



CENTRAL HEALTH

STAYS IN FILE

**Our Vision**

Central Texas is a model healthy community.

**Our Mission**

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

**Our Values**

Central Health will achieve excellence through:

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

*Innovation* - We create solutions to improve healthcare access.

*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.

**CENTRAL HEALTH BOARD OF MANAGERS  
BUDGET AND FINANCE COMMITTEE**

**Wednesday, April 18, 2018, 5:30 p.m.**

**(or to follow the Central Health Downtown Campus Committee meeting)**

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

**AGENDA\***

**Items for consideration and possible action:**

1. Approve minutes of the following meeting of the Central Health Board of Managers Budget and Finance Committee:
  - a. March 21, 2018.
2. Receive and discuss a presentation on the FY 2019 Budget development process and timeline.
3. Receive a report of the March 2018 financial statements for Central Health.
4. Receive a report of the February 2018 and March 2018 financial statements for the Community Care Collaborative.
5. Discuss and take appropriate action on Central Health's proposed Fiscal Year 2019 homestead tax exemption for Travis County residents over 65 or disabled.

**Standing Items:**

6. Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.<sup>1</sup>
7. Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated community partnerships.<sup>1</sup>
8. Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc.<sup>1</sup>

9. Confirm the next regular Committee meeting date, time, and location.

\*The Budget and Finance Committee may take items in an order that differs from the posted order.

Note 1, Possible closed executive session item.

The Budget and Finance Committee may consider any matter posted on the agenda in a closed session if there are issues that require consideration in a closed session and the Committee announces that the item will be considered during a closed session.

**A quorum of Central Health's Board of Managers may convene to discuss matters on the agenda.**

Came to hand and posted on a Bulletin Board in the Courthouse,  
Austin, Travis County, Texas on this the 13th day of  
April 2018.  
Dana DeBeauvoir  
County Clerk, Travis County, Texas  
By D. Campos Jr. Deputy

**D. CAMPOS JR.**



**FILED AND RECORDED**

OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

Apr 13, 2018 01:02 PM

201880592

FEE: \$0.00

Dana DeBeauvoir, County Clerk

Travis County TEXAS



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 1**

Approve minutes of the following meeting of the Central Health Board of Managers Budget and Finance Committee:

- a. March 21, 2018.

MINUTES OF MEETING – MARCH 21, 2018

CENTRAL HEALTH BOARD OF MANAGERS BUDGET AND FINANCE COMMITTEE

On Wednesday, March 21, 2018, the Central Health Board of Managers Budget and Finance Committee convened at 5:31 p.m. in the Board Room, 1111 East Cesar Chavez, Austin, Texas 78702. Clerk for the meeting was Ms. Emily Farris.

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**Committee Members present:** Chairperson Bell, Manager Greenberg, and Manager Oliver

**Board Members present:** Manager Museitif, Manager Valadez, Manager Jones, and Manager Zamora

**REGULAR AGENDA**

**10. Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc.<sup>1</sup>**

**Clerk’s Notes:** Discussion on this item began at 5:35 p.m. Chairperson Bell announced that the Committee is convening in executive session to discuss agenda item 10 under Section 551.085 of the Texas Government Code, Deliberation of Governing Board of Certain Providers of Health Care Services.

The Board reconvened in open session at 5:47 p.m.

No action was taken on item 10.

**3. Discuss and take appropriate action on a recommendation for a commitment to a permanent supportive housing project expected to reduce emergency department visits and hospitalization rates among homeless Travis County residents.**

**Clerk’s Notes:** Discussion on this item began at 5:47 p.m. Mr. Mike Geeslin, President & CEO of Central Health, presented a project funding recommendation to the Committee. Ms. Ann Howard, Executive Director for the Ending Community Homelessness Coalition (ECHO), and Nirav Shah, Vice President for Social Finance, described the funding model for the project, the outcomes that the project was designed to achieve, and responded to questions from the Committee.

Manager Jones moved that the Committee recommend that the Board commit \$400,000 of New Initiatives funds to the Ending Community Homelessness Coalition’s permanent supportive housing project expected to reduce emergency department visits and hospitalization rates among homeless Travis county residents. Manager Zamora seconded the motion.

Chairperson Bell	For
Manager Aiken	Absent
Manager Daniel	Absent
Manager Greenberg	For
Manager Jones	For
Manager Museitif	Opposed
Manager Oliver	Opposed
Manager Valadez	Opposed
Manager Zamora	For

**2. Discuss and take appropriate action on a contract between the Community Care Collaborative and Fibroblast for specialty care referral management.**

**Clerk’s Notes:** Discussion on this item began at 7:08 p.m. Ms. Melanie Diello, Director of Service Delivery Operations for the Community Care Collaborative (the “CCC”), and Dr. Mark Hernandez, Chief Medical Officer for the CCC, provided an overview of a software platform called Fibroblast that is

expected to increase access to specialty care by streamlining referral management between primary and specialty care providers and facilitate eConsults. Ms. Diello and Dr. Hernandez responded to questions from the Committee.

Manager Greenberg moved that the Committee recommend that the Board approve, and direct the Central Health appointees to the Community Care Collaborative (“CCC”) Board of Directors to approve, a contract between the Community Care Collaborative and Fibroblast for specialty care referral management, in an amount not to exceed \$700,000. Manager Museitif seconded the motion.

Chairperson Bell	For
Manager Aiken	Absent
Manager Daniel	Absent
Manager Greenberg	For
Manager Jones	For
Manager Museitif	For
Manager Oliver	For
Manager Valadez	For
Manager Zamora	For

Chairperson Bell declared a five minute break at 7:35 p.m.

**4. Receive and discuss a report on Central Health historically underutilized businesses (HUBs).**

**Clerk’s Notes:** Discussion on this item began at 7:46 p.m. Mr. Jeff Knodel, Chief Financial Officer for Central Health, and Mary Quintero-Herrera, Purchasing Supervisor for Central Health, presented the annual HUB report. The report detailed the total HUB expenditures made by Central Health in Fiscal Year 2017, included expenditure comparison graphs that illustrated the HUB expenditures made by various governmental entities, , and outlined continuing outreach efforts. Mr. Knodel and Ms. Quintero-Herrera responded to questions from the Committee.

No action taken on item 4.

**5. Discuss and take appropriate action on a homestead exemption from Central Health for Travis County residents over 65 or disabled.**

**Clerk’s Notes:** Item 5 was postponed.

**6. Receive and discuss a report of the January 2018 financial statements for the Community Care Collaborative.**

**Clerk’s Notes:** Discussion on this item began at 8:07 p.m. Mr. Knodel presented the Community Care Collaborative financial statements as of January 31, 2018. The presentation included a balance sheet, sources and uses report, and a summary of health care delivery costs that included details on primary and specialty care expenditures. Mr. Knodel responded to questions and comments from the Committee.

No action was taken on item 6.

**7. Receive and discuss a report of the February 2018 financial statements for Central Health.**

**Clerk’s Notes:** Discussion on this item began at 8:07 p.m. Mr. Knodel presented Central Health’s financial statements as of February 28, 2018. The presentation included a balance sheet, sources and uses report, and a summary of health care delivery expenses that included details on the Intergovernmental Transfer (IGT) payments made during the 2018 Fiscal Year. Mr. Knodel responded to questions and comments from the Committee.

No action was taken on item 7.

1. **Approve minutes for the following meeting of the Central Health Board of Managers Budget and Finance Committee:**
  - a. **February 21, 2018.**

**Clerk's Notes:** Discussion on this item began at 8:28 p.m. Manager Museitif moved that the Committee approve the minutes of the following meeting of the Central Health Board of Managers Budget and Finance Committee:

- a. February 21, 2018.

Manager Greenberg seconded the motion.

Chairperson Bell	For
Manager Aiken	Absent
Manager Daniel	Absent
Manager Greenberg	For
Manager Jones	For
Manager Museitif	For
Manager Oliver	For
Manager Valadez	For
Manager Zamora	For

8. **Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.<sup>1</sup>**

**Clerk's Notes:** Item 8 was not discussed.

9. **Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated community partnerships.<sup>1</sup>**

**Clerk's Notes:** Item 9 was not discussed.

11. **Confirm the next regular Committee meeting date, time, and location.**

Discussion on this item began at 8:28 p.m. Chairperson Bell announced that the next Central Health Board of Managers Budget and Finance Committee meeting will be on Wednesday, April 18, 2018, at 5:30 p.m., Central Health Administrative Offices, 1111 E. Cesar Chavez St., Austin, Texas 78702.

Manager Greenberg moved that the Committee adjourn. Manager Valadez seconded the motion.

Chairperson Bell	For
Manager Aiken	Absent
Manager Daniel	Absent
Manager Greenberg	For
Manager Jones	For
Manager Museitif	For
Manager Oliver	For
Manager Valadez	For
Manager Zamora	For

The meeting was adjourned at 8:29 p.m.

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Charles Bell, Committee Chairperson  
Central Health Budget and Finance Committee



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 2**

Receive and discuss a presentation on the FY 2019 Budget development process and timeline.



CENTRAL HEALTH

# Central Health Budget Timeline and Five-Year Financial Forecast

Central Health Budget and Finance Committee  
April 18, 2017

Lisa Owens, VP of Financial Operations





# Five-Year Forecast is an Estimate

- Numbers developed based on broad assumptions and conservative estimates
- A proven tool to guide the Board of Managers in long-term financial decision making regarding the property tax rate
- Serves as a tool to identify revenue and expense trends and frame related policy issues
- Forecast is based on reasonable present day assumptions



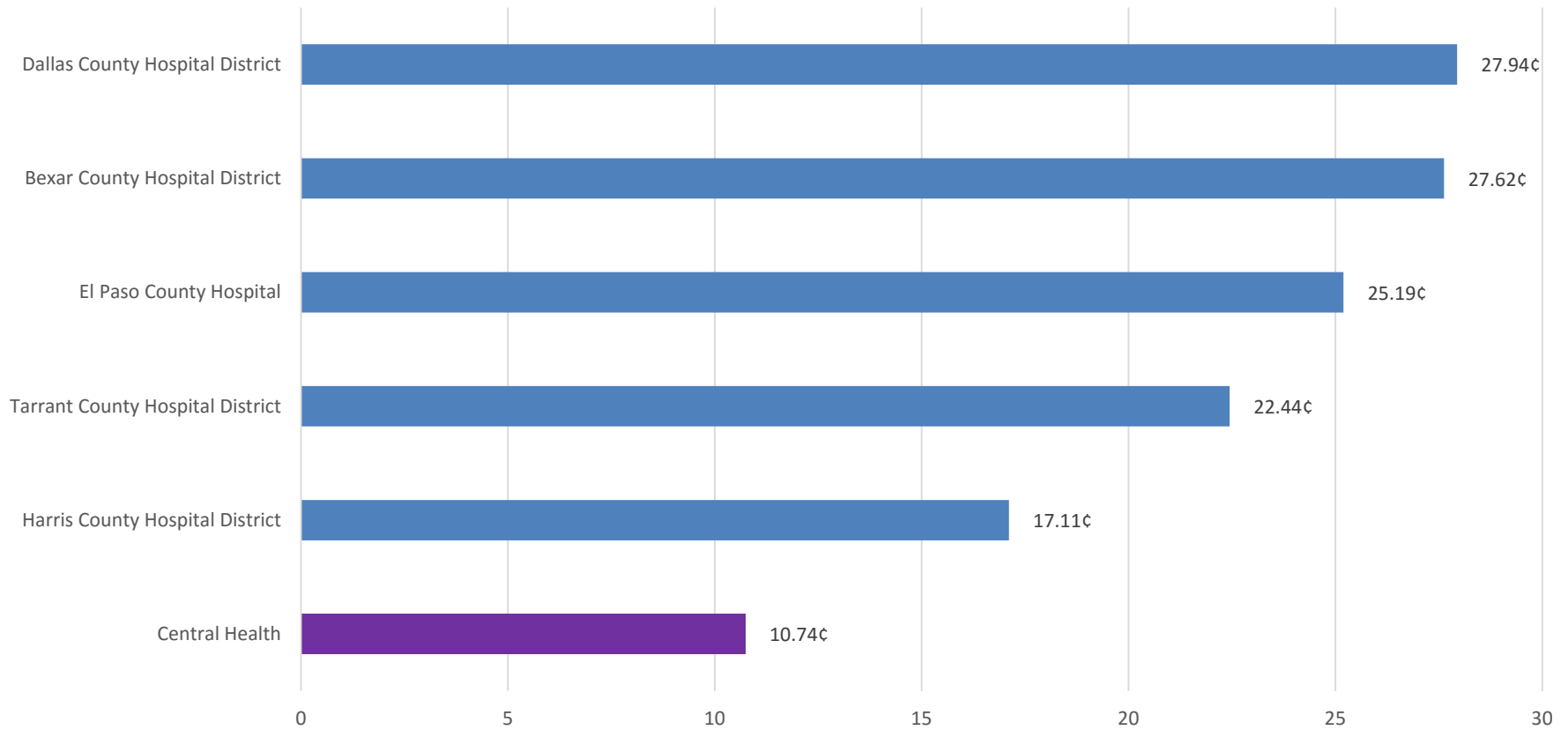
# External Factors

- Uncertainty surrounding federal and state legislation, including the Affordable Care Act and possible limitations on local taxing jurisdictions
- Economy continues to increase at a rapid rate with low unemployment, at 2.6% for Travis County
- Taxable assessed values continue to increase in Travis County, average taxable value with a homestead exemption is \$330,644
- Central Health continues to have the lowest tax rate of major Texas hospital districts, currently 10.7385 per \$100 of valuation
- Highest concentrations of low-income and uninsured residents continue to shift to eastern Travis County and suburbs
- Travis County's population continues to increase, including the number of residents living in poverty



# Tax Rate Comparison

Fiscal Year 2018 Major Hospital District Tax Rates



# Current Year Fiscal Highlights—FY 2018

- Tax rate of 10.7385 cents per \$100 of property valuation
  - 4.5% over FY 2017 effective rate
  - Decrease from FY 2017 rate of 11.0541 cents/\$100
  - Increase in tax revenue of approximately \$12 million
- Intergovernmental transfers budgeted at \$142.9 million for local match for federal funds, projected to be \$124.4 million
- In partnership with Seton and the Dell Medical School, continue to fund, innovate and improve the delivery of safety net health care, via the Community Care Collaborative: \$29.2M
- Investment in Sendero: \$36 million
- Additional \$1.4 million to Central Health's Emergency Reserve Fund



# FY 2018 Year-End Estimate (in millions)

Sources of Funds	Fiscal Year 2018		
	Approved	Estimate	Variance
Property Tax Revenue	\$181.8	\$181.8	\$0.0
Seton Lease Revenue	10.3	10.3	-
Other Revenue	2.2	3.0	.8
<b>Total Revenue</b>	<b>194.3</b>	<b>195.1</b>	<b>.8</b>
Contingency	43.5	51.6	8.1
<b>Total Sources</b>	<b>237.8</b>	<b>246.7</b>	<b>8.9</b>
<b>Uses of Funds</b>			
Intergovernmental Transfers	142.9	124.4	(18.5)
Healthcare services	37.9	34.6	(3.3)
Healthcare Initiatives	4.9	4.8	(0.1)
Healthcare operations	10.9	10.9	0.0
Reserves, appropriated uses and transfers	29.1	37.4	8.3
Debt Service	1.4	1.4	0.0
Administration	9.1	9.1	0.0
Tax collection	1.7	1.7	0.0
<b>Total Uses</b>	<b>237.8</b>	<b>224.2</b>	<b>(13.6)</b>
Estimated Ending Balance - Contingency Reserve		<b>\$22.5</b>	

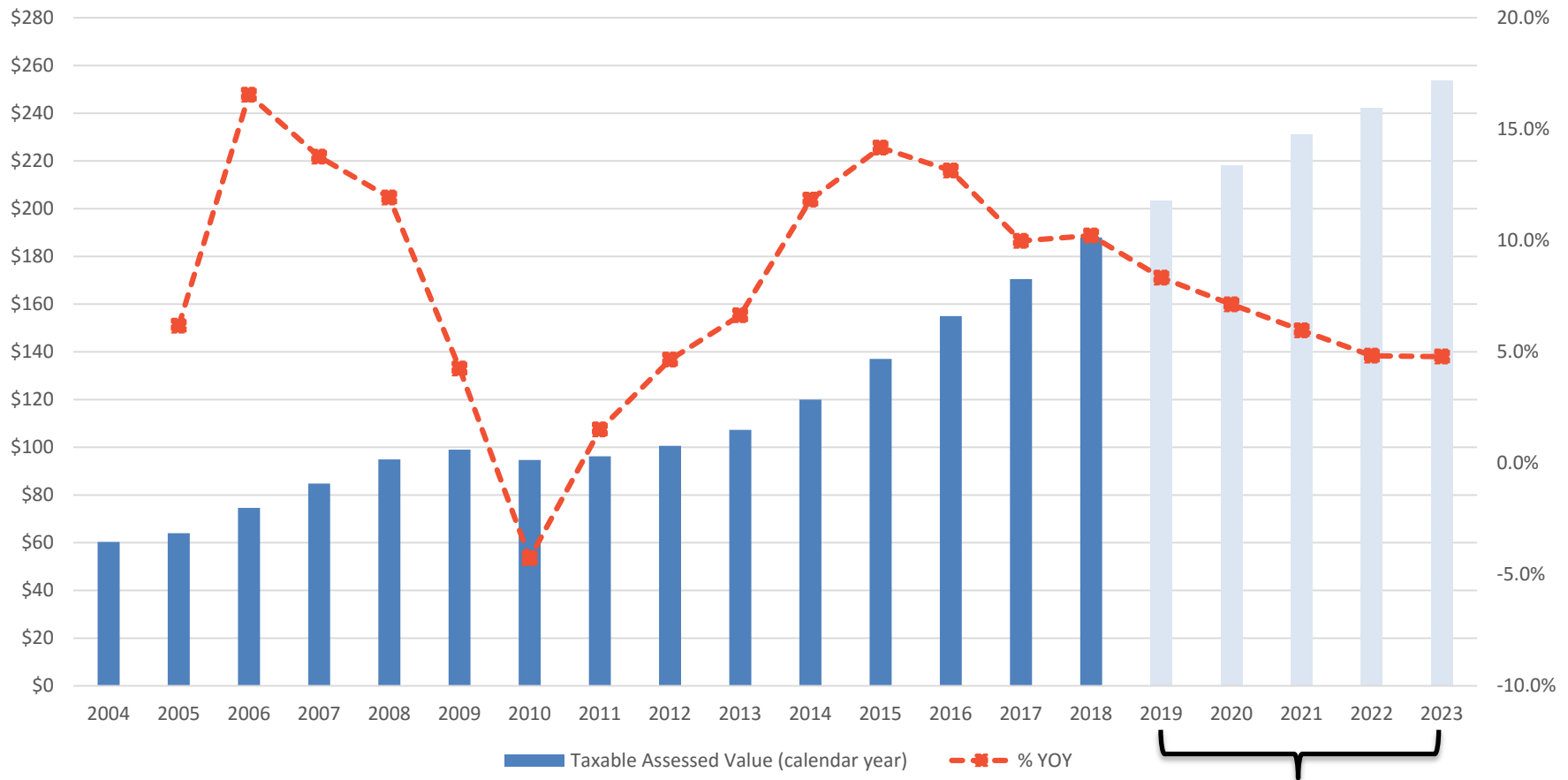
# FY 2018 Year-End Estimate — Conclusions

- IGT amounts are substantial and unpredictable
- Contingency Reserve estimated ending balance: \$22.5 million
- Funding reserve levels in anticipation of continued reduced lease payments from the Central Health Brackenridge Campus and increased expenses to fund health care priorities
- DSRIP 1115 Medicaid Waiver extension into FY 2018 resulted in same funding as FY 2017, accomplished comparable success



# Projected Taxable Values by Tax Year

Taxable Assessed Values with % change Year over Year  
(in billions)



# Five-Year Forecast Assumptions

- Covers FY 2019-2023
- Taxable assessed property values continue to rise but at a slower rate (see chart)
- Lease revenue estimated to stay the same, with slight increase from redevelopment in FY2021
- DSRIP 1115 Medicaid Waiver funding decreases 7% in FY2021, 20% in FY2022 and to \$0 in FY2023
- Member payment to the CCC increases due to DSRIP 1115 Medicaid Waiver funding decrease
- Sendero capitalization for forecast period per Texas Department of Insurance regulatory guidelines
- Cost drivers:
  - Salaries/benefits—5%
  - Health care delivery providers—8%
  - Other goods and services 4-5%
  - UMCB Campus operations continue
  - New Initiatives and Women’s Health funding continues





# Property Tax Rate Scenarios

Three property tax rate scenarios considered in preparation of Five-Year Forecast:

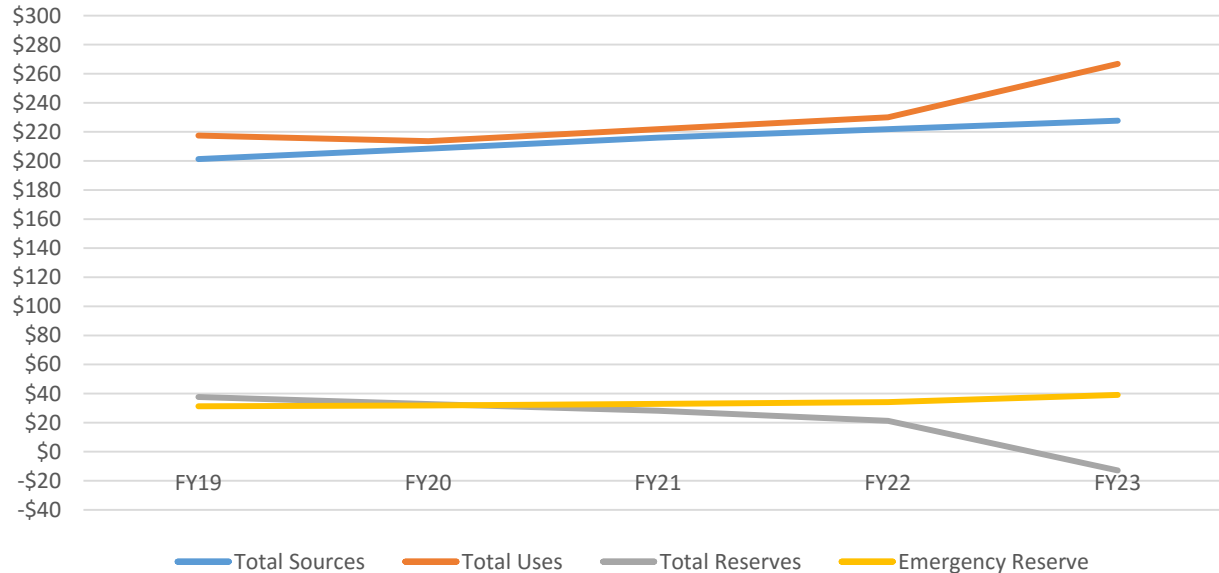
- 2% over effective property tax rate
- 4.5% over effective property tax rate
- 6% over effective property tax rate in FY 2019 and FY 2020, 2.5% thereafter

Constant expenditures for each scenario



# 2% Over Effective Property Tax Rate Year-Over-Year (in millions)

2% Over Effective Property Tax Rate YOY

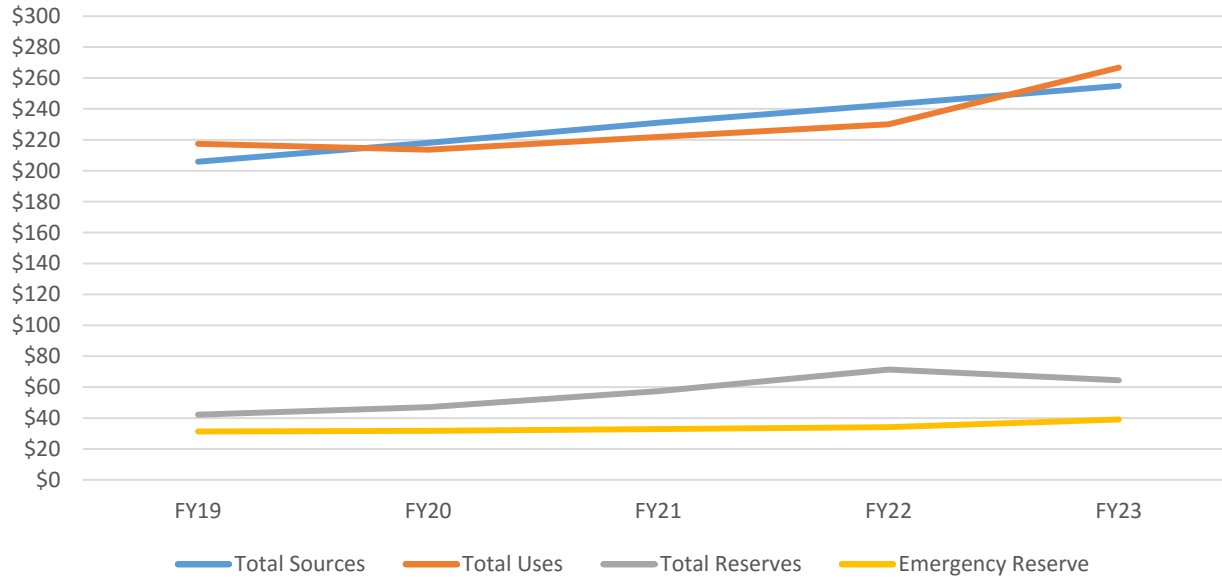


2% over effective						
	FY18	FY19	FY20	FY21	FY22	FY23
Total Sources		201.3	208.4	216.0	221.9	227.7
Total Uses		217.4	213.6	221.8	230.0	266.7
Total Reserves	53.8	37.6	32.8	28.1	21.2	(12.9)
Contingency	22.5	6.3	1.1	(4.8)	(12.9)	(52.0)
Emergency	31.3	31.3	31.8	32.9	34.1	39.0



# 4.5% Over Effective Property Tax Rate Year-Over-Year (in millions)

4.5% Over Effective Property Tax Rate YOY

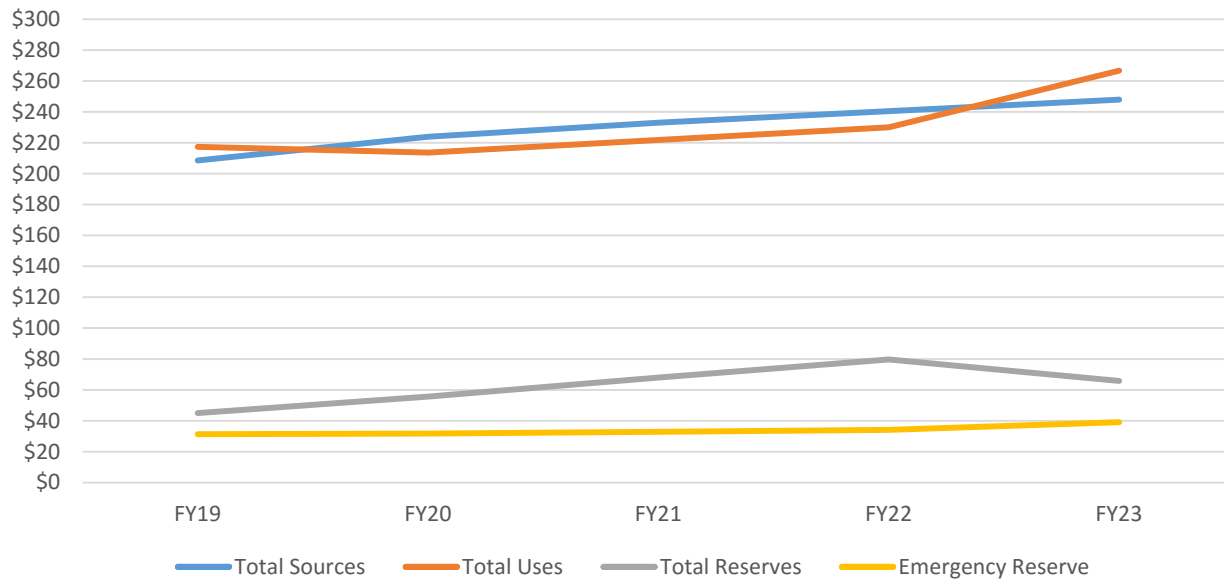


4.5% over effective						
	FY18	FY19	FY20	FY21	FY22	FY23
Total Sources		205.9	218.0	231.0	242.8	254.9
Total Uses		217.4	213.6	221.8	230.0	266.7
Total Reserves	53.8	42.2	47.0	57.4	71.4	64.4
Contingency	22.5	10.9	15.3	24.5	37.3	25.4
Emergency	31.3	31.3	31.8	32.9	34.1	39.0



# 6% Over Effective FY2019, FY2020; 2.5% Thereafter (in millions)

6% Over Effective Property Tax Rate FY19 & FY20, 2.5% thereafter



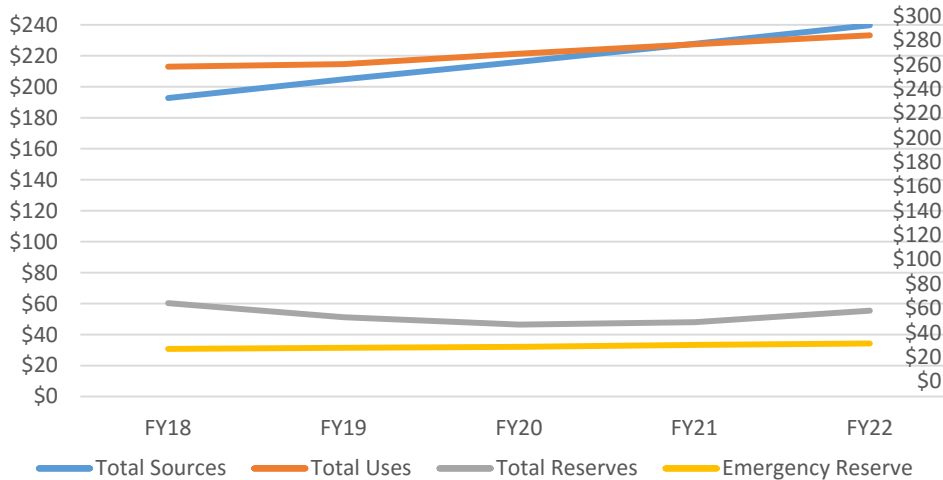
	6% increase over effective FY19 & FY20, 2.5% thereafter					
	FY18	FY19	FY20	FY21	FY22	FY23
Total Sources		208.6	223.9	233.0	240.5	247.9
Total Uses		217.4	213.6	221.8	230.0	266.7
Total Reserves	53.8	45.0	55.7	68.0	79.7	65.8
Contingency	22.5	13.7	23.9	35.1	45.6	26.8
Emergency	31.3	31.3	31.8	32.9	34.1	39.0



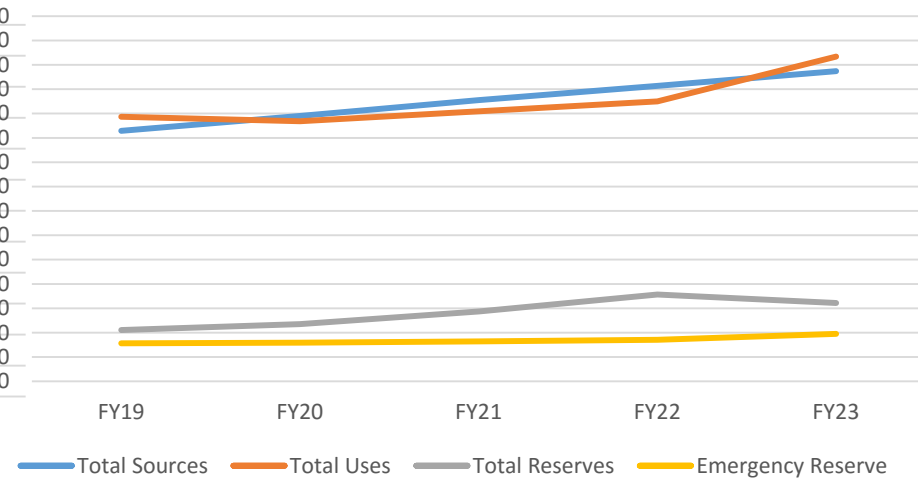
# Initial FY2019 Budget:

Begin Budget Preparation at 4.5% over effective rate

4.5% Over Effective Property Tax Rate YOY



4.5% Over Effective Property Tax Rate YOY



## 2018 Projection

	FY18	FY19	FY20	FY21	FY22
Total Sources	192.7	204.8	216.1	227.7	239.7
Total Uses	213.0	214.6	221.4	227.4	233.2
Total Reserves	60.3	51.2	46.5	48.1	55.5

	FY19	FY20	FY21	FY22	FY23
Total Sources	205.9	218.0	231.0	242.8	254.9
Total Uses	217.4	213.6	221.8	230.0	266.7
Total Reserves	42.2	47.0	57.4	71.4	64.4

# Next Steps (preliminary dates)

- April 25 Central Health Board of Managers Meeting
- May 1 Community conversation (*proposed budget priorities discussion*)
- May 3 Community conversation (*proposed budget priorities discussion*)
- May 16 Central Health Budget and Finance Committee (*5-year forecast*)
- May 23 Central Health Board of Managers (*5-year forecast*)
- June 13 Central Health Budget and Finance Committee (*FY 2019 Central Health proposed budget and property tax rate*)
- June 27 Central Health Board of Managers (*FY 2019 Central Health proposed budget and property tax rate*)
- Aug. 21 Travis County Commissioners Court (*Proposed Central Health budget and tax rate*)
- Aug. 29 First public hearing
- Sept. 5 Second public hearing
- Sept. 12 Central Health Board of Managers (*FY 2019 budget adopted*)
- Sept. 18 Travis County Commissioners Court (*FY 2019 Central Health proposed budget and property tax rate*)





**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 3**

Receive a report of the March 2018 financial statements for Central Health.



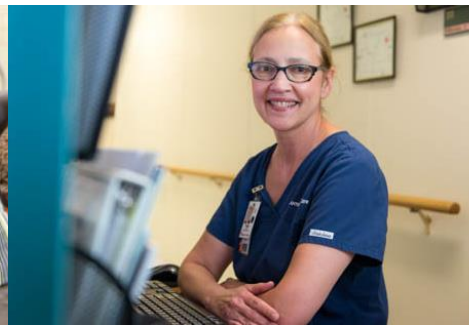
CENTRAL HEALTH

# Central Health

## Financial Statement Presentation

### FY 2018 – as of March 31, 2018

Central Health Budget and Finance Committee  
April 18, 2018  
Lisa Owens, VP of Financial Operations







## March 2018 Financial Highlights

- Sent Intergovernmental Transfer of \$6.0 million, related to Uncompensated Care, in March.
- Year-to-date, collected net property tax revenue of \$179 million (98.9% of fiscal 2018 budget).



**Balance Sheet**  
**As of March 31, 2018**  
*(Page 1 of 2, Assets)*

	<u>FY 2018</u>	<u>FY 2017</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	2,774,873	2,584,677
Short-term investments	138,797,009	132,510,775
Ad valorem taxes receivable	3,360,311	2,622,032
Other receivables	8,030,220	3,863,373
Prepaid expenses	348,209	58,726
Total Current Assets	<u>153,310,624</u>	<u>141,639,583</u>
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	6,430,024	7,148,458
Sendero paid-in-capital	51,000,000	35,000,000
Working capital advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	17,083,000	17,083,000
Total Noncurrent or restricted cash and investments	<u>78,513,024</u>	<u>63,231,458</u>
Capital Assets		
Land	11,770,184	11,770,184
Buildings and improvements	132,393,816	125,080,605
Equipment and furniture	8,909,710	9,078,151
Construction in progress	2,575,814	10,445,801
Less accumulated depreciation	(38,178,452)	(35,033,063)
Total Capital Assets	<u>117,471,071</u>	<u>121,341,678</u>
<b>Total Assets</b>	<u><u>349,294,720</u></u>	<u><u>326,212,720</u></u>



**Balance Sheet**  
**As of March 31, 2018**  
*(Page 2 of 2, Liabilities and Net Assets)*

	<u>FY 2018</u>	<u>FY 2017</u>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	2,288,475	3,077,144
Salaries and benefits payable	1,063,854	1,098,768
Other Payables	5,906,044	1,540,046
Debt service payable, short-term	1,059,933	1,032,200
Capital Lease Obligation, Short-Term	87,630	81,842
Deferred tax revenue	3,237,657	2,789,559
Other deferred revenue	828,027	3,174,900
Total Current Liabilities	<u>14,471,620</u>	<u>12,794,459</u>
Noncurrent Liabilities		
Debt service payable, long-term	8,199,738	9,146,227
Capital Lease Obligation, Long-Term	150,262	233,773
Total Noncurrent Liabilities	<u>8,350,000</u>	<u>9,380,000</u>
Total Liabilities	<u>22,821,620</u>	<u>22,174,459</u>
Net Assets		
Unrestricted	209,002,029	182,696,583
Investment in Capital Assets	117,471,071	121,341,678
Total Net Assets	<u>326,473,100</u>	<u>304,038,261</u>
<b>Liabilities and Net Assets</b>	<u><u>349,294,720</u></u>	<u><u>326,212,720</u></u>



## Sources and Uses Report

### Fiscal Year-to-Date through March 31, 2018

*(Excludes Depreciation Expense)*

	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Percent of Budget Used	Prior Year-To-Date
<b>Sources</b>					
Property Tax Revenue	\$ 870,651	\$ 179,769,504	\$ 181,839,054	98.9%	\$ 168,531,778
Lease Revenue	\$ 782,552	\$ 5,145,311	10,303,467	49.9%	\$ 19,049,400
Other Revenue	\$ 196,894	\$ 836,199	400,000	209.0%	331,310
Tobacco Settlement Revenue	\$ -	\$ -	1,800,000	0.0%	-
Contingency Reserve (Appropriated) <sup>(1)</sup>	\$ -	51,560,311	43,482,960	118.6%	-
<b>Total Sources</b>	<b>1,850,097</b>	<b>237,311,325</b>	<b>237,825,481</b>	<b>99.8%</b>	<b>187,912,488</b>
<b>Uses of Funds</b>					
<b>Total Healthcare Delivery Program</b>	<b>7,033,935</b>	<b>111,543,148</b>	<b>227,029,205</b>	<b>49.1%</b>	<b>107,847,320</b>
<b>Administration Program</b>					
Personnel Salary and Benefits	286,738	1,744,156	4,413,183	39.5%	1,864,787
Other Purchased Goods and Services					
Legal Fees	100,397	394,121	926,200	42.6%	606,135
Consulting Services	71,215	357,097	1,208,800	29.5%	126,101
Other General and Administrative	78,602	969,464	2,595,333	37.4%	832,816
<b>Subtotal Other Purchased Goods and Services</b>	<b>250,214</b>	<b>1,720,682</b>	<b>4,730,333</b>	<b>36.4%</b>	<b>1,565,052</b>
<b>Total Administration Program</b>	<b>536,952</b>	<b>3,464,838</b>	<b>9,143,516</b>	<b>37.9%</b>	<b>3,429,839</b>
Tax Collection Expenses	10,294	1,522,829	1,652,760	92.1%	1,442,447
<b>Total Uses</b>	<b>7,581,181</b>	<b>116,530,815</b>	<b>237,825,481</b>	<b>49.0%</b>	<b>112,719,606</b>
<b>Excess Sources Over (Under) Uses</b>	<b>\$ (5,731,084)</b>	<b>\$ 120,780,510</b>	<b>\$ -</b>		<b>\$ 75,192,882</b>

<sup>(1)</sup> Emergency reserve (not included within the Contingency Reserve) is \$29,895,000 at fiscal year-end 2017.



**Healthcare Delivery Expense**  
**Fiscal Year-to-Date through March 31, 2018**  
*(Excludes Depreciation Expense)*

	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Percent of Budget Used	Prior Year-To-Date
<b>Intergovernmental Transfers (IGTs) <sup>(1)</sup></b>	<b>\$ 6,027,906</b>	<b>\$ 98,734,058</b>	<b>\$ 142,920,000</b>	<b>69.1%</b>	<b>\$ 89,931,678</b>
<b>Provider Costs</b>					
Primary Care	133,798	395,852	1,731,800	22.9%	292,680
DSRIP Project Expense	502	585,985	-		728,318
Charity Care	-	1,062,933	4,251,733	25.0%	2,125,867
New Healthcare Initiatives	-	-	500,000	0.0%	-
Member Payment to CCC <sup>(2)</sup>	-	-	29,245,166	0.0%	-
Medical Administration	-	308,638	666,657	46.3%	308,638
<b>Subtotal Provider Costs</b>	<b>134,300</b>	<b>2,353,408</b>	<b>36,395,356</b>	<b>6.5%</b>	<b>3,455,503</b>
<b>Service Expansion Funds <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>0.0%</b>	<b>-</b>
<b>Total IGTs and Provider Costs</b>	<b>6,162,206</b>	<b>101,087,466</b>	<b>181,315,356</b>	<b>55.8%</b>	<b>93,387,181</b>
<b>Healthcare Delivery Operating Costs</b>					
Personnel Costs	332,679	1,528,117	3,897,517	39.2%	1,642,371
Consulting Services	10,663	(24,457)	389,000	-6.3%	94,829
Legal Fees	35,778	45,782	31,200	146.7%	31,725
Other Services and Purchased Goods	243,649	737,399	3,894,184	18.9%	663,703
<b>Subtotal HCD Operating Costs</b>	<b>622,769</b>	<b>2,286,841</b>	<b>8,211,901</b>	<b>27.8%</b>	<b>2,432,627</b>
<b>Other Costs</b>					
UMCB Campus Redevelopment	56,571	277,681	4,360,644	6.4%	489,294
ACA Enrollment and Subsidy	162,456	1,282,308	2,700,000	47.5%	796,235
Debt Service	29,933	1,190,931	1,372,795	86.8%	202,704
<b>Subtotal Other Costs</b>	<b>248,960</b>	<b>2,750,920</b>	<b>8,433,439</b>	<b>32.6%</b>	<b>1,488,233</b>
<b>Subtotal Reserves, Appropriated Uses and Transfers</b>	<b>-</b>	<b>5,417,922</b>	<b>29,068,509</b>	<b>18.6%</b>	<b>10,539,279</b>
<b>Total Healthcare Delivery</b>	<b>\$ 7,033,935</b>	<b>\$ 111,543,149</b>	<b>\$ 227,029,205</b>	<b>49.1%</b>	<b>\$ 107,847,320</b>

<sup>(1)</sup> Budget includes allocated portion of the contingency reserve appropriation, for IGT timing differences.

<sup>(2)</sup> Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.

<sup>(3)</sup> In February 2018, the Board of Managers appropriated \$200K to the CCC.



### Recap of FY18 IGT Payments Actuals Through March 31, 2018

<i>\$ in millions</i>	<b>This Month</b>	<b>Fiscal Year-To-Date</b>	<b>Fiscal Year Budget</b>	<b>Under (Over) Budget</b>
Private UC	\$ -	\$ 16.0	\$ 24.0	\$ 8.0
UMCB UC	-	12.7	25.0	12.3
DSH	6.0	20.0	35.0	15.0
DSRIP - CCC	-	24.4	29.3	4.9
DSRIP - UMCB, Dell Children's	-	25.4	29.0	3.6
DSRIP - St. David's	-	-	-	-
<b>Total</b>	<b>\$ 6.0</b>	<b>\$ 98.7</b>	<b>\$ 142.9</b>	<b>\$ 44.2</b>



# Questions? Comments?

### **Balance Sheet (Assets) – Slide 3**

#### **Current Assets**

Cash and Cash Equivalents – \$2.7 million

Short-term Investments – Short-term investments were \$138.8 million at month-end, which is net of restricted investments of \$6.4 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$3.4 million balance is composed of the 2017 tax levy of \$4.3 million, delinquent prior years' taxes of \$2.4 million, and tax distributions in transit from the Travis County Tax Office of \$150 thousand, partially offset by estimated allowances for doubtful collections and adjustments of \$3.5 million.

Other Receivables – Other receivables total \$8.0 million and consists of intercompany balances of \$7.9 million, and interest receivable of \$107K.

Prepaid Expenses – \$348K balance composed of \$337K appraisal and collection fees and \$11K in deposits.

**Total Current Assets – \$153.3 million**

#### **Noncurrent Assets**

Investments Restricted for Capital Acquisition – \$6.4 million in short-term securities restricted for capital acquisition.

Sendero Paid-in Capital – \$51.0 million (unchanged)

Working Capital Advance to CommUnityCare – \$4.0 million (unchanged)

Sendero Surplus Debenture – \$17.1 million (unchanged)

Capital Assets – \$117.5 million, net of accumulated depreciation.

**Total Assets – \$349.3 million**





## **Balance Sheet (Liabilities and Net Assets) – Slide 4**

### **Current Liabilities**

Accounts Payable – Major components of the \$2.3 million balance are:

- \$1.0 million in vendor invoices at month-end, and
- \$1.3 million in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$1.1 million balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued leave balances and various fringe benefit amounts withheld and not yet disbursed.

Other Payables – \$6.0 million in other payables is comprised of the amount due to Seton for Charity Care and the distribution of the 2016 tobacco settlement proceeds.

Debt Service Payable, Short-Term – \$1.1 million balance is comprised of \$29k is accrued interest and \$1.0 million is Certificates of Obligation Payable.

Capital Lease Obligation, Short-Term – \$87K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$3.2 million for the uncollected portion of the 2017 tax levy.

### **Total Current Liabilities – \$14.4 million**

### **Noncurrent Liabilities**

Debt Service Payable, Long-Term – \$8.4 million balance of the \$16 million in Series 2011 Certificates of Obligation, reduced by seven principal payments made to date. This debt was issued for the North Central clinic and the Southeast Health and Wellness Center.

Capital Lease Obligation, Long-Term – \$150K related to medical equipment leased at Southeast Health and Wellness Center.

Other Deferred Revenue – \$828K– Seton’s April 2018 lease payment received in current month.

### **Total Noncurrent Liabilities – \$8.4 million**

### **Total Liabilities – \$22.4million**



March 2018 Preliminary Monthly Financial Statements (unaudited)

Page 3 of 4

### **Net Assets**

Unrestricted Net Assets – \$209 million

Investment in Capital Assets – \$117.4 million

**Total Net Assets – \$326.4 million**

**Total Liabilities and Net Assets – \$349.3 million**

### **Sources and Uses Report – Slide 5**

March financials → Six months, 50% of the fiscal year

#### **Sources**

Property Tax Revenue – Net property tax revenue for the month of March was \$871K. Net revenue includes \$962K current month's collections, less \$92K in adjustments for prior year delinquent taxes. Current month's collections were 98.9% of the fiscal 2018 budget.

Lease Revenue – \$783K recorded for Seton lease payment.

Other Revenue – \$196K interest income on investments.

#### **Uses of Funds**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$7.0 million for the month.

Administration Program – \$534K in expense for the month, which includes:

- Personnel costs – \$287
- Legal fees – \$100K
- Consulting services – \$71K
- Other general and administrative – \$78K

Tax Collection Expenses – \$10K

**Excess Sources Over (Under) Uses** – Net assets decreased by \$5.7 million in March. Year-to-date, net assets have increased by \$120.8 million.



### **Healthcare Delivery Expense – Slide 6**

Intergovernmental Transfers (IGTs) – IGT expense for the month of March was \$6.0 million.

Provider Costs – Healthcare delivery providers' expense for March totaled \$134K, which includes:

- Primary care – \$134K
- DSRIP project expense – \$502

Healthcare Delivery Operating Cost – \$623K in expenses for the month and includes:

- Personnel costs – \$333K
- Consulting services – \$11K
- Legal fees – \$36K
- Other services and purchased goods – \$244K

Other Costs – \$249K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$57K
- ACA Enrollment and Subsidy – \$162K
- Debt Service – \$30K

**Total Healthcare Delivery for the month of March was \$7.0 million.**

### **Recap of FY18 IGT Payments – Slide 7**

IGT expense of \$6.0 million, related to Disproportionate Share, was sent on March 1, 2018.



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 4**

Receive a report of the February 2018 and March 2018 financial statements for the Community Care Collaborative.

# Community Care Collaborative

## Financial Statement Presentation

### FY 2018– as of February 28, 2018

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**Central Health Board of Managers**  
**Budget and Finance Committee**

**Lisa Owens, VP of Financial Operations**



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# General

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- Financial Statements
  - Balance Sheet
  - Sources and Uses Report, Budget vs. Actual
  - Healthcare Delivery Summary
- Four months of information, October – February

# Balance Sheet

As of February 28, 2018



	<u>FY 2018</u>	<u>FY 2017</u>
<b>Assets:</b>		
Cash and Cash Equivalents <sup>(1)</sup>	\$ 78,275,772	\$ 73,589,851
Other Receivables	87,754	2,494
Prepaid and Other	202,634	250,100
<b>Total Assets</b>	<b><u>\$ 78,566,160</u></b>	<b><u>\$ 73,842,445</u></b>
<b>Liabilities and Net Assets:</b>		
AP and Accrued Liabilities	\$ 21,973,810	\$ 16,841,307
Deferred Revenue	2,801,052	2,801,052
Other Liabilities	196,336	243,631
Accrued Payroll	334,460	321,256
<b>Total Liabilities</b>	<b>25,305,658</b>	<b>20,207,246</b>
<b>Net Assets <sup>(1)</sup></b>	<b><u>53,260,502</u></b>	<b><u>53,635,199</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 78,566,160</u></b>	<b><u>\$ 73,842,445</u></b>

<sup>(1)</sup> Includes \$5M Emergency Reserve Balance

# Sources and Uses Report, Budget vs Actual

## Fiscal Year-to-Date through February 28, 2018



		<b>Approved Budget</b>	<b>YTD Actual</b>	<b>Prior YTD Actual</b>
Sources of Funds	DSRIP Revenue	\$ 58,000,000	\$ 56,542,764	\$ 56,739,332
	Member Payment - Seton <sup>(1)</sup>	58,800,000	10,000,000	-
	Member Payment - Central Health <sup>(1)</sup>	29,245,166	-	-
	Operations Contingency Carryforward	9,883,321	13,065,346	26,316,998
	Other Sources	100,000	34,020	15,161
	<b>Total Sources of Funds</b>	<b>\$ 156,028,487</b>	<b>\$ 79,642,130</b>	<b>\$ 83,071,491</b>
Uses - Programs	Healthcare Delivery	103,132,675	30,859,356	28,024,763
	UT Services Agreement	35,000,000	-	-
	DSRIP Project Costs	17,895,812	522,272	6,411,531
	<b>Total Uses</b>	<b>\$ 156,028,487</b>	<b>\$ 31,381,628</b>	<b>\$ 34,436,294</b>
	<b>Sources Over (Under) Uses</b>	<b>\$ -</b>	<b>\$ 48,260,503</b>	<b>\$ 48,635,197</b>

<sup>(1)</sup> Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.



# Healthcare Delivery Costs - Summary

## Fiscal Year-to-Date through February 28, 2018



	<b>Approved Budget</b>	<b>YTD Actual</b>	<b>YTD % of Budget</b>
Healthcare Delivery Services			
Primary Care <sup>(1)</sup>	\$ 52,186,817	\$ 18,590,844	36%
Specialty Care	13,475,915	2,339,193	17%
Specialty Behavioral Health	8,833,856	3,930,541	45%
Specialty Dental Care	629,711	155,373	25%
Post-Acute Care	2,400,000	196,611	8%
Pharmacy	6,350,000	1,544,994	24%
Medical Management	2,111,102	1,018,830	48%
Urgent and Convenient Care	600,000	91,343	15%
Healthcare Delivery Operations <sup>(2)</sup>	12,931,378	2,991,626	23%
Contingency Reserve	3,613,896	-	
<b>Total Healthcare Delivery</b>	<b>\$ 103,132,675</b>	<b>\$ 30,859,355</b>	<b>30%</b>

<sup>(1)</sup> Additional detail provided

<sup>(2)</sup> Includes Eligibility/Enrollment, Quality/Performance, Project Management, Operations, HIT and Administration

# Healthcare Delivery Costs – Primary Care

Fiscal Year-to-Date through February 28, 2018



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>% YTD Budget</u>
<b>Primary Care</b>			
CommUnityCare	\$41,850,000	\$ 14,885,538	36%
El Buen Samaritano	2,350,000	822,007	35%
Lone Star Circle of Care	4,364,995	1,394,285	32%
Peoples Community Clinic	2,500,000	1,109,657	44%
Volunteer Clinic	100,000	73,349	73%
UT School of Nursing	100,000	10,417	10%
Prevention and Wellness	225,000	5,248	2%
City of Austin EMS	696,822	290,343	42%
	<u>\$ 52,186,817</u>	<u>\$ 18,590,844</u>	<u>36%</u>

# Thank You

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## **Balance Sheet**

### **Current Assets**

Cash and Cash Equivalents – \$78.2 million

Other Receivables – \$88k, which includes:

- \$82k for Seton partial service obligation payment

Prepaid and Other – \$203K

**Total Assets – \$78.6 million**

### **Liabilities**

Accounts Payable and Accrued Liabilities – \$22 million, which includes:

- \$17.3 million estimated IBNR to providers
- \$1.9 million non-provider accruals
- \$2.8 million to Central Health

Deferred Revenue – \$2.8 million deferred revenue related to DSRIP projects

Other Liabilities – \$196k; includes leasehold improvement allowance liability of \$177k

Accrued Payroll – \$312k; includes PTO liability

**Total Liabilities – \$25.3 million**

### **Net Assets**

Emergency Reserve – \$5.0 million

Unrestricted Net Assets – \$48.3 million

**Total Net Assets – \$53.3 million**

**Total Liabilities and Net Assets – \$78.6 million**



**Sources and Uses Report**

January financials → five months, 42% of the fiscal year

**Sources of Funds, Year-to-Date**

DSRIP Revenue - \$56.5M for DY6 DSRIP Projects

Member Payments - \$10M for Seton Member Payment

Operations Contingency Carryforward - \$13M from FY2017 (does not include \$5M in emergency reserves)

Other Sources – \$34k for interest income

**Uses of Funds, Year-to-Date**

Operating Expenses

<b>Healthcare Delivery Services</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>YTD % of Budget</b>
Primary Care	\$52,186,817	\$18,590,844	35.6%
Specialty Care	13,475,915	2,339,193	17.4%
Specialty Behavioral Health	8,833,856	3,930,541	44.5%
Specialty Dental Care	629,711	155,373	24.7%
Post-Acute Care	2,400,000	196,611	8.2%
Pharmacy	6,350,000	1,544,994	24.3%
Medical Management	2,111,102	1,018,830	48.3%
Urgent and Convenient Care	600,000	91,343	15.2%
Healthcare Delivery Operations <sup>(1)</sup>	12,931,378	2,991,626	23.1%
Contingency Reserve	3,613,896	-	
<b>Total Healthcare Delivery</b>	<b>\$103,132,675</b>	<b>\$30,859,355</b>	<b>29.9%</b>
<b>DSRIP Project Costs</b>	<b>\$17,895,812</b>	<b>\$522,272</b>	<b>2.9%</b>

Change in Net Assets – Year-to-date change in net assets is an increase of \$48.3M.

# Community Care Collaborative

## Financial Statement Presentation

### FY 2018 – as of March 31, 2018

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**Central Health Board of Managers  
Budget and Finance Committee**

**Lisa Owens, VP of Financial Operations**



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# General

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- Financial Statements
  - Balance Sheet
  - Sources and Uses Report, Budget vs. Actual
  - Healthcare Delivery Summary
- Six months of information, October – March

# Balance Sheet

As of March 31, 2018



	<u>FY 2018</u>	<u>FY 2017</u>
<b>Assets:</b>		
Cash and Cash Equivalents <sup>(1)</sup>	\$ 68,973,461	\$ 66,983,736
Other Receivables	87,754	4,299
Prepaid and Other	294,651	246,145
<b>Total Assets</b>	<u>\$ 69,355,866</u>	<u>\$ 67,234,180</u>
<b>Liabilities and Net Assets:</b>		
AP and Accrued Liabilities	\$ 21,556,500	\$ 17,676,542
Deferred Revenue	2,801,052	2,801,052
Other Liabilities	192,339	240,306
Accrued Payroll	299,066	237,124
<b>Total Liabilities</b>	<u>24,848,957</u>	<u>20,955,024</u>
<b>Net Assets <sup>(1)</sup></b>	<u>44,506,909</u>	<u>46,279,156</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 69,355,866</u>	<u>\$ 67,234,180</u>

<sup>(1)</sup> Includes \$5M Emergency Reserve Balance



# Sources and Uses Report, Budget vs Actual

## Fiscal Year-to-Date through March 31, 2018



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Sources of Funds</b>				
DSRIP Revenue	\$ 58,000,000	\$ 56,542,764	97%	\$ 56,739,332
Member Payment - Seton (1)	58,800,000	10,000,000	17%	-
Member Payment - Central Health (1)	29,245,166	-	0%	-
Operations Contingency Carryforward	9,883,321	13,065,346	132%	26,316,998
Other Sources	100,000	34,020	34%	72,798
<b>Total Sources of Funds</b>	<b>\$ 156,028,487</b>	<b>\$ 79,642,130</b>	<b>51%</b>	<b>\$ 83,129,128</b>
<b>Uses - Programs</b>				
Healthcare Delivery	103,132,675	39,585,418	38%	34,071,409
UT Services Agreement	35,000,000	-	0%	-
DSRIP Project Costs	17,895,812	549,803	3%	7,778,564
<b>Total Uses</b>	<b>\$ 156,028,487</b>	<b>\$ 40,135,221</b>	<b>26%</b>	<b>\$ 41,849,973</b>
<b>Sources Over (Under) Uses</b>	<b>\$ -</b>	<b>\$ 39,506,910</b>		<b>\$ 41,279,154</b>

*(1) Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.*

# Healthcare Delivery Costs - Summary

## Fiscal Year-to-Date through March 31, 2018



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery Services				
Primary Care <sup>(1)</sup>	\$ 52,186,817	\$ 23,628,159	45%	\$ 21,537,633
Specialty Care <sup>(1)</sup>	13,475,915	3,329,782	25%	1,637,058
Specialty Behavioral Health	8,833,856	5,053,727	57%	3,984,568
Specialty Dental Care	629,711	175,936	28%	228,858
Post-Acute Care	2,400,000	132,741	6%	591,570
Pharmacy	6,350,000	2,367,843	37%	1,797,107
Medical Management	2,111,102	1,155,030	55%	757,932
Urgent and Convenient Care	600,000	64,265	11%	87,243
Healthcare Delivery Operations <sup>(2)</sup>	12,931,378	3,677,934	28%	3,449,440
Contingency Reserve	3,613,896	-	0%	-
<b>Total Healthcare Delivery</b>	<b>\$ 103,132,675</b>	<b>\$ 39,585,418</b>	<b>38%</b>	<b>\$ 34,071,409</b>

<sup>(1)</sup> Additional detail provided

<sup>(2)</sup> Includes Eligibility/Enrollment, Quality/Performance, Project Management, Operations, HIT and Administration

# Healthcare Delivery Costs – Primary Care

## Fiscal Year-to-Date through March 31, 2018



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Primary Care</b>				
CommUnityCare	\$41,850,000	\$ 19,302,644	46%	17,562,153
El Buen Samaritano	2,350,000	893,333	38%	1,027,252
Lone Star Circle of Care	4,364,995	1,801,397	41%	1,470,652
Peoples Community Clinic	2,500,000	1,195,965	48%	1,072,866
Volunteer Clinic	100,000	78,161	78%	56,299
UT School of Nursing	100,000	3,000	3%	-
Prevention and Wellness (other providers)	225,000	5,248	2%	-
City of Austin EMS	696,822	348,411	50%	348,411
	<b>\$ 52,186,817</b>	<b>\$ 23,628,159</b>	<b>45%</b>	<b>\$ 21,537,633</b>

# HCD Providers Expenditures – Specialty Care Detail

## *Fiscal Year-to-Date through March 31, 2018*



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Specialty Care</b>				
Consultation and Referral Platform	\$ 700,000	\$ -	0%	-
Consultation Services	250,000	-	0%	-
Cardiology	150,000	72,000	48%	4,000
CommUnityCare Specialty	2,000,000	1,015,615	51%	-
Dermatology	100,000	-	0%	-
Ear, Nose and Throat	400,000	88,932	22%	-
Gastroenterology	800,000	434,114	54%	95,000
Gynecology IPU	1,500,000	138,000	9%	-
Oncology Services	2,500,000	284,948	11%	388,409
Ophthalmology	950,915	521,006	55%	358,141
Orthopedics	2,000,000	400,000	20%	438,541
Orthotics and Prosthetics	200,000	46,838	23%	83,915
Other Providers	30,000	59,765	199%	4,428
Palliative Care	100,000	-	0%	15,000
Physical Medicine and Rehabilitation	75,000	31,836	42%	-
Remote Patient Monitoring	200,000	-	0%	-
Rheumatology	90,000	-	0%	-
Seton Healthcare Family Specialty	300,000	45,790	15%	-
Urology	450,000	-	0%	80,269
Project Access	330,000	165,000	50%	165,000
Ancillary Services	350,000	25,937	7%	4,356
	<b>\$ 13,475,915</b>	<b>\$ 3,329,782</b>	<b>25%</b>	<b>\$ 1,637,058</b>

# Thank You

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## **Balance Sheet**

### **Current Assets**

Cash and Cash Equivalents – \$69 million

Other Receivables – \$88k, which includes:

- \$82k for Seton partial service obligation payment

Prepaid and Other – \$295K

**Total Assets – \$69.4 million**

### **Liabilities**

Accounts Payable and Accrued Liabilities – \$21.5 million, which includes:

- \$16.6 million estimated IBNR to providers
- \$1.3 million non-provider accruals
- \$3.6 million to Central Health

Deferred Revenue – \$2.8 million deferred revenue related to DSRIP projects

Other Liabilities – \$192k; includes leasehold improvement allowance liability of \$168k

Payroll Liabilities – \$299k; includes PTO liability

**Total Liabilities – \$24.8 million**

### **Net Assets**

Emergency Reserve – \$5.0 million

Unrestricted Net Assets – \$39.5 million

**Total Net Assets – \$44.5 million**

**Total Liabilities and Net Assets – \$69.4 million**

## Sources and Uses Report

March financials → six months, 50% of the fiscal year

### Sources of Funds, Year-to-Date

DSRIP Revenue - \$56.5M for DY6 DSRIP Projects

Member Payments - \$10M for Seton Member Payment

Operations Contingency Carryforward - \$13M from FY2017 (does not include \$5M in emergency reserves)

Other Sources – \$34k for interest income

### Uses of Funds, Year-to-Date

#### Operating Expenses

<b>Healthcare Delivery Services</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>YTD % of Budget</b>
Primary Care	\$52,186,817	\$23,628,159	45%
Specialty Care	13,475,915	3,329,782	25%
Specialty Behavioral Health	8,833,856	5,053,727	57%
Specialty Dental Care	629,711	175,936	28%
Post-Acute Care	2,400,000	132,742	6%
Pharmacy	6,350,000	2,367,843	37%
Medical Management	2,111,102	1,155,030	55%
Urgent and Convenient Care	600,000	64,265	11%
Healthcare Delivery Operations <sup>(1)</sup>	12,931,378	3,677,934	28%
Contingency Reserve	3,613,896	-	
<b>Total Healthcare Delivery</b>	<b>\$103,132,675</b>	<b>\$39,585,418</b>	<b>38%</b>
<b>DSRIP Project Costs</b>	<b>\$17,895,812</b>	<b>\$549,803</b>	<b>3.1%</b>

Change in Net Assets – Year-to-date change in net assets is an increase of \$39.5M.



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 5**

Discuss and take appropriate action on Central Health's proposed Fiscal Year 2019 homestead tax exemption for Travis County residents over 65 or disabled.



## MEMORANDUM

**To:** Central Health Budget & Finance Committee

**From:** Jeff Knodel, CFO

**CC:** Mike Geeslin, President & CEO

**Date:** March 21, 2018

**Re:** Agenda item 5: Discuss and take appropriate action on a homestead exemption from Central Health for Travis County residents over 65 or disabled.

### ACTION ITEM

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#### **Overview:**

As we begin the Fiscal Year (FY) 2019 budgeting process, one of the first steps is to evaluate Central Health property tax exemptions; specifically exemptions for homestead, over 65 years of age, and disabled. Typically, the Central Health Board of Managers makes a recommendation to the Travis County Commissioners' Court, as they have the final authoritative approval for these exemption amounts.

#### **Synopsis:**

Currently, Central Health and Travis County, in addition to Harris and Dallas County Hospital Districts, have a 20% homestead exemption, which is the maximum allowed under Texas law. State law also set certain exemption levels for Austin ISD. FY18 property tax exemptions for overlapping taxing jurisdictions in Travis County and other Texas hospital districts are as follows:

<b>Jurisdiction</b>	<b>Homestead Exemption</b>	<b>65 and Older Exemption</b>	<b>Disability Homestead Exemption</b>
<b>Travis County</b>	20%	\$80,000	\$80,000
<b>Central Health</b>	20%	\$80,000	\$80,000
<b>City of Austin</b>	8%	\$85,500	\$85,500
<b>Austin I.S.D.*</b>	\$25,000	\$35,000	\$25,000
<b>Austin Community College</b>	1%	\$150,000	\$150,000
<b>Bexar County Hospital District</b>	None	None	None
<b>Harris County Hospital District</b>	20%	\$160,000	\$160,000
<b>Dallas County Hospital District</b>	20%	\$69,000	\$69,000
<b>Tarrant County Hospital District</b>	None	\$50,000	\$10,000

For FY19, the Travis County Commissioners' Court recently increased the 65/over and disabled exemption amounts from \$80,000 to \$85,500. There was discussion related to increasing the exemption amounts in anticipation of potential future property tax cap limits established by the Texas Legislature. The Court also discussed increasing exemption amounts for a subset of Travis County homeowners (age 65 and over) that make up a small proportional share of the total Travis County population at or below 200% of FPL. The Commissioners' Court discussed data from the 2016 American Communities Survey for Travis County which found that 9% of the overall Travis County population is 65 and over; within the 9%, 8% are at or below 200% FPL. It was also cited that 8% of the overall Travis County population is disabled

The Travis County Commissioners' Court approved increasing exemption amounts for 65 and over and disabled homeowners to \$85,500 on a vote of 3-2. Travis County Homestead exemptions will remain at 20%, the maximum allowed under state law.

If both Central Health property tax exemption amounts are increased from \$80,000 to \$85,500, it will reduce the total amount of property tax revenue received by Central Health in FY19 by an estimated \$300,000. The impact to an individual homeowner who qualifies for the increased exemption amount (\$5,500) is estimated to reduce their overall Central Health tax bill by \$5.86.

**Action Requested:**

Consider and take appropriate action to approve a recommendation to the Travis County Commissioners' Court regarding property tax exemption amounts for homestead, 65 years of age and over, and disabled Travis County property taxpayers.

**Fiscal Impact:**

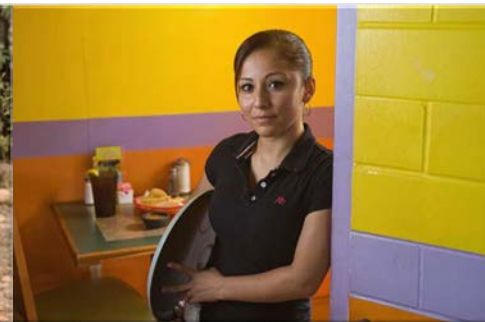
No fiscal impact if property tax exemption amounts remain the same as FY18; a reduction in FY19 property tax revenue of approximately \$300,000 if property tax exemption amounts for 65 years of age/over and disabled are both increased from \$80,000 to \$85,500.



CENTRAL HEALTH

# FY18 Homestead Exemption

Budget and Finance Committee  
March 21, 2018  
Jeff Knodel, CFO

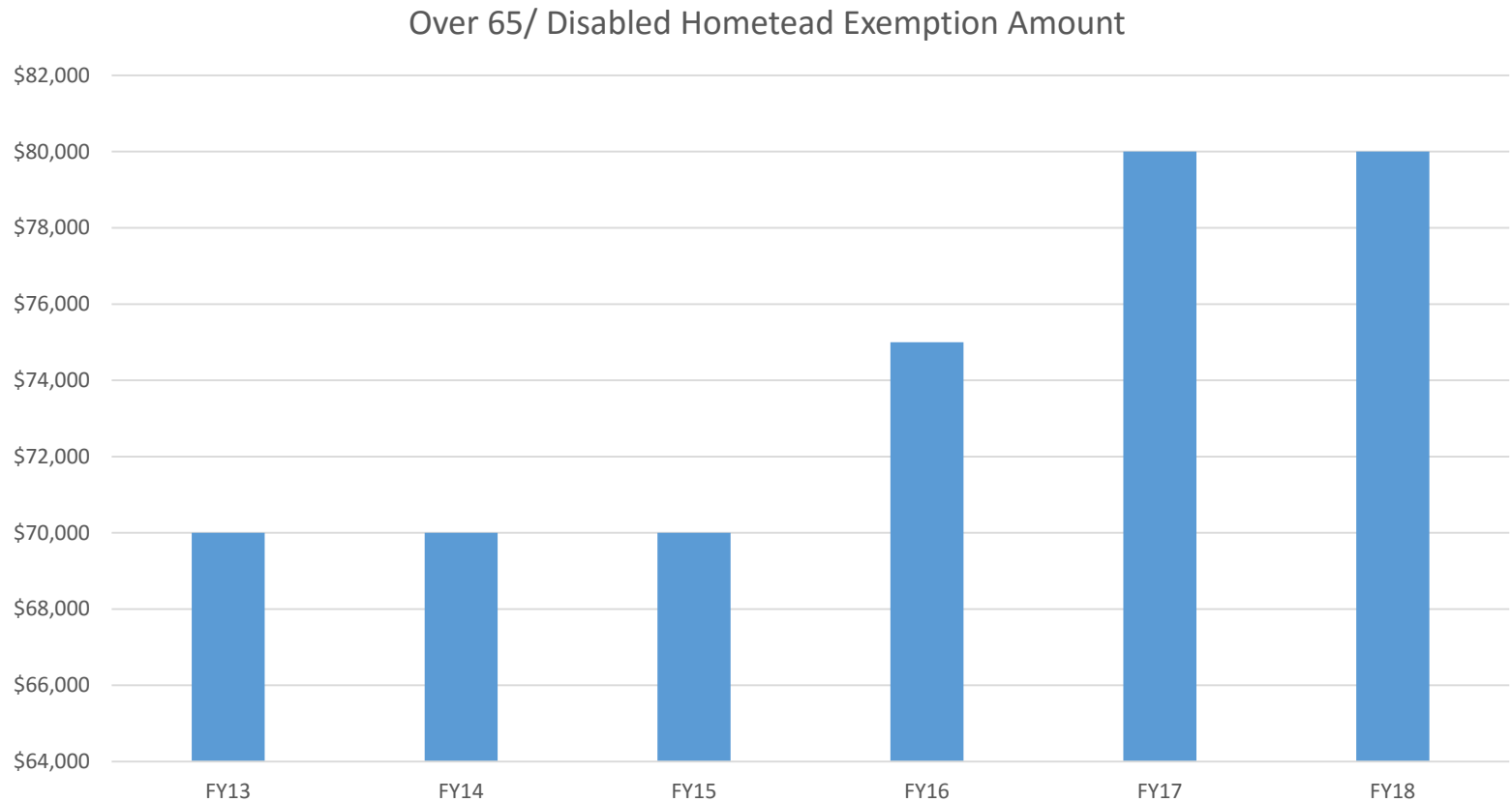


# Homestead Exemption Comparison

Jurisdiction	Homestead Exemption	65 and Older Exemption	Disability Homestead Exemption
Travis County	20%	\$80,000	\$80,000
	with minimum of \$5,000		
Central Health	20%	\$80,000	\$80,000
	with minimum of \$5,000		
City of Austin	8%	\$85,500	\$85,500
	with minimum of \$5,000		
Austin I.S.D.*	\$25,000	\$35,000	\$25,000
Austin Community College	1%	\$150,000	\$150,000
	with minimum of \$5,000		
Bexar County Hospital District	None	None	None
Harris County Hospital District	20%	\$160,000	\$160,000
Dallas County Hospital District	20%	\$69,000	\$69,000
Tarrant County Hospital District	None	\$50,000	\$10,000



# Central Health Homestead Exemption Historical Amounts

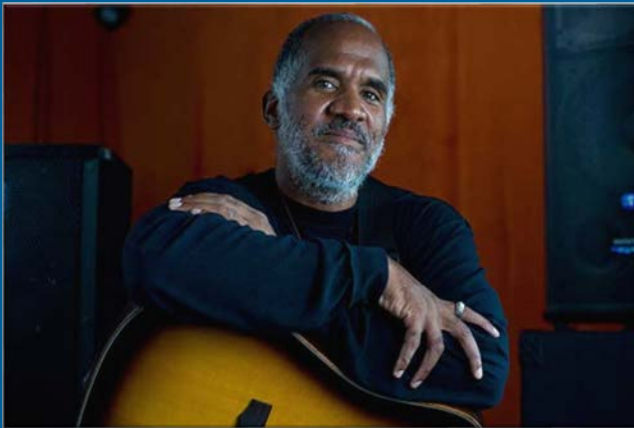




# CENTRAL HEALTH

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**CENTRAL  
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**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 6**

Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.<sup>1</sup>



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 7**

Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other interrelated community partnerships.<sup>1</sup>





**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 8**

Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc.<sup>1</sup>



**CENTRAL  
HEALTH**

**BUDGET & FINANCE COMMITTEE MEETING**

**April 18, 2018**

**AGENDA ITEM 9**

Confirm the next regular Committee meeting date, time, and location.