



Fiscal Year 2012 Approved Budget Executive Summary

Who We Are

The Travis County Healthcare District (doing business as “Central Health”) was created by vote of the Travis County electorate in May 2004. Its purpose is the provision of medical and hospital care to eligible residents of Travis County, a responsibility that was previously shared by Travis County and the City of Austin prior to Central Health’s creation. Central Health’s mission is to create access to healthcare for those who need it most.

While Texas law defines eligible residents as individuals at or below 21% of the federal poverty level (currently \$4,693 for a family of four), Central Health defines its identified population as uninsured or underinsured residents up to 200% of the federal poverty level (currently \$44,700 for a family of four).

Fiscal Year 2012 Operating Budget

Central Health has adopted the role of community steward in considering its responsibility to those in need of services and to all Travis County taxpayers. Central Health developed this fiscal year 2012 budget to help support the most appropriate level of care to our target population and to assure that taxpayer dollars are used in the most effective manner possible.

From its inception in fiscal year 2005, Central Health has worked consistently to fulfill its mission of creating access to healthcare for those who need it most. Over the last seven years, Central Health has steadily increased the provision of healthcare services to its population and has worked with a variety of healthcare providers and stakeholders to augment and improve the healthcare safety net here in Travis County. At the same time, Central Health has gradually but steadily increased its revenue and expenditures to carry out its mission: in fiscal year 2005, total expenditures were \$58.5 million; in fiscal year 2012, total expenditures in this budget are \$125.5 million.

Over its history, Central Health has benefitted significantly from its ownership of University Medical Center Brackenridge (UMCB), a level one trauma center. Central Health leases UMCB to the Seton Healthcare Family under a long-term arrangement and receives base and additional lease rent that has contributed to its ability to expand service. In addition, UMCB and other Seton facilities provide acute and specialty care services for the eligible low-income and uninsured population that Central Health serves.



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Central Health has been prudent with its tax rate since its inception and has adopted the effective tax rate (the rate that brings in the same amount of tax revenue as the prior year) for the last two years. Although Central Health had budgeted to spend down some of its excess reserves in prior years, it had never done so due to positive revenue and expense variances in each of those years. However, for the first time since inception, in the current fiscal year 2011, Central Health will in fact spend some of the reserves that it budgeted to spend in order to deliver needed services to the community.

Central Health's current tax rate (fiscal year 2011) is 7.19. This 2012 budget includes a total tax rate of 7.89 cents per \$100 of assessed value, with an operating tax rate of 7.74 cents, a 6.5% increase above the effective operations and maintenance tax rate of 7.27 cents. In addition, Central Health will levy a debt service tax rate of .15 cents to pay its budgeted 2012 debt service of \$1.4 million. The debt service tax rate will provide debt service funds for Certificates of Obligation that fund the purchase and renovation of a large facility in southeast Travis County and a portion of the construction cost of Central Health's North Central Community Health Center, the remainder of which was funded with Federal grant dollars.

Together, these two facilities will comprise the hubs of Central Health's service area, which are complemented by 20 other facilities offering a variety of services. These sites are operated by Central Health's affiliated entity, CommUnityCare, a 501(c)(3), non-profit corporation. Central Health and CommUnityCare are "co-applicants" in that they share the Federally Qualified Health Center designation from the Federal government that allows the sites to receive pharmacy discounts and enhanced reimbursement for services funded by Medicaid.

In fiscal year 2012, Central Health will continue to fund the expanded network of providers it has assembled over the last several years and will also fund the start-up of a Medicaid HMO, Sendero Health Plans. Sendero intends to provide Medicaid managed care services in an eight-county region here in Central Texas and will also assume the medical management of Central Health's Medical Access Program enrollees. The following are highlights of the District's fiscal year 2012 operating budget:

- It includes a total tax rate of 7.89 cents per \$100 of assessed valuation, with an operating rate of 7.74 cents and a debt service rate of .15 cents;
- It includes the use of \$19.8 million in total reserves, \$12.5 million of which will come from a reserve of \$27.6 million established to capitalize Sendero Health Plans over its initial five years of operation;
- It includes a total of \$8.7 million more in budgeted property tax revenue, \$7.3 of which is for service delivery and operations and \$1.4 of which is for debt service;



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- It continues the practice of budgeting additional lease revenue from University Medical Center Brackenridge and the Dell Children's Medical Center;
- It continues the same level of enhanced primary care visits as the 2011 amended budget and includes an increased payment of \$3 million to CommUnityCare for the operation of new or expanded sites;
- It continues the enhanced level of funding provided in the amended 2011 budget of \$7.9 million for inpatient mental health services; and
- It includes \$3.0 million in unallocated service expansion funds that can be used to fund additional services or projects not currently funded in this preliminary budget.

2012 Capital Budget

The FY2012 capital budget totals \$1.85 million and includes the following:

- \$1 million for information technology equipment, including additional data needs for expansion and relocation of facilities, replacement of computers and peripheral equipment, etc.;
- \$500,000 for potential expansion site needs; and
- \$350,000 for capital maintenance for the Community Health Centers;

Following this narrative are two budget schedules. The first is a one-page revenue and expense summary budget for fiscal years 2011, as amended, and 2012 (Attachment A) and the second is a six-page detailed expense budget for fiscal years 2011, as amended, and 2012 that breaks out the components of Central Health's Healthcare Delivery Program and Administration Program (Attachment B).



**Fiscal Year 2011 and FY 2012
Revenue and Expense Summary Budget**

DESCRIPTION	FY 2011 BUDGET AS AMENDED	FY 2012 PROPOSED BUDGET
TAX RATE	0.0719	0.0789
SOURCES OF FUNDS		
Property Tax Revenue	66,431,022	75,073,380
Seton Lease-Base Revenue	1,096,656	1,096,656
Seton Lease-Additional Revenue	28,389,113	27,353,875
Interest Revenue	1,800,000	800,000
Tobacco Litigation Settlement Revenue	1,400,000	1,300,000
UTMB Contract Revenue	58,740	58,740
Contributions from Reserves	17,281,203	19,797,981
Total Sources	116,456,734	125,480,632
USES OF FUNDS		
Healthcare Delivery Expense	109,559,283	118,188,333
Administration Expense	6,095,471	6,410,121
Sendero Risk-Based Capital	-	-
Tax Collection Expense	801,980	882,178
Total Uses	116,456,734	125,480,632
RESERVES		
Capital	6,568,394	-
HMO - Risk-Based Capital	-	15,083,000
Contingency Reserve (formerly Allocated Reserve)	26,045,842	41,974,471
Emergency Reserve (formerly Unallocated Reserve)	56,947,672	35,792,220
Total Reserves	89,561,908	92,849,691
CAPITAL BUDGET		
Land	-	-
Building	-	-
Facility Improvements	12,612,000	850,000
Equipment & Information Systems	910,400	1,000,000
Total Capital	13,522,400	1,850,000



FY 2011 and FY 2012 Expense Detail

ACCOUNT	DESCRIPTION	FY 2011 BUDGET AS AMENDED	%	FY 2012 PROPOSED BUDGET	%
HEALTH CARE DELIVERY					
	Personnel Expenses				
07.01	Salaries - Regular Salaries	2,135,594		1,468,766	
20.02	Benefits - FICA Tax-OASDI	126,065		90,447	
20.03	Benefits - Hospitalization	184,826		206,532	
20.04	Benefits - Life Insurance	3,043		1,834	
20.05	Benefits - Retirement Contribution 401a	130,640		83,233	
20.05	Benefits - Def Comp 457	21,202		10,357	
20.06	Benefits - Worker's Compensation	6,762		6,762	
20.07	Benefits - FICA Tax-Medicare	30,966		21,298	
20.08	Benefits - Dental	10,143		9,886	
20.09	Benefits - LTD/STD	6,390		4,028	
20.10	Benefits - Other 2011	1,747		-	
20.10	Benefits - Back up Care 2011	1,761		-	
20.10	Benefits - Other 2012	-		3,508	
25.00	PTO	148,427		138,631	
27.10	Benefits-Unemployment	7,325		7,325	
20.10	Benefits - Cell Phone Allowance	-		416	
20.10	Salary/Benefits - Backcharges & Vacancy Savings	-		(255,506)	
	Subtotal Personnel Expenses	2,814,890	2.42%	1,797,517	1.43%
	Operating Expenses				
30.01	Supplies - Supplies, Equip & Furniture	63,589		29,740	
30.02	Supplies - Software	7,500		2,500	
30.03	Supplies-Hardware	21,600		6,600	
30.05	Supplies-Minor tools, office furniture	21,034		9,334	
30.16	Supplies - Meetings & Refreshments	1,528		1,000	
40.07	Professional Svc - Consulting	690,000		410,000	
40.12	Professional Svc - Legal	50,000		50,000	
40.99	Professional Svc - Other Professional Services	350,900		123,900	
41.02	Communication - Postage/Freight	10,158		20,075	
41.06	Cellular Phone	1,440		1,440	
42.02	Routine Travel - Auto Mileage-Employees	4,855		4,855	
42.06	Contracted Transportation	2,820		2,820	
48.01	Public Utility Svcs - Utilities	4,000		-	
48.04	Water	2,000		-	
48.05	Waste Disposal	1,200		-	
60.27	Printing/Copying	85,000		85,000	
60.29	Advertising	3,120		50,000	
60.50	Custodial	38,875		-	



FY 2011 and FY 2012 Expense Detail

ACCOUNT	DESCRIPTION	FY 2011 BUDGET AS AMENDED	%	FY 2012 PROPOSED BUDGET	%
60.52	Security	44,000		-	
61.03	Rent - Office Equipment	6,280		6,000	
61.04	Rents & Leases (property)	90,400		-	
64.06	Employee Relations	20,000		-	
65.01	Prof Dev - Subscriptions & Publications	5,060		2,560	
65.02	Prof Dev-Professional Memberships	3,500		1,300	
65.03	Prof Dev-Travel Meals & Lodging	8,108		3,108	
65.04	Prof Dev - Training & Seminars	21,200		9,200	
65.05	Prof Dev-Professional Licenses	1,500		1,000	
84.01	Depreciation	2,500,000		2,800,000	
84.01	Addback for non-financial use	-		(2,800,000)	
85.03	Payments-Certificates of Obligation	157,000		1,456,378	
	Subtotal Operating Expense	4,216,667	3.62%	2,276,810	1.81%
	Healthcare Services				
61.05	Rental equipment(MAP)	3,000	0.00%	3,000	0.00%
62.76	OAC-Transportation(MAP, non emergency & EMS)	381,560	0.33%	396,822	0.32%
62.77	OAC-Other Medical (MAP)	200,000	0.17%	100,000	0.08%
62.78	OAC-Dental Services (MAP)	791,711	0.68%	596,711	0.48%
62.79	OAC-ICC Medicaider(MAP)	164,760	0.14%	164,760	0.13%
62.80	OAC-Childrens Optimal Health	35,000	0.03%	35,000	0.03%
62.81	OAC-Continuity Clinic-Paul Bass	709,647	0.61%	709,647	0.57%
62.81	OAC-Paul Bass Specialty Care	462,000	0.40%	462,000	0.37%
62.82	OAC-Other Primary Care (El Buen)	1,020,000	0.88%	1,020,000	0.81%
62.82	OAC-Other Primary Care (Lone Star Circle of Care)	3,025,160	2.60%	3,029,995	2.41%
62.82	OAC-Other Primary Care (Blackstock)	202,045	0.17%	202,045	0.16%
62.82	OAC-Urgent Care	115,000	0.10%	115,000	0.09%
62.83	Medicaid Payments - Regional UPL	26,900,000	23.10%	24,000,000	19.13%
62.85	Third Party Administrator	1,434,215	1.23%	-	0.00%
62.85	Sendero - medical and claims management	-	0.00%	2,682,300	2.14%
62.85	OAC-Three Share Program	194,180	0.17%	-	0.00%
62.86	OAC-Speciality Care-Vision	117,277	0.10%	117,277	0.09%
62.87	OAC-Seton Brack Pharmacy	171,670	0.15%	171,670	0.14%
62.89	OAC-Austin Cancer Centers	334,000	0.29%	334,000	0.27%
62.89	OAC-Orthotics	27,000	0.02%	27,000	0.02%
62.90	OAC -CommUnityCare	36,263,878	31.14%	38,393,926	30.60%
62.91	OAC - Seton Hospital	4,140,697	3.56%	4,251,734	3.39%
62.91	OAC - Seton Hospital (High Risk OB Clinic)	(600,000)	-0.52%	(600,000)	-0.48%
62.92	OAC - UTMB	3,900,000	3.35%	3,900,000	3.11%
62.91	Seton Community Centers	250,000	0.21%	-	0.00%



FY 2011 and FY 2012 Expense Detail

ACCOUNT	DESCRIPTION	FY 2011 BUDGET AS AMENDED	%	FY 2012 PROPOSED BUDGET	%
62.93	OAC - People's Comm Clinic	948,295	0.81%	1,048,000	0.84%
62.94	OAC - Women's Services	450,000	0.39%	-	0.00%
62.95	OAC - Other (Project Access)	330,000	0.28%	330,000	0.26%
62.96	OAC - ICC	1,141,275	0.98%	1,141,275	0.91%
62.97	OAC - Pharmacy Program	4,503,160	3.87%	4,391,525	3.50%
62.99	OAC - Seton/Other Mental Health	8,190,319	7.03%	8,190,319	6.53%
62.99	United Way	700,000	0.60%	700,000	0.56%
62.99	Samaritan Health Ministries	100,000	0.09%	-	0.00%
62.99	Recuperative Care Beds	300,000	0.26%	300,000	0.24%
62.99	Volunteer Healthcare Clinic	100,000	0.09%	100,000	0.08%
62.99	HMO Start-up	2,500,000	2.15%	2,300,000	1.83%
98.50	Service Expansion Funds	1,521,877	1.31%	3,000,000	2.39%
98.50	Sendero paid-in capital	1,500,000	1.29%	12,500,000	9.96%
	Subtotal Healthcare Services	102,527,726	88.04%	114,114,006	90.94%
	Total Healthcare Delivery	109,559,283	94.08%	118,188,333	94.19%



FY 2011 and FY 2012 Expense Detail

ACCOUNT	DESCRIPTION	FY 2011 BUDGET AS AMENDED	%	FY 2012 PROPOSED BUDGET	%
ADMINISTRATION					
	Personnel Expenses				
07.01	Salaries - Regular Salaries-Operations	2,273,317		2,650,793	
07.91	Salaries - Reserve	250,000		200,000	
20.02	Benefits - FICA Tax-OASDI	112,024		144,512	
20.03	Benefits - Hospitalization	175,974		294,454	
20.04	Benefits - Life Insurance	2,897		3,404	
20.05	Benefits - Retirement Contribution 401a	124,615		154,546	
20.05	Benefits - Def Comp 457	20,186		26,616	
20.06	Benefits - Worker's Compensation	6,438		6,438	
20.07	Benefits - FICA Tax-Medicare	30,556		38,359	
20.08	Benefits - Dental	9,657		10,020	
20.09	Benefits - LTD/STD	6,084		6,249	
20.10	Benefits - Other 2011	1,663		-	
20.10	Benefits - Back up Care 2011	2,500		-	
20.10	Benefits - Other 2012	-		4,163	
25.00	PTO	175,411		251,801	
27.10	Benefits-Unemployment	6,794		6,795	
20.10	Benefits - Cell Phone Allowance	-		6,036	
05.20	Salaries - Administrator's Car Allowance	-		5,000	
20.10	Benefits - Employee Relocation Expense	-		5,000	
20.10	Salary/Benefits - Backcharges & Vacancy Savings	-		(450,858)	
	Subtotal Personnel Expenses	3,198,117	2.75%	3,363,328	2.68%
	Operating Expenses				
05.20	Salaries - Administrator's Car Allowance	5,000		-	
30.01	Supplies - Supplies, Equip & Furniture	21,600		21,600	
30.02	Supplies - Software	23,245		23,245	
30.03	Supplies-Hardware	33,000		33,000	
30.05	Supplies-Minor tools, office furniture	3,000		3,000	
30.11	General Maintenance	62,355		62,355	
30.16	Supplies - Meetings & Refreshments	10,250		10,250	
40.05	Professional Svc - Auditing	40,000		55,000	
40.06	Professional Svc - Accounting	21,000		21,000	
40.07	Professional Svc - Consulting	483,620		483,620	
40.08	Professional Svc - Data - IT Support	133,650		133,650	
40.09	Bank Fees	6,000		6,000	
40.12	Professional Svc - Legal	611,500		611,500	
40.99	Professional Svc - Other Professional Services	11,100		6,100	
41.02	Communication - Postage/Freight	3,870		3,870	



FY 2011 and FY 2012 Expense Detail

ACCOUNT	DESCRIPTION	FY 2011 BUDGET AS AMENDED	%	FY 2012 PROPOSED BUDGET	%
41.06	Cellular Phone	7,744		1,708	
42.02	Routine Travel - Auto Mileage-Employees	5,300		5,300	
42.06	Contracted Transportation	1,200		1,200	
42.07	Routine Travel - Travel, Meals & Lodging	5,000		5,000	
42.09	Business Meetings & Meals	4,000		4,000	
44.01	Insurance - General Insurance Premium	99,526		99,526	
48.01	Public Utility Svcs - Utilities	26,700		32,100	
48.02	Public Utility Svcs - Telephone Lines	1,700		1,700	
48.04	Water	8,400		10,400	
48.05	Waste Disposal	4,400		5,600	
48.06	Gas	5,946		5,946	
60.08	OPS-Contracted Employees	26,000		26,000	
61.02	Rent - Land & Buildings	32,600		32,600	
60.27	Printing	54,500		54,500	
60.29	Advertising (includes \$25,000 public notice)	92,250		92,250	
60.37	OPS-Retirement fees	12,000		12,000	
60.37	OPS-Benefit Services	86,500		86,500	
60.40	OPS - Reimbursed Services - Travis County	88,351		108,351	
60.50	OPS-CAN	25,000		25,000	
60.50	Custodial	85,900		124,775	
60.52	Security	51,670		95,670	
60.53	Records storage	8,965		8,965	
61.03	Rent - Office Equipment	28,000		28,000	
61.04	Rents & Leases (property)	-		94,000	
64.05	Employee Training - Employee Relocation Exp	5,000		-	
64.06	Employee Relations	17,000		42,000	
65.01	Prof Dev - Subscriptions & Publications	12,700		12,700	
65.02	Prof Dev-Professional Memberships	9,323		34,323	
65.03	Prof Dev-Travel Meals & Lodging	19,250		19,250	
65.04	Prof Dev - Training & Seminars	36,064		36,064	
65.05	Prof Dev-Professional Licenses	675		675	
75.21	Misc - Legislative Services	163,200		163,200	
75.22	Misc - Employment Recruiting	3,300		3,300	
98.92	Reserve for property insurance, utilities	400,000		300,000	
	Subtotal Operating Expense	2,897,354	2.49%	3,046,793	2.43%
	Total Administration	6,095,471	5.23%	6,410,121	5.11%



FY 2011 and FY 2012 Expense Detail

ACCOUNT	DESCRIPTION	FY 2011 BUDGET AS AMENDED	%	FY 2012 PROPOSED BUDGET	%
	Tax Collection				
60.03	OPS - Appraisal District Svcs	371,980		409,178	
60.04	OPS - Tax Collector	430,000		473,000	
	Subtotal Tax Collection Expense	801,980	0.69%	882,178	0.70%
	Tobacco Settlement				
72.00	Tobacco Settlement Rcvd-payable to Travis County	268,576		143,000	
72.20	Tobacco Settlement Paid to Travis County	(268,576)		(143,000)	
72.10	Tobacco Settlement Received-payable to Seton	632,500		338,000	
72.30	Tobacco Settlement Paid to Seton	(632,500)		(338,000)	
	Subtotal Tobacco Settlement	-			
	Disproportionate Share Program				
71.00	Disproportionate Share/Upper Payment Limit IGT sent	70,786,418		42,423,584	
71.20	Disproportionate Share/Upper Payment Limit IGT sent	(70,786,418)		(42,423,584)	
71.10	Disproportionate Share Received payable to Seton	17,252,548		10,339,765	
71.30	Disproportionate Share Paid - Seton	(17,252,548)		(10,339,765)	
	Subtotal Disproportionate Share	-		-	
	TOTAL EXPENSE	116,456,734	100.00%	125,480,632	100.00%
	Tax Collection Expense	(801,980)		(882,178)	
	TOTAL EXPENSE LESS PASS THROUGH & TAX COLLECTION	115,654,754		124,598,454	
	RESERVES				
98.60	Capital Reserve	6,568,394		-	
98.91	HMO - Risk-Based Capital	-		15,083,000	
98.91	Contingency Reserve (formerly Allocated Reserve)	26,300,842		41,974,471	
98.98	Emergency Reserve (formerly Unallocated Reserve)	56,947,672		35,792,220	
	Total	89,816,908		92,849,691	
	CAPITAL BUDGET				
81.12	Land	-		-	
81.04	Building	-		-	
81.02	Facility Improvements	12,612,000		850,000	
80.02	Equipment & Information Systems	910,400		1,000,000	
	Total Capital	13,522,400		1,850,000	