



CENTRAL HEALTH

Our Vision

Central Texas is a model healthy community.

Our Mission

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

Our Values

Central Health will achieve excellence through:

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

Innovation - We create solutions to improve healthcare access.

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**

**Tuesday, July 17, 2018, 6:00 p.m.
(or to follow the Strategic Planning 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 the minutes of the following meeting of the Central Health Board of Managers Budget and Finance Committee:
 - a. June 13, 2018.
2. Discuss and take appropriate action to establish a vendor pool for geotechnical engineering services.
3. Discuss and take appropriate action to establish a vendor pool for legal services.
4. Discuss and take appropriate action on an agreement between the Community Care Collaborative and Covenant Management Systems, L.P. d/b/a MediView for claims processing and third-party administrative services.¹

Presentations and Reports:

5. Receive a report of the June 2018 financial statements for Central Health.
6. Receive a report of the June 2018 financial statements for the Community Care Collaborative.

Standing Items:

7. Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.¹

- 8. 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.¹
- 9. Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc., including the effect of federal legislative and regulatory actions.¹
- 10. Confirm the next regular Budget and Finance 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
July 2018.
 Dana DeBeauvoir
 County Clerk, Travis County, Texas
 By A. Macedo Deputy



A. MACEDO

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OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Jul 13, 2018 09:26 AM

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Travis County TEXAS



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 1

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

- a. June 13, 2018

MINUTES OF MEETING – JUNE 13, 2018

CENTRAL HEALTH BOARD OF MANAGERS
BUDGET AND FINANCE COMMITTEE

On Wednesday, June 13, 2018, the Central Health Board of Managers Budget and Finance Committee convened at 5:30 p.m. in the Board Room, 1111 East Cesar Chavez, Austin, Texas 78702. Clerk for the meeting was Ms. Emily Farris.

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

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

REGULAR AGENDA

3. Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2019 Budget.

Clerk's Notes: Discussion on this item began at 5:32 p.m. Ms. Lisa Owens, Vice President of Financial Operations for Central Health, presented an update on the FY 2019 Proposed Budget. Ms. Owens described how the budget would support the Strategic Plan, the financial assumptions used in preparing the Proposed Budget, and the 5-year budget forecast associated with adoption of a 4.5% over effective property tax rate.

No action was taken on item 3.

2. Discuss and take appropriate action on a contract between Central Health and Braun & Butler Construction for construction manager-at-risk services in connection with the construction planning and installation of alternative utilities for the Clinical Education Center located on the Central Health Downtown Campus.

Clerk's Notes: Discussion on this item began at 5:49 p.m. Mr. Steven Lamp, Vice President of Real Estate and Facilities for Central Health, requested approval of a contract for construction manager-at-risk services that would be utilized to de-commission the central plant and install an alternate utilities system on the Downtown Campus. Pursuant to the Clinical Education Center Lease Agreement between Central Health and the Seton Family of Hospitals (Seton), Seton agreed to reimburse Central Health up to \$2,040,000 for this project. Mr. Lamp also emphasized that the services to be procured were competitively solicited and that the contractor selected through the procurement process offered the best value to Central Health.

Manager Valadez moved that the Committee recommend that the Board approve a contract between Central Health and Braun & Butler Construction for construction manager-at-risk 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. Manager Greenberg seconded the motion.

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

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.¹

Clerk's Notes: Discussion on this item began at 5:56 p.m. Chairperson Bell announced that the Committee was convening in executive session to discuss agenda items 7 and 8 under Section 551.085 of the Texas Government Code, Deliberation of Governing Board of Certain Providers of Health Care Services.

The Committee reconvened in open session at 7:41 p.m.

Manager Museitif left the meeting at 7:41 p.m.

No action was taken on item 7.

8. Discuss and take appropriate action on an update regarding Sendero Health Plans, Inc.¹

No action was taken on item 8.

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

Clerk's Notes: Discussion on this item began at 7:42 p.m. Ms. Owens presented Central Health's financial statements for May 2018. The presentation included a balance sheet, a sources and uses report, a summary of health care delivery expenses, and a review of the Intergovernmental Transfer (IGT) payments made during Fiscal Year 2018.

No action was taken on item 4.

5. Receive a report of the May 2018 financial statements for the Community Care Collaborative.

Clerk's Notes: Discussion on this item began at 7:48 p.m. Ms. Owens presented the CCC financial statements for May 2018. The presentation included a balance sheet, a sources and uses report, health care delivery expenses, and selected primary and specialty care provider expenditures.

No action was taken on item 5.

1. Approve the minutes of the following meeting of the Central Health Board of Managers Budget and Finance Committee:
a. May 16, 2018 Joint Strategic Planning Committee and Budget and Finance Committee.

Clerk's Notes: Discussion on this item began at 7:54 p.m. Manager Valadez moved that the Committee approve the minutes of the following meeting of the Central Health Board of Managers Budget and Finance Committee:

- a. May 18, 2018.

Manager Greenberg seconded the motion.

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

6. Discuss and take appropriate action on Central Health owned property, including the Downtown Campus and adjacent properties.¹

Clerk's Notes: Item 6 was not discussed.

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

Clerk's Notes: Discussion on this item began at 7:55 p.m. Chairperson Bell announced that the next Central Health Board of Managers Budget and Finance Committee meeting is scheduled for Wednesday, July 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	For
Manager Greenberg	For
Manager Jones	For
Manager Museitif	Absent
Manager Oliver	Absent
Manager Valadez	For
Manager Zamora	For

The meeting was adjourned at 7:56 p.m.

Charles Bell, Committee Chairperson
Central Health Budget and Finance Committee



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 2

Discuss and take appropriate action to establish a vendor pool for geotechnical engineering services.

MEMORANDUM

To: Central Health Budget & Finance Committee
From: Steven Lamp, Vice President – Real Estate & Facilities
CC: Mike Geeslin, President and CEO
Date: July 5, 2018
Reference: Agenda Item # 2
Discuss and take appropriate action to establish a vendor pool for geotechnical engineering services
ACTION ITEM

Overview:

During the remaining months of Fiscal Year 2018 and in Fiscal Year 2019, Central Health will be moving forward with plans to construct new health and wellness facilities at multiple locations throughout Travis County, including eastern Travis County, and may advance development on the Central Health Downtown Campus. Geotechnical site investigation and engineering services will be needed to support and advance new facility designs. Site investigations and subsequent laboratory analyses of collected samples inform building foundation type and design.

Synopsis:

Central Health completed a Request for Qualifications (RFQ – 1711-005) to solicit, evaluate, and select professional engineering firms to provide site investigation and geotechnical engineering services. The RFQ was advertised on BidSync, with direct outreach to several regional firms that had expressed interest in working with Central Health. The RFQ was additionally advertised on the Electronic State Bulletin and Central Health’s website. Six firms responded and three were selected for a pool.

An evaluation committee assessed:

- Firm Experience and Capabilities
- Project Team Structure
- Project Staffing
- Key Staff Experience
- Project Experience
- Quality Control / Quality Assurance Programs

Firms selected include ECS Southwest, Fugro and Terracon Consultants. All firms are required to make a good faith effort to include and engage HUB subconsultants and/or subcontractors in any work awarded. Geotechnical firms typically subcontract field investigations (test bore drilling and sampling) which provides good opportunity for HUB participation.

Action Requested:

Recommend that the Board of Managers authorize the President and CEO to execute agreements with the selected firms to establish a vendor pool for geotechnical engineering and subsurface investigation services.



Fiscal Impact:

Initial needs for smaller projects, such as several eastern Travis County projects, will be funded from the FY18 Real Estate budget. More significant project needs (e.g., Colony Park) will be included in the proposed FY19 capital projects budget. The projected total amount of funds allocated to the pool for both FY18 and FY19 is not expected to exceed \$100,000. Funding for major projects, including those on the Downtown Campus, will be included in FY19 estimate for capital project costs and may be funded via bonds or Certificates of Obligation, which will be submitted for Board approval.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 3

Discuss and take appropriate action to establish a vendor pool for legal services.

MEMORANDUM

To: Central Health Budget & Finance Committee
From: Mike Geeslin, President & CEO
CC: Stephanie McDonald, Chief of Staff
Date: July 17, 2018
Re: Agenda item #3: Discuss and take appropriate action to establish a vendor pool for legal services.
ACTION ITEM

Overview:

If authorized by the Board of Managers, the President and CEO will enter into agreements with the law firms listed below to establish a vendor pool for legal services. The firms were selected using a competitive Request for Proposals process. Establishment of a vendor pool for legal services will create an efficient process for engaging outside legal counsel on an as needed basis. Engagements will be coordinated with the Purchasing Department and in house legal counsel.

Synopsis:

The complexity of Central Health’s operations often creates the need for specialized legal services. The selected firms have a variety of expertise, including healthcare, intellectual property, and real estate. The Request for Proposals generated interest from several firms that have not previously provided services to Central Health. Together with the continued engagement of firms with current contracts, a legal services pool will ensure the availability of qualified firms and help manage costs.

The RFP was advertised on BidSync, Central Health’s website, the Austin American Statesman, Ahora Si, and The Villager. BidSync directly contacted a total of 3,178 firms, including 165 Disadvantaged Business Enterprises, 517 Small Businesses, and 226 Women Owned Businesses. A good faith effort to recruit Historically Underutilized Businesses (HUB) was requested from proposers.

The evaluation team reviewed and ranked proposals based on these factors:

- 1) Legal Experience;
- 2) Proposed Attorney Qualifications;
- 3) Approach to Legal Services;
- 4) Pricing Methodology; and
- 5) Overall Merit of the Proposer’s Proposal.

The following firms were selected:

Firm	Principal
Haynes and Boone	Kenya S. Woodruff, Partner
Locke Lord	Jennifer L. Rangel, Partner
Meyertons Hood Kivlin Kowert & Goetzel	Dwayne K. Goetzel, Director and Shareholder
Winstead	Sarah Churchill Llamas, Shareholder

Action Requested:

Recommend that the Board of Managers authorize the President and CEO to enter into agreements with the selected law firms to establish a vendor pool for legal services.

Fiscal Impact:

The effective date of the proposed agreements will be October 1, 2018. The amount budgeted for legal services in the Fiscal Year 2019 budget for Central Health will be determined during the budget process, subject to approval by the Board of Managers. The budget for legal services will be determined based on anticipated business needs for Fiscal Year 2019.

Fiscal Year 2018 Legal Services Budget

	Budgeted Amount	Year-to-Date (as of July 12, 2018)
Executives/Board of Managers	\$900,000	\$466,583
Other (e.g. Real Estate, Operations Management, Finance, Human Resources)	\$557,400	\$282,785
Total	\$1,457,400	\$749,324



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 4

Discuss and take appropriate action on an agreement between the Community Care Collaborative and Covenant Management Systems, L.P. d/b/a MediView for claims processing and third-party administrative services.¹

MEMORANDUM

To: Central Health Board of Managers
Mike Geeslin, President & CEO, Central Health

From: Jonathan Morgan, Interim Executive Director and COO, Community Care Collaborative
Jeff Knodel, CFO, Community Care Collaborative

CC: Larry Wallace, CAO, Central Health & Chairman, CCC Board of Directors

Date: July 12, 2018

RE: Item 5: CCC Administrative Services Agreement for Healthcare Claims Processing – **ACTION ITEM**

Overview:

In August 2017, following a competitive Request for Proposal (RFP) process, the CCC entered into an administrative services agreement with Seton Health Plan (“SHP”) for healthcare claims processing services through an affiliated organization, Automated Benefit Services (“ABS”). Due to ongoing concerns and limitations, claims processing was not fully implemented with ABS and the CCC began exploring alternative options in December 2017.

The CCC is currently processing approximately 75% of claims volume internally. While inefficient and unsustainable over the long-run, these manual processes have ensured timely payment to providers and continuity of services for our patients while the CCC evaluated options for a long-term solution. This memo requests Central Health Board Action to approve a longer term contract with a new vendor, MediView.

The CCC is seeking approval of an agreement with Covenant Management Systems, L.P. d/b/a MediView (“MediView”) for claims processing services beginning August 1, 2018. The initial term of the agreement runs through September 30, 2018 and allows the CCC and MediView to begin joint planning, configuration and testing processes immediately. Approval of this agreement enables the CCC to begin processing claims on the MediView platform as soon as September 1, 2018. The agreement also includes five one-year renewal options with fixed per-claim pricing for the first two renewal terms and a mutually agreed upon price inflator in subsequent years.

MediView has demonstrated their ability to fully configure and adjudicate claims for the MAP program through previous engagements with Central Health as a subcontractor through Sendero and Seton Health Plans. Additionally, MediView was a respondent to the 2017 RFP, and came in second in the procurement process. Due to the previously mentioned ABS limitations, the CCC began to evaluate other options with MediView to develop competitive and sustainable financial terms for the CCC. MediView’s previous experience processing claims for the MAP program allows for a faster-than-typical system configuration and start date. This engagement supports CCC initiatives—(1) of adding Sliding Fee Scale to electronic claims adjudication and (2) developing the capability of processing Seton Healthcare Family claims for MAP and Charity Care services for our analytical and planning purposes.

The CCC is working through processing remaining claims with SHP and ABS that will likely continue for up to six months. While the CCC will discontinue claims processing through ABS, we are likely to continue partnering with Seton Health Plan for other related services such as utilization management, provider credentialing and network access opportunities. Currently, many of the CCC’s urgent care and

skilled nursing facilities are contracted through Seton Health Plan.

Ensuring timely and accurate payment for healthcare services through electronic claims processing is a core function of the CCC's operating model. Approving this agreement will allow the CCC to resume timely and accurate payment. Earlier this month, the CCC Board of Directors approved the agreement between the CCC and MediView subject to approval by the Central Health Board of Managers.

Action Requested:

The CCC requests the Central Health Board of Managers authorize the CCC Executive Director to enter into an administrative services agreement with Covenant Management Systems, L.P. d/b/a MediView for healthcare claims processing for 62 months beginning August 1, 2018 for a total amount not to exceed \$8,475,000 which includes fixed, per-claim pricing through fiscal year 2020 and a mutually agreed upon price inflator in subsequent renewal terms:

- Up to \$500,000 for a two-month initial term;
- Up to \$1,500,000 for a one-year renewal term in fiscal year 2019;
- Up to \$1,500,000 for a one-year renewal term in fiscal year 2020;
- Up to \$1,575,000 for a one-year renewal term in fiscal year 2021;
- Up to \$1,650,000 for a one-year renewal term in fiscal year 2022; and
- Up to \$1,750,000 for a one-year renewal term in fiscal year 2023.

Fiscal Impact:

The fiscal year 2018 CCC budget includes the funding anticipated for the initial term (Healthcare Delivery Operations, Operations Department, Claims administration, \$1,500,000). Renewal term cost estimates will be incorporated into the CCC's fiscal year 2019 and subsequent budgets.

Central Health Reserved Powers:

Pursuant to Section 2.7.6 of the Second Amended and Restate Bylaws of the CCC, any agreement between the CCC and an affiliate of a member requires the affirmative action of all of the members; MediView is an affiliate of Seton Family of Hospitals as defined in Section 9.5(a) of the CCC bylaws.

Administrative Services Agreement for Healthcare Claims Processing

**Central Health Board of Managers
Budget & Finance Committee
July 17, 2018**

**Jeff Knodel, Chief Financial Officer
Jonathan Morgan, COO & Interim Executive Director**



a partnership of Central Health and Seton Healthcare Family

Agreement for Healthcare Claims Processing



- In August 2017, the CCC entered into an agreement with Seton Health Plan for healthcare claims processing through Automated Benefit Services.
- Due to ongoing configuration concerns and system limitations, claims processing was not fully implemented.
- CCC staff are currently processing as much as 75% of healthcare services claims volume internally to minimize the impact of payment delays to providers and to ensure service continuity for our patients.
- CCC began discussing a transition and a new administrative services agreement with MediView (Covenant Management Systems, LP) in December 2017
- MediView has demonstrated its ability to fully configure and adjudicate for the MAP program through two prior engagements.
- The CCC is seeking an agreement with MediView that will serve as the basis for a long-term, sustainable model for claims processing.

Request



- Authorize the CCC to enter into an administrative services agreement with Covenant Management Systems, LP d/b/a MediView for healthcare claims processing.

Amount	Total not-to-exceed \$8,475,000 <ul style="list-style-type: none">• Up to \$500,000 for a two-month initial term;• Up to \$1,500,000 for a one-year renewal term (FY2019);• Up to \$1,500,000 for a one-year renewal term (FY2020);• Up to \$1,575,000 for a one-year renewal term (FY2021);• Up to \$1,650,000 for a one-year renewal term (FY2022); and• Up to \$1,750,000 for a one-year renewal term (FY2023).
Budgeted Item	FY 2018 CCC Budget/Healthcare Delivery Operations/ Operations Department/Claims Administration
Proposed Term	August 2018 – September 2023

Section 3.8.6 of the CCC Master Agreement, the Central Health Board of Managers must approve any agreement (or amendment of an agreement) between the Corporation and a Member or an Affiliate of a Member.

Thank You

www.ccc-ids.org



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**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 5

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



CENTRAL HEALTH

Central Health

Financial Statement Presentation

FY 2018 – as of June 30, 2018

Central Health Budget and Finance Committee
July 17, 2018
Lisa Owens, VP of Financial Operations





June 2018 Financial Highlights

- Through the first nine months of fiscal year 2018.
- Sent Intergovernmental Transfer of \$13.8 million, related to Uncompensated Care, in June.
- Paid CCC for Member Payment, \$15.0 million.
- Year-to-date, collected net property tax revenue of \$181.0 million (99.5% of fiscal 2018 budget).
- Collected 98.58% of the adjusted tax levy.



Balance Sheet
As of June 30, 2018
(Page 1 of 2, Assets)

	<u>FY 2018</u>	<u>FY 2017</u>
Assets		
Current Assets		
Cash and cash equivalents	1,600,789	2,600,959
Short-term investments	99,495,398	123,814,993
Ad valorem taxes receivable	1,542,599	1,170,108
Other receivables	11,455,568	4,667,218
Prepaid expenses	611,901	41,672
Total Current Assets	114,706,255	132,294,950
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	6,429,810	7,049,098
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	63,132,098
Capital Assets		
Land	11,770,184	11,770,184
Buildings and improvements	132,393,816	132,398,348
Equipment and furniture	8,909,710	10,302,221
Construction in progress	2,585,884	2,003,347
Less accumulated depreciation	(39,296,472)	(36,225,203)
Total Capital Assets	116,363,122	120,248,897
Total Assets	319,582,187	315,675,945



Balance Sheet
As of June 30, 2018
(Page 2 of 2, Liabilities and Net Assets)

	<u>FY 2018</u>	<u>FY 2017</u>
Liabilities		
Current Liabilities		
Accounts payable	1,869,890	20,857,625
Salaries and benefits payable	487,919	664,269
Other Payables	7,063,190	3,780,177
Debt service payable, short-term	1,149,732	1,128,798
Capital Lease Obligation, Short-Term	90,703	86,375
Deferred tax revenue	1,508,270	1,423,075
Other deferred revenue	-	3,174,900
Total Current Liabilities	<u>12,169,704</u>	<u>31,115,219</u>
Noncurrent Liabilities		
Debt service payable, long-term	8,350,000	9,380,000
Capital Lease Obligation, Long-Term	129,120	213,053
Total Noncurrent Liabilities	<u>8,479,120</u>	<u>9,593,053</u>
Total Liabilities	<u>20,648,824</u>	<u>40,708,272</u>
Net Assets		
Unrestricted	182,570,242	154,718,776
Investment in Capital Assets	116,363,121	120,248,897
Total Net Assets	<u>298,933,363</u>	<u>274,967,673</u>
Liabilities and Net Assets	<u><u>319,582,187</u></u>	<u><u>315,675,945</u></u>



Sources and Uses Report

Fiscal Year-to-Date through June 30, 2018

(Excludes Depreciation Expense)

	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Percent of Budget Used	Prior Year-To-Date
Sources					
Property Tax Revenue	257,599	181,009,348	181,839,054	99.5%	169,342,278
Lease Revenue	857,841	8,170,568	10,303,467	79.3%	25,549,705
Other Revenue	213,741	1,492,001	400,000	373.0%	709,221
Tobacco Settlement Revenue	-	3,426,346	1,800,000	190.4%	3,510,614
Contingency Reserve (Appropriated) ⁽¹⁾	-	51,560,311	43,482,960	118.6%	51,876,745
Total Sources	1,329,181	245,658,574	237,825,481	103.3%	250,988,563
Uses of Funds					
Total Healthcare Delivery	30,211,924	144,462,120	227,029,206	63.63%	144,717,330
Administrative Program					
Salaries and benefits	292,973	2,658,469	4,413,183	60.24%	2,845,625
Legal Fees	77,796	603,723	926,200	65.18%	731,093
Consulting Fees	21,700	727,225	1,208,800	60.16%	152,175
Other Purchased Goods and Services	179,393	1,315,427	2,595,333	50.68%	1,223,870
Total Administrative Program	571,862	5,304,844	9,143,516	58.02%	4,952,763
Tax Collection Expenses	2,151	1,532,815	1,652,760	92.74%	1,443,009
Total Uses	30,785,937	151,299,779	237,825,481	63.62%	151,113,102
Excess Sources Over (Under) Uses	(29,456,756)	94,358,795	-		99,875,461

(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 June 30, 2018 (Excludes Depreciation Expense)

	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Percent of Budget Used	Prior Year-To-Date
Intergovernmental Transfers (IGTs) ⁽¹⁾	13,889,203	112,623,259	142,920,000	78.8%	103,815,820
Provider Costs					
Primary Care	11,463	538,985	1,731,800	31.1%	438,750
DSRIP Project Expense	-	585,985	-	0.0%	901,816
Charity Care ⁽⁵⁾	-	1,062,933	4,251,733	25.0%	3,188,800
New Healthcare Initiatives ⁽⁴⁾	-	-	500,000	0.0%	-
Member Payment to CCC ⁽²⁾	15,000,000	15,000,000	29,245,166	51.3%	20,000,000
Medical Administration	-	462,956	666,657	69.4%	462,956
Subtotal Provider Costs	15,011,463	17,650,859	36,395,356	48.50%	24,992,322
Service Expansion Funds ⁽³⁾	-	-	2,000,000	0.00%	-
Total IGTs and Provider Costs	28,900,666	130,274,118	181,315,356	71.8%	128,808,142
Healthcare Delivery Operating Costs					
Salaries and benefits	307,936	2,547,724	3,897,517	65.4%	2,475,013
Consulting Services	24,636	18,097	389,000	4.65%	126,382
Legal Fees	15,279	41,162	31,200	131.9%	37,223
Other Services and Purchased Goods	175,077	1,358,370	3,894,185	34.9%	1,262,772
Subtotal HCD Operating Costs	522,928	3,965,353	8,211,902	48.29%	3,901,390
Other Costs					
UMCB Campus Redevelopment	580,964	1,685,615	4,360,644	38.7%	780,741
ACA Enrollment and Subsidy	177,433	1,838,382	2,700,000	68.1%	1,072,755
Debt Service	29,933	1,280,730	1,372,795	93.3%	1,274,302
Subtotal Other Costs	788,330	4,804,727	8,433,439	56.97%	3,127,798
Reserves, Appropriated Uses and Transfers	-	5,417,922	29,068,509	18.64%	8,880,000
Total Healthcare Delivery	30,211,924	144,462,120	227,029,206	63.63%	144,717,330

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

⁽²⁾ 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.

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

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

⁽⁵⁾ Seton.



Recap of FY18 IGT Payments Actuals Through June 30, 2018

<i>\$ in millions</i>	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Under (Over) Budget
Private UC	-	16.0	24.0	8.0
UMCB UC	-	12.7	25.0	12.3
DSH	13.9	33.9	35.0	1.1
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
Total	13.9	112.6	142.9	30.3



Questions? Comments?



Balance Sheet (Assets) – Slide 3

Current Assets

Cash and Cash Equivalents – \$1.6 million

Short-term Investments – Short-term investments were \$99.5 million at month-end, which is net of restricted investments of \$6.4 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.5 million balance is composed of the 2017 tax levy of \$2.9 million, delinquent prior years' taxes of \$2.2 million, and tax distributions in transit from the Travis County Tax Office of \$80 thousand, partially offset by estimated allowances for doubtful collections and adjustments of \$3.7 million.

Other Receivables – Other receivables total \$11.4 million and consists of intercompany balances of \$11.2 million, and interest receivable of \$238K.

Prepaid Expenses – \$611K balance composed of \$600K prepaid accounts payables and appraisal and collection fees, and \$11K in deposits.

Total Current Assets – \$114.7 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

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

Sendero Surplus Debenture – \$17.1 million (unchanged)

Capital Assets – \$116.4 million, net of accumulated depreciation.

Total Assets – \$319.5 million



Balance Sheet (Liabilities and Net Assets) – Slide 4

Current Liabilities

Accounts Payable – Major components of the \$1.8 million balance are:

- \$1.7 million in vendor invoices at month-end, and
- \$109K in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$487K 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 – \$7.0 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 \$119K is accrued interest and \$1.0 million is Certificates of Obligation Payable.

Capital Lease Obligation, Short-Term – \$90K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$1.5 million for the uncollected portion of the 2017 tax levy.

Total Current Liabilities – \$12.1 million

Noncurrent Liabilities

Debt Service Payable, Long-Term – \$8.3 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 – \$129K related to medical equipment leased at Southeast Health and Wellness Center.

Total Noncurrent Liabilities – \$8.4 million

Total Liabilities – \$20.7 million



Net Assets

Unrestricted Net Assets – \$182.5 million

Investment in Capital Assets – \$116.4 million

Total Net Assets – \$298.9 million

Total Liabilities and Net Assets – \$319.5 million

Sources and Uses Report – Slide 5

June financials → Nine months, 75.0% of the fiscal year

Sources

Property Tax Revenue – Net property tax revenue for the month of June was \$258K. Net revenue includes \$301K current month's collections, less \$43K in adjustments for prior year delinquent taxes. Current year's collections were 99.5 % of the fiscal 2018 budget.

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

Other Revenue – \$214K interest income on investments.

Uses of Funds

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$30.2 million for the month.

Administration Program – \$571K in expense for the month, which includes:

- Personnel costs – \$293K
- Legal fees – \$78K
- Consulting services – \$21K
- Other general and administrative – \$179K

Tax Collection Expenses – \$2K

Excess Sources Over (Under) Uses – Net assets decreased by \$29.4K in June. Year-to-date, net assets have increased by \$94.3 million.



Healthcare Delivery Expense – Slide 6

Provider Costs – Healthcare delivery providers' expense for June totaled \$15.0 million, which includes:

- Primary care – \$11K
- Member Payment to CCC - \$15.0 million

Healthcare Delivery Operating Cost – \$523K in expenses for the month and includes:

- Personnel costs – \$308K
- Consulting services – \$25K
- Legal fees – \$15K
- Other services and purchased goods – \$175K

Other Costs – \$788K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$580K
- ACA Enrollment and Subsidy – \$177K
- Debt Service – \$29K

Total Healthcare Delivery for the month of June was \$30.2 million.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 6

Receive a report of the June 2018 financial statements for the Community Care Collaborative.

Community Care Collaborative

Financial Statement Presentation

FY 2018 – as of June 30, 2018

Central Health Board of Managers
Budget and Finance Committee
July 17, 2018

Lisa Owens, VP of Financial Operations



a partnership of Central Health and Seton Healthcare Family

General



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

Balance Sheet

As of June 30, 2018



	FY 2018	FY 2017
Assets:		
Cash and Cash Equivalents ⁽¹⁾	\$ 51,121,410	\$ 41,164,295
Other Receivables	310,772	20,082,311
Prepaid and Other	432,133	234,278
Total Assets	\$ 51,864,315	\$ 61,480,884
Liabilities and Net Assets:		
AP and Accrued Liabilities	\$ 28,385,449	\$ 47,354,637
Deferred Revenue	2,801,052	2,801,052
Other Liabilities	178,329	228,314
Accrued Payroll	429,495	311,829
Total Liabilities	\$ 31,794,325	\$ 50,695,832
Net Assets ⁽¹⁾	20,069,990	10,785,052
Total Liabilities and Net Assets	\$ 51,864,315	\$ 61,480,884

⁽¹⁾ Includes \$5M Emergency Reserve Balance

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through June 30, 2018



		Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Sources of Funds	DSRIP Revenue	\$ 58,000,000	\$ 56,542,764	97%	\$ 56,739,332
	Member Payment - Seton ⁽¹⁾	58,800,000	30,000,000	51%	-
	Member Payment - Central Health ⁽¹⁾	29,245,166	15,000,000	51%	20,000,000
	Operations Contingency Carryforward	9,883,321	13,065,346	132%	26,316,998
	Other Sources	100,000	167,265	167%	173,164
	Total Sources of Funds	\$ 156,028,487	\$ 114,775,375	74%	\$ 103,229,494
Uses - Programs	Healthcare Delivery	103,132,675	63,998,295	62%	52,538,145
	UT Services Agreement	35,000,000	35,000,000	100%	35,000,000
	DSRIP Project Costs	17,895,812	707,089	4%	9,906,299
	Total Uses	\$ 156,028,487	\$ 99,705,384	64%	\$ 97,444,444
Sources Over (Under) Uses		\$ -	\$ 15,069,991		\$ 5,785,050

⁽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 June 30, 2018



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery Services				
Primary Care	\$ 52,186,817	\$ 37,140,799	71%	32,988,597
Specialty Care	13,475,915	5,959,510	44%	2,420,491
Specialty Behavioral Health	8,833,856	6,930,894	78%	6,121,500
Specialty Dental Care	629,711	301,239	48%	334,203
Post-Acute Care	2,400,000	1,506,694	63%	1,379,670
Pharmacy	6,350,000	3,578,939	56%	2,849,464
Medical Management	2,111,102	1,831,184	87%	1,130,427
Urgent and Convenient Care	600,000	102,319	17%	145,967
Healthcare Delivery Operations ⁽¹⁾	12,931,378	6,646,717	51%	5,167,825
Contingency Reserve	3,613,896	-	0%	-
Total Healthcare Delivery Operations	\$ 103,132,675	\$ 63,998,295	62%	\$ 52,538,145

⁽¹⁾ Additional detail provided

Healthcare Delivery Costs – Primary Care

Fiscal Year-to-Date through June 30, 2018



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Primary Care				
CommUnityCare	\$ 41,850,000	\$ 30,906,700	74%	\$ 26,716,673
El Buen Samaritano	2,350,000	1,664,675	71%	1,660,067
Lone Star Circle of Care	4,364,995	2,552,424	58%	2,363,191
Peoples Community Clinic	2,500,000	1,369,511	55%	1,641,944
Volunteer Clinic ⁽¹⁾	100,000	117,596	118%	84,311
UT School of Nursing	100,000	3,263	3%	0
Prevention and Wellness	225,000	4,015	2%	0
City of Austin EMS	696,822	522,617	75%	522,411
	<u>\$ 52,186,817</u>	<u>\$ 37,140,799</u>	<u>71%</u>	<u>\$ 32,988,597</u>

⁽¹⁾ Contract was amended by \$100,000 in May 2018.

HCD Providers Expenditures – Specialty Care Detail

Fiscal Year-to-Date through June 30, 2018



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Specialty Care				
Consultation and Referral Platform	\$ 700,000	\$ -	0%	\$ -
Consultation Services	250,000	18,844	8%	-
Cardiology	150,000	40,657	27%	3,000
CommUnityCare Specialty	2,000,000	1,845,511	92%	190,138
Dermatology	100,000	-	0%	-
Ear, Nose and Throat	400,000	190,125	48%	-
Gastroenterology	800,000	560,049	70%	183,688
Gynecology IPU	1,500,000	385,994	26%	-
Oncology Services	2,500,000	412,170	16%	485,435
Ophthalmology	950,915	1,110,435	117%	523,290
Orthopedics	2,000,000	652,225	33%	534,761
Orthotics and Prosthetics	200,000	76,319	38%	126,890
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	174,290	58%	13,182
Urology	450,000	112,500	25%	108,179
Project Access	330,000	247,500	75%	247,500
Ancillary Services	350,000	129,555	37%	-
	\$ 13,475,915	\$ 5,959,510	44%	\$ 2,420,491

HCD Operations Expenditures

Fiscal Year-to-Date through June 30, 2018



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery Operations				
Eligibility and Enrollment	1,478,005	674,051	46%	-
Quality, Assessment and Performance	1,995,199	827,883	41%	489,958
Project Management Office	1,463,784	758,517	52%	-
Operations Department	3,497,608	1,615,630	46%	1,945,460
Health Information Technology	3,236,029	1,726,570	53%	1,506,758
Administration	1,260,753	1,044,067	83%	1,225,649
Total Healthcare Delivery Operations	\$ 12,931,378	\$ 6,646,717	51%	\$ 5,167,825

Thank You

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Balance Sheet

Current Assets

Cash and Cash Equivalents – \$51.1 million

Other Receivables – \$311K

Prepaid and Other – \$432K

Total Assets – \$51.9 million

Liabilities

Accounts Payable and Accrued Liabilities – \$28.4 million, which includes:

- \$21.2 million estimated IBNR to providers
- \$1.1 million non-provider accruals
- \$5.4 million to Central Health

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

Other Liabilities – \$178K; includes leasehold improvement allowance liability of \$154K

Payroll Liabilities – \$429K; includes PTO liability

Total Liabilities – \$31.8 million

Net Assets

Emergency Reserve – \$5.0 million

Unrestricted Net Assets – \$15.1 million

Total Net Assets – \$20.1 million

Total Liabilities and Net Assets – \$51.9 million



Sources and Uses Report

June financials → nine months, 75% of the fiscal year

Sources of Funds, Year-to-Date

DSRIP Revenue - \$56.5M for DY6 DSRIP Projects

Member Payments - \$45M for Central Health and Seton Member Payments; in June CCC received a \$20M Member Payment from Seton and a \$15M Member Payment from CH.

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

	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery Services				
Primary Care	\$ 52,186,817	\$ 37,140,799	71%	32,988,597
Specialty Care	13,475,915	5,959,510	44%	2,420,491
Specialty Behavioral Health	8,833,856	6,930,894	78%	6,121,500
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Medical Management	2,111,102	1,831,184	87%	1,130,427
Urgent and Convenient Care	600,000	102,319	17%	145,967
Healthcare Delivery Operations ⁽¹⁾	12,931,378	6,646,717	51%	5,167,825
Contingency Reserve	3,613,896	-	0%	-
Total Healthcare Delivery Operations	\$ 103,132,675	\$ 63,998,295	62%	\$ 52,538,145

UT Services Agreement - In June, the \$35M payment was made to University of Texas, per the affiliation agreement.

DSRIP Project Costs - \$707K in DSRIP project costs.

Change in Net Assets – Year-to-date change in net assets is an increase of \$1.2M.

BOARD PACKET



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 7

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



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 8

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.¹



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 9

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



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

July 17, 2018

AGENDA ITEM 10

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