



# 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.

## BOARD OF MANAGERS

### Meeting Agenda

**Wednesday, June 27, 2018, 5:30 p.m.**

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

### CITIZENS' COMMUNICATION

### CONSENT AGENDA

All matters listed under the CONSENT AGENDA will be considered by the Board of Managers to be routine and will be enacted by one motion. There will be no separate discussion of these items unless members of the Board request specific items be moved from the CONSENT AGENDA to the REGULAR AGENDA for discussion prior to the time the Board of Managers votes on the motion to adopt the CONSENT AGENDA.

- C1. Approve minutes for the following meetings of the Central Health Board of Managers:
  - a. May 21, 2018 Special Meeting; and
  - b. May 23, 2018
- C2. Receive a report of the May 2018 financial statements for Central Health, as presented to the Budget and Finance Committee.
- C3. Receive a report of the May 2018 financial statements for the Community Care Collaborative, as presented to the Budget and Finance Committee.
- C4. Receive the May 2018 Investment Report and ratify Central Health Investments for May 2018.
- C5. Approve a contract between Central Health and Braun & Butler Construction for construction management services, in an amount not to exceed \$1,800,000, and authorize Central Health's President and CEO to negotiate and enter into a contract on terms similar to those presented or on terms more favorable to Central Health, as recommended by the Budget and Finance Committee.

**REGULAR AGENDA\***

**Presentations and reports:**

1. Receive and discuss a presentation on the proposed Fiscal Year (FY) 2019 Budget for the Community Care Collaborative.
2. Receive and discuss reports from Board committees: Budget and Finance Committee, Strategic Planning Committee, and the Downtown Campus Committee.
3. Receive and discuss a briefing regarding *Birch, et al. v. Travis County Healthcare District d/b/a Central Health and Mike Geeslin*, Cause No. D-1-GN-17-005824 in the 345th District Court of Travis County.<sup>1</sup>

**Items for consideration and possible action:**

4. Discuss and take appropriate action on an agreement between Central Health and the 2033 Fund for the lease of real property located on the Central Health Downtown Campus, as recommended by the Central Health Downtown Campus Committee.<sup>1</sup>

**Standing Items:**

5. Receive and discuss a report from the President & CEO on Central Health operations and current activities, including: (a) the current strategic plan and related measures or dashboards; (b) an assessment of systems and processes and prioritization of activities and initiatives; and (c) personnel matters.<sup>1</sup>
6. 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>
7. Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.<sup>1</sup>
8. Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.<sup>1</sup>
9. Confirm the next regular Board meeting date, time, and location.

\*The Board of Managers may take items in an order that differs from the posted order.

Note 1, Possible closed executive session item.

The Board of Managers 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 Board announces that the item will be considered during a closed session.

Consecutive interpretation services from Spanish to English are available during Citizens Communication or when public comment is invited. Please notify the front desk upon arrival if services are needed.

Los servicios de interpretación consecutiva del español al inglés están disponibles para la comunicación de los ciudadanos o cuando se invita al público a hacer comentarios. Si necesita estos servicios, al llegar sírvase notificarle al personal de la recepción.

Came to hand and posted on a Bulletin Board in the Courthouse,  
Austin, Travis County, Texas on this the 22<sup>nd</sup> day of

June 2018.

Dana DeBeauvoir

County Clerk, Travis County, Texas

By

*A. Macedo*  
Deputy

**A. MACEDO**



**FILED AND RECORDED**

OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

Jun 22, 2018 04:26 PM 201880959

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Dana DeBeauvoir, County Clerk

Travis County TEXAS



CENTRAL HEALTH

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**BOARD MEETING**

**June 27, 2018**

**AGENDA ITEM C1**

Approve minutes for the following meetings of the Central Health Board of Managers:

- a. May 21, 2018; and
- b. May 23, 2018

MINUTES OF MEETING – MAY 21, 2018  
CENTRAL HEALTH  
BOARD OF MANAGERS

On Monday, May 21, 2018, a meeting of the Central Health Board of Managers convened in open session at 11:30 a.m. in the Board Room of the Central Health Administrative Offices located at 1111 E. Cesar Chavez Street, Austin, Texas 78702. Clerk for the meeting was Ms. Stephanie Lee McDonald.

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**Board of Managers present:** Chairperson Zamora, Vice Chairperson Greenberg, Treasurer Bell, Manager Museitif, and Manager Valadez

**REGULAR AGENDA**

- 1. Discuss and take appropriate action on the Central Health President and CEO's annual performance evaluation.<sup>1</sup>**

**Clerk's Notes:** Discussion on this item began at 11:30 a.m. Chairperson Zamora announced that the Board is convening in executive session to discuss agenda item 1 under Section 551.074 of the Texas Government Code, Personnel Matters and Section 551.071 of the Texas Government Code, Consultation with Attorney.

The Board reconvened in open session at 12:48 p.m.

No action was taken on item 1.

Vice Chairperson Greenberg moved adjournment. Manager Valadez seconded.

The meeting was adjourned at 12:48 p.m.

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Guadalupe Zamora, Chairperson  
Central Health Board of Managers

ATTESTED TO BY:

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Abigail Aiken, Secretary  
Central Health Board of Managers

MINUTES OF MEETING – MAY 23, 2018  
CENTRAL HEALTH  
BOARD OF MANAGERS

On Wednesday, May 23, 2018, a meeting of the Central Health Board of Managers convened in open session at 5:31 p.m. in the Board Room of the Central Health Administrative Offices located at 1111 E. Cesar Chavez Street, Austin, Texas 78702. Clerk for the meeting was Ms. Emily Farris.

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**Board of Managers present:** Chairperson Zamora, Vice Chairperson Greenberg, Secretary Aiken, Manager Jones, Manager Museitif, Manager Oliver, and Manager Valadez

**CITIZENS' COMMUNICATION**

**Clerk's Notes:** At 5:31 p.m., Chairperson Zamora introduced two speakers for Citizens' Communication.

Ms. Cynthia Valadez – speaking as a resident of Travis County and not as a representative of the Central Health Board

Ms. Maram Museitif – speaking as a resident of Travis County and not as a representative of the Central Health Board

**REGULAR AGENDA**

**1. Receive and discuss an update on the Community Health Needs Assessment for Travis County, the strategy for future health care delivery locations, and current CommUnityCare facilities.**

**Clerk's Notes:** Discussion on this item began at 5:36 p.m. Mr. Larry Wallace, Chief Administrative Officer for Central Health, gave a brief update on the progress made towards selecting possible future health care delivery locations in Eastern Travis County. Mr. Jaeson Fournier, Chief Executive Officer of CommUnityCare ("CUC"), presented an overview of the data collected in the Community Health Needs Assessment and highlighted how the data may be used to inform decisions about future health care delivery locations. Ms. Yvonne Camarena, Chief Operating Officer of CommUnityCare, discussed health disparities in target areas.

Manager Daniel joined the meeting at 5:48 p.m.

No action was taken on item 1.

**3. Discuss and take appropriate action on the following items related to Central Health's President and CEO:**

- a. **Formal approval of the President and CEO's annual performance evaluation;**
- b. **Timeline for adoption of the annual performance evaluation tool to be used in 2019; and**
- c. **Renewal and amendment to current employment contract, including changes to compensation package and benefits.**

**Clerk's Notes:** Discussion on this item began at 6:44 p.m. Chairperson Zamora announced that the Board is convening in executive session to discuss agenda items 3, 5, and 7 under Section 551.071 of the Texas Government Code, Consultation with Attorney; item 3 under Section 551.074 of the Texas Government Code, Personnel Matters; item 7 under Section 551.072 of the Texas Government Code, Deliberation Regarding Real Property and item 5 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 7:27 p.m.

Ms. Susan Willars, Enterprise Vice-President of Human Resources, asked the Board to approve Mr. Geeslin's performance evaluation.

Manager Daniel moved that the Board approve the President and CEO's formal performance evaluation for the period of May 15, 2017 to May 15, 2018, which evaluation recognizes that Mr. Geeslin's performance over the past twelve months has exceeded the Board's performance expectations.

I also move that the Board express its appreciation to Mr. Geeslin for his continued dedication to Central Health's mission and vision, his efforts to enhance community engagement, and his commitment to promoting a strong organizational culture and fiscal responsibility.

I further move that the Board renew the employment agreement between Central Health and Mike Geeslin for the first optional renewal period beginning on June 1, 2018 and ending on May 31, 2019.

Finally, I move that the Board approve the following amendments to the aforementioned employment agreement:

- an amendment to increase the President and CEO's base salary by 5%, which would increase his base salary from \$305,000 to \$320,250;
- an amendment to replace the current renewal term provision with an automatic renewal term provision;
- an amendment to address the purchase of short- and long-term disability plans for the President and CEO; and
- an amendment to the date on which subsequent formal performance reviews will be conducted.

Manager Valadez seconded the motion.

Chairperson Guadalupe Zamora	For
Vice Chairperson Sherri Greenberg	For
Treasurer Charles Bell	Absent
Secretary Abigail Aiken	For
Manager Katrina Daniel	For
Manager Shannon Jones	Abstain
Manager Maram Museitif	For
Manager Julie Oliver	For
Manager Cynthia Valadez	For

**7. Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.**

**Clerk's Notes:** Discussion on this item began at 6:44 p.m.

No action was taken on item 7.

**5. 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.**

**Clerk's Notes:** Discussion on this item began at 6:44 p.m.

No action was taken on item 5.

Vice-Chairperson Greenberg left the meeting at 7:34 p.m.

**CONSENT AGENDA**

- C1. Approve the minutes for the following meetings of the Central Health Board of Managers:
  - a. April 25, 2018; and
  - b. May 11, 2018.**
- C2. Receive a report of the April 2018 financial statements for Central Health, as presented to the Budget and Finance Committee.**
- C3. Receive a report of the April 2018 financial statements for the Community Care Collaborative, as presented to the Budget and Finance Committee.**
- C4. Receive the April 2018 Investment Report and ratify Central Health Investments for April 2018.**
- C5. Approve an interlocal agreement between Central Health and the Public Employee Benefits Alliance for membership in an employee benefits purchasing cooperative, as recommended by the Budget and Finance Committee.**
- C6. Approve amendments to the agreement between the Community Care Collaborative and CommUnityCare for Primary Care Services, as recommended by the Budget and Finance Committee:
  - a. Amendment for expanded dermatology services; and
  - b. Amendment for the addition of Community Health Worker services.**
- C7. Approve the establishment of a vendor pool for Architectural and Engineering services in an amount not to exceed \$150,000 to be allocated as appropriate among the selected firms and authorize Central Health’s President and CEO to negotiate and enter into agreements on terms similar to, or more favorable than, those presented with BSA Life Structures, Inc., O’Connell Roberstson, and Page Sutherland as recommended by the Budget and Finance Committee;**

**Approve the establishment of a vendor pool for Civil Engineering services in an amount not to exceed \$25,000 to be allocated as appropriate among the selected firms and authorize Central Health’s President and CEO to negotiate and enter into agreements on terms similar to, or more favorable than, those presented with Doucet & Chan, Jose I. Guerra, MWM Design, and UDF; and**

**Approve the establishment of a vendor pool for Land Surveying services in an amount not to exceed \$100,000 to be allocated as appropriate among the selected firms and authorize Central Health’s President and CEO to negotiate and enter into agreements on terms similar to, or more favorable than, those presented with McKim & Creed, MWM Design, Sherwood, and Stantec, as recommended by the Budget and Finance Committee.**

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

Manager Valadez moved that the Board approve Consent Agenda items C1 – C7.

Manager Aiken seconded the motion.

Chairperson Guadalupe Zamora	Abstain
Vice Chairperson Sherri Greenberg	Absent
Treasurer Charles Bell	Absent



Secretary Abigail Aiken	For
Manager Katrina Daniel	For
Manager Shannon Jones	For
Manager Maram Museitif	For
Manager Julie Oliver	For
Manager Cynthia Valadez	For

**2. Receive and discuss reports from Board committees: Budget and Finance Committee and Strategic Planning Committee.**

**Clerk's Notes:** Item 2 was not discussed.

**4. Receive and discuss a report from the President & CEO on Central Health operations and current activities, including: (a) the current strategic plan and related measures or dashboards; (b) an assessment of systems and processes and prioritization of activities and initiatives; and (c) personnel matters.**

**Clerk's Notes:** Discussion on this item began at 7:37 p.m. Mr. Geeslin presented dashboards related to the primary and urgent care services offered by the CCC and Central Health's monthly finances. He also presented a framework that may be used to assess the efficacy of the strategic plan.

No action was taken on item 4.

**6. Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.**

**Clerk's Notes:** Item 6 was not discussed.

**8. Confirm the next regular Board meeting date, time, and location.**

**Clerk's Notes:** Discussion on this item began at 7:40 p.m. Chairperson Zamora announced that the next Central Health Board of Managers meeting is scheduled on Wednesday, June 27, 2018, at 5:30 p.m. at Central Health Administrative Offices, 1111 E. Cesar Chavez Street, Austin, Texas 78702.

Manager Valadez moved that the meeting adjourn. Manager Museitif seconded the motion.

Chairperson Guadalupe Zamora	For
Vice Chairperson Sherri Greenberg	Absent
Treasurer Charles Bell	Absent
Secretary Abigail Aiken	For
Manager Katrina Daniel	For
Manager Shannon Jones	For
Manager Maram Museitif	For
Manager Julie Oliver	For
Manager Cynthia Valadez	For

The meeting was adjourned at 7:41 p.m.

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Guadalupe Zamora, Chairperson  
Central Health Board of Managers

ATTESTED TO BY:

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Abigail Aiken, Secretary  
Central Health Board of Managers



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## **BOARD MEETING**

**June 27, 2018**

## **AGENDA ITEM C2**

Receive a report of the May 2018 financial statements for Central Health, as presented to the Budget and Finance Committee.



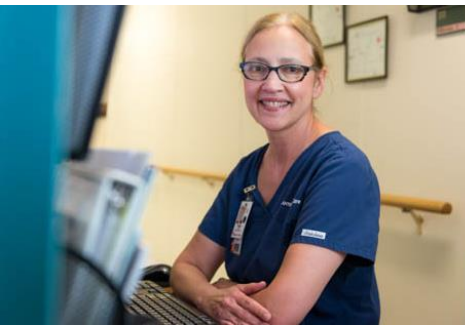
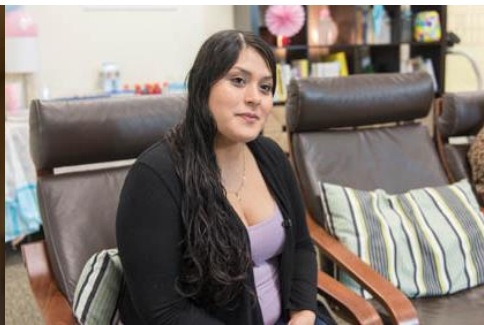
CENTRAL HEALTH

# Central Health

## Financial Statement Presentation

### FY 2018 – as of May 31, 2018

Central Health Budget and Finance Committee  
June 13, 2018  
Lisa Owens, VP of Financial Operations





# May 2018 Financial Highlights

- Through the first eight months of fiscal year 2018.
- Year-to-date, collected net property tax revenue of \$180.8 million (99.4% of fiscal 2018 budget).
- Collected 98.43% of the adjusted tax levy.
- Additional \$10 million for Risk Based Capital was transferred to Sendero in May.



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

	<u>FY 2018</u>	<u>FY 2017</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	1,600,147	2,600,410
Short-term investments	130,633,236	139,416,124
Ad valorem taxes receivable	1,932,550	1,534,365
Other receivables	9,828,444	1,716,032
Prepaid expenses	320,606	46,291
Total Current Assets	144,314,983	145,313,222
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	6,429,810	7,078,242
Sendero paid-in-capital	61,000,000	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	88,512,810	63,161,242
Capital Assets		
Land	11,770,184	11,770,184
Buildings and improvements	132,393,816	125,135,632
Equipment and furniture	8,909,710	9,078,151
Construction in progress	2,576,028	10,460,990
Less accumulated depreciation	(38,923,893)	(35,782,955)
Total Capital Assets	116,725,845	120,662,002
<b>Total Assets</b>	349,553,638	329,136,466



**Balance Sheet**  
**As of May 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	1,698,209	5,468,226
Salaries and benefits payable	514,992	807,014
Other Payables	7,063,191	3,425,866
Debt service payable, short-term	1,119,799	1,096,599
Capital Lease Obligation, Short-Term	91,082	82,119
Deferred tax revenue	1,953,635	1,910,027
Other deferred revenue	-	150,505
Total Current Liabilities	12,440,908	12,940,356
Noncurrent Liabilities		
Debt service payable, long-term	8,213,821	9,160,029
Capital Lease Obligation, Long-Term	136,179	219,971
Total Noncurrent Liabilities	8,350,000	9,380,000
Total Liabilities	20,790,908	22,320,356
 <b>Net Assets</b>		
Unrestricted	212,036,886	186,154,108
Investment in Capital Assets	116,725,844	120,662,002
Total Net Assets	328,762,730	306,816,110
 <b>Liabilities and Net Assets</b>	349,553,638	329,136,466



**Sources and Uses Report**  
**Fiscal Year-to-Date through May 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	267,526	180,751,749	181,839,054	99.4%	169,097,853
Lease Revenue	857,841	7,312,727	10,303,467	71.0%	25,399,200
Other Revenue	239,243	1,278,260	400,000	319.6%	589,308
Tobacco Settlement Revenue	-	3,426,346	1,800,000	190.4%	-
Contingency Reserve (Appropriated) <sup>(1)</sup>	-	51,560,311	43,482,960	118.6%	51,876,745
<b>Total Sources</b>	<b>1,364,610</b>	<b>244,329,393</b>	<b>237,825,481</b>	<b>102.7%</b>	<b>246,963,106</b>
<b>Uses of Funds</b>					
<b>Total Healthcare Delivery</b>	<b>1,160,880</b>	<b>114,250,196</b>	<b>227,029,206</b>	<b>50.32%</b>	<b>109,812,026</b>
<b>Administrative Program</b>					
Salaries and benefits	260,211	2,365,497	4,413,183	53.60%	2,492,229
Legal Fees	46,818	525,927	926,200	56.78%	688,374
Consulting Fees	336,321	705,525	1,208,800	58.37%	142,504
Other Purchased Goods and Services	80,163	1,136,002	2,595,333	43.77%	1,094,842
<b>Total Administrative Program</b>	<b>723,513</b>	<b>4,732,951</b>	<b>9,143,516</b>	<b>51.76%</b>	<b>4,417,949</b>
Tax Collection Expenses	3,073	1,530,664	1,652,760	92.61%	1,451,483
<b>Total Uses</b>	<b>1,887,466</b>	<b>120,513,811</b>	<b>237,825,481</b>	<b>50.67%</b>	<b>115,681,458</b>
<b>Excess Sources Over (Under) Uses</b>	<b>(522,856)</b>	<b>123,815,582</b>	<b>-</b>		<b>131,281,648</b>

(1) 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 May 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>98,734,056</b>	<b>142,920,000</b>	<b>69.08%</b>	<b>89,931,678</b>
<b>Provider Costs</b>					
Primary Care	68,761	527,522	1,731,800	30.5%	390,000
DSRIP Project Expense	-	585,985	-	0.0%	901,816
Charity Care <sup>(5)</sup>	-	1,062,933	4,251,733	25.0%	2,834,489
New Healthcare Initiatives <sup>(4)</sup>	-	-	500,000	0.0%	-
Member Payment to CCC <sup>(2)</sup>	-	-	29,245,166	0.0%	-
Medical Administration	-	462,956	666,657	69.4%	462,956
<b>Subtotal Provider Costs</b>	<b>68,761</b>	<b>2,639,396</b>	<b>36,395,356</b>	<b>7.25%</b>	<b>4,589,261</b>
<b>Service Expansion Funds <sup>(3)</sup></b>	-	-	<b>2,000,000</b>	<b>0.00%</b>	-
<b>Total IGTs and Provider Costs</b>	<b>68,761</b>	<b>101,373,452</b>	<b>181,315,356</b>	<b>55.9%</b>	<b>94,520,939</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	404,115	2,239,788	3,897,517	57.5%	2,176,441
Consulting Services	6,430	(6,539)	389,000	-1.68%	114,222
Legal Fees	(892)	25,883	31,200	83.0%	33,810
Other Services and Purchased Goods	177,132	1,183,293	3,894,185	30.4%	1,134,971
<b>Subtotal HCD Operating Costs</b>	<b>586,786</b>	<b>3,442,425</b>	<b>8,211,902</b>	<b>41.92%</b>	<b>3,459,445</b>
<b>Other Costs</b>					
UMCB Campus Redevelopment	242,172	1,104,651	4,360,644	25.3%	739,002
ACA Enrollment and Subsidy	233,228	1,660,949	2,700,000	61.5%	970,537
Debt Service	29,933	1,250,797	1,372,795	91.1%	1,242,103
<b>Subtotal Other Costs</b>	<b>505,333</b>	<b>4,016,397</b>	<b>8,433,439</b>	<b>47.62%</b>	<b>2,951,642</b>
<b>Reserves, Appropriated Uses and Transfers</b>	-	<b>5,417,922</b>	<b>29,068,509</b>	<b>18.64%</b>	<b>8,880,000</b>
<b>Total Healthcare Delivery</b>	<b>1,160,880</b>	<b>114,250,196</b>	<b>227,029,206</b>	<b>50.32%</b>	<b>109,812,026</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.

<sup>(4)</sup> In March 2018 the Board of Managers appropriated \$400K to potential Pay for Success project to support Permanent Supportive Housing.

<sup>(5)</sup> Seton.



Recap of FY18 IGT Payments  
Actuals Through May 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	-	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	-	0.2	0.6	0.4
<b>Total</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 – \$1.6 million

Short-term Investments – Short-term investments were \$130.6 million at month-end, which is net of restricted investments of \$6.4 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.9 million balance is composed of the 2017 tax levy of \$3.2 million, delinquent prior years' taxes of \$2.3 million, and tax distributions in transit from the Travis County Tax Office of \$111 thousand, partially offset by estimated allowances for doubtful collections and adjustments of \$3.7 million.

Other Receivables – Other receivables total \$9.8 million and consists of intercompany balances of \$9.7 million, and interest receivable of \$158K.

Prepaid Expenses – \$321K balance composed of \$310K appraisal and collection fees and \$11K in deposits.

**Total Current Assets – \$144.3 million**

#### **Noncurrent Assets**

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

Sendero Paid-in Capital – \$61.0 million (\$10 million Risk Based Capital was transferred in May)

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

Sendero Surplus Debenture – \$17.1 million (unchanged)

Capital Assets – \$116.7 million, net of accumulated depreciation.

**Total Assets – \$349.5 million**



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

### **Current Liabilities**

Accounts Payable – Major components of the \$1.7 million balance are:

- \$1.5 million in vendor invoices at month-end, and
- \$157K in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$515K 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 – \$7.1 million in other payables is comprised of the amount due to Seton for Charity Care and the distribution of the tobacco settlement proceeds.

Debt Service Payable, Short-Term – \$1.1 million balance is comprised of \$90K is accrued interest and \$1.0 million is Certificates of Obligation Payable.

Capital Lease Obligation, Short-Term – \$91K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$1.9 million for the uncollected portion of the 2017 tax levy.

### **Total Current Liabilities – \$12.4 million**

### **Noncurrent Liabilities**

Debt Service Payable, Long-Term – \$8.2 million balance of the \$16 million in Series 2011 Certificates of Obligation, reduced by eight 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 – \$136K related to medical equipment leased at Southeast Health and Wellness Center.

### **Total Noncurrent Liabilities – \$8.3 million**

### **Total Liabilities – \$20.8 million**



### **Net Assets**

Unrestricted Net Assets – \$212.0 million

Investment in Capital Assets – \$116.7 million

**Total Net Assets – \$328.7 million**

**Total Liabilities and Net Assets – \$349.5 million**

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

May financials → Eight months, 66.7% of the fiscal year

#### **Sources**

Property Tax Revenue – Net property tax revenue for the month of May was \$268K. Net revenue includes \$305K current month's collections, less \$93K in adjustments for prior year delinquent taxes. Current year's collections were 99.4 % of the fiscal 2018 budget.

Lease Revenue – \$858K recorded for Seton lease payment and UT ground lease.

Other Revenue – \$239K interest income on investments.

#### **Uses of Funds**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$1.2 million for the month.

Administration Program – \$724K in expense for the month, which includes:

- Personnel costs – \$260K
- Legal fees – \$47K
- Consulting services – \$336K
- Other general and administrative – \$80K

Tax Collection Expenses – \$3K

**Excess Sources Over (Under) Uses** – Net assets decreased by \$523K in May. Year-to-date, net assets have increased by \$123.8 million.



**Healthcare Delivery Expense – Slide 6**

Provider Costs – Healthcare delivery providers' expense for May totaled \$69K, which includes:

- Primary care – \$69K

Healthcare Delivery Operating Cost – \$587K in expenses for the month and includes:

- Personnel costs – \$404K
- Consulting services – \$6K
- Legal fees – (\$1K)
- Other services and purchased goods – \$177K

Other Costs – \$505K in expense for the month, which includes:

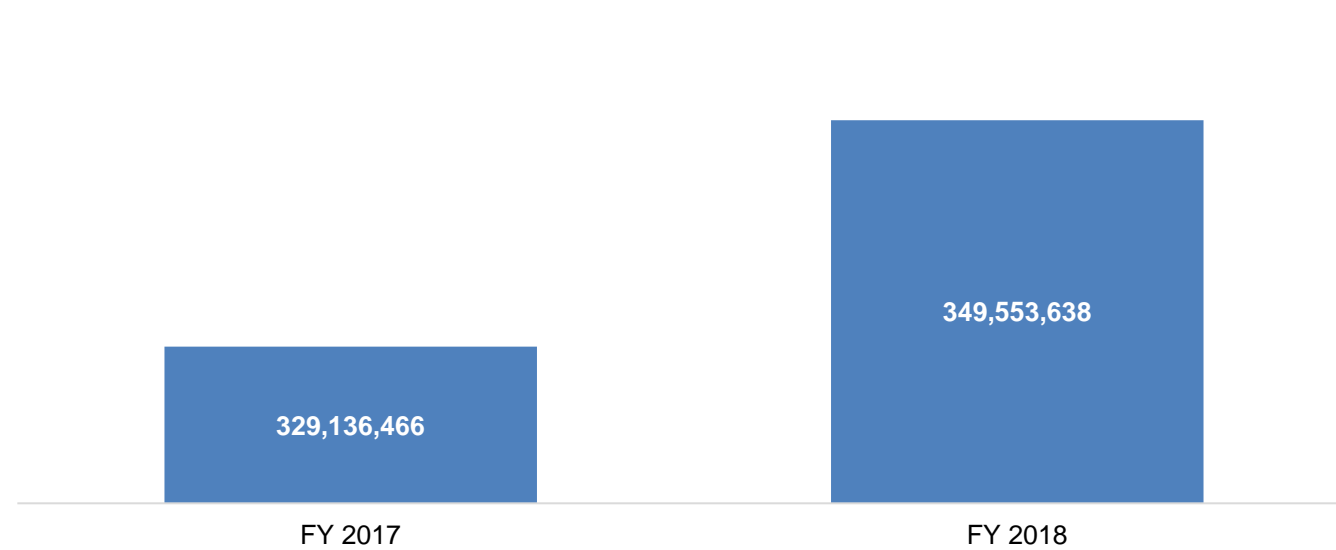
- UMCB Campus Redevelopment – \$242K
- ACA Enrollment and Subsidy – \$233K
- Debt Service – \$29K

**Total Healthcare Delivery for the month of May was \$1.2 million.**

# Monthly Financial Dashboard—May 2018\*

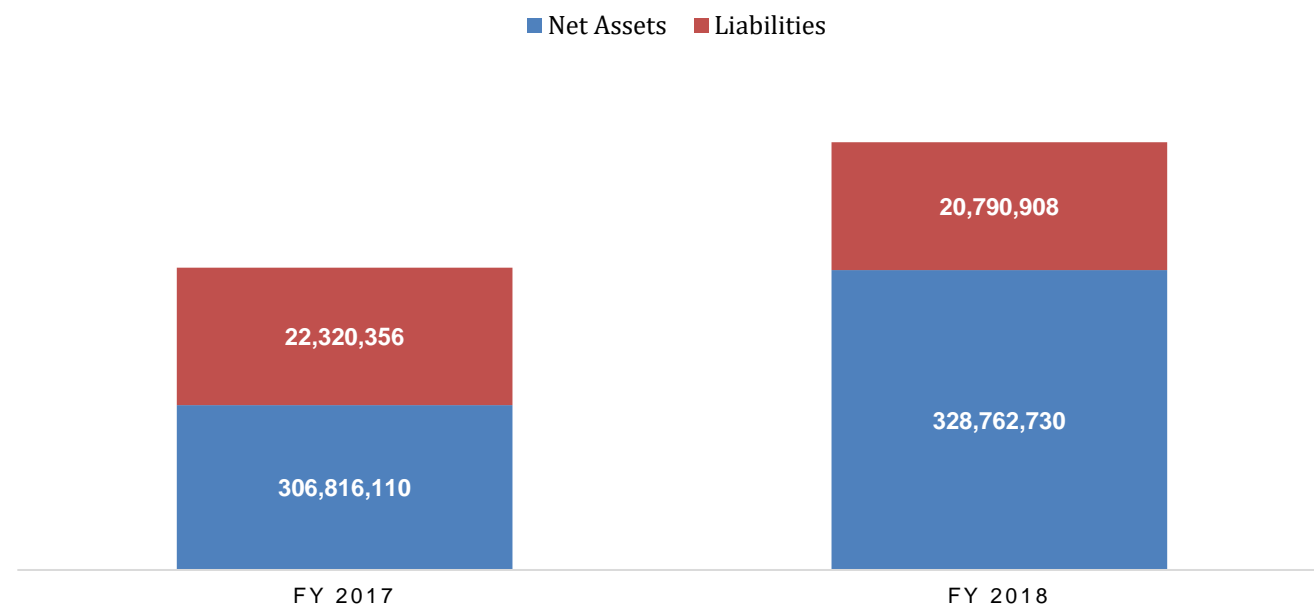
\*Unaudited results

## Assets (May 31, 2018)



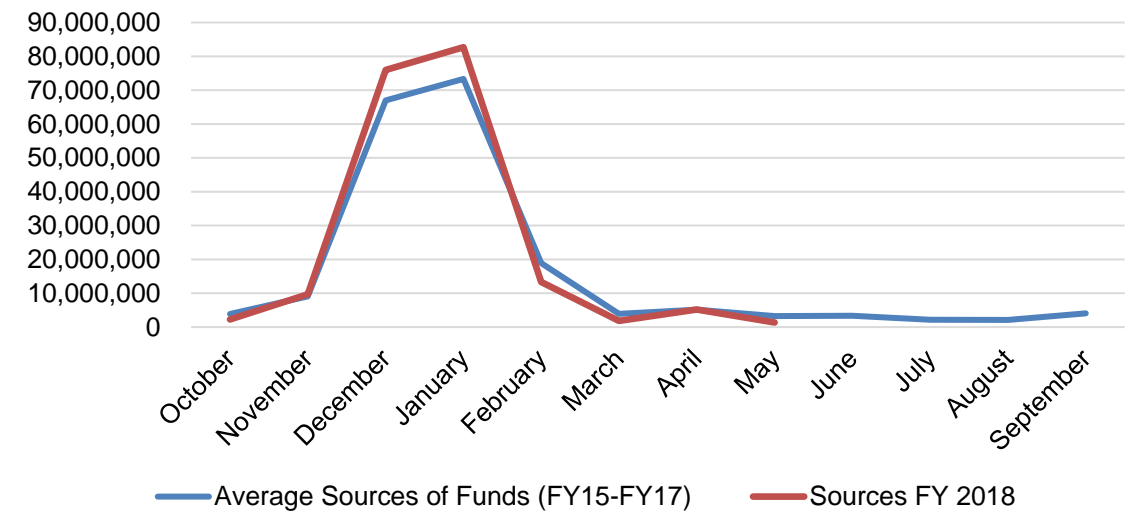
Note: Central Health has a strong cash and short-term investments position. Current assets include cash, investments and accounts receivable which could be converted to cash within one year.

## Liabilities and Net Assets (May 31, 2018)



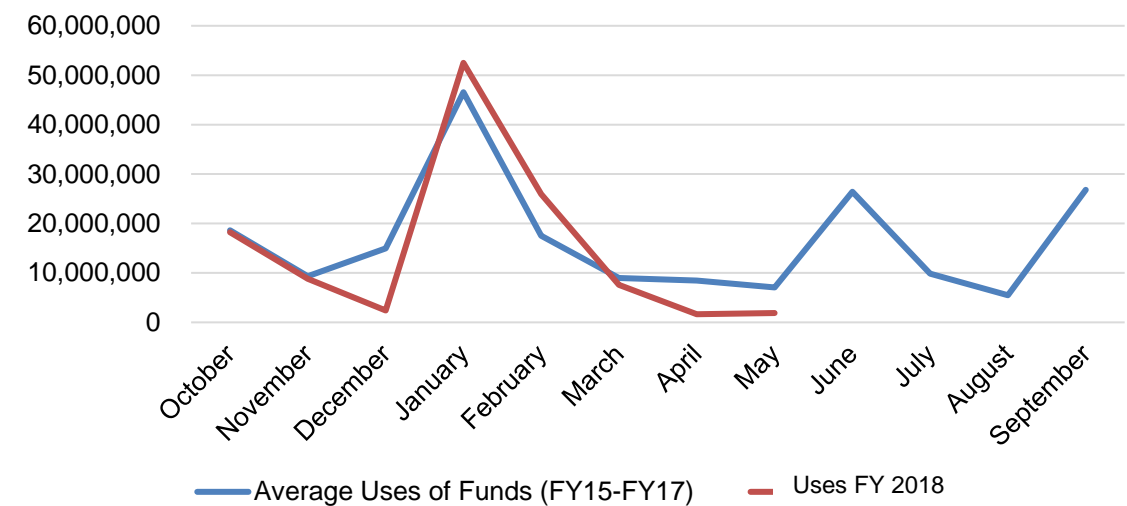
Note: Net assets are equal to total assets minus total liabilities.

## Sources of Funds (Revenue) by Month



FY15-FY17 year-to-date average monthly sources: \$23.1 million  
 FY18 year-to-date average monthly sources: \$24 million

## Uses of Funds (Expenses) by Month



FY15-FY17 year-to-date average monthly uses: \$16.4 million  
 FY18 year-to-date average monthly uses: \$14.9 million





CENTRAL HEALTH

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**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.

**BOARD MEETING**

**June 27, 2018**

**AGENDA ITEM C3**

Receive a report of the May 2018 financial statements for the Community Care Collaborative, as presented to the Budget and Finance Committee.

# Community Care Collaborative

## Financial Statement Presentation

### FY 2018 – as of May 31, 2018

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**Central Health Board of Managers**  
**Budget and Finance Committee**  
**June 13, 2018**

**Lisa Owens, VP of Financial Operations**



a partnership of Central Health and Seton Healthcare Family

# General

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

# Balance Sheet

As of May 31, 2018



	<b>FY 2018</b>	<b>FY 2017</b>
<b>Assets:</b>		
Cash and Cash Equivalents <sup>(1)</sup>	\$ 55,237,864	\$ 46,383,155
Other Receivables	40,156	1,319
Prepaid and Other	282,852	238,234
<b>Total Assets</b>	<b>\$ 55,560,872</b>	<b>\$ 46,622,708</b>
<b>Liabilities and Net Assets:</b>		
AP and Accrued Liabilities	\$ 22,682,236	\$ 11,897,175
Deferred Revenue	2,801,052	2,801,052
Other Liabilities	182,999	232,311
Accrued Payroll	385,906	285,334
<b>Total Liabilities</b>	<b>26,052,193</b>	<b>15,215,872</b>
<b>Net Assets <sup>(1)</sup></b>	<b>29,508,679</b>	<b>31,406,836</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 55,560,872</b>	<b>\$ 46,622,708</b>

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

# Sources and Uses Report, Budget vs Actual

## Fiscal Year-to-Date through May 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 <sup>(1)</sup>	58,800,000	10,000,000	17%	-
	Member Payment - Central Health <sup>(1)</sup>	29,245,166	-	0%	-
	Operations Contingency Carryforward	9,883,321	13,065,346	132%	26,316,998
	Other Sources	100,000	167,265	167%	85,159
	<b>Total Sources of Funds</b>	<b>\$ 156,028,487</b>	<b>\$ 79,775,375</b>	<b>51%</b>	<b>\$ 83,141,489</b>
<b>Uses - Programs</b>	Healthcare Delivery	103,132,675	54,653,660	53%	46,971,700
	UT Services Agreement	35,000,000	-	0%	-
	DSRIP Project Costs	17,895,812	613,034	3%	10,166,104
	<b>Total Uses</b>	<b>\$ 156,028,487</b>	<b>\$ 55,266,694</b>	<b>35%</b>	<b>\$ 57,137,805</b>
<b>Sources Over (Under) Uses</b>		<b>\$ -</b>	<b>\$ 24,508,681</b>		<b>\$ 26,003,685</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 May 31, 2018



	<b>Approved Budget</b>	<b>YTD Actual</b>	<b>YTD % of Budget</b>	<b>Prior YTD Actual</b>
<b>Healthcare Delivery Services</b>				
Primary Care <sup>(1)</sup>	\$ 52,186,817	\$ 32,082,671	61%	\$ 29,293,677
Specialty Care <sup>(1)</sup>	13,475,915	5,431,994	40%	2,721,720
Specialty Behavioral Health	8,833,856	5,011,244	57%	5,426,085
Specialty Dental Care	629,711	290,712	46%	304,113
Post-Acute Care	2,400,000	1,170,869	49%	1,037,295
Pharmacy	6,350,000	3,006,344	47%	2,462,779
Medical Management	2,111,102	1,606,525	76%	1,014,782
Urgent and Convenient Care	600,000	76,359	13%	123,978
Healthcare Delivery Operations <sup>(1)</sup>	12,931,378	5,976,943	46%	4,587,271
Contingency Reserve	3,613,896	-	0%	-
<b>Total Healthcare Delivery Operations</b>	<b>\$ 103,132,675</b>	<b>\$ 54,653,660</b>	<b>53%</b>	<b>\$ 46,971,700</b>

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

# Healthcare Delivery Costs – Primary Care

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



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
<b>Primary Care</b>				
CommUnityCare	\$41,850,000	\$ 26,296,819	63%	23,813,202
El Buen Samaritano	2,350,000	1,385,512	59%	1,408,723
Lone Star Circle of Care	4,364,995	2,154,441	49%	2,072,272
Peoples Community Clinic	2,500,000	1,670,986	67%	1,457,078
Volunteer Clinic <sup>(1)</sup>	100,000	105,989	106%	77,991
UT School of Nursing	100,000	3,000	3%	-
Prevention and Wellness	225,000	1,376	1%	-
City of Austin EMS	696,822	464,548	67%	464,411
	<u>\$ 52,186,817</u>	<u>\$ 32,082,671</u>	<u>61%</u>	<u>\$ 29,293,677</u>

<sup>(1)</sup> Contract was amended by \$100,000 in May.

# HCD Providers Expenditures – Specialty Care Detail

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



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
<b>Specialty Care</b>				
Consultation and Referral Platform	\$ 700,000	\$ -	0%	\$ -
Consultation Services	250,000	14,906	6%	-
Cardiology	150,000	75,000	50%	3,000
CommUnityCare Specialty	2,000,000	1,653,996	83%	140,101
Dermatology	100,000	-	0%	-
Ear, Nose and Throat	400,000	145,922	36%	-
Gastroenterology	800,000	475,047	59%	158,330
Gynecology IPU	1,500,000	666,667	44%	-
Oncology Services	2,500,000	390,597	16%	218,399
Ophthalmology	950,915	803,467	84%	459,042
Orthopedics	2,000,000	589,770	29%	518,541
Orthotics and Prosthetics	200,000	59,023	30%	102,606
Other Providers	30,000	3,336	11%	4,428
Palliative Care	100,000	-	0%	-
Physical Medicine and Rehabilitation	75,000	-	0%	-
Remote Patient Monitoring	200,000	-	0%	-
Rheumatology	90,000	-	0%	-
Seton Healthcare Family Specialty	300,000	126,961	42%	788,572
Urology	450,000	100,000	22%	108,701
Project Access	330,000	220,000	67%	220,000
Ancillary Services	350,000	107,302	31%	-
	<b>\$ 13,475,915</b>	<b>\$ 5,431,994</b>	<b>40%</b>	<b>\$ 2,721,720</b>



# HCD Operations Expenditures

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



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Healthcare Delivery Operations</b>				
Eligibility and Enrollment	1,478,005	581,102	39%	-
Quality, Assessment and Performance	1,995,199	689,829	35%	432,881
Project Management Office	1,463,784	651,915	45%	-
Operations Department	3,497,608	1,626,102	46%	1,725,897
Health Information Technology	3,236,029	1,531,085	47%	1,354,020
Administration	1,260,753	896,909	71%	1,074,473
<b>Total Healthcare Delivery Operations</b>	<b>\$ 12,931,378</b>	<b>\$ 5,976,943</b>	<b>46%</b>	<b>\$ 4,587,271</b>

# Thank You

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[www.ccc-ids.org](http://www.ccc-ids.org)



a partnership of Central Health and Seton Healthcare Family



## **Balance Sheet**

### **Current Assets**

Cash and Cash Equivalents – \$55.2 million

Other Receivables – \$40K

Prepaid and Other – \$282.8K

**Total Assets – \$55.5 million**

### **Liabilities**

Accounts Payable and Accrued Liabilities – \$22.6 million, which includes:

- \$16.1 million estimated IBNR to providers
- \$1.6 million non-provider accruals
- \$4.8 million to Central Health

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

Other Liabilities – \$183K; includes leasehold improvement allowance liability of \$159K

Payroll Liabilities – \$386K; includes PTO liability

**Total Liabilities – \$26 million**

### **Net Assets**

Emergency Reserve – \$5.0 million

Unrestricted Net Assets – \$24.5 million

**Total Net Assets – \$29.5 million**

**Total Liabilities and Net Assets – \$55.5 million**



**Sources and Uses Report**

May financials → eight months, 66.7% 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 – \$167K for interest income

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

Operating Expenses

	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
<b>Healthcare Delivery Services</b>				
Primary Care	\$ 52,186,817	\$ 32,082,671	61%	29,293,677
Specialty Care	13,475,915	5,431,994	40%	2,721,720
Specialty Behavioral Health	8,833,856	5,011,244	57%	5,426,085
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Urgent and Convenient Care	600,000	76,359	13%	123,978
Healthcare Delivery Operations	12,931,378	5,976,9436	46%	4,587,271
Contingency Reserve	3,613,896	-	0%	-
<b>Total Healthcare Delivery Operations</b>	<b>\$ 103,132,675</b>	<b>\$ 54,653,650</b>	<b>53%</b>	<b>46,971,700</b>

Change in Net Assets – Year-to-date change in net assets is an increase of \$10.6M.



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## **BOARD MEETING**

**June 27, 2018**

## **AGENDA ITEM C4**

Receive the May 2018 Investment Report and ratify Central Health Investments for May 2018.

**INVESTMENT MANAGEMENT DEPARTMENT  
 TRAVIS COUNTY, TEXAS**



Travis County Administration Building  
 700 Lavaca, Suite 1560  
 P.O. Box 1748  
 Austin, Texas 78767

Phone: (512) 854-9779  
 Fax: (512) 854-4210  
 Email: Deborah.laudermilk@traviscountytx.gov

**DATE: May 31, 2018**

**TO: Guadalupe Zamora, M.D., Chairperson  
 Sherri R. Greenberg, M.S., Vice Chairperson  
 Charles E. Bell, M.D., M.S., Treasurer  
 Abigail Aiken, M.D., M.P.H., PhD, Secretary  
 Katrina Daniel, R.N., Manager  
 Shannon Jones III, M.P.A., Manager  
 Maram Museitif, Manager  
 Julie Oliver, J.D. Manager  
 Cynthia Valadez, Sr., Manager**

**FROM: Deborah A. Laudermilk, Travis County Chief Investment Officer *DL*  
 Reagan Grimes, Travis County Investment Manager  
 Michael G'Benoba, Sr. Financial Analyst**

**RE: Central Health FY 2018 Second Quarter Investment Report**

**INVESTMENT EARNINGS**

**Total portfolio earnings for this quarter: \$ 522,494**  
**Total portfolio earnings for this fiscal year: \$ 821157**

These earnings are determined on an accrual basis. Investment balances are in the Portfolio Statistics section of this report.

**CASH AVAILABILITY**

**Operating Account for the Quarter Ended March 31, 2018:**

The cash availability in the bank operating account is monitored daily. Typically, cash balances are invested as soon as they are known and available. The cash availability (includes the controlled disbursement) for the quarter ended March 31, 2018:

	<b>2018 Average Daily Collected Balance</b>	<b>2017 Average Daily Collected Balance</b>
<b>January</b>	<b>\$ 2,194,323</b>	<b>\$ 2,597,751</b>
<b>February</b>	<b>\$ 1,662,497</b>	<b>\$ 2,923,670</b>
<b>March</b>	<b>\$ 1,699,042</b>	<b>\$ 2,595,763</b>

Due to the current rate environment and opportunities available through our depository contract with the bank, several years ago we opened a dedicated non-interest bearing account at Chase that we have managed with the goal of earning additional ECR (earnings credit) to offset annual bank charges. The current balance is \$1,500,000 and is reflected in the totals listed above. We project this deposit should be enough to offset the bank charges for Central Health for the entire year.

## **MARKET REVIEW**

Fed funds futures are predicting a 100% probability of a quarter point rate increase at the June 13<sup>th</sup> meeting of the FOMC, an 82% probability of another 25 basis point increase at the September meeting and a 55% probability of an additional 25 basis point increase in December. With the Fed Funds rate currently 1.50% - 1.75%, we could end the year at 2.25% - 2.50%. As we have experienced over the last few months, the rates for instruments 2 years and in, are rising more quickly than the longer term rates. The 10-year Treasury note (currently 2.96%) forecast did not change since the last survey and in fact, the spreads have narrowed. The recovery high for the 10-year was 3.99% in 2010. In the report of the latest Fed minutes, they indicated that it is highly likely that there will be two more increases in rates this year, and possibly a fourth, confirming the predictions of futures. The biggest concern of most FOMC members is that at some point the gradual increases will stimulate the economy to the point of overheating which they are trying to avoid. This balancing act could be very difficult to manage/maintain.

Most of the economic indicators that the Fed is tracking are maintaining their (the FOMC's) expected levels. Of course inflation continues to toy with them bouncing around the 2% goal, but currently looking like it will meet expectations. Some wonder why they are so focused on CPI, even though other financial experts have commented that this factor isn't as critical to a rising economy. The FOMC's concern is inter-related to the employment and wages measures. As healthy as the employment market is, wages have not increased as much as would have been expected in such a tight labor market. Technically, if inflation rises, then wages should rise, which is expected later in the year. In time we will see if this plays out, hence the concern for potential overheating.

GDP for the first quarter was revised down slightly in the last report. Interestingly, business investment improved in all segments, but inventories were revised down as well as residential investment. The lower number for Q1 was due to lower business inventory accumulation. Expectations for second quarter GDP are significantly stronger, around 4%. Strong April consumption results have pretty much solidified, the likelihood of strong Q2 GDP. With an increase in personal income of 0.3% in April, consumption rising 0.6%, and the continuing impact of tax cuts, all is looking fairly positive, but with core CPI slightly below expectations (coming in at 1.8%), a couple of FOMC members continue to voice their opinion that they need to be cautious on raising rates too much.

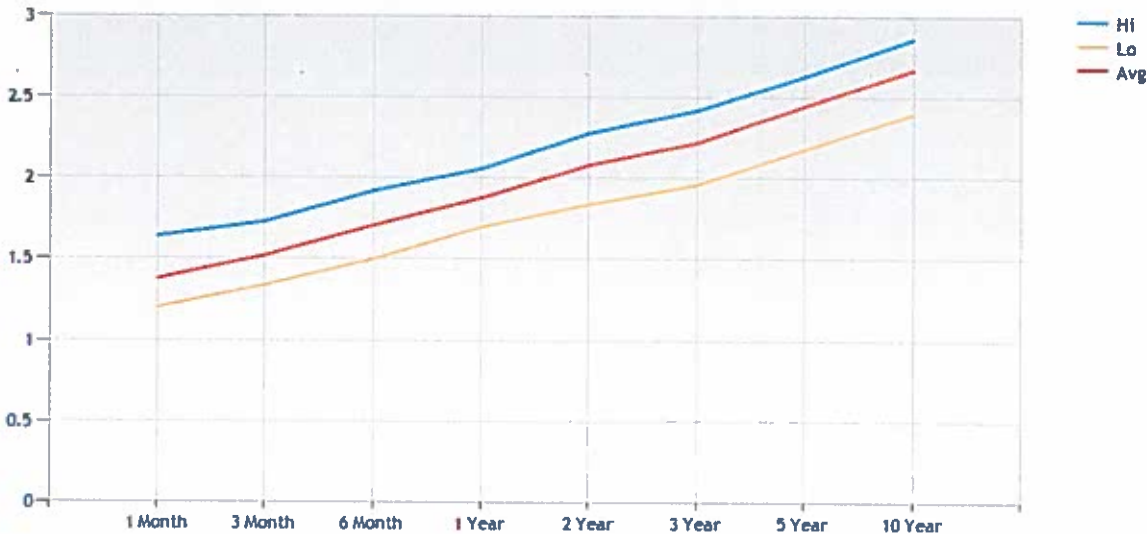
On the international front, the strength of their economies has not been as positive as the U.S. economy. The Bank of England has cut its growth forecasts for the remainder of the year and do not expect to raise rates any more in 2018. The bigger concern for England will be the Brexit negotiations in June and their impact on a weak economy that could create even more uncertainty. As for other members of the EU, Italy continues to

struggle with both political crisis as well as economic turmoil. Current leaders, although there is no telling how long that/they will last, have stated that they have no intention of leaving the EU or exiting the euro. In addition, there is political unrest in Spain and in France, President Macron is pushing ahead with economic reforms despite a wave of strikes. At the beginning of May, President Trump announced that the U.S. would withdraw from the Iran nuclear deal and impose sanctions. European leaders are furious that the U.S. has threatened to pull out and they have stated that they are intent on hurting the President and distancing themselves from the U.S. Turkey continues to struggle with a current account deficit, foreign denominated debt that is three-times bigger than their foreign currency reserves and double-digit inflation. They are also heavily dependent on importing oil which is priced in dollars. The price of oil in Turkey over the past 12 months has increased 123%. Italy also imports most of its energy, another problem for their political leaders to deal with. On the other hand, Russia benefits from higher oil prices.

The situations in China and North Korea changes on a daily basis, Tariffs, no tariffs, sanctions, no sanctions, one week we are all playing nice and the next, who knows. Plans for negotiations with North Korean leader, Kim Jong Un, changes on a daily basis and appears to be a lot of gamesmanship. And likewise talks with China, seem to be at an impasse and have ended, but that could be all a part of the strategy. It is difficult to tell.

With the rate increase in March and the one anticipated at the June meeting, the spread between the yield curve in December versus the current yield curve is indicative of the 50 basis point increase for instruments out to one year. The steepest part of the curve is between 3 months and two years and then truly flattens out from 7 to 30 years. Since the first of the year, the fed funds effective rate has traded between 1.42% to 1.70%. The yield of the 2 year treasury has been trading between 1.96% and 2.47%, whereas ten year treasury yields have flattened since the first of the year and have been trading in a range of 2.49 to 2.89%.

Treasury Yield Curve : Time Range



Data	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year
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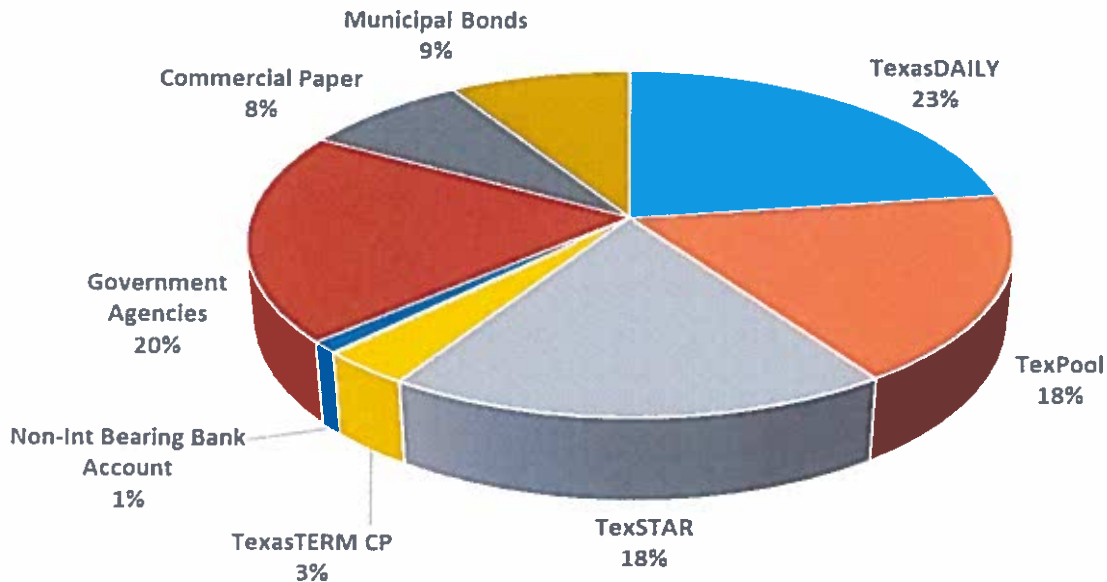
Hi	1.64	1.73	1.92	2.06	2.28	2.42	2.63	2.86
Lo	1.2	1.34	1.5	1.7	1.84	1.96	2.18	2.4
Avg	1.38	1.52	1.71	1.88	2.08	2.22	2.45	2.67
<b>Date</b>	<b>1 Month</b>	<b>3 Month</b>	<b>6 Month</b>	<b>1 Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
Dec 2017	1.2	1.34	1.5	1.7	1.84	1.96	2.18	2.4
Jan 2018	1.29	1.43	1.62	1.8	2.03	2.14	2.38	2.58
Feb 2018	1.38	1.59	1.79	1.96	2.18	2.36	2.6	2.86
Mar 2018	1.64	1.73	1.92	2.06	2.28	2.42	2.63	2.84

## **INVESTMENT STRATEGY - NEXT QUARTER**

### **Operating Portfolio**

The ongoing goal in a rising rate environment has been to take advantage of the higher short term rates with investments over shorter periods of time so that it will provide us the ability to reinvest those funds at an even higher rate when the Fed tightens again and to also have ready access to capital. This strategy would also help our performance long term. Our benchmark, the Treasury Bill Constant Maturity adjusts immediately with a rate increase and it can take time for the performance of our longer-term investments to exceed the benchmark. Our investment strategy will continue to be a prudent approach to remain relatively liquid near-term considering the continuing unpredictability of cash flow and the uncertainty of any changes in healthcare legislation. Our first priority in investing remains the security of the principal of the Central Health investments. We will continue to seek higher yielding securities when they are available and when we believe that they can also lineup with Central Health's liquidity needs

## Portfolio Diversity March 31, 2018



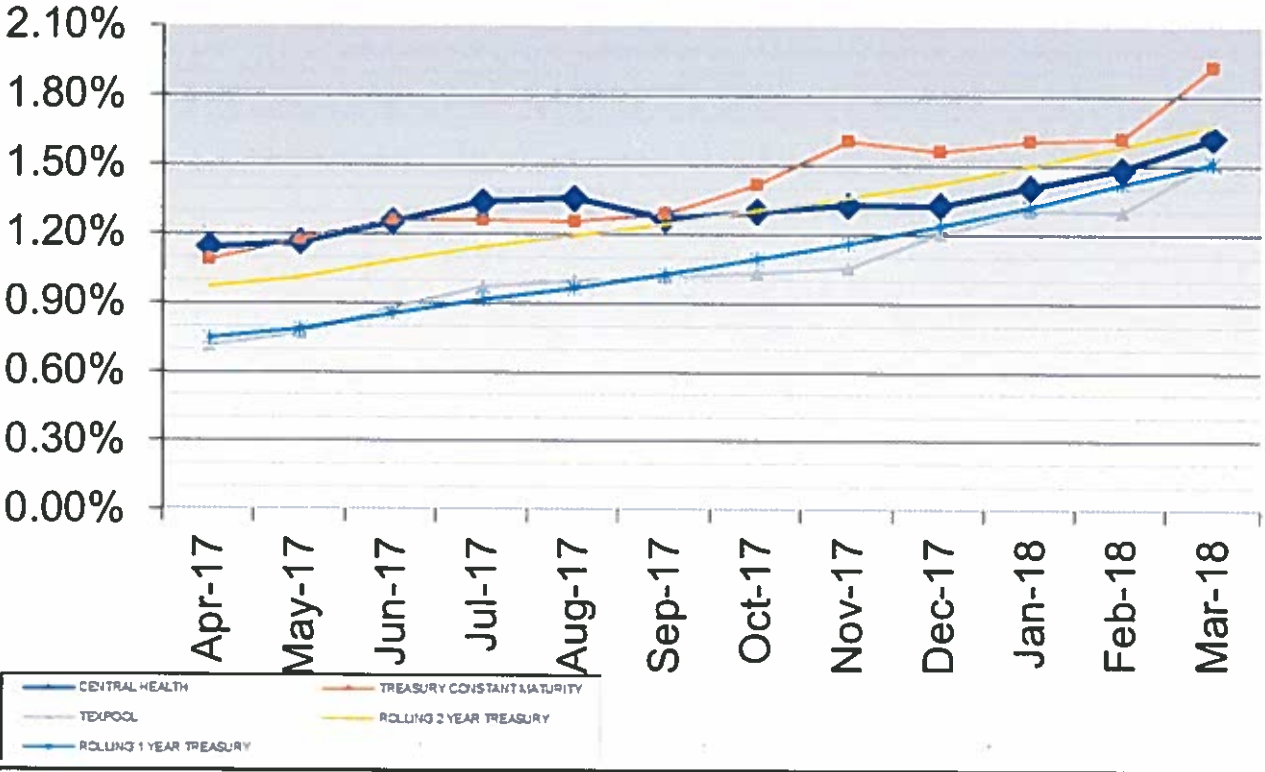
### PORTFOLIO DIVERSITY

Safety of principal is the first priority of any public investing portfolio. An important way to maintain safety is to diversify by purchasing a variety of security types. Total investment in the overnight pools is at 62%. The percent of Agencies in the portfolio is currently at 20%. During the quarter, two pieces of commercial paper, one agency callable and one piece of TexasTERM CP were purchased. One agency bond was called. These transactions resulted in a decrease in the percentage invested in the overnight pools from 71% at the end of December to 62% at the end of March.

	<u>Actual Percent</u>	<u>Policy Limit</u>
Government Agencies	19.73%	75%
TexasDAILY	22.58%	30%
TexPool	17.83%	50%
TexSTAR	18.42%	30%
Texas TERM CP	3.40%	30%
Treasury Securities	0.00%	100%
Certificates of Deposits	0.00%	50%
Municipal Bonds	8.94%	20%
Commercial Paper	8.08%	20%
	100.00%	

Portfolio percentage limits are tested at least monthly and reported to the Board of Managers. All investments during this quarter were within the Policy Limits with the exception of the total percentage of LGIPs. Due to the ever changing nature of healthcare funding and the cash flow volatility for Central Health, we surpassed the maximum investment percentage for the LGIPs during the second quarter. It was determined that the safety and liquidity of the LGIPs provided an appropriate and flexible, short-term vehicle for Central Health funds until a more predictable cash flow could be determined and longer term investments chosen. As always, we will continue to monitor the needs of Central Health and choose appropriate short and long-term investments. At this date, the pools are within the limits of the Investment Policy.

### Portfolio Performance March 31, 2018



**PERFORMANCE ANALYSIS**

	<u>January</u>	<u>February</u>	<u>March</u>
Healthcare District	1.41%	1.48%	1.62%
Treas. Bill-Constant Maturity	1.61%	1.61%	1.93%
TexPool	1.30%	1.30%	1.52%
Rolling 2 year Treas.	1.50%	1.58%	1.67%
Rolling 1 year Treas.	1.32%	1.42%	1.51%

The Fed tightened with a rate increase in March. The Federal Funds rate is currently in the range between 1.50% and 1.75%. The market pundits are expecting the Fed to raise rates again at the June meeting of the FOMC and most likely in September and possibly December. Of course, these actions are predicated on economic performance between now and then. The yield of the Central Health portfolio continues to lag the yield of the Treasury Note Constant Maturity which has the ability to change on a daily basis, unlike the Central Health portfolio where the average maturity is about 8 months and the individual securities owned have maturities ranging from 6 months to approximately 3 years. In comparison, the performance of the Rolling 2 year Treasury was slightly above the performance of the Central Health fund.

The weighted average maturity (WAM) of the Central Health portfolio decreased from 202 days at the end of the first quarter on December 31, 2017, to 187 days at the end of the second quarter on March 31, 2018.

### COLLATERAL ADEQUACY

Collateral coverage was more than the 105% of bank balances required by policy on all but six days during the second quarter. In each scenario of under-collateralization, the collateral level was adjusted first thing the next morning raising the collateral coverage back above the required 105% level. In addition, the payroll funding procedures have been adjusted going forward to prevent future under-collateralization.

Based on policy requirements, the highest collateral coverage during the second quarter was 279.82% on January 17, 2018, and the lowest was 11.80% on January 22, 2018.

This report was prepared jointly by Deborah Laudermilk, Travis County Chief Investment Officer, Reagan Grimes, Travis County Investment Manager, and Michael G'Benoba, Sr. Financial Analyst. The investment portfolio of Central Health complies with the investment strategies in the Central Health Investment and Collateral Policy and Procedures and with the Public Funds Investment Act of Texas.



Deborah A. Laudermilk  
Chief Investment Officer



Reagan Grimes  
Investment Manager



Michael G'Benoba  
Sr. Financial Analyst

CENTRAL HEALTH QUARTERLY INVESTMENT REPORT  
 PORTFOLIO STATISTICS  
 DATE: March 31, 2018

<u>By Security Type</u>			<u>WAM in Days</u>	<u>March Yield to Maturity</u>
Operating-				
TexasDAILY	\$ 33,184,032.11	22.58%	1	1.49%
TexPool	26,198,536.52	17.83%	1	1.52%
TexSTAR	27,074,251.43	18.42%	1	1.50%
Texas TERM CP	5,000,000.00	3.40%	209	2.00%
Non-Int Bearing Bank Account	1,500,000.00	1.02%	1	0.00%
Certificates of Deposit	-	0.00%	0	0.00%
Treasury Securities	-	0.00%	0	0.00%
Government Agencies	28,998,500.00	19.73%	608	1.76%
Commercial Paper	11,871,552.22	8.08%	146	1.98%
Municipal Bonds	13,132,929.37	8.94%	515	1.61%
<b>Total</b>	<b>\$ 146,959,801.65</b>	<b>100.00%</b>	<b>187</b>	<b>1.62%</b>

<u>Bond Proceeds</u>			
TexasPool		100.00%	
	\$ -	100.00%	
<b>Total</b>	<b>\$ 146,959,801.65</b>	<b>100.00%</b>	

<u>Compared to Policy Limits</u>		<u>Actual %</u>	<u>Guidelines</u>
TexasDAILY	\$ 33,184,032.11	22.81%	30.00%
TexPool	26,198,536.52	18.01%	50.00%
TexSTAR	27,074,251.43	18.61%	30.00%
Texas TERM CP	5,000,000.00	3.44%	30.00%
<b>Total LGIPS</b>	<b>\$ 91,456,820.06</b>	<b>62.87%</b>	
Certificates of Deposit	0.00	0.00%	50.00%
Treasury Securities	0.00	0.00%	100.00%
Government Agencies	28,998,500.00	19.94%	75.00%
Commercial Paper	11,871,552.22	8.16%	20.00%
Municipal Bonds	13,132,929.37	9.03%	20.00%
	<b>\$ 145,459,801.65</b>	<b>100.00%</b>	

Municipal Bonds by Entity as a Percentage of Portfolio

Florida State Board of Education Rev Bond	\$ 1,056,483.25	0.72%	5.00%
NY State Dormitory Rev Bond	\$ 1,136,145.67	0.77%	5.00%
City of Cedar Park, TX	\$ 2,478,324.96	1.69%	5.00%
NYC GO Bonds	\$ 4,057,631.11	2.76%	5.00%
Georgia Power Muni Rev Bond	\$ 1,355,899.88	0.92%	5.00%
TX A&M Univ Rev Bond	\$ 3,048,444.50	2.07%	5.00%
	<b>\$ 13,132,929.37</b>	<b>8.94%</b>	<b>20.00%</b>

Commercial Paper by Entity as a Percentage of Portfolio

Toyota CP 9/12/18	\$ 4,940,533.33	3.36%	5.00%
ING CP 8/6/18	\$ 6,931,018.89	4.72%	5.00%
	<b>\$ 11,871,552.22</b>	<b>8.08%</b>	<b>20.00%</b>

Investment Revenue & Accrued Interest	2nd Quarter 2018	FY 2018
TexasDAILY	\$ 138,155.72	\$ 210,979.66
TexPool	104,940.97	\$ 138,444.03
TexSTAR	92,313.85	\$ 143,175.68
Texas TERM CP	0.00	\$ -
Certificates of Deposit	0.00	\$ -
Treasury Securities	0.00	\$ -
Government Agencies	120,150.00	\$ 170,150.00
Commercial Paper	0.00	\$ -
Municipal Bonds	81,259.15	\$ 158,354.15
	<u>\$ 536,819.69</u>	<u>\$ 821,103.52</u>
<b>Discount Accretion &amp; Accrued Interest</b>		
TexasTERM CP	\$ 16,438.36	\$ 16,438.36
-less previous accruals	0.00	\$ -
Treasury Securities	0.00	\$ -
-less previous accruals	0.00	\$ -
Government Agencies	63,572.68	\$ 143,534.63
-less previous accruals	(101,377.50)	\$ (142,835.83)
Certificates of Deposit	0.00	\$ -
-less previous accruals	0.00	\$ -
Commercial Paper	35,665.56	\$ 35,665.56
-less previous accruals	0.00	\$ -
Municipal Bonds	64,071.67	\$ 129,816.53
-less previous accruals	(92,696.73)	\$ (182,565.91)
	<u>\$ (14,325.96)</u>	<u>\$ 53.34</u>
<b>Total Investment Revenue &amp; Accrued Interest</b>	<u>\$ 522,493.73</u>	<u>\$ 821,156.86</u>

Portfolio Yield and WAM	Yield	Weighted Average Maturity
January 2018	1.41%	173 days
February 2018	1.48%	177 days
March 2018	1.62%	187 days

**SUMMARY OF MARKET VALUES FOR THE QUARTER ENDED 3/31/18**

(Excludes funds in TexPool, TexasDAILY, and TexSTAR because the difference between book value and market value of Central Health shares is immaterial)

**Operating Portfolio**

	<u>Cost Value</u>	<u>Market Value</u>	<u>Unrealized Gain/(Loss)</u>	<u>Accrued Interest</u>
12/31/2017	\$ 41,060,574.85	\$ 40,703,799.30	\$ (356,775.55)	\$ 199,676.61
Changes	\$ 17,871,552.22	\$ 17,731,897.10	\$ (139,655.12)	\$ (25,640.93)
3/31/2018	<u>\$ 58,932,127.07</u>	<u>\$ 58,435,696.40</u>	<u>\$ (496,430.67)</u>	<u>\$ 174,035.68</u>

The primary source of market values was JP Morgan Chase safekeeping.  
This pricing was uploaded into our Tracker Investment Software.

**Central Health  
 Qrtly Report - Matured, Sold and Called Investments  
 Begin Date: 12/31/2017, End Date: 03/31/2018**

Portfolio Name	Description	CUSIP/Ticker	Face Amount/Shares	Principal	Settlement Date	Maturity Date	Coupon Rate
<b>Called</b>							
Healthcare Operating	FHLB Step 1/30/2019-18	3130AAQZ4	9,000,000.00	9,000,000.00	01/30/2018	01/30/2019	1.000
<b>Sub Total / Average</b>			<b>9,000,000.00</b>	<b>9,000,000.00</b>			



Central Health  
Purchases - QUARTERLY Report  
Begin Date: 12/31/2017, End Date: 03/31/2018

Description	CUSIP/Ticker	Broker/Dealer	Coupon Rate	Face Amount/Shares	Principal	Interest/ Dividends	Settlement Date	Maturity Date	YTM @ Cost
Healthcare Operating									
FAMC 1.94 10/2/2018	3132X0P21	Vining Spans	1.940	10,000,000.00	10,000,000.00	0.00	03/20/2018	10/02/2018	1.940
ING (Discount) 0 8/6/2018	4497W1H66	Wells Fargo	0.000	7,000,000.00	6,931,018.89	0.00	02/06/2018	08/06/2018	1.980
TexasTERM 2 10/26/2018	TEXASTERM102618	TexasTERM	2.000	5,000,000.00	5,000,000.00	0.00	01/30/2018	10/26/2018	2.000
Toyota Motor Credit TOYCC CP 0 9/12/2018	89233HJC9	Toyota Credit Corporation	0.000	5,000,000.00	4,940,533.33	0.00	02/01/2018	09/12/2018	1.978

Central Health  
 Q2 2018 - Beg-End Balance Quarterly Report  
 12/31/2017 to 03/31/2018

Description	CUSIP/Ticker	Beginning Fcse Amount/Shares	Coupon Rate	Beginning Cost Value	Maturity Date	Ending YTM @ Cost	Ending Cost Value	Total Buys	Total Sells	Ending MV	Ending Market Accrued Interest	Unrealized Gain/Loss-CV
Healthcare Operating												
Florida State Board of Education Rev Bond 4.941 7/	341507ZF1	1,000,000.00	4.941	1,048,660.00	07/01/2018	1.270	1,048,660.00	0.00	0.00	1,007,020.00	12,352.50	-41,640.00
ING (Discount) 0 8/6/2018	4497W1H66	0.00	0.000	0.00	08/06/2018	1.980	6,931,018.89	6,931,018.89	0.00	6,946,100.00	0.00	15,081.11
NY State Dormitory Rev Bond 2.45 8/15/2018	6499027L1	1,115,000.00	2.450	1,135,159.20	08/15/2018	1.200	1,135,159.20	0.00	0.00	1,116,750.55	3,490.57	-18,408.65
Toyota Motor Credit TOYCC CP 0 9/12/2018	89233HJC9	0.00	0.000	0.00	09/12/2018	1.978	4,940,533.33	4,940,533.33	0.00	4,949,050.00	0.00	8,516.67
FAMC 1.94 10/2/2018	3132X0P21	0.00	1.940	0.00	10/02/2018	1.940	10,000,000.00	10,000,000.00	0.00	9,953,970.00	5,927.78	-16,030.00
Texas TERM 2 10/26/2018	TEXASTERM102618	0.00	2.000	0.00	10/26/2018	2.000	5,000,000.00	5,000,000.00	0.00	5,000,000.00	16,438.36	0.00
FHLB Step 1/30/2019-18	3130AAO24	9,000,000.00	1.000	9,000,000.00	01/30/2019	1.400	0.00	0.00	9,000,000.00	0.00	0.00	0.00
City of Cedar Park, TX 1.516 2/15/2019	150461B67	2,455,000.00	1.516	2,460,646.50	02/15/2019	1.400	2,460,646.50	0.00	0.00	2,438,526.95	4,755.61	-22,119.55
NYC GO Bonds 2 12/1/2019	64966MGF0	4,000,000.00	2.000	4,042,520.00	12/01/2019	1.604	4,042,520.00	0.00	0.00	3,983,720.00	26,666.67	-58,800.00
Georgia Power Muni Rev Bond 3.78 1/1/2020	373541X48	1,285,000.00	3.780	1,348,209.15	01/01/2020	1.950	1,348,209.15	0.00	0.00	1,293,660.90	12,143.25	-54,548.25
FFCB 1.67 2/6/2020-18	3133EGSR2	9,000,000.00	1.670	9,000,000.00	02/06/2020	1.670	9,000,000.00	0.00	0.00	8,892,468.00	22,962.50	-107,532.00
Texas A&M Univ Rev Bonds 2.193 5/15/2020	86213ABR5	3,000,000.00	2.193	3,026,880.00	05/15/2020	1.900	3,026,880.00	0.00	0.00	2,983,170.00	24,854.00	-43,710.00
FHLB Step 11/23/2020-17	3130A9XU0	10,000,000.00	1.250	9,998,500.00	11/23/2020	1.650	9,998,500.00	0.00	0.00	9,841,260.00	44,444.44	-157,240.00
<b>Total Central Health</b>		<b>40,855,000.00</b>		<b>41,060,574.85</b>		<b>1.790</b>	<b>58,332,127.07</b>	<b>26,871,552.22</b>	<b>9,000,000.00</b>	<b>58,435,686.40</b>	<b>174,035.68</b>	<b>-486,430.67</b>

STATE OF TEXAS

COUNTY OF TRAVIS

CENTRAL HEALTH

Whereas, it appears to the Board of Managers of the Central Health, Travis County, Texas that there are sufficient funds on hand over and above those of immediate need for operating demand,

Now, Therefore, the Board of Managers hereby orders

- 1.) that the County Treasurer of Travis County, Texas, acting on behalf of Central Health, execute the investment of these funds in the total amount of \$5,092,893.33 in legally authorized securities as stipulated in the Travis County Healthcare District Investment and Collateral Policy for the periods as indicated in Attachment A, which consists of 9 pages.
- 2.) that the County Treasurer, acting on behalf of Central Health, take and hold in safekeeping all individual security investment instruments, relinquishing same only by order of the Board of Managers or for surrender at maturity.

Date: June 27, 2018

\_\_\_\_\_  
CHAIR, BOARD OF MANAGERS

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VICE CHAIR, BOARD OF MANAGERS

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MANAGER

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MANAGER

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MANAGER

CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

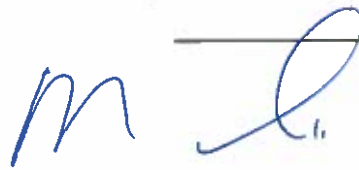
DATE: 5/31/2018

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Tex Star	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$538,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DATE	N/A	YIELD	1.7674%
PRINCIPAL:	\$538,000.00	PURCHASED THRU:	Tex Star
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$538,000.00	CUSIP #:	N/A
TRADE DATE:	5/31/2018	SETTLEMENT DATE:	5/31/2018

AUTHORIZED BY:



CASH/INVESTMENT MANAGER

**ATTACHMENT A**

CENTRAL HEALTH  
INVESTMENT DEPARTMENT  
SECURITY TRANSACTION FORM

DATE: 5/25/2018

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texas Daily	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$61,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DATE	N/A	YIELD	1.7600%
PRINCIPAL:	\$61,000.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$61,000.00	CUSIP #:	N/A
TRADE DATE:	5/25/2018	SETTLEMENT DATE:	5/25/2018

AUTHORIZED BY:

  
CASH/INVESTMENT MANAGER

CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

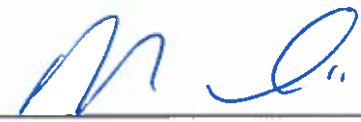
DATE: 5/24/2018  
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TIME: 10:30  
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The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texas Daily	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$18,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DATE	N/A	YIELD	1.7600%
PRINCIPAL:	\$18,000.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$18,000.00	CUSIP #:	N/A
TRADE DATE:	5/24/2018	SETTLEMENT DATE:	5/24/2018

AUTHORIZED BY:



\_\_\_\_\_  
 CASH/INVESTMENT MANAGER

CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

DATE: 5/23/2018

TIME: 9:30 AM

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	NATIXIS NY NATXNY CP (Discount)	FUND NAME:	CENTRAL HEALTH OPERATING
PAR VALUE:	\$ 3,000,000.00	SAFEKEEPING NO:	P 31317
COUPON RATE: (DISCOUNT)	2.420%	PRICE:	98.7832778
MATURITY DATE:	11/21/2018	US TREASURY CONVENTION YLD	2.4498%
PRINCIPAL:	\$ 2,963,498.33	PURCHASED THROUGH:	VINING SPARKS
ACCRUED INT:	\$ 0.00	BROKER:	DARLYNE HABA
TOTAL DUE:	\$ 2,963,498.33	CUSIP #:	63873KLM7
TRADE DATE:	5/23/2018	SETTLEMENT DATE:	5/24/2018

AUTHORIZED BY:



CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

DATE: 5/23/2018

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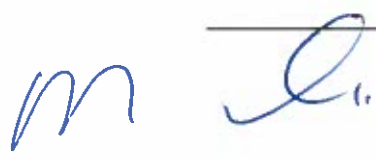
TIME: 10:30

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The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texas Daily	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$62,500.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DATE	N/A	YIELD	1.7500%
PRINCIPAL:	\$62,500.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$62,500.00	CUSIP #:	N/A
TRADE DATE:	5/23/2018	SETTLEMENT DATE:	5/23/2018

AUTHORIZED BY:



CASH/INVESTMENT MANAGER



CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

DATE: 5/15/2018  
 \_\_\_\_\_

TIME: 10:30  
 \_\_\_\_\_

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texas Daily	FUND NAME:	CENTRAL HEALTH
_____	_____	_____	_____
PAR VALUE:	\$32,895.00	SAFEKEEPING NO:	N/A
_____	_____	_____	_____
CPN/DISC RATE	N/A	PRICE:	100%
_____	_____	_____	_____
MATURITY DATE	N/A	YIELD	1.7900%
_____	_____	_____	_____
PRINCIPAL:	\$32,895.00	PURCHASED THRU:	Texas Daily
_____	_____	_____	_____
ACCRUED INT:	N/A	BROKER:	N/A
_____	_____	_____	_____
TOTAL DUE:	\$32,895.00	CUSIP #:	N/A
_____	_____	_____	_____
TRADE DATE:	5/15/2018	SETTLEMENT DATE:	5/15/2018
_____	_____	_____	_____

AUTHORIZED BY:

  
 \_\_\_\_\_  
 CASH/INVESTMENT MANAGER

CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

DATE: 5/10/2018

TIME: 10:30

The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texas Daily	FUND NAME:	CENTRAL HEALTH
PAR VALUE:	\$517,000.00	SAFEKEEPING NO:	N/A
CPN/DISC RATE	N/A	PRICE:	100%
MATURITY DATE	N/A	YIELD	1.7500%
PRINCIPAL:	\$517,000.00	PURCHASED THRU:	Texas Daily
ACCRUED INT:	N/A	BROKER:	N/A
TOTAL DUE:	\$517,000.00	CUSIP #:	N/A
TRADE DATE:	5/10/2018	SETTLEMENT DATE:	5/10/2018

AUTHORIZED BY:

  
 CASH/INVESTMENT MANAGER

CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

DATE: 5/2/2018  
 \_\_\_\_\_

TIME: 10:30  
 \_\_\_\_\_

The following transaction was executed on behalf of Central Health:

DESCRIPTION: Texas Daily FUND NAME: CENTRAL HEALTH  
 \_\_\_\_\_

PAR VALUE: \$68,000.00 SAFEKEEPING NO: N/A  
 \_\_\_\_\_

CPN/DISC RATE N/A PRICE: 100%  
 \_\_\_\_\_

MATURITY DATE N/A YIELD 1.7300%  
 \_\_\_\_\_

PRINCIPAL: \$68,000.00 PURCHASED THRU: Texas Daily  
 \_\_\_\_\_

ACCRUED INT: N/A BROKER: N/A  
 \_\_\_\_\_

TOTAL DUE: \$68,000.00 CUSIP #: N/A  
 \_\_\_\_\_

TRADE DATE: 5/2/2018 SETTLEMENT DATE: 5/2/2018  
 \_\_\_\_\_

AUTHORIZED BY:   
 \_\_\_\_\_  
 CASH/INVESTMENT MANAGER

CENTRAL HEALTH  
 INVESTMENT DEPARTMENT  
 SECURITY TRANSACTION FORM

DATE: 5/1/2018

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TIME: 10:30

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The following transaction was executed on behalf of Central Health:

DESCRIPTION:	Texas Daily	FUND NAME:	CENTRAL HEALTH
<hr/>		<hr/>	
PAR VALUE:	\$832,000.00	SAFEKEEPING NO:	N/A
<hr/>		<hr/>	
CPN/DISC RATE	N/A	PRICE:	100%
<hr/>		<hr/>	
MATURITY DATE	N/A	YIELD	1.7200%
<hr/>		<hr/>	
PRINCIPAL:	\$832,000.00	PURCHASED THRU:	Texas Daily
<hr/>		<hr/>	
ACCRUED INT:	N/A	BROKER:	N/A
<hr/>		<hr/>	
TOTAL DUE:	\$832,000.00	CUSIP #:	N/A
<hr/>		<hr/>	
TRADE DATE:	5/1/2018	SETTLEMENT DATE:	5/1/2018
<hr/>		<hr/>	

AUTHORIZED BY:

  
 \_\_\_\_\_  
 CASH/INVESTMENT MANAGER

CENTRAL HEALTH MONTHLY INVESTMENT REPORT  
 PORTFOLIO STATISTICS

DATE: May 31, 2018

By Fund Type

Operating	\$	138,729,334.01	100.00%
Debt Service		-	0.00%
Bond Proceeds		-	0.00%
Other		-	0.00%
<b>Total Portfolio</b>	<b>\$</b>	<b>138,729,334.01</b>	<b>100.00%</b>

By Security Type

Operating-

TexasDAILY	\$	33,348,115.47	24.04%
TexPool	\$	16,217,263.16	11.69%
TexSTAR	\$	25,697,475.46	18.52%
TexasTERM CP		5,000,000.00	3.60%
Non-Int Bearing Bank Account		1,500,000.00	1.08%
Certificates of Deposit		-	0.00%
Treasury Securities		-	0.00%
Government Agencies		28,998,500.00	20.90%
Commercial Paper		14,835,050.55	10.69%
Municipal Bonds		13,132,929.37	9.47%
<b>Total</b>	<b>\$</b>	<b>138,729,334.01</b>	<b>100.00%</b>

Debt Service-

TexPool		0.00	#DIV/0!
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>#DIV/0!</b>

Bond Proceeds-

TexPool		-	#DIV/0!
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>#DIV/0!</b>

Compared to Policy Limits

			Actual %	Guidelines
TexasDAILY		33,348,115.47	24.30%	30.00%
TexPool		16,217,263.16	11.82%	50.00%
TexSTAR		25,697,475.46	18.73%	30.00%
TexasTERM CP		5,000,000.00	3.64%	30.00%
<b>Total LGIPS</b>	<b>\$</b>	<b>80,262,854.09</b>	<b>58.49%</b>	<b>60.00%</b>
Certificates of Deposit		-	0.00%	50.00%
Treasury Securities		-	0.00%	100.00%
Government Agencies		28,998,500.00	21.13%	75.00%
Commercial Paper		14,835,050.55	10.81%	20.00%
Municipal Bonds		13,132,929.37	9.57%	20.00%
	<b>\$</b>	<b>137,229,334.01</b>	<b>100.00%</b>	

Commercial Paper by Entity as a Percentage of Portfolio

Toyota CP 9/12/18	\$ 4,940,533.33	3.56%	5.00%
ING CP 8/6/18	\$ 6,931,018.89	5.00%	5.00%
NATIXIS CP 11/21/18	\$ 2,963,498.33	2.14%	5.00%
	<u>\$ 14,835,050.55</u>	<u>10.69%</u>	<u>20.00%</u>

Municipal Bonds by Entity as a Percentage of Portfolio

Florida State Board of Education Rev Bond	\$ 1,056,483.25	0.76%	5.00%
NY State Dormitory Rev Bond	\$ 1,136,145.67	0.82%	5.00%
City of Cedar Park, TX	\$ 2,478,324.96	1.79%	5.00%
NYC GO Bonds	\$ 4,057,631.11	2.92%	5.00%
Georgia Power Muni Rev Bond	\$ 1,355,899.88	0.98%	5.00%
TX A&M Univ Rev Bond	\$ 3,048,444.50	2.20%	5.00%
	<u>\$ 13,132,929.37</u>	<u>9.47%</u>	<u>20.00%</u>

Investment Revenue & Accrued Interest

	May-18	Fiscal YTD
<u>Interest/Dividends-</u>		
TexasDAILY	\$ 49,168.09	\$ 302,668.02
TexPool	34,452.65	\$ 213,570.61
TexSTAR	36,972.29	\$ 215,975.32
TexasTERM CP	0.00	\$ -
Certificates of Deposit	0.00	\$ -
Treasury Securities	0.00	\$ -
Government Agencies	62,500.00	\$ 232,650.00
Commercial Paper	0.00	\$ -
Municipal Bonds	32,895.00	\$ 191,249.15
	<u>\$ 215,988.03</u>	<u>\$ 1,156,113.10</u>
<u>Discounts, Premiums, &amp; Accrued Interest</u>		
TexasTERM CP	\$ 8,493.15	\$ 33,150.68
-less previous accruals	0.00	\$ -
Certificates of Deposit	0.00	\$ -
-less previous accruals	0.00	\$ -
Treasury Securities	0.00	\$ -
-less previous accruals	0.00	\$ -
Government Agencies	29,679.88	\$ 211,050.04
-less previous accruals	(51,180.56)	\$ (194,016.39)
Commercial Paper	21,492.78	\$ 76,591.67
-less previous accruals	0.00	\$ -
Municipal Bonds	20,883.51	\$ 175,535.99
-less previous accruals	(35,649.00)	\$ (226,362.56)
	<u>\$ (6,280.24)</u>	<u>\$ 75,949.43</u>
Total Investment Revenue & Accrued Interest	<u>\$ 209,707.79</u>	<u>\$ 1,232,062.53</u>



## CENTRAL HEALTH

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## **BOARD MEETING**

**June 27, 2018**

## **AGENDA ITEM C5**

Approve a contract between Central Health and Braun & Butler Construction for construction management services related to alternate utilities for the Clinical Education Center on the Brackenridge Campus, as recommended by the Budget and Finance Committee.

## MEMORANDUM

**To:** Central Health Board of Managers  
**From:** Steven Lamp, VP Real Estate and Facilities  
**CC:** Mike Geeslin, President and CEO  
**Date:** June 13, 2018  
**Re:** Agenda item 2: CEC Alternate Utilities Construction Contract - **ACTION REQUESTED**

---

### **Overview:**

Central Health plans to install alternate utility systems to support the CEC Complex on Central Health's Downtown Campus (formerly UMCB). This installation reduces operations cost and liability, and allows decommissioning and closure of the central plant. This item awards a Construction Management - Guaranteed Maximum Price (CM-GMP) contract to Braun & Butler Construction for this work.

### **Synopsis:**

Central Health executed a lease with the Seton Family of Hospitals (Seton) for the CEC Complex on Central Health's Downtown Campus extending through September 2024. A lease provision requires that Central Health provide chilled water (air conditioning), steam (hot water and heating), emergency electric power and medical gases (utilities) to the CEC. These utilities originate from the central plant.

The central plant is designed to support over 800,000 square feet of space. Its systems and equipment do not scale down to the less than 160,000 square feet of the CEC Complex so its continued operation is inefficient and expensive. Limited utilities demand and service continues to the former hospital tower, but this need ceases in the near future. This project provides alternate, dedicated utilities for the CEC allowing shut down and closure of the central plant.

Central plant closure eliminates an estimated \$500,000 in annual Central Health operations costs, allows equipment salvage to offset against pending environmental and/or demolition costs, and allows possible, earlier redevelopment of the central plant's footprint.

Central Health issued an RFP for Construction Management services in March, 2018. Braun & Butler was subsequently selected by an evaluation committee.

Seton agreed to reimburse Central Health for up to \$2,040,000 of CEC Alternate Utilities Project cost for this work.

### **Action Requested:**

Staff requests Central Health Board of Managers' approval to award a CM-GMP Agreement to Braun & Butler Construction for an amount not to exceed \$1,800,000.



**Fiscal Impact:**

Funds are included in the approved FY18 Budget (Real Estate – UMCB) and contingent upon Board of Managers approval. Central Health will fund design and construction as most work is outside Seton’s leasehold, and to control the scope of work. Seton is obligated to reimburse project costs to Central Health within nine (9) months of project completion.

Total award is for a Guaranteed Maximum Price/Not-to-Exceed (NTE) of \$1,800,000. Award is in two phases: Phase 1: Pre-construction / design phase planning (\$4,500); and Phase 2: NTE \$1,795,500 for equipment procurement and construction.

# CENTRAL HEALTH BUDGET & FINANCE COMMITTEE

## **CEC Alternate Utilities Project - Construction Management Agreement**

June 13, 2018

# CEC Alternate Utilities Project

Central Health – Seton CEC Lease Agreement

Central Health Provide Utilities to CEC Complex  
Source = Central Plant  
Evaluate & Design

Construction Management Agreement – Request Approval to Negotiate & Execute

Result:

Decommission Central Plant  
Eliminate Central Health Operational Liability

Seton Reimburses Project Cost - \$2,040,000



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 1**

Receive and discuss a presentation on the proposed Fiscal Year (FY) 2019 Budget for the Community Care Collaborative.

# CCC FY19 Budget Priorities

**Central Health Board of Managers**  
**June 27 2018**



A Central Health and Seton partnership

# Draft CCC FY19 Budget



- **Supports Central Health Strategic Objectives:**
  - Develop and execute health care delivery strategy based on place & people
  - Implement coordinated and patient-focused health care system
  - Implement sustainable financial model for health care delivery and system strategies by 2024
- **Enhancements in key areas:**
  - System infrastructure
  - Specialty care
  - Continuum of Care
- **Budget Development Assumptions**

# FY18 Highlights & FY19 Budget Goals



FY18 Highlights	FY19 Goals
<b>Strategic Focus Area 1: Build an Integrated Delivery System</b>	
Jonestown primary care site; MAT Program; Palliative Care	OHCA v2; Home Health and Medical Management
<b>Strategic Focus Area 2: Redesign Coverage Programs</b>	
Sliding Fee Scale Enrollment Program design & approvals	Implement program, expand to 12-month enrollment
<b>Strategic Focus Area 3: Improve Value in Care</b>	
Hub & Spoke specialty care; ENT; ophthalmology improvements; alternative visits	Technology-assisted care (virtual urgent care, e-consults); FIT Testing; new initiatives in Neurology, GI, Podiatry, Imaging
<b>Strategic Focus Area 4: Optimize Health of Covered Population</b>	
SDOH interventions; Healthcare for the Homeless; Year 1 of DSRIP 2.0	Performance Year 2 of DSRIP 2.0; Health Equity Roadmap

# Budget Development Timeline



- 6/27 – Central Health Board of Managers (*initial presentation of the CCC budget*)
- 7/10 – CCC Board of Directors (*initial presentation of the CCC budget*)
- 7/18 – CH Budget & Finance Committee (*CCC budget*)
- 8/8 – CH Budget & Finance Committee (*CCC budget*)
- 8/21 – Travis Co. Commissioner’s Court (*CH budget & tax rate*)
- 8/29 – First public hearing (*CH budget*)
- 9/5 – Second public hearing (*CH budget*)
- 9/7 – CCC Board of Directors (*CCC budget adoption*)
- 9/12 – Central Health Board of Managers (*CH & CCC budget adoption*)
- 9/18 – Travis Co. Commissioner’s Court (*CH budget & tax rate*)



# Thank You

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[www.ccc-ids.org](http://www.ccc-ids.org)



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 2**

Receive and discuss reports from Board committees: Budget and Finance Committee Strategic Planning Committee, and Downtown Campus Committee.



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 3**

Receive and discuss a briefing regarding *Birch, et al. v. Travis County Healthcare District d/b/a Central Health and Mike Geeslin*, Cause No. D-1-GN-17-005824 in the 345th District Court of Travis County.<sup>1</sup>



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 4**

Discuss and take appropriate action on an agreement between Central Health and the 2033 Fund for the lease of real property on the Central Health Brackenridge Campus, as recommended by the Central Health Downtown Campus Committee.<sup>1</sup>



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## BOARD MEETING

**June 27, 2018**

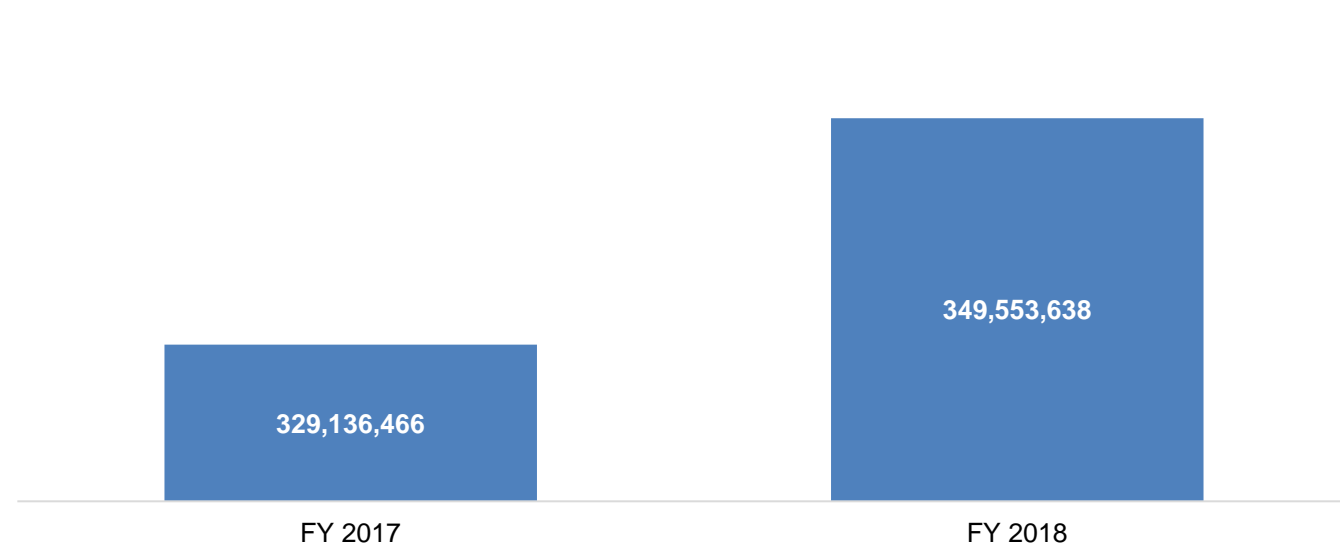
## REGULAR AGENDA ITEM 5

Receive and discuss a report from the President & CEO on Central Health operations and current activities, including: (a) the current strategic plan and related measures or dashboards; (b) an assessment of systems and processes and prioritization of activities and initiatives; and (c) personnel matters.<sup>1</sup>

# Monthly Financial Dashboard—May 2018\*

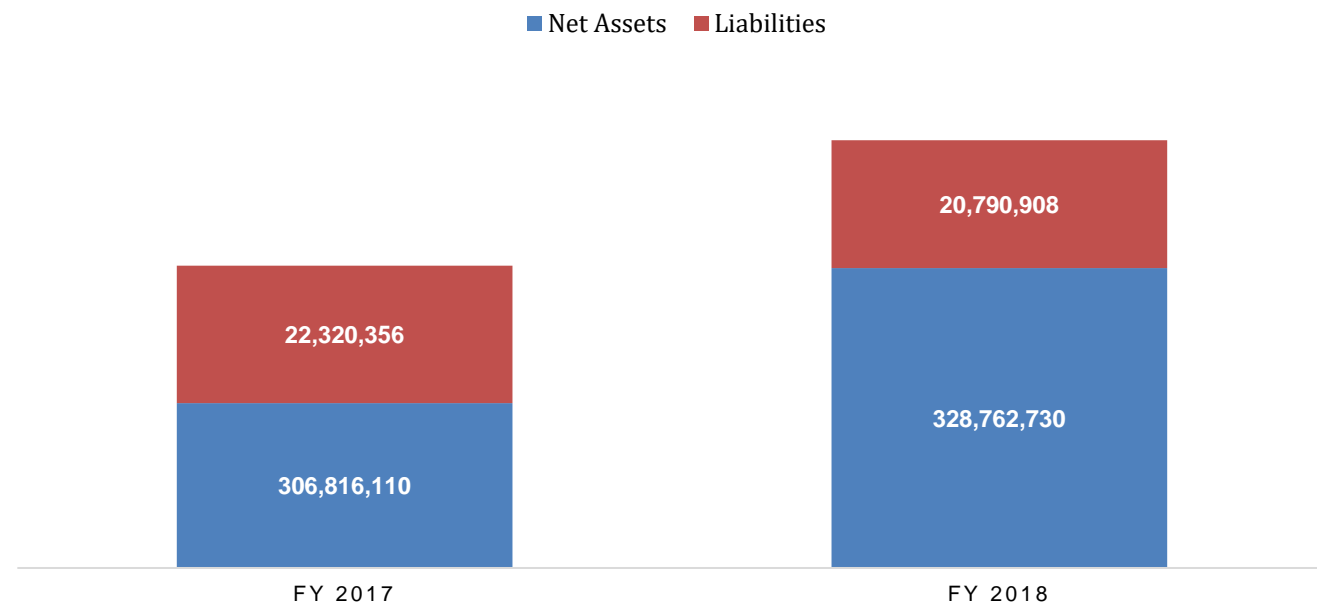
\*Unaudited results

## Assets (May 31, 2018)



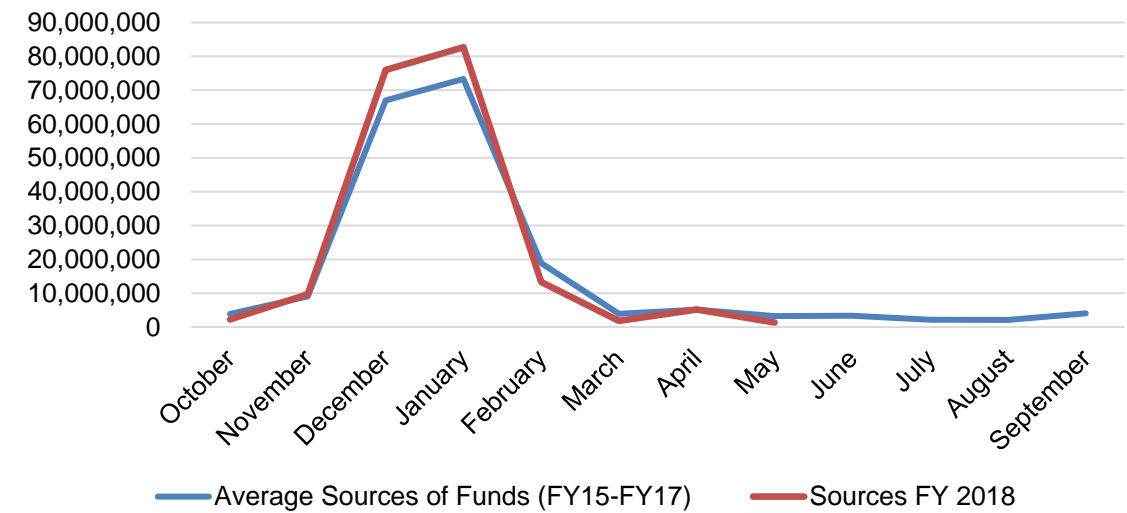
Note: Central Health has a strong cash and short-term investments position. Current assets include cash, investments and accounts receivable which could be converted to cash within one year.

## Liabilities and Net Assets (May 31, 2018)



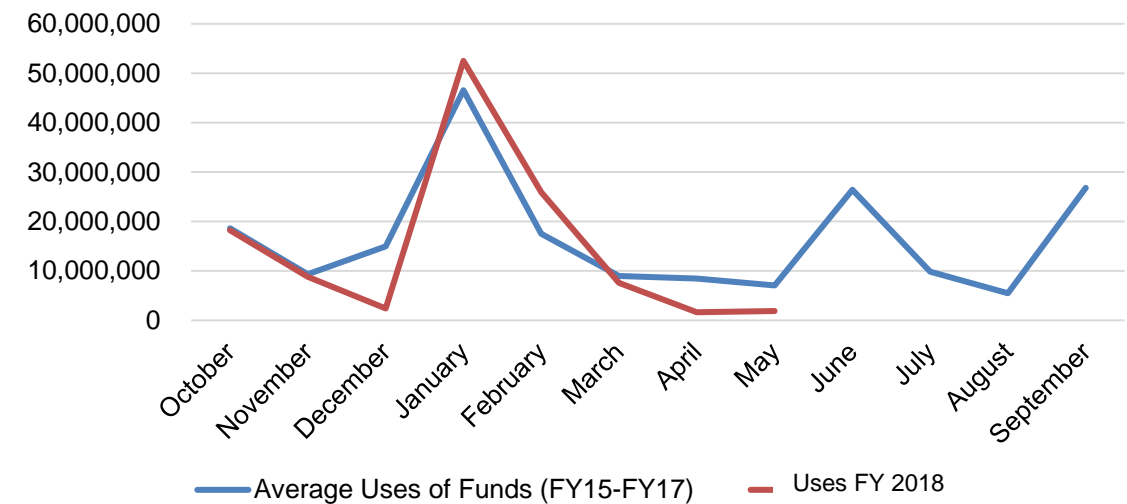
Note: Net assets are equal to total assets minus total liabilities.

## Sources of Funds (Revenue) by Month



FY15-FY17 year-to-date average monthly sources: \$23.1 million  
 FY18 year-to-date average monthly sources: \$24 million

## Uses of Funds (Expenses) by Month



FY15-FY17 year-to-date average monthly uses: \$16.4 million  
 FY18 year-to-date average monthly uses: \$14.9 million

# Enterprise Dashboards FY 2018



Monthly	Quarterly	Annually	Bi-Annually
<b>Financials</b> <i>Monthly unaudited financials; three year trend</i>	<b>CCC Service Dashboard</b> <i>Patients, encounters and three year trends</i>	<b>Composite Dashboard</b> <i>Tax revenue and patients served</i>	<b>Access To Care</b> <i>Hospital based patient reencounters</i>
<b>Interactive Provider Map</b> <i>Hospitals, clinical and enrollment locations</i>	<b>Clinical Quality</b> <i>Performance metrics and benchmarks</i>	<b>Demographics Clinical Report</b> <i>Race/ethnicity, age, gender, language</i>	<b>Quality Metrics</b> <i>Patient reported outcomes</i>
	<b>CUC Services</b> <i>Patients, encounters and three year trends</i>		<b>Level of Service</b> <i>Specialty care encounters by service line</i>



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 6**

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>





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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 7**

Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.<sup>1</sup>



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 8**

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



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## **BOARD MEETING**

**June 27, 2018**

## **REGULAR AGENDA ITEM 9**

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