Care coordination

- **KR:** Program Alignment and Augmentation between CH providers and hospital case managers
 - 2,032 care episodes in FY 2025, 145% of goal
- **KR:** Social Determinants of Health partnerships to address food insecurity, 95% of goal
 - Mobile food FARMacy distributing an average of 7,000 lbs of food monthly at system clinics
 - Medically Tailored Meal delivery program began delivering meals to patients in November 2024
- **KR:** Demonstrate budget dollars are expended in accordance with budget resolution
 - Conducted five Community Conversations and four County commissioner workshops
 - Implemented Travis County Commissioners Court financial policies

3. Member enrollment and engagement

- **KR:** Increase MAP and MAP Basic enrollment
 - Average monthly enrollment at 99,333 in FY 2025 compared to 87,666 in FY 2024
- **KR:** Increase enrollment of individuals experiencing homelessness
 - 11,527 enrollments compared to 8,336 in FY 2024.
- **KR:** Increase the number of medically complex members enrolled in the high-risk premium support program
 - Enrolled 924 in FY 2025

System objectives:

- Create simplified, seamless patient care journeys
- Build a comprehensive, equitable health care system
- Demonstrate the value of community support
- Empower and develop our team

Compliance

The compliance department is responsible for providing recommendations related to the compliance program and Central Health overall operations.

Accomplishments

Strengthened compliance infrastructure and governance

- Finalized the FY 2025 compliance plan and developed a comprehensive auditing and monitoring plan to guide oversight and risk mitigation.
- Contracted consulting services to evaluate and enhance the department's operational performance and program maturity.
- Expanded departmental capacity through the allocation of resources to hire critical team members, including:
 - Audit manager
 - Senior coding auditor
 - Operation auditor
 - Administrative coordinator
 - Compliance specialist
 - Records management analyst
- Appointed new privacy and security manuals to strengthen organizational safeguards for protected health information (PHI).
- Developed a data classification workgroup to support the creation of formalized records retention schedule.
- Enhanced the records management program improving organization, storage and retrieval of records to ensure data integrity and compliance with retention regulations.
- Revised and broadened key policies, including the Fraud, Waste, and Abuse (FWA) Policy to ensure it applies to both the health care delivery and operational sides of the organization.
- Developed a centralized employee manual consisting of HR and compliance policies for consistent access and easy reference among new hires.

Policy management and accessibility

- Successfully administered the MCN Policy Platform establishing it as the single authoritative source for all Central Health policies, standard operating procedures, and desktop procedures.
- Ensured centralized, accessible, and version-controlled documentation, creating greater transparency and consistency across departments.
- Developed and delivered compliance-led training on policy management processes and system navigation and audit readiness and internal control expectations.

Enhanced awareness, engagement and education

- Launched a monthly compliance newsletter to share new or revised policies, promote compliance awareness, and highlight key reminders.
- Developed new board member compliance training, complete with presentations, handouts, and speaking notes, reinforcing governance responsibilities.
- Expanded organization-wide training and education to include clearer instruction on privacy, reporting mechanisms, and ethical conduct expectations.

Strengthened collaboration and communication

- Established cross-departmental partnerships with legal, information technology, human resources to enhance data privacy, policy implementation and program alignment.
- Initiated efforts toward a unified system-wide Code of Conduct across Central Health and Sendero Health Plans.
- Provided compliance consultation and representation during community and employee initiatives to ensure appropriate risk management and policy adherence.

Program oversight and reporting

- Defined Board reporting structure for ongoing compliance updates including metrics, investigations and training completion rates.
- Expanded oversight to include both clinical and operational units, ensuring alignment with OIG's seven elements of an effective compliance program.
- Increased transparency and accountability through internal auditing, monitoring and data-driven reporting.

Initiatives

- Board adoption of compliance plan.
- Implementation of FY 2026 Audit & Monitoring Work Plan.
- Hiring of the Chief Compliance Officer.

Communications and community engagement

Accomplishments

- 232 million impressions across outreach, digital and earned media with nearly 260,000 community interactions.
- Engaged 2,351 community members—a 20% increase through the Health Champions program, five Community Conversations with County Commissioners and Judge Brown, three CEO roundtables, and three major events: the Del Valle Grand Opening, Hancock Groundbreaking, and Medical Respite Center Tour.
- Launched Vivir Con Ganas, the system’s first Spanish-language community health expo, creating a new platform for engagement. More than 460 people attended in person and close to 200 watched the live broadcast on YouTube.

FY 2026 external affairs OKRs

Objective: Increase community support for Central Health by 5%.

Key Results:

1. Increase awareness and system understanding by achieving ≥ 70 M campaign impressions across all channels, ≥ 47 K engagements (digital, media and in person combined) in each quarter in FY 2026.
2. Increase favorability and perception by maintaining a $\geq 90\%$ positive/neutral sentiment score in each quarter in FY 2026.
3. Maintain a $>90\%$ positive/neutral sentiment score across all interactions with key influencers in each quarter in FY 2026.
4. Maintain a $>90\%$ positive/neutral sentiment score across all interactions with local elected officials in each quarter in FY 2026.

Finance and procurement operations

This program is responsible for providing financial analysis, general ledger accounting, vendor payment processing, contract support, and budget development. The department’s stakeholders include Travis County Residents, Board of Managers, and other departments.

Accomplishments

- Completed a successful independent audit
- Assisting in the implementation of a new electronic health record (EHR) system
- Implementation of new HRIS/payroll software
- Implemented receiving function for supply orders
- FY 2026 Budget and tax rate unanimously approved by Travis County Commissioners Court
- Completed 19 formal and 34 informal solicitations
- Processed contracts: 225 new, 268 amended, 153 renewed
- Executed 1,530 purchase orders

Initiatives

- Implementation of contracts management system
- Implementing new expense management system
- Implement new financial reporting portal
- Implement accounts payable portal for internal and external customers
- Upgrade financial software to the latest version

Government affairs

The government affairs department is responsible for engaging with local, state, and federal officials to further the mission of Central Health, including working with Travis County Commissioners on the adoption of the annual tax rate and budget.

Accomplishments

- Assisted with the adoption of the FY 2026 Central Health budget and associated tax rate by a unanimous vote of the Travis County Commissioners Court.
- Communicated regularly with elected officials by having one-on-one meetings with them and their staff, delivering information, answering questions; and updating them on Central Health’s Strategic Plan.
- Conducted quarterly meetings with the Travis County Commissioners Court to facilitate collaboration and ensure effective communication on key initiatives.
- Assisted in the hosting of five successful Community Conversations in all four county commissioner precincts, focusing on establishing trust with the community and ensuring transparency with commissioners as we prepared the FY 2026 budget.
- Monitored and accomplished several key legislative priorities affecting the Central Health system during the 89th Legislative Session.
- Created and distributed new bi-weekly internal public affairs report and monthly elected official e-mail newsletter to improve distribution of important information.

Governance

Responsible for certain required governance functions of a hospital district, including compliance with the Public Information Act and Open Meetings Act, and serves as a liaison to the Board of Managers.

Accomplishments

- Posted 82 board and committee meetings.
- Responded to over 250 board requests for additional information.
- Onboarded a new Board Manager by providing an orientation meeting and other key meetings with staff.

Initiatives

- Continue to create a more seamless process for tracking board requests and set deadlines for staff responding to requests.
- Continue working on standard operating procedures for governance functions.
- Work on streamlining board meetings.

People department

The people department is dedicated to creating an exceptional team member experience that supports and strengthens our mission across Central Health, CommUnityCare, and Sendero Health Plans. By serving all functions of the system, we focus on attracting, developing, and retaining top talent while fostering a culture of belonging, growth, and well-being. Through strategic investments in leadership, workforce planning, and inclusive practices, the people department ensures that all team members are empowered to thrive and contribute to delivering lasting community impact.

Accomplishments

- Successfully completed phase III of the enterprise HR transformation by rebranding to the people department, reflecting our commitment to a people-centered organization.
- Relocated the people department to the CEC building, improving cross-functional collaboration and accessibility.
- Implemented and stabilized UKG Ready as the new HRIS and payroll system.
- Expanded use of SmartSheet automations, reducing manual processes and enhancing workflow transparency.
- Expanded capabilities of Praisidio workforce analytics, enhancing automation and addressing key data gaps between systems.
- Launched the GUIDE with Love leadership development program, establishing a system-wide leadership competency model rooted in mission and culture.
- Enhanced total rewards offerings, including improved benefits navigation and wellness resources to strengthen attraction and retention.
- Reimagined and launched a new team member orientation experience, improving onboarding efficiency and enhancing first-day connections across the system.
- Advanced the wellbeing program, shifting to a more preventive and holistic model that supports both clinical and non-clinical roles.
- Developed practical job aids and digital self-service tools to better support team members and leaders with people-related processes.

Initiatives

- Complete key configuration phases within UKG Ready, positioning the system for full adoption and improved workforce data management.
- Revamp the performance management process, linking evaluation frameworks to organizational OKRs and GUIDE with Love leadership competencies.
- Expand leadership development offerings, building on GUIDE with Love by incorporating targeted coaching, peer learning cohorts, and professional development pathways.
- Implement a structured framework for Communities of Belonging (employee resource groups) to foster inclusion, support, and connection across the workforce.
- Scale the nurse residency and preceptor programs to strengthen provider pipelines and improve retention.
- Further invest in total rewards programs, ensuring market competitiveness and alignment with evolving team member needs.
- Obtain at least three distinct workplace awards or designations that affirm our culture, benefits, and team member experience.

FY 2026 OKRs

- Increase system-wide team member satisfaction by 2%
- Increase self-reported sense of belonging at work by 5%
- Reduce system-wide self-reported team member stress levels by 10%
- Increase new hire retention by 5%
- Increase exit interview participation by 10%
- Enhance the quality, consistency, and accessibility of workforce data across the employee lifecycle
- Maximize technology and tools to reduce manual processes
- Strengthen talent acquisition and development processes

Strategy

Accomplishments

- Presented on the Strategic Plan to an audience of statewide health care and public health officials, professors, and students at the Healthier Texas Summit.
- Developed periodic reports on approved business cases to track staffing and resource needs, providing timely updates that enhanced planning, improved organizational alignment, reduced redundancy, and identified true resource requirements for future planning.
- Redesigned the Central Health business case process to incorporate lean management principles, achieving 90% adoption of the A3 business case format for budget proposals, including facilitated joint budget planning with CommUnityCare to identify opportunities for system synergy and reduction of duplicative operational and planning efforts.
- Supported the planning and execution of two Central Health board retreat sessions, fostering an inclusive and collaborative environment to strengthen partnerships, build alignment, and advance key objectives, including a future integrated care system and a shared vision for Central Health.
- Central Health released its 2024 Demographic Report, an expansive analysis of the geographic, social, economic and health factors of Travis County's population. This represented the fifth edition of the report, with expanded analysis of chronic conditions, high-risk Sendero members and the burdens of disease affecting homeless patients. One of the findings included the potential underdiagnosis of cancer among Central Health patients compared to local and national population rates. This finding directly led to a collaboration with Shivers Cancer Foundation to conduct a regional community health needs assessment focused on cancer resources and needs in Central Texas.
- Central Health launched its Mobile Food Pharmacy through its Community Health Investment Fund (CHIF)—contracting with the Central Texas Food Bank at four pilot sites identified collaboratively with CommUnityCare through geographic and utilization data. The program now distributes an average of 7,550 pounds of nutritious food each month, directly supporting nutrition and chronic disease management for patients.
- Central Health launched the Patient Empowerment Microfund (PEM), providing up to \$5,000 in seed funding for team-driven, patient-centered projects. In its first quarter, the PEM funded three projects: home cleaning services to support safe hospital discharges, education opportunities for patients in respite care, and distribution of dental health and hygiene kits.

- Central Health completed a five-year evaluation of its CHEP-Council HIV Screening Campaign, launched in 2018, to make opt-out HIV testing routine. More than 50 clinical sites adopted the model, and patients in Central Health’s MAP programs were screened at rates 64% higher than the Texas average and 84% higher than the national average. A study by the LBJ School of Public Affairs found the model cost just \$2.61 per patient while adding 28 quality-adjusted life years per diagnosed patient.
- The CHEP Council selected Food Is Medicine as its 2025–2026 policy campaign. Following the selection, the Strategic Planning Committee was formed to define campaign priorities, while the Research Committee began reviewing best practices in food insecurity screening and nutrition integration, producing early deliverables including national policy scans and local research.
- Collaborated with Integral Care to develop a white paper and policy proposal for improved inpatient psychiatry in Travis County, outlining a national continuum of care model to expand bed capacity, reduce costs, and help individuals with mental illness exit homelessness.
- Worked with the Ad-Hoc Philanthropy Committee of the Central Health Board of Managers to give regular progress reports and updates regarding fundraising strategies and to begin exploratory work towards building a non-tax fundraising entity. Based on this work, we established a comprehensive foundation development framework through systematic analysis of 5+ hospital district foundations, identifying effective practices and governance models to shape Central Health’s approach to growing philanthropic capacity.
- Developed an assessment of Austin’s philanthropic landscape and engaged more than 60 community stakeholders over eight weeks, revealing both strong enthusiasm for collaboration and alignment with health equity priorities. The process highlighted opportunities driven by emerging tech wealth, rising household incomes, and growing interest in health equity, while reframing awareness gaps as openings to strengthen engagement and shape a data-informed roadmap for future fundraising.
- Expanded revenue sources beyond the tax base by securing external funding through targeted grant efforts, including a multi-year \$2.5 million ECHO contract supporting the Permanent Supportive Housing Health Care Collaborative and funding for a cancer care market analysis. The Strategy team also led the creation of an internal process and framework for collaboration between multiple departments to manage and report on restricted funding from the opioid settlement agreements and Opioid Abatement Fund Council. These restricted funds have been used to build out a Naloxone distribution program, fund Medications for Addiction Treatment (MAT), provide wraparound services and case management for OUD patients, and launch the Capital Plaza MAT Clinic.
- Secured Central Health’s seat at Workforce Solution Capital Area’s Central Texas Health Care Partnership, joining leading hospital systems in shaping the regional health care talent pipeline with local school districts and Austin Community College.

Initiatives

- **Medically-Tailored Meal (MTM) Delivery Service:** Central Health will expand its Food Is Medicine work by delivering condition-specific meals to patients referred through clinicians. Participants will receive weekly deliveries of frozen meals aligned with five diet types, alongside nutrition education, SNAP enrollment, and wraparound referrals. Evaluation will measure enrollment, retention, clinical outcomes, and patient satisfaction.
- **Workforce Development Program:** With community partners, Central Health will integrate food access with transitional employment and training. The program will provide 14,100 meals annually, create 16 transitional jobs at \$15/hour, and offer a nine-week culinary training program with industry certifications. Evaluation will track meals produced, certifications earned, employment placement, and retention.
- **Cancer Needs Assessment:** In partnership with Blue Cottage Consulting, and with grant funding from the Shivers Cancer Foundation, Central Health will complete a cancer-focused community health needs assessment.
- **SUD/ODU Convening and Fund Management:** The strategy team will continue overseeing the appropriate use and management of restricted opioid abatement funds to support OUD strategies; these strategies will include growing the scope of our multi-faceted OUD program through the introduction of peer support programs. We will continue to work with the city and county on holding a SUD convening to develop a coordinated strategy.
- **Non-Tax Revenue and a Fundraising Entity:** Development staff will continue targeted efforts to identify and secure grant funding where appropriate. Additionally, Central Health will engage outside legal counsel to conduct a thorough exploration of a non-tax fundraising entity. Development staff will consult community leaders and members, inform and discuss progress with the Board of Managers and ad hoc Philanthropy Committee, and finalize and present a financial analysis, business plan, and implementation timeline.

Capital Projects & Current Debt

Central Health's capital program includes both large and small projects that are significant in value and provide long-term benefits to the organization. Most projects are planned so that resources, such as funding, contractors, and staff, are available in the future and project completion can occur over multiple years. Therefore, in the annual budgeting process, Central Health considers both the organization's needs for the upcoming year and the long-term forecast.

There are two primary categories of projects in the capital program that support the health care delivery program:

1. Facilities (clinical and non-clinical)
2. Technology and equipment

Major capital projects are those approved by the Board of Managers and included in the quarterly capital program reporting. Projects of this nature involve clinical facility expansion and development opportunities to further health care services or create future operational efficiencies.

Operational capital projects are generally smaller in scope and are used to maintain operations at existing facilities or replace aging equipment (e.g., renovating space to provide medical respite services). These projects are typically planned over a shorter time frame and may arise unexpectedly due to equipment failure or external factors, such as weather.

Sources of funds for capital projects

Debt proceeds: Central Health has at times issued certificates of obligation (COs) to fund health care facilities and major operational priorities. The authority to issue debt is approved by the Board of Managers and ultimately the Travis County Commissioners Court.

Capital reserves: Based on the capital reserves policy (below) approved by the Board of Managers, Central Health manages an ongoing balance in reserves to support current and future operations. Funds from the reserve are used on project expenses in the year they are incurred. During each annual budget process Central Health determines whether additional funds will be allocated to the capital reserves as needed by category for known or anticipated needs.

Current year operations: At times there may be current year operating funds that are used to fund capital projects.

Capital projects are identified in conjunction with Central Health’s strategic planning process and incorporate feedback from extensive community outreach and advisory groups. The Central Health Board of Managers approves capital projects and supports planning efforts. During planning for FY 2025, an opportunity arose for Central Health to utilize a building it already owned when an existing tenant did not renew its lease. Based on our safety net CHNA, the availability of space, and consultation with our Health care Delivery teams regarding existing patient needs, we were able to advance plans to open a facility providing medical respite services directly to MAP and MAP Basic patients. As a result, the Board of Managers approved the renovation of this location as a new capital project.

In addition to this new project, the board approved an \$88.1 million increase in funding for the Hancock Clinic and Central Health headquarters. The initial project was approved in FY 2021 when the building was purchased. In the meantime, demolition and planning work continues. As construction plans were completed, the budget was amended to reflect the full estimated project cost.

As interest rates have remained high, Central Health has seen higher-than-projected interest revenue over the past couple of years. Overall contingency reserves have remained healthy as well, leading to increased interest income. As a result, Central Health opted to cash-fund additions to capital

projects last year and this year. In FY 2026, \$15 million transferred to capital reserves.

Planning work continues on the Cameron Center, a three-building site purchased in FY 2023 to house a medical respite facility and additional clinical space. This project was added in alignment with the Strategic Plan and focuses on expanding safety net access to primary and specialty care.

Other ongoing capital projects include the construction of health and wellness centers in eastern Travis County, built to support expanded health care services from key primary care partners. The board has assembled a subcommittee to support the execution of these projects. The Hornsby Bend Health & Wellness Center in eastern Travis County was the first of these projects to open. The Del Valle Health & Wellness Center saw its first patient in March 2025 and houses a comprehensive health care program that includes adult and pediatric dental services, family medicine, and drive-through pharmacy services. Final design and construction document development were completed in FY 2025 for the Colony Park Health & Wellness Center. The project is currently in permitting, and plans for the groundbreaking are being developed for the start of calendar year 2026. Planning for eastern Travis County is supported by extensive community outreach and advisory groups.

Table 9: Central Health FY 2025 Capital Projects, in Millions

Description	Project Budget	Spend Since Inception	Available Funding
Del Valle Health and Wellness Center	\$15.1	\$13.5	\$1.6
Hancock Clinical Services and Admin	\$150.7	\$83.6	\$67.1
Cameron Center	\$90.6	\$15.7	\$74.9
Colony Park Health and Wellness Center	\$37.3	\$2.3	\$35.0
CEC	\$11.0	\$6.3	\$4.7
Total (in Millions)	\$304.7	\$121.4	\$183.3

Projects at-a-glance

Del Valle Health & Wellness Center



The Del Valle Health & Wellness Center began seeing patients in March 2025. The center brings expanded primary care services to Del Valle and its surrounding communities. The center fosters mental and physical well-being among residents of southeast Travis County.

Proposed services include:

- Family medicine, including pediatrics
- Dental care, including pediatric services
- Laboratory services
- Integrated mental health care
- Retail pharmacy with drive-through service

This capital project is completed and Central Health is wrapping up final payments.

Table 10: Del Valle Project Budget, in Millions

Uses of Funds	Approved Budget	Expenses Through FY 2025	Available Budget
Due Diligence, Land Acquisition & Regulatory	\$0.8	\$0.8	\$-
Professional Services	\$0.6	\$2.0	-\$1.4
Construction	\$8.7	\$9.5	-\$0.8
Furniture, Fixtures & Equipment	\$1.3	\$1.2	\$0.1
Other	\$3.7	\$-	\$3.7
Total Estimated Project Cost	\$15.1	\$13.5	\$1.6
Sources of Funds			
Certificates of Obligation Series 2021 Funds	\$9.5	\$9.5	\$-
Capital Reserves	\$5.6	\$4.0	\$1.6
Total Estimated Project Funding	\$15.1	\$13.5	\$1.6

Clinical Services & Headquarters consolidation, Hancock renovation



Central Health purchased a property in the Hancock Center that is being renovated to house a second multi-specialty clinic, including dental and primary care with walk-in services, and to consolidate the administrative headquarters for Central Health enterprise employees. Final project completion is anticipated in late 2026, with some clinical services expected to begin earlier.

Proposed services include:

- Primary care
- Specialty care
- Dental services
- Imaging services
- Public auditorium
- Administrative offices

Table 11: Hancock Renovation Budget, in Millions

Uses of Funds	Initial Budget	Revised Budget	Expenses Through FY 2024	Available Budget
Due Diligence, Land Acquisition & Regulatory	\$10.0	\$18.7	\$18.7	-
Professional Services	-	\$11.3	\$13.3	-\$2.0
Construction	\$50.0	\$106.7	\$49.4	\$57.3
Furniture, Fixtures & Equipment	\$2.6	\$7.8	\$2.2	\$5.6
Other	-	\$6.2	-	\$6.2
Total Estimated Project Cost	\$62.6	\$150.7	\$83.6	\$67.1
Sources of Funds				
Certificates of Obligation Series 2021 Funds	\$62.6	\$62.6	\$62.6	-
Capital Reserves	\$0.0	\$88.1	\$21.0	\$67.1
Total Estimated Project Funding	\$62.6	\$150.7	\$83.6	\$67.1

Colony Park Health & Wellness Center



The preliminary budget for the Colony Park project is outlined below. Central Health recently completed the design phase and is currently awaiting city review and permit approval. The budget may need to be revised as the design process progresses. The project is anticipated to open in spring 2027.

Table 12: Colony Park Budget, in Millions

Uses of Funds	Approved Budget	Expenses Through FY 2025	Available Budget
Due Diligence, Land Acquisition & Regulatory	\$1.9	\$0.9	\$1.0
Professional Services	\$2.5	\$1.4	\$1.1
Construction	\$25.0	-	\$25.0
Furniture, Fixtures & Equipment	\$3.7	-	\$3.7
Other	\$4.2	-	\$4.2
Total Estimated Project Cost	\$37.3	\$2.3	\$35.0
Sources of Funds			
Capital Reserves	\$37.3	\$2.3	\$35.0

Cameron Center Clinic and Medical Respite facilities



Central Health purchased three buildings at the Cameron Center during FY 2023. The Cameron Center will be renovated to house a medical respite facility, additional clinical space, and medical office space. This project is currently in the planning phase.

Proposed services include:

- Medical respite
- Primary care
- Specialty care
- Medical offices

Table 13: Cameron Center Project Budget, in Millions

Budget Category	Approved Budget	Expenses Through FY 2025	Available Budget
Building and Land	\$14.2	\$14.2	\$0.0
Professional Services	\$3.7	\$0.3	\$3.4
Construction	\$46.5	\$1.2	\$45.3
Furniture, Fixtures & Equipment	\$3.1	\$0.0	\$3.1
Other	\$23.1	\$0.0	\$23.1
Total Estimated Project Cost	\$90.6	\$15.7	\$74.9
Sources of Funds			
Certificates of Obligation Series 2023 Funds	\$90.6	\$15.7	\$74.9

Clinical Education Center renovation

The former Clinical Education Center (CEC) is a Central Health–owned building. In FY 2025, Central Health renovated the space to provide medical respite services to MAP and MAP Basic patients and to use the existing training areas for expanded clinical instruction. The building also houses other system administrative staff.

Facility services include:

- Medical respite
- Physical medicine and rehabilitation
- Street medicine teams and vehicles
- Clinical training
- Administrative offices

Table 14: CEC Budget, in Millions

Budget Category	Approved Budget	Expenses Through FY 2025	Available Budget
Building Upgrades	\$1.5	\$0.3	\$1.2
IT Infrastructure & Electrical	\$1.2	\$0.8	\$0.4
Construction	\$5.6	\$3.9	\$1.7
Furniture, Fixtures & Equipment	\$1.7	\$1.3	\$0.4
Other	\$1.0	\$-	\$1.0
Total Estimated Project Cost	\$11.0	\$6.3	\$4.7
Sources of Funds			
Capital Reserves	\$11.0	\$6.3	\$4.7

Capital expenditures impact on the operating budget

During the planning phase, consideration is given to the long-term impact of projects on the overall operating budget. These projections are also included as part of Central Health’s long-term financial forecast. Central Health considers both current and future capital projects, in addition to ongoing operational costs, throughout the development of the seven-year Health Care Equity Implementation Plan. Projects that expand clinical space for our partners to increase access also require planning for future contracted health care services.

Central Health’s Support Operations Division, which comprises the Facilities Management and Real Estate departments, include operating budgets and staffing associated with the facilities that opened in FY 2025 and those planned for this year and in the future. This budget adds eight positions in preparation for the phased opening of

the Hancock center. Facilities maintenance was identified in joint planning between Central Health and CommUnityCare as an area of overlap. As a result, the Central Health budget includes seven facilities maintenance positions previously under CommUnityCare. The operating costs are budgeted under Health care Operations and Support (Attachment B) and in Table 15 on the next page.

CommUnityCare will provide expanded primary care and dental services at the Hancock location, which are included in the Network Health Care Services Budget. Eventually, Central Health will provide direct specialty care services out of Hancock and there will be administrative offices for the System. Those operational costs will not be added until next fiscal year. The Colony Park project is still in the development phase and does not yet have operating costs, but future expenses were projected in the long-term forecast.

The operating costs for Rosewood-Zaragosa, the Cameron Center projects, the CEC, and the Hancock clinical expansion are included within the Health Care Equity Implementation Plan. Current-year operating costs are budgeted in direct health care services as well as health care operations and support.

Central Health is responsible for the ongoing maintenance of all these facilities, in addition to utilities, custodial services, and security. As the organization expands its footprint, the infrastructure division has added central receiving and fleet management to the operating budget. The medical respite program at the CEC requires additional staffing because the program requires continuous coverage, food services, and linen services.

Table 15: Operational Costs of Capital Projects

Support Operations Division	FY 2026 Budget
Salaries and Benefits	\$5,671,817
Other Goods and Services	
Facility Services	
Automobile	\$40,000
Condo Association Fees	\$500,000
Maintenance - Facilities & Vehicles	\$3,927,000
Utilities (Electric, Water, Gas)	\$3,850,000
Facility Services Total	\$8,317,000
Hardware	\$10,000
Professional Development	\$102,000
Public Relations Services	\$10,000
Purchased Services	
Custodial Services	\$2,292,000
Delivery Service	\$780,000
Medical Equipment Repair & Maintenance	\$10,000
Other	\$361,200
Printing Service	\$3,000
Security Services	\$2,385,500
Purchased Services Total	\$5,831,700
Rent/Lease	\$5,864,693
Software	\$100,000
Supplies	
Minor Furniture & Equipment <\$5000	\$350,000
Office Supplies	\$218,000
Supplies Total	\$568,000
Travel	\$33,000
FY 2026 Total Budget	\$26,508,210

Current debt levels

Central Health issued three series of Certificates of Obligation that constitute current debt. A total of \$16 million in Certificates of Obligation was issued on Sept. 20, 2011 and bonds were refunded in 2020, resulting in significant savings in future interest expenses. Central Health issued \$77.7 million of Certificates of Obligation in 2021 to fund two clinic facilities, along with a consolidated headquarters facility (see table below). In 2023, Central Health issued another \$99.35 million. Central Health

received an Aa2 stable credit rating from Moody's Investors Service and an AA+ stable rating from KBRA in June 2023. In the FY 2026 budget, Central Health has an outstanding debt of \$157.7 million. In FY 2025, Central Health issued notice of intent to issue additional debt to fund projects previously cash financed and for potential additional projects. At the time of the FY 2026 budget approval, no additional debt had been issued.

Table 16: Central Health Debt Overview

Series	Estimated Principal*	Estimated Interest*	Purpose	Security
Certificates of Obligation Series 2023 (Limited Tax)	\$7,045,000	\$1,501,875	The acquisition, construction, improvement, renovation and equipping of buildings and land to provide medical and clinical services at Rosewood Zaragosa.	Limited ad valorem tax pledge
Certificates of Obligation, Taxable Series 2023 (Limited Tax)	\$85,805,000	\$47,938,368	The acquisition, construction, improvement, renovation and equipping of buildings and land to provide medical and clinical services at the Cameron Center.	Limited ad valorem tax pledge
Certificates of Obligation Series 2021 (Limited Tax)	\$11,735,000	\$2,753,866	The acquisition, construction, improvement, renovation and equipping of buildings and land to be used as medical clinics located in Del Valle and Hornsby Bend.	Limited ad valorem tax pledge
Certificates of Obligation, Taxable Series 2021 (Limited Tax)	\$51,835,000	\$9,496,185	The acquisition, construction, improvement, renovation and equipping of buildings and land to be used as a site for management and administration of District services and the delivery and provision of clinical and medical services.	Limited ad valorem tax pledge
Certificates of Obligation, Taxable Series 2020	\$1,250,000	\$7,875	The acquisition, construction, improvement, renovation and equipping of buildings (North Central and Southeast Health and Wellness Center).	Limited ad valorem tax pledge

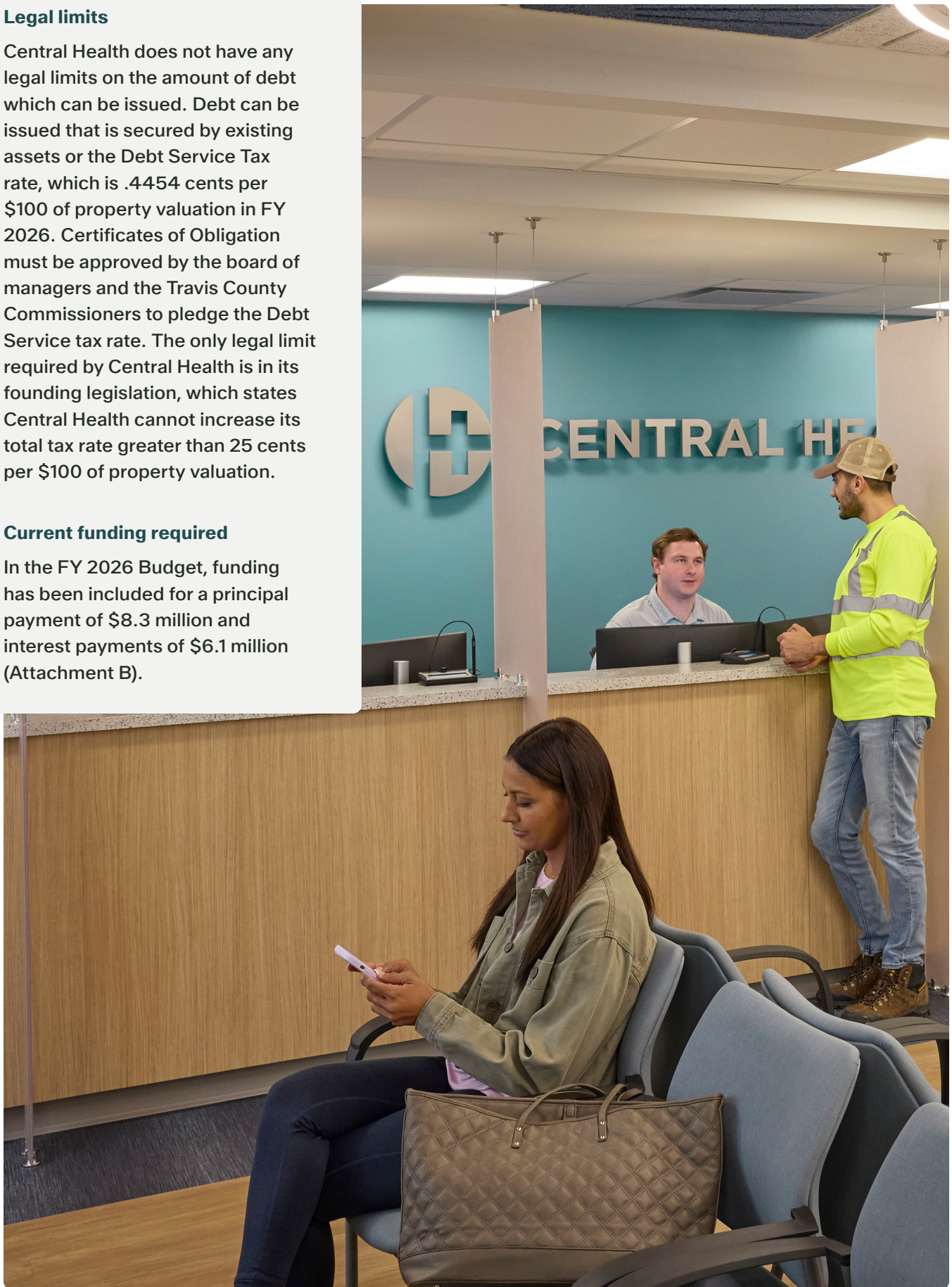
*For FY 2026 and future periods

Legal limits

Central Health does not have any legal limits on the amount of debt which can be issued. Debt can be issued that is secured by existing assets or the Debt Service Tax rate, which is .4454 cents per \$100 of property valuation in FY 2026. Certificates of Obligation must be approved by the board of managers and the Travis County Commissioners to pledge the Debt Service tax rate. The only legal limit required by Central Health is in its founding legislation, which states Central Health cannot increase its total tax rate greater than 25 cents per \$100 of property valuation.

Current funding required

In the FY 2026 Budget, funding has been included for a principal payment of \$8.3 million and interest payments of \$6.1 million (Attachment B).



Get Involved With Central Health

Travis County residents are encouraged to keep up with the budget development process, ongoing financial updates and Board of Managers and Budget and Finance Committee meetings (held monthly and streamed live).

Ways to get involved:

1

Visit our website

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

Visit the Central Health website

2

Attend or watch our meetings

Attend or watch meetings. Central Health's Board of Managers meetings and the Board's Budget and Finance Committee meetings are both available by livestream and archived online. Links to the meetings with agenda items, supporting materials, and presentations are available at: CentralHealth.net/about-central-health/board-of-managers/#members

View Board of Managers meetings

3

Sign up for our newsletter

Central Health conducts a variety of community engagement activities including soliciting feedback from patients, community members, and concerned citizens. To connect, visit CentralHealth.net/ and sign up for the free email newsletter and updates.

Connect with us

Attachment A, Revenue and Expenses Summary/Budget Resolution

FY 2025 budget and year-end-estimate with FY 2026 approved budget

Description	FY 2024 Actuals	FY 2025 Year-End-Estimate	FY 2026 Approved Budget
TAX RATE	0.100692	0.107969	0.118023
Beginning Balance (Contingency Reserve)	\$441,193,940	\$503,896,289	\$451,192,875
UNRESTRICTED REVENUE			
Property Taxes	\$312,407,086	\$342,000,000	\$378,061,940
Lease Revenue	\$19,383,743	\$8,200,000	\$10,424,005
Tobacco Litigation Settlement	\$5,194,413	\$6,800,000	\$5,000,000
Patient Revenue	-	\$500,000	\$1,000,000
Other	\$32,096,859	\$27,300,000	\$25,900,000
TOTAL UNRESTRICTED REVENUE	\$369,082,101	\$ 384,800,000	\$420,385,945
RESTRICTED REVENUE			
All Restricted Revenue	\$4,664,833	\$6,606,834	\$3,540,167
ALL REVENUE TOTAL	\$373,746,934	\$391,406,834	\$423,926,112
Available Budgeted Resources	\$814,940,874	\$895,303,123	\$875,118,987
EXPENSES			
Healthcare Delivery	\$230,720,500	\$309,622,400	\$433,984,684
Administration	\$24,313,713	\$31,500,000	\$46,369,507
UT Affiliation Agreement	\$35,000,000	\$35,000,000	\$35,000,000
Other Financing Uses	\$8,019,240	\$61,381,015	\$37,045,142
TOTAL EXPENSES	\$ 298,053,453	\$437,503,415	\$552,399,333
RESTRICTED EXPENSE			
All Restricted Expense	-	\$4,900,000	\$3,540,167
ALL EXPENSE TOTAL	\$298,053,453	\$442,403,415	\$555,939,500
RESERVES			
Emergency Reserves	\$46,739,076	\$58,120,090	\$68,165,232
Public Health Center Reserve	-	-	\$12,000,000

Central Health Fiscal Year 2026 Budget Resolution

CentralHealth.net/wp-content/uploads/2025/10/Central-Health-Budget-Resolution-for-Fiscal-Year-2026-Executed.pdf

Attachment B, Uses of Funds Detail

DESCRIPTION	FY 2025 BUDGET	FY 2026 APPROVED BUDGET
HEALTH CARE DELIVERY		
Network Health Care Services		
Primary Care: Medical, Dental, & Behavioral Health	73,957,000	103,446,258
Specialty Care: including Specialty Dental	31,153,000	37,348,000
Specialty Care: Behavioral Health	25,750,000	40,274,000
Post Acute Care	8,100,000	9,350,000
Pharmacy	19,000,000	19,500,000
Community Health Care Initiatives Fund	1,000,000	1,000,000
Purchased Health Care Services	158,960,000	210,918,258
Direct Health Care Services		
Therapy and Counseling	1,227,110	2,115,947
Psychiatry & Addiction Care	1,674,311	3,221,828
Cardiology	2,437,279	2,442,156
Endocrinology	762,556	883,764
Gastroenterology	2,953,976	4,266,275
Nephrology	1,859,200	1,449,087
Neurology	2,019,556	354,559
Podiatry	2,192,929	2,364,183
Pulmonology	1,497,711	1,915,923
Rheumatology	656,943	2,041,389
Palliative Care	958,984	1,027,374
Pharmacy	1,849,580	2,980,011
Physical Medicine & Rehab		270,771
Transitions of Care	10,388,044	11,598,960
Medical Respite	5,239,210	10,659,535
Diagnostics and Other services	4,395,034	8,545,939
Patient Navigation	6,105,265	7,563,164
Clinical Support	13,826,160	17,898,272
Direct Health Care Services Total	60,043,848	81,599,137
Total Health Care Services	219,003,848	292,517,395

DESCRIPTION	FY 2025 BUDGET	FY 2026 APPROVED BUDGET
Health Care Operations & Support		
Salary and Benefits	46,232,033	52,476,460
ACA Healthcare Premium Assistance Programs	19,300,000	19,671,820
Legal	133,000	-
Consulting	2,220,000	970,000
Purchased Services	8,609,200	10,305,800
Outreach and Education	3,250,250	5,348,420
Information Technology & Services	13,932,800	13,764,300
Leases, Utilities, Security and Maintenance	16,334,742	14,181,693
Travel, training and professional development	1,363,200	1,422,100
Other operating expenses	623,500	864,370
Debt service - principal retirement	8,035,000	8,320,000
Debt service - interest	6,424,421	6,142,326
Transfer to Sendero Risk-Based Capital	8,000,000	8,000,000
Total Healthcare Operations & Support	134,458,146	141,467,289
Total Health Care Delivery	353,461,994	433,984,684

DESCRIPTION	FY 2025 BUDGET	FY 2026 APPROVED BUDGET
ADMINISTRATION		
Salary and Benefits	23,354,186	28,252,193
Legal	2,775,000	5,505,000
Consulting	2,593,623	3,246,250
Purchased Services	1,944,613	1,532,666
Outreach and Education	768,080	539,580
Information Technology & Services	1,551,859	2,009,155
Leases, Utilities, Security and Maintenance	1,491,500	195,000
Travel, training and professional development	1,018,517	1,370,085
Other operating expenses	616,500	663,875
Appraisal District Svcs	1,249,512	1,841,217
Tax Collection Expense	1,142,559	1,214,486
Total Administration	38,505,949	46,369,507
UT Affiliation Agreement	35,000,000	35,000,000
OTHER FINANCING SOURCES/USES		
Transfer to capital projects	50,000,000	15,000,000
Transfer to Public Health Center Reserve		12,000,000
Transfer to emergency reserve	11,381,015	10,045,142
RESTRICTED USES		
All Restricted Expenses	4,664,833	3,540,167
TOTAL EXPENSES	493,013,791	555,939,500
RESERVES		
Contingency Reserves	395,732,910	319,179,487
TOTAL EXPENSES	888,746,701	875,118,987

Attachment C, Audited Financials

The most recent audited financial statement is located at:
[CentralHealth.net/wp-content/uploads/2025/03/Travis-County-Healthcare-District-Financial-Statements_9-30-2024.pdf](https://centralhealth.net/wp-content/uploads/2025/03/Travis-County-Healthcare-District-Financial-Statements_9-30-2024.pdf)

[View the financial statement](https://centralhealth.net/wp-content/uploads/2025/03/Travis-County-Healthcare-District-Financial-Statements_9-30-2024.pdf)

The FY 2025 Budget and past annual budgets can be found at:
[CentralHealth.net/about-central-health/finance](https://centralhealth.net/about-central-health/finance)

[View the budget documents](https://centralhealth.net/about-central-health/finance)

Central Health's 2024 Annual Report can be found at:
[2024-Annual-Report_Digital_V01.pdf](https://centralhealth.net/wp-content/uploads/2024/11/2024-Annual-Report_Digital_V01.pdf)

[View the 2024 Annual Report](https://centralhealth.net/wp-content/uploads/2024/11/2024-Annual-Report_Digital_V01.pdf)

Attachment D, 2024 Demographic Report

The 2024 Demographic Report builds upon Central Health's commitment to data-driven decision-making. Since the first demographic report in 2015, Central Health has continually refined its methodologies, incorporating more precise geographic analyses, more sophisticated statistical modeling, and a clearer understanding of the factors shaping health disparities.

CentralHealth.net/wp-content/uploads/2025/03/2024-Demographic-Report.pdf

[View the 2024 Demographic Report](#)

Attachment E, Financial Policies

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

Emergency Reserve Policy

Central Health's emergency reserve will serve as a funding source for dire necessities that arise from unusual circumstances, e.g. natural disasters, pandemics, or severe business disruptions. The emergency reserve will normally be set at 55 days of working capital, equal to approximately 15% of budgeted ongoing expenses. The amount of the emergency reserve will be set annually through adoption of the budget.

Contingency Reserve Policy

The contingency reserve will serve as a funding source for one-time expenditures or for ongoing expenditures when needed for cyclical or temporary structural deficits. Cyclical deficits are caused by temporary decreases in revenue or by one-time, nonrecurring expenses that cannot be funded through current revenue. Structural deficits are caused by an excess of projected annual expense over projected annual revenue over periods of several fiscal years. Contingency reserves may be used as part of a plan for correcting structural deficits; however, the plan should also include structural fixes such as permanent increases to revenue and/or permanent reductions to expense.

The contingency reserve may also serve as a source of supplemental appropriation that can be used for Intergovernmental Transfers,

depending on circumstances and amounts available. The Intergovernmental Transfers are unpredictable and are often misaligned with Central Health's fiscal year.

Capital Reserve Policy

A capital reserve will be established to fund capital assets or projects that will not be funded through the issuance of debt or through a grant. The capital reserve will be established in October, the first month of the fiscal year, by moving investment balances from current assets to noncurrent assets in the amount needed to fund the capital reserve. Changes may be made to the capital reserve during the year if, for example, other funding is obtained for a portion of the capital budget: in this case, the capital reserve would be decreased by moving the amount of the grant from noncurrent assets (investments) back to current assets.

HMO Risk-Based Capital Reserve Policy

Central Health will set up a risk-based capital reserve to be used for paid-in capital payments to Sendero Health Plans, Inc., (Sendero) the Medicaid managed care nonprofit corporation established in 2011. This reserve will be shown in the noncurrent assets section of Central Health's balance sheet and will not be part of working capital or fund balance. This fund will be used to provide risk-based capital to Sendero. Payments will be made based on the level of enrollment and on claims experience, as recommended by the Sendero actuary. Central Health's Investment Policy is updated annually by the Board of Managers.

Central Health also maintains a robust set of finance and procurement policies that are updated by the Board of Managers on an as needed basis. For the detailed investment and collateral policies follow the link below:

[CentralHealth.net/wp-content/uploads/2023/03/Central-Health-Financial-Policies-FY 202023-1.pdf](https://CentralHealth.net/wp-content/uploads/2023/03/Central-Health-Financial-Policies-FY-202023-1.pdf)

The Reserve Policy is under revision to add the Public Health Center Reserve approved by the Central Health Board of Managers on September 10, 2025.

Regular Agenda Item 4:

CentralHealth.net/wp-content/uploads/2025/09/2025.09.10-BOM-Agenda-STAMPED.pdf

Approved Minutes of September 10, 2025, Central Health Board of Managers Meeting:
CentralHealth.net/wp-content/uploads/2025/09/2025.09.24-BOM-Agenda-STAMPED.pdf

Updated Travis County Commissioners Court financial order for Central Health:
CentralHealth.net/wp-content/uploads/2025/05/Central-Health-Financial-Policies-TCCC-3.11.25-Agenda-Item-41.pdf

Attachment F, Health Care Equity Implementation Plan

On August 2, 2023, the Central Health Board of Managers adopted a plan to implement Central Health's Health Care Equity Plan. The plan lays out 38 initiatives, involving more than 150 overlapping and interdependent projects aimed at closing the gaps in the health care safety net based on our Community Needs Assessment. Under the plan, Central Health will invest nearly \$700 million into projects that strengthen the health care safety net over the next 7 years.

A summary of the plan can be found at:

[CentralHealth.net/wp-content/uploads/2023/09/Central-Health-Health care-Equity-Action-Plan-Presentation.pdf](https://CentralHealth.net/wp-content/uploads/2023/09/Central-Health-Health-care-Equity-Action-Plan-Presentation.pdf)

[View the Healthcare Equity Plan](#)

Glossary

- **1115 Waiver:** A federal funding program for uncompensated care and Delivery System Reform Incentive Payments (DSRIP).
- **ACA:** Affordable Care Act: a health care reform law that addresses health insurance coverage.
- **Accrual:** An expenditure that is recognized for a fiscal year or period but not received or disbursed until a subsequent fiscal year or period.
- **Ad Valorem Tax:** A tax of real estate or personal property based on the taxable value of the property and is assessed at a rate per \$100 of taxable value.
- **Approved Budget:** The financial plan for Central Health approved by the Travis County Commissioners Court for use in the fiscal year of October 1 to September 30.
- **Assessed Valuation:** The valuation set for Travis County properties by the Travis Central Appraisal District as a basis for levying property taxes.
- **Audit:** A process that formally examines financial statements, performance measures, compliance with regulations, and effectiveness of internal controls of an organization. The primary purpose of audits is to determine whether public funds have been used lawfully, efficiently, and effectively.
- **Average Homestead Taxable Value:** The mean property value of Travis County homesteads after a 20% homestead exemption and other required adjustments are applied, as appraised and certified by the Travis Central Appraisal District.
- **Average Homestead Value:** The mean property value of Travis County homesteads, as appraised and certified by the Travis Central Appraisal District.
- **Basis of Budgeting:** Central Health's basis of budgeting is the accrual basis in accordance with generally accepted accounting principles (GAAP), with the exception of depreciation.
- **Balanced Budget:** A financial plan in which projected total sources of funds are equal to total planned uses of funds plus established reserves.
- **Budget:** An organization's comprehensive financial plan for the coming fiscal year.
- **Budget Amendment:** A change in the level of funding that increases or decreases the total budget of an individual program (Health Care Delivery or Administration/Tax Collection) which requires approval by the Central Health Board of Managers and the Travis County Commissioners Court.
- **Budget Calendar:** The schedule of dates that Central Health follows in the preparation and adoption of the budget.
- **Capital Expenditure:** Defined as use of funds on an asset with an initial, individual cost of at least \$5,000, and an estimated useful life of one year or more.
- **CCC:** Community Care Collaborative: Central Health's partnership with Ascension Seton to provide health care.
- **Census Tract:** Small, relatively permanent statistical subdivisions of a county or statistically equivalent entity that can be updated by local participants prior to each decennial census as part of the Census Bureau's Participant Statistical Areas Program (PSAP).
- **CEO:** Chief Executive Officer
- **Certificates of Obligation:** Debt that is authorized by the Travis County Commissioners Court and does not require prior voter approval. Intent to issue certificates of obligation must be published in the local newspaper in advance of issuing the debt.
- **CHAP:** Central Health Assistance Program: a program through Central Health that provides premium assistance to eligible members.
- **CHIP:** Children's Health Insurance Program: a program to provide healthcare coverage to children in families that do not qualify for Medicaid.

- **CMS:** Centers for Medicare & Medicaid Services: a federal agency in the department of Health and Human Services that administers the healthcare programs Medicare and Medicaid.
- **Component Unit:** A component unit in accounting is a legally separate organization that is financially accountable to a primary government or agency.
- **Credit Rating:** An opinion given by a credit rating agency that indicates the ability and willingness of a bond issuer to meet its financial obligations in full and on time. A credit rating also indicates the credit quality of an individual debt issue.
- **Debt Service Rate:** The component of the total tax rate the taxing unit needs to pay its debt service in the coming year.
- **Depreciation:** A decrease in the value of a capital asset due to wear and tear, deterioration, end of useful service life, or the passage of time.
- **DSH:** Disproportionate Share Hospital (DSH) program funds uncompensated care for hospitals treating indigent patients.
- **DSRIP:** Delivery System Reform Incentive Payments: a program that is designed to improve how health care is delivered by incentivizing providers and hospitals.
- **DY:** DSRIP funding year
- **ECHO:** Ending Community Homelessness Coalition, partner organization and funder in the Permanent Supportive Housing Healthcare Collaborative.
- **ED:** Emergency Department: the department of the hospital that is responsible for patients requiring immediate care.
- **Enterprise Fund:** A type of fund used in governmental accounting to account for activities that provide goods or services to the public for a fee that is meant to make the entity self-sustaining. It operates in a manner similar to private business enterprises, with the intent that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges.
- **Expenditure:** Uses of funds which are recognized when the liability is incurred and expected to be liquidated with current financial resources.
- **Fiscal Year:** A twelve-month period, extending from October 1st through the following September 30th, which is designated as the operating year for accounting and budget purposes.
- **FPL:** Federal Poverty Level: an economic measure created from census data that is used to determine qualifications for federal programs.
- **Fund:** A fund is a fiscal and accounting entity that records cash, financial resources, liabilities, and balances. Funds are self-balancing sets of accounts that can be specific to a department or shared by multiple departments.
- **Fund Balance:** In governmental funds, there are funds leftover at the end of a fiscal year from either underspending the budget or taking in revenue in excess of the amount budgeted.
- **FTE:** Full-time Equivalent: FTE is equivalent to an employee that is scheduled to work 40 hours/week.
- **FQHC:** Federally Qualified Health Center: a designation from CMS to provide primary care services in underserved communities.
- **Generally Accepted Accounting Principles (GAAP):** for generally accepted accounting principles, which set the standard accounting rules for preparing, presenting, and reporting financial statements in the U.S.
- **Governmental Accounting Standards Board (GASB):** An organization whose main purpose is to improve and create accounting and reporting standards and generally accepted accounting principles (GAAP).
- **Governmental Fund:** A type of fund that accounts for government entities' activities, including General Funds. Central Health does not have a governmental fund, rather it is a single proprietary fund, known as an enterprise fund (see definition of Proprietary Fund below).

- **HHSC:** Texas Health and Human Services Commission: a state agency that manages programs that assist families with food, healthcare, safety and disaster needs.
- **IGT:** Intergovernmental Transfers: the transfer of funds between governmental entities.
- **Interlocal Agreement:** An agreement between governmental agencies often resulting in one governmental agency receiving funds from another agency.
- **LPPF:** Local Provider Participation Fund: an account that local governments deposit mandatory hospital payments into for an IGT to HHSC.
- **MAP:** Medical Access Program, a full benefits package for eligible residents who are at or below 100 percent of the Federal Poverty Level (FPL).
- **Modified accrual accounting:** An alternative bookkeeping method that combines accrual basis accounting with cash basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.
- **Net Position:** Difference between assets, or Central Health's investment in resources, and liabilities, or Central Health's obligation to its creditors.
- **No-new-revenue Maintenance & Operations (M&O) Tax Rate:** A tax rate that is a component of the total tax rate that provides the taxing unit with approximately the same amount of revenue it received in the previous year for day-to-day operations (Maintenance and Operations).
- **No-new-revenue Tax Rate:** A calculated rate that provides a taxing unit with approximately the same amount of revenue it received in the previous year on properties taxed in both years. If property values rise, the effective tax rate will decrease, and vice versa. The effective tax rate calculation is established by state law.
- **Objectives and Key Results (OKRs):** a framework for setting and tracking goals across the organization to help turn strategy into action.
- **ODU:** Opioid use disorder (ODU) is a substance use disorder characterized by cravings for opioids, continued use despite physical and/or psychological deterioration, increased tolerance with use, and withdrawal symptoms after discontinuing opioids.
- **Permanent Supportive Housing Health Care Collaborative (PSH HCC):** A collaboration between social service and health care organizations in Central Texas to provide
- **Proposed Budget:** The financial plan was presented to the Central Health board of managers for consideration and then recommended to the Travis County Commissioners Court for adoption for use from October 1 to September 30.
- **Proprietary Fund:** The type of fund used to account for Central Health's ongoing operations and activities that are like businesses found in the private sector. Central Health operates as a single proprietary fund known as an enterprise fund.
- **Reserve:** A line item used to set aside sources of funds that may not be required for expenditure in the current budget year.
- **Residential Homestead Exemption:** A reduction in taxable value on a primary residence. Central Health offers a 20% exemption on a principal residence primarily owned and occupied by an individual.
- **Revenue:** Sources of funds that finance the operations of government.
- **Structural Balance:** In governmental budgeting, a budget achieves structural balance if it supports financial sustainability for multiple years into the future through the matching of ongoing uses of funds to ongoing sources of funds and the maintenance of an appropriate reserve balance.

- **SUD Substance Use Disorder:** A medical condition characterized by the inability to control the use of a particular substance (or substances) despite harmful consequences.
- **Tax Rate:** The amount of tax stated in terms of a unit of the tax base; in Texas, the tax rate is stated in terms of every \$100 of value.
- **TPA: Third Party Administrator:** an organization that processes claims for another entity.
- **Travis Central Appraisal District:** A special unit of government with the primary responsibility to develop an annual appraisal roll for use by taxing units in imposing ad valorem taxes on property in the district.
- **UC: Uncompensated Care:** hospital care that receives no reimbursement.
- **Voter-approval Tax Rate:** The tax rate that provides the taxing unit with approximately the same amount of revenue it spent in the previous year for day-to-day operations (Maintenance and Operations), plus an extra 8.0%.